

## INDIVIDUAL ACCOUNTABILITY (DUAL-REGULATED FIRMS) INSTRUMENT 2018

### Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 59 (Approval for particular arrangements);
  - (2) section 59AB(1) (Specifying functions as controlled functions: transitional provision);
  - (3) section 60 (Applications for approval);
  - (4) section 60A (Vetting candidates by authorised persons);
  - (5) section 61 (Determination of applications);
  - (6) section 62A (Changes to responsibilities of senior managers);
  - (7) section 63ZA (Variation of senior manager’s approval at request of authorised person);
  - (8) section 63ZD (Statement of policy relating to conditional approval and variation);
  - (9) section 63C (Statement of policy);
  - (10) section 63E (Certification of employees by authorised persons);
  - (11) section 63F (Issuing of certificates);
  - (12) section 64A (Rules of conduct);
  - (13) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
  - (14) section 69 (Statement of policy);
  - (15) section 137A (The FCA’s general rules);
  - (16) section 137T (General supplementary powers);
  - (17) section 138D (Action for damages);
  - (18) section 139A (Power of the FCA to give guidance);
  - (19) section 395 (The FCA’s and PRA’s procedures);
  - (20) paragraph 23 of Schedule 1ZA (Fees); and
  - (21) regulations 4 and 5 of the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on 10 December 2018 except as follows:

Annex	Date comes into force
Part 1 of Annex O	28 September 2018
Part 1 of Annex Y	28 September 2018
Part 1 of Annex C	1 November 2018
Part 2 of Annex O	1 November 2018

Part 2 of Annex Y	1 November 2018
Part 2 of Annex B	10 December 2019
Part 2 of Annex D	10 December 2019

### Amendments to the Handbook

- D. The FCA’s Handbook of rules and guidance is amended in accordance with paragraphs E, F, G, H and I of this instrument.
- E. Amendments to the numbering and location of, and deletions of, provisions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and Chapter 10C of the Supervision manual (SUP) are set out in the tables in Annex A.

Except as further amended by paragraphs F, G and H of this instrument, the provisions in column B of the tables in Annex A otherwise remain in full force and effect.

- F. (1) Cross-references throughout the FCA’s Handbook to provisions listed in column A of the tables in Annex A of this instrument are amended accordingly, but only where both the existing and revised cross-reference is a reference in one of the following forms (but the existing and revised cross-references need not be in the same form):
- (a) an annex;
  - (b) a section; or
  - (c) a paragraph with a letter designating the legal nature of the provision, such as a rule (designated with an “R”) or guidance (designated with a “G”), if that paragraph is in a form not including any sub-paragraph numbering or lettering after the letter designating the legal nature of the provision.
- (2) A cross-reference in a provision deleted under paragraph G or J of this instrument is not updated under this paragraph F.
- (3) This paragraph F does not apply to an existing cross-reference that also covers a provision neither renumbered nor deleted by paragraph E.

- G. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below (as amended, where applicable, by paragraphs E and F of this instrument) are amended or, as the case may be, further amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
Glossary of definitions	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C
Code of Conduct (COCON)	Annex D
Threshold Conditions (COND)	Annex E
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex F

The Fit and Proper test for Approved Persons and specified significant-harm functions (FIT)	Annex G
Training and Competence (TC)	Annex H
General Provisions (GEN)	Annex I
Prudential sourcebook for Investment Firms (IFPRU)	Annex J
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex K
Conduct of Business sourcebook (COBS)	Annex L
Client Assets (CASS)	Annex M
Market Conduct sourcebook (MAR)	Annex N
Supervision manual (SUP)	Annex O
Decision Procedure and Penalties Manual (DEPP)	Annex P
Dispute Resolution: Complaints (DISP)	Annex Q
Credit Unions sourcebook (CREDS)	Annex R
Consumer Credit sourcebook (CONC)	Annex S

- H. In each case in which one of the Annexes listed in column (2) of the table in paragraph G of this instrument says that the module of the FCA's Handbook of rules and guidance to which that Annex relates is amended by inserting a new form into that module or by amending a form in that module as set out in Annex Y of this instrument, that module is amended accordingly.
- I. The Fit and Proper test for Approved Persons and Specified significant-harm functions (FIT) module of the FCA's Handbook of rules and guidance is renamed the Fit and Proper test for Employees and Senior Personnel.

#### **Amendments to the material outside the Handbook**

- J. The material outside the Handbook listed in column (1) below is amended in accordance with the Annexes to this instrument listed in column (2) below:

(1)	(2)
The Energy Market Participants guide (EMPS)	Annex T
The Oil Market Participants guide (OMPS)	Annex U
Service companies guide (SERV)	Annex V
Benchmark Administration, Contribution and Use (BENCH)	Annex W
The Enforcement Guide (EG)	Annex X

- K. Paragraph F of this instrument also applies to material outside the Handbook listed in paragraph J.

**Notes**

- L. In this instrument, notes shown as “*Editor’s note:*” are intended for the convenience of the reader and do not form part of the legislative text.

**Citation**

- M. This instrument may be cited as the Individual Accountability (Dual-Regulated Firms) Instrument 2018.

By order of the Board  
27 September 2018

## Annex A

**Renumbering and deletions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and the Supervision manual (SUP)**

<b>Renumbering and deletions in SYSC</b>	
<b>(A) Old heading and numbering</b>	<b>(B) New heading, numbering and deletions</b>
4.5 Management responsibilities maps for UK relevant authorised persons	Deleted
Application	Application and purpose (Section heading for 25.1)
4.5.1R	25.1.1R
4.5.2R	25.1.3R
4.5.3R	25.1.2R
General rule	General rule
4.5.4R	25.2.1R
4.5.5R	25.2.2R
4.5.6G(1) and (2)	25.1.6G(1) and (2)
Specific requirements	Specific requirements
4.5.7R	25.2.3R
4.5.8R	25.2.4R
Guidance about what should be in a management responsibilities map	Guidance about what should be in a management responsibilities map (Section heading for 25.4)
4.5.9G(1)	25.4.1G
4.5.9G(2)	25.4.2G
4.5.10G	25.4.3G
4.5.11G	25.4.4G

<b>Renumbering and deletions in SYSC</b>	
<b>(A) Old heading and numbering</b>	<b>(B) New heading, numbering and deletions</b>
4.5.12G(1)	Deleted
4.5.12G(2)	25.4.5G
4.5.12G(3)	25.4.6G
4.5.12G(4)	25.4.7G
4.5.12G(5)	25.4.8G
4.5.12G(6)	25.4.11G
4.5.12G(7)	25.4.9G
4.5.12G(8)	25.4.10G
4.5.12G(9)	25.4.12G
Small firms	Small firms
4.5.13G(1)	25.5.14G(1)
4.5.13G(2)	24.3.5G
Single document	Management responsibilities map should be a single document
4.5.14R	25.5.1R
4.5.15G(1) to (4)	25.5.2G(1) to (4)
4.5.15G(5)	25.5.3G
Purpose of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)	Purpose of SYSC 25 Annex 1G
4.5.16G(1)	Deleted
4.5.16G(2) and (3)	25.7.2G(1) and (2)
4.5.16G(4)	25.7.4G
4.5.16G(5)	25.7.3G
4.5.17G	Deleted

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
Contents of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)	Contents of SYSC 25 Annex 1G
4.5.18G	25.7.6G
4.5.19G	25.7.7G
4.5.20G	25.7.8G
Records	Management responsibilities maps: Records (Section heading for 25.8)
4.5.21G	25.8.1G
4.5.22G	25.8.2G
4.6 Management responsibilities maps for non-UK relevant authorised persons	Deleted
Application	Deleted
4.6.1R	25.1.4R
4.6.2R	Deleted
4.6.3R	Deleted
4.6.4G	Deleted
Purpose	Deleted
4.6.5G(1)	Deleted
4.6.5G(2)	25.6.3G
General rule for third-country relevant authorised persons	Deleted
4.6.6R	Deleted
4.6.7R	Deleted
4.6.8G	Deleted

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
Specific requirements for third-country relevant authorised persons	Deleted
4.6.9R(1)	Deleted
4.6.9R(2)	25.1.5R
4.6.10R	Deleted
Single document	Deleted
4.6.11R	Deleted
Guidance about management responsibilities maps for a branch maintained by a third-country relevant authorised person	Deleted
4.6.12G	Deleted
4.6.13G	Deleted
4.6.14G	Deleted
Management responsibilities maps for EEA relevant authorised persons: General rule	Deleted
4.6.15R	Deleted
4.6.16R	Deleted
Responsibilities maps for EEA relevant authorised persons: purpose	Deleted
4.6.17G(1)	25.6.2G(1)
4.6.17G(2)	25.6.2G(2)
4.6.17G(3)	25.1.6G(3)
4.6.17G(4)	25.6.2G(4)
Responsibilities maps for EEA relevant authorised persons: detailed requirements	Deleted
4.6.18R	Deleted



<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
4.6.19R	Deleted
Responsibilities maps for EEA relevant authorised persons: leaving out information already supplied	Leaving out information already supplied
4.6.20R	25.6.5R
4.6.21G	25.6.6G
4.6.22G	25.6.7G
4.6.23G	25.6.8G
4.6.24G	25.6.9G
Management responsibilities maps for EEA relevant authorised persons: Single document	Deleted
4.6.25R	Deleted
Management responsibilities maps for EEA relevant authorised persons: guidance about what should be included	Deleted
4.6.26G	25.6.10G
4.6.27G	Deleted
4.6.28G	Deleted
Management responsibilities maps for small branches maintained by non-UK relevant authorised persons	Deleted
4.6.29G	Deleted
4.7 Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities	Deleted
Application	Application (Section heading for SYSC 24.1)

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
4.7.1R	24.1.1R
4.7.2R	24.1.3R
4.7.3R	24.1.2R
Purpose of this section	Deleted
4.7.4G	Deleted
Allocation of FCA-prescribed senior management responsibilities	Allocation of FCA-prescribed senior management responsibilities
4.7.5R(1)	24.2.1R
4.7.5R(2)	Deleted
4.7.5R(3)	Deleted
4.7.5R(4)	Deleted
4.7.5R(5)	24.2.3R(1)
4.7.5R(6)	24.2.3R(2)
4.7.5R(7)	24.2.4R
4.7.6R	24.2.5R
4.7.7R	24.2.6R
4.7.8R(1)	26.3.1R
4.7.8R(2)	26.4.2R
4.7.8R(3)	26.3.4R
4.7.9G	Deleted
4.7.10G	Deleted
Meaning of overall responsibility	Deleted
4.7.11G	26.7.2G
4.7.12G	26.6.7G

<b>Renumbering and deletions in SYSC</b>	
<b>(A) Old heading and numbering</b>	<b>(B) New heading, numbering and deletions</b>
4.7.13G	26.7.4G
4.7.14G	26.7.5G
4.7.15G	Deleted
4.7.16G	Deleted
4.7.17G	Deleted
4.7.18G	26.4.5G
Who functions should be allocated to	Who prescribed responsibilities should be allocated to (Section heading for 24.3)
4.7.19G	Deleted
4.7.20G	Deleted
4.7.21G(1)	Deleted
4.7.21G(2)	26.9.1G
4.7.22G	Deleted
4.7.23G	26.9.4G
4.7.24G(1)	24.3.2G
4.7.24G(2)	24.3.3G
4.7.24G(3)	24.3.1G
4.7.24G(4)	Deleted
4.7.24G(5)	24.3.4G
Dividing and sharing management functions between different people	Dividing and sharing management functions between different people
4.7.25G(1)	24.3.7G
4.7.25G(2)	24.3.8G

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
4.7.26G	24.3.9G
4.7.27G	24.3.10G
4.7.28G	24.3.11G
4.7.29G	24.3.12G
Allocation of responsibilities and territorial scope	Allocation of responsibilities and territorial scope
4.7.30G	24.3.13G
Group management arrangements and outsourcing	Group management arrangements and outsourcing (Section heading for 26.10)
4.7.31G	26.10.1G
4.7.32G	26.10.3G
4.7.33G	Deleted
4.7.34G	26.10.2G
Link between the senior management regime and this section	Link between designated senior management functions and this chapter
4.7.35G	Deleted
4.7.36G	26.11.1G(1) to (3)
Link between SYSC 4 Annex 1G and this section	Link between SYSC 25 Annex 1G and this chapter
4.7.37G	26.11.2G
4.7.38G	26.11.3G
4.8 Senior management responsibilities for third-country relevant authorised persons: allocation of responsibilities	Deleted
4.8.1R	Deleted

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
4.8.2R	26.1.5R
4.8.3R	26.1.4R
4.8.4R	26.1.2R
Purpose	Purpose (Section heading for SYSC 26.2)
4.8.5G	26.2.1G
Allocation of FCA-prescribed senior management responsibilities for third-country relevant authorised persons	Deleted
4.8.6R	Deleted
4.8.7R	Deleted
4.8.8G	24.3.14G
4.8.9R	Deleted
Local responsibility for a branch's activities, business areas and management functions	Deleted
4.8.10R(1) to (3)	26.3.2R(1) to (3)
4.8.10R(4)	26.3.3R
4.8.10R(5)	Deleted
4.8.10R(6)	26.4.3R
4.8.10R(7)	Deleted
4.8.11G(2)	26.6.4G(1)
4.8.11G(3)	26.6.4G(2)
4.8.11G(1), (4), (5) and (6)	Deleted
Meaning of local responsibility: general	Deleted
4.8.12G	26.6.6G

<b>Renumbering and deletions in SYSC</b>	
<b>(A) Old heading and numbering</b>	<b>(B) New heading, numbering and deletions</b>
4.8.13G(1)	Deleted
4.8.13G(2)	26.4.4G
4.8.14G	Deleted
Meaning of local responsibility in SYSC 4.8.10R(1): overall responsibility	Deleted
4.8.15G	Deleted
4.8.16G	Deleted
4.8.17G	26.7.3G
4.8.18G	26.7.6G
4.8.19G	Deleted
Meaning of local responsibility in SYSC 4.8.10R(2)	Deleted
4.8.20G(1)	26.8.1G
4.8.20G(3)	26.8.2G
4.8.20G(2) and (4)	Deleted
Who functions should be allocated to	Who functions should be allocated to (Section heading for SYSC 26.9)
4.8.21G	Deleted
4.8.22G	26.9.2G
4.8.23G	Deleted
4.8.24G	Deleted
4.8.25G	Deleted
4.8.26G	26.8.4G
Setting overall strategy for a branch	Branches: Setting overall strategy for a branch

<b>Renumbering and deletions in SYSC</b>	
<b>(A) Old heading and numbering</b>	<b>(B) New heading, numbering and deletions</b>
4.8.27G	26.8.3G
Not giving too much responsibility to one individual	Not giving too much responsibility to one individual
4.8.28G(1) to (4)	Deleted
4.8.28G(5)	26.9.5G
Group arrangements and outsourcing	Deleted
4.8.29G	Deleted
Allocation of responsibility for transactions	Allocation of responsibility for transactions in branches
4.8.30G	26.5.3G
Application of SYSC 4.7 to branches maintained by third-country relevant authorised persons	Deleted
4.8.31R	Deleted
Link between the senior management regime and this section	Deleted
4.8.32G	Deleted
4.8.33G(1)	Deleted
4.8.33G(2)	26.11.1G(4)
4.8.34G	26.11.1G(5)
Link between SYSC 4 Annex 1G and this section	Deleted
4.8.35G	Deleted
4.9 Handover procedures and material	Handover procedures and material (Section heading for 25.9)
Application	Application

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
4.9.1R(1)	25.9.1R
4.9.1R(2)	25.9.2R
4.9.2R	Deleted
4.9.3R	Deleted
Rules about handover material	Rules about handover material
4.9.4R	25.9.4R
4.9.5R	25.9.5R
4.9.6G	25.9.6G
4.9.7G	25.9.7G
Handover arrangements and certificates	Handover arrangements and certificates
4.9.8G	25.9.8G
Application of this section to other parts of a firm's management	Application of this section to other parts of a firm's management
4.9.9G	25.9.9G
4 Annex 1G The main business activities and functions of a relevant authorised person	25 Annex 1G Examples of the business activities and functions of an SMCR firm
5.2 Certification regime	Senior managers and certification regime: Certification regime (Chapter heading for 27)
Application	Application and purpose (Section heading for 27.1)
5.2.1R	27.1.1R
5.2.2G	27.1.2G
Purpose	Purpose
5.2.3G	27.1.3G



<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
General requirements	Basic requirements
5.2.4G	27.2.3G
5.2.5G(1)	Deleted
5.2.5G(2)	27.2.2G
Fitness to act	Fitness to act
5.2.6G	27.2.4G
5.2.7G	27.2.5G
5.2.8G	27.2.6G
5.2.9G	27.2.7G
5.2.10G	27.2.8G
Issuing and renewing certificates	Issuing and renewing certificates
5.2.11G	27.2.9G
5.2.12G	27.2.10G
5.2.13G	27.2.11G
5.2.14G	27.2.12G
5.2.15G	27.2.13G
5.2.16G(1)	27.2.14G(1)
5.2.16G(2)	27.2.14G(4)
5.2.16G(3)	27.2.14G(5)
5.2.17G(1)	27.2.15G(1) and 27.2.15G(2)
5.2.17G(2)	27.2.15G(3)
5.2.17G(3)	27.2.15G(4)
5.2.17AG	27.2.16G

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
Scope: general requirements	General requirements
5.2.18R	27.6.1R
Scope: territorial scope	Deleted
5.2.19R	27.3.1R
5.2.20G	27.3.2G
5.2.20AG	27.3.3G
Scope: employees	Employees
5.2.21G	27.4.1G
5.2.22G	27.4.2G
Scope: effect of PRA requirements	Effect of PRA requirements
5.2.23G	27.4.3G
Scope: exclusions	Exclusions
5.2.24G	27.6.1G
5.2.25R	27.6.2R
5.2.26R	27.6.3R
Scope: emergency appointments	Emergency appointments
5.2.27R	27.5.1R
5.2.28G	27.5.2G
Scope: temporary UK role (the 30-day rule)	Temporary UK role (the 30-day rule)
5.2.28AR	27.5.3R
5.2.28BG	27.5.4G
5.2.28C(1)G	27.5.5G
5.2.28C(2)G	27.5.6G

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
Scope: FCA-specified significant-harm functions	FCA certification functions
5.2.29R	27.7.2R
5.2.30R	27.7.3R
5.2.31G	27.7.4G
CASS oversight function	CASS oversight function
5.2.32R	27.8.1R
5.2.32AR	27.8.2G
Proprietary trader function	Proprietary trader function
5.2.34R	27.8.3R
Significant management function	Significant management function
5.2.35R	27.8.4R
5.2.36G	27.8.5G
5.2.37G	27.8.8G
5.2.38G	27.8.9G
Functions requiring qualifications	Functions requiring qualifications
5.2.39R	27.8.10R
5.2.40G	27.8.11G
Managers of certification employees	Managers of certification employees
5.2.41R	27.8.13R
Material risk takers	Material risk takers
5.2.42R	Deleted
5.2.43G	Deleted
Client-dealing function	Client-dealing function

<b>Renumbering and deletions in SYSC</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
5.2.44R	27.8.18R
5.2.45R	27.8.19R
5.2.46G	27.8.20G
5.2.47G	27.8.21G
5.2.48G	27.8.22G
Algorithmic trading function	Algorithmic trading function
5.2.49R	27.8.23R
5.2.50R(1)	27.8.24R
5.2.50R(2)	Deleted
5.2.51G	27.8.25G
5.2.52G	27.8.26G
5.2.53G	27.8.27G
5.2.54G	27.8.28G
5.2.55G	27.8.29G
5.2.56G	27.8.30G
5.2.57G	27.8.31G
5 Annex 1G Examples of how the temporary UK role rule in SYSC 5.2.28A (the 30-day rule) works	27 Annex 1G Examples of how the temporary UK role rule in SYSC 5.2.28AR (the 30-day rule) works

<b>Renumbering and deletions in SUP 10C.5</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
Chairman of the nomination committee function (SMF13)	Chairman of the nomination committee function (SMF13)

<b>Renumbering and deletions in SUP 10C.5</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
10C.5.2R	10C.5A.3R
10C.5.3G	10C.5A.4G
10C.5.4G	Deleted
Non-executive directors	Non-executive directors
10C.5.6G	10C.5A.1G

<b>Renumbering of SUP 10C.8</b>	
<b>(A)</b> <b>Old heading and numbering</b>	<b>(B)</b> <b>New heading, numbering and deletions</b>
EEA branch senior manager function (SMF21)	EEA branch senior manager function (SMF21) (Section heading for SUP 10C.8A)
10C.8.4R	10C.8A.2R
10C.8.5G	10C.8A.3G
10C.8.6G	10C.8A.4G
10C.8.7G	10C.8A.5G

## Annex B

### Amendments to the Glossary of definitions

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

#### Part 1: Comes into force 10 December 2018

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

<i>authorised approved person employer</i>	(in relation to an <i>approved person</i> with a <i>current approved person approval</i> ) the <i>firm</i> on whose application approval for the performance of the <i>controlled function</i> was given under section 59 of the <i>Act</i> (Approval for particular arrangements).
<i>certification function</i>	an <i>FCA certification function</i> or a <i>PRA certification function</i> .
<i>compliance requirements for SMCR firms</i>	any of the following requirements: <ul style="list-style-type: none"> <li>(a) <i>SYSC 3.2.8R</i> (The compliance function);</li> <li>(b) <i>SYSC 6.1</i> (Compliance);</li> <li>(c) article 22 of the <i>MiFID Org Regulation</i> (Compliance); or</li> <li>(d) article 22 of the <i>MiFID Org Regulation</i> (as applied in accordance with <i>SYSC 1 Annex 1 2.8AR</i>, <i>SYSC 1 Annex 1 3.2-AR</i>, <i>SYSC 1 Annex 1 3.2-BR</i>, <i>SYSC 1 Annex 1 3.2CR</i> and <i>SYSC 1 Annex 1 3.3R</i>).</li> </ul>
<i>conduct risk oversight (Lloyd's) function</i>	<i>FCA controlled function</i> SMF23b in the <i>table of FCA-designated senior management functions</i> , described more fully in <i>SUP 10C.6.4R</i> .
<i>EEA SMCR banking firm</i>	a <i>firm</i> identified as an EEA SMCR banking firm in the decision tree in <i>SYSC 23 Annex 1</i> (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.
<i>EEA SMCR firm</i>	(a) an <i>EEA SMCR banking firm</i> ; or <ul style="list-style-type: none"> <li>(b) any other <i>SMCR firm</i> that is an <i>incoming EEA firm</i> or <i>incoming Treaty firm</i>.</li> </ul>

<i>executive director function</i>	<i>FCA controlled function</i> SMF3 in the table of <i>FCA-designated senior management functions</i> , described more fully in <i>SUP</i> 10C.5.1R to 10C.5.12R.
<i>FCA certification function</i>	a <i>significant-harm function</i> that has been specified under section 63E of the <i>Act</i> (Certification of employees by authorised persons) by the <i>FCA</i> (see <i>SYSC</i> 27.7.3R (Table: <i>FCA</i> certification functions)) and which consequently is a specified function as defined in section 63E(2) of the <i>Act</i> .
<i>internal audit requirements for SMCR firms</i>	any of the following requirements: <ul style="list-style-type: none"> <li>(a) <i>SYSC</i> 3 (Systems and controls) insofar as it relates to internal audit;</li> <li>(b) <i>SYSC</i> 6.2 (Internal audit);</li> <li>(c) article 24 of the <i>MiFID Org Regulation</i> (Internal audit); or</li> <li>(d) article 24 of the <i>MiFID Org Regulation</i> (Internal audit) (as applied in accordance with <i>SYSC</i> 1 Annex 1 2.8AR, <i>SYSC</i> 1 Annex 1 3.2-AR, <i>SYSC</i> 1 Annex 1 3.2-BR, <i>SYSC</i> 1 Annex 1 3.2CR and <i>SYSC</i> 1 Annex 1 3.3R).</li> </ul>
<i>MiFID authorisation and management body change notification ITS</i>	Commission Implementing Regulation 2017/1945 of 19 June 2017 laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms.
<i>overseas SMCR firm</i>	an <i>SMCR firm</i> that is an <i>overseas firm</i> .
<i>PRA certification function</i>	a <i>significant-harm function</i> that has been specified by the <i>PRA</i> under section 63E of the <i>Act</i> (Certification of employees by authorised persons) and which consequently is a specified function as defined in section 63E(2) of the <i>Act</i> .
<i>risk control requirements for SMCR firms</i>	any of the following requirements: <ul style="list-style-type: none"> <li>(a) <i>SYSC</i> 3 (Systems and Controls) insofar as it relates to risk controls;</li> <li>(b) <i>SYSC</i> 7.1.6R, <i>SYSC</i> 7.1.21R and <i>SYSC</i> 7.1.22R;</li> <li>(c) <i>COLL</i> 6.11 (Risk control and internal reporting);</li> <li>(d) article 23 of the <i>MiFID Org Regulation</i> (Risk management); or</li> </ul>

	(e) article 23(2) of the <i>MiFID Org Regulation</i> (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R).
<i>SMCR banking firm</i>	any of the following: <ul style="list-style-type: none"> <li>(a) a <i>UK SMCR banking firm</i>;</li> <li>(b) an <i>EEA SMCR banking firm</i>; or</li> <li>(c) a <i>third-country SMCR banking firm</i>.</li> </ul>
<i>SMCR financial activities</i>	any of the following: <ul style="list-style-type: none"> <li>(a) <i>regulated activities</i>;</li> <li>(b) an activity carried on in connection with a <i>regulated activity</i> (whether current, past or contemplated);</li> <li>(c) an activity held out as being for the purposes of a <i>regulated activity</i> (whether current, past or contemplated);</li> <li>(d) activities that constitute <i>dealing in investments as principal</i>, disregarding the exclusion in article 15 of the <i>Regulated Activities Order</i> (Absence of holding out etc); or</li> <li>(e) activities listed in points 2 to 15 of Annex I to the <i>CRD</i> (List of activities subject to mutual recognition).</li> </ul>
<i>SMCR firm</i>	a <i>firm</i> identified as an SMCR firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).
<i>SMCR insurance firm</i>	a <i>firm</i> identified as an SMCR insurance firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).
<i>table of FCA-designated senior management functions</i>	the table of <i>FCA-designated senior management functions</i> in SUP 10C.4.3R.
<i>third-country SMCR banking firm</i>	a <i>firm</i> identified as a third-country SMCR banking firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.
<i>UK SMCR banking firm</i>	a <i>firm</i> identified as a UK SMCR banking firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.



- UK SMCR firm*
- (a) a *UK SMCR banking firm*; or
  - (b) any other *SMCR firm* that is a *UK domestic firm*.

Amend the following definitions as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

*accountable functions* (in relation to an *approved person*) the functions described in *APER 1.1A.2P 1.1A.2R*, which are in summary:

- (a) *FCA controlled functions* in *SUP 10A (FCA Approved Persons)*; and
- (b) ~~*PRA controlled functions*~~; and ~~[deleted]~~
- (c) any other functions of the *approved person* in relation to the carrying on of a *regulated activity*;

in relation to ~~the *authorised persons* in relation to which that *person* is an *approved person*~~ *approved person's authorised approved person employer*.

*accountable higher management function* (in *APER*) any *accountable function* that is :

- ~~(a)~~ an *FCA controlled function* that is a *significant-influence function*; ~~or~~ .
- ~~(b)~~ a ~~*PRA controlled function*~~.

*advising on investments*

- (1) (except in *SUP 10A (FCA Approved Persons)*, *SYSC 27 (Senior managers and certification regime: Certification regime)*, *APER* and *CONRED 2*) the *regulated activities*, specified in article 53(1) to (1D) and article 53(2) of the *Regulated Activities Order* (Advising on investments), which are:
  - (a) *advising on investments (except P2P agreements)*; and
  - (b) *advising on P2P agreements*.
- (2) (in *SUP 10A (FCA Approved Persons)*, *SYSC 27 (Senior managers and certification regime: Certification regime)* and *APER*) the *regulated activities* specified in articles 53(1) to (1D) and 53(2) (Advising on investments) of the *Regulated Activities Order*. For these purposes, *advising on investments* includes any activities that would be included

but for the exclusion in article 72AA (Managers of UCITS and AIFs) of the *Regulated Activities Order*.

(3) ...

*apportionment and oversight function*

*FCA controlled function CF8 in ~~Parts 1 and Part 2~~ of the table of FCA controlled functions, described more fully in SUP 10A.7.1R.*

*CASS operational oversight function*

*FCA controlled function CF10a in ~~Parts 1 and 2~~ of the table of FCA controlled functions, described more fully in SUP 10A.7.9R.*

*certification employee*

(1) (as described in more detail in section 63E(1) of the *Act* (Certification of employees by ~~relevant~~ authorised person)) an employee (as defined) of ~~a relevant authorised person~~ an SMCR firm who has a valid certificate issued by that ~~relevant authorised person~~ SMCR firm.

(2) (in relation to an SMCR insurance firm) an employee (as defined in section 63E of the Act) of an SMCR firm who performs a certification function under an arrangement entered into by the SMCR firm in relation to the carrying on by the SMCR firm of a regulated activity, even though the obligation of the SMCR firm to issue a certificate under section 63F of the Act has not yet come into force.

[Note: Paragraph (2) of this definition applies until (but not on) 10<sup>th</sup> December 2019.]

*chair of the nomination committee function*

(1) ~~(for a relevant authorised person) FCA controlled function SMF13 in Part 1 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons)~~ table of FCA-designated senior management functions, described more fully in SUP 10C.5A.3R; ~~;~~

(2) ~~(for certain Solvency II firms including a large non-directive insurer) the FCA controlled function CF2a in Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.15AR.~~

*chair of the with-profits committee function*

~~(for certain Solvency II firms) FCA controlled function CF2b SMF15 in Part 2 of the table of FCA-controlled FCA-designated senior management functions, described more fully in SUP 10A.6.15BR~~ SUP 10C.5A.5R to SUP 10C.5A.6R.

*chief executive function*

*FCA controlled function CF3 in ~~Part 1 and Part 2~~ of the table of FCA controlled functions, described more fully in SUP 10A.6.17R.*

*compliance oversight function*

(1) (for ~~relevant authorised persons~~ SMCR firms) *FCA controlled function SMF16 in Part 1 of the table in SUP 10C.4.3R (Table of FCA-designated senior management*

~~functions for relevant authorised persons) the table of FCA-designated senior management functions, described more fully in SUP 10C.6.1R; and~~

- (2) ~~(for other firms) FCA controlled function CF10 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.8R.~~

*controlled function*

a function, relating to the carrying on of a *regulated activity* by a *firm*, which is specified by:

- (a) either the *FCA* in:
- (i) ~~(for relevant authorised persons SMCR firms) the tables in SUP 10C.4.3R (Table of FCA designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions; or~~
  - (ii) ~~(for other firms and in relation to appointed representatives) the table of FCA controlled functions; or~~
- (b) the *PRA* in:
- (i) ~~(for relevant authorised persons CRR firms, credit unions and third country CRR firms (as defined in the PRA Rulebook)) the part of the PRA's rulebook PRA Rulebook titled 'Senior Management Functions', which specifies controlled functions); or~~
  - (ii) ~~(for Solvency II firms including large non-directive insurers, and for small non-directive insurers) the Senior Insurance Management Functions parts of the PRA Rulebook; Rulebook applicable to Solvency II Firms and Non-Solvency II Firms; or~~
  - (iii) ~~or~~

under section 59 of the *Act* (Approval for particular arrangements).

*current approved person approval*

(in relation to an *approved person* in relation to a particular *firm* and *controlled function* as at any particular time) an approval under section 59 of the *Act* (Approval for particular arrangements) given by the *FCA* or the *PRA* in relation to that *person* for the performance of that *controlled function* in relation to that *firm* that is in force at that time.

An approval is treated as having been given by the *FCA* or the *PRA* if it is deemed to have been given by either of them for the purposes of the *Act* by:

	(a) <u>an Act or any subordinate legislation made under that Act;</u> <u>or</u>
	(b) <u>rules made by the FCA or the PRA.</u>
<i>customer function</i>	<i>FCA controlled function</i> CF30 in <del>Parts 1 and 2</del> of the <i>table of FCA controlled functions</i> , described more fully in SUP 10A.10.7R.
<i>designated senior management function</i>	<u>(in accordance with section 59ZB of the Act (Designated senior management functions):</u>
	(a) a <u><i>controlled function</i> function</u> that has been designated by the FCA in SUP 10C (FCA senior managers regime for <u>approved persons in SMCR firms</u> ) as a <u>designated senior management function</u> ; or
	(b) a function of a description specified in rules made by the PRA as a <u>senior management function</u> under section 59(3)(a) of the Act (Approval for particular arrangements).
<i>director</i>	(1) ... ... (c) in SYSC, <u>APER, COCON, MIPRU 2</u> (Responsibility for insurance distribution and MCD credit intermediation activity), SUP 10A (FCA Approved persons) and SUP 10C (FCA senior <u>management managers</u> regime for approved persons in <u>relevant authorised persons SMCR firms</u> ) a <u>partnership</u> ; ... ...
<i>director function</i>	<i>FCA controlled functions function</i> CF1 in <del>Part 1 and, for a Solveney II firm (including a large non-directive insurer) and a small non-directive insurer, Part 2</del> of the <i>table of FCA controlled functions</i> , described more fully in SUP 10A.6.7R and SUP 10A.6.8R.
<i>director of unincorporated association function</i>	<i>FCA controlled function</i> CF5 in <del>Part 1</del> of the <i>table of FCA controlled functions</i> , described more fully in SUP 10A.6.29R.
<i>EEA branch senior manager function</i>	<i>FCA controlled function</i> SMF21 in <del>Part 2</del> of the <del>table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons)</del> <i>table of FCA-designated senior management functions</i> , described more fully in SUP 10C.8A.2R.
<i>employee</i>	...

- (3) (for the purposes of ~~SYSC 5.2~~ SYSC 27 (Senior management and certification regime: Certification regime) and the definition of *certification employee*) has the meaning in section 63E(9) of the *Act* (Certification of employees by ~~relevant~~ authorised persons) which, in summary, says an employee of a *person* (the “employer”) includes a reference to a *person* who:

...

...

*FCA controlled function*

a *controlled function* which is specified by the *FCA* under section 59 of the *Act* (Approval for particular arrangements) in:

- (a) (for ~~relevant authorised persons~~ SMCR firms) the ~~tables in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons)~~ table of FCA-designated senior management functions; or
- (b) (for other *firms* and in relation to appointed representatives) the *table of FCA controlled functions*.

*FCA governing functions*

any of the ~~following~~ *FCA controlled functions* labelled as *FCA governing functions* in the table of FCA-designated senior management functions or in the table of FCA controlled functions. ÷

- (a) (for ~~relevant authorised persons~~) *FCA controlled functions* SMF3 and SMF13 in Parts 1 and 3 of the ~~table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons)~~;
- (b) (for a *Solvency II firm*, including a *large non-directive insurer*) *FCA controlled functions* CF1, CF2a, CF2b, CF5 and, for *large non-directive insurers* only, CF6, in Part 2 of the *table of FCA controlled functions*; and
- (c) (for a *small non-directive insurer*) *FCA controlled functions* CF1, CF3, CF5 and CF6 in Part 2 of the *table of FCA controlled functions*; and
- (d) (for other *firms* and appointed representatives) *FCA controlled functions* 1 to 6 in Part 1 of the *table of FCA controlled functions*.

*FCA-prescribed senior management responsibilities*

- (a) (for *UK relevant authorised persons*) the responsibilities in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities) ÷ ;
- (b) (for *third country relevant authorised persons*) the responsibilities in SYSC 4.8.9R (Table: FCA-prescribed

senior management responsibilities for third-country relevant authorised persons).

*FCA required functions*

any of the following *FCA controlled functions* labelled as FCA required functions in:

- (a) (for ~~relevant authorised persons~~ SMCR firms) ~~FCA controlled functions~~ SMF16 and SMF17 in Parts 1 to 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) the table of FCA-designated senior management functions; and or
- (b) (for other firms) ~~FCA controlled functions~~ 8 to 11 in Part 1 or Part 2 of the table of FCA controlled functions.

*firm*

...

(8) (in SYSC 18 with the exception of the guidance in SYSC 18.3.9G):

- (a) a ~~UK relevant authorised person~~ UK SMCR banking firm except a *small deposit taker*; and

...

...

*FIT*

the part of the *Handbook* in High Level Standards which has the title the Fit and Proper test for ~~Approved Persons and Specified significant harm functions~~ Employees and Senior Personnel.

*management responsibilities map*

the ~~document~~ document describing the management arrangements of a ~~relevant authorised person~~ certain SMCR firms required by SYSC 4.5.4R, SYSC 4.6.6R or SYSC 4.6.15R SYSC 25 (Senior management and certification regime: Management responsibilities maps and handover procedures and material).

*money laundering reporting function*

- (1) (for ~~relevant authorised persons~~ SMCR firms) ~~FCA controlled function~~ SMF17 in Parts 1 to 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions, described more fully in SUP 10C.6.2R; and
- (2) (for other firms) ~~FCA controlled function~~ CF11 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.10R.

<i>non-executive director function</i>	<i>FCA controlled function CF2 in <del>Part 1</del> of the table of FCA controlled functions, described more fully in SUP 10A.6.12R and SUP 10A.6.13R.</i>
<i>other local responsibility function</i>	<i>FCA controlled function SMF22 in <del>Part 3</del> of the table in SUP <del>10C.4.3R (Table of FCA controlled functions for relevant authorised persons)</del> <u>table of FCA-designated senior management functions</u>, described more fully in SUP 10C.8.1R.</i>
<i>other overall responsibility function</i>	<i>FCA controlled function SMF18 in <del>Part 1</del> of the table in SUP <del>10C.4.3R (Table of FCA designated senior management functions for relevant authorised persons)</del> <u>table of FCA-designated senior management functions</u>, described more fully in SUP 10C.7.1R.</i>
<i>partner function</i>	<p>(1) <u>(for an SMCR firm) FCA controlled function SMF27 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.14R to SUP 10C.5.17R; and</u></p> <p>(2) <u>(for other firms and in relation to appointed representatives) FCA controlled function CF4 in <del>Part 1</del> of the table of FCA controlled functions, described more fully in SUP 10A.6.23R to SUP 10A.6.27R.</u></p>
<i>PRA controlled function</i>	<p>a controlled function which is specified by the PRA under section 59 of the Act (Approval for particular arrangements) in:</p> <p>(1) <u>(for <del>relevant authorised persons</del> <u>CRR firms, credit unions and third country CRR firms (each as defined in the PRA Rulebook)</u>) the part of the <del>PRA's rulebook</del> <u>PRA Rulebook</u> titled 'Senior Management Functions'; or</u></p> <p>(2) <u>(for Solvency II firms including large non-directive insurers, and for small non-directive insurers) the Senior Insurance Management Functions parts of the <del>PRA Rulebook</del>; <u>Rulebook</u> applicable to Solvency II Firms and Non-Solvency II Firms; or</u></p> <p>(3) <del>[deleted]</del>.</p>
<i>PRA-prescribed senior management responsibilities</i>	<p>one of the functions described as:</p> <p>(1) <u>(for CRR firms, credit unions and third country CRR firms (each as defined in the PRA Rulebook)):</u></p> <p>(a) a 'prescribed responsibility' in Chapter 4; or</p>

(b) a ‘small firm prescribed responsibility’ in Chapter 5;  
or

(c) a ‘UK branch prescribed responsibility’ in Chapter 6;

of the part of the ~~PRA’s rulebook~~ PRA Rulebook called Allocation of Responsibilities;

(2) (for firms covered by the Insurance - Allocation of Responsibilities and Large Non-Solvency II Firms – Allocation of Responsibilities parts of the PRA Rulebook) a prescribed responsibility or a third country branch prescribed responsibility as defined in those parts; and

(3) (for firms covered by the Non-solvency II Firms - Allocation of Responsibilities part of the PRA Rulebook) a small non-directive insurer prescribed responsibility as defined in that part.

*proprietary trader*

(in SYSC 27 (Senior managers and certification regime: Certification regime), SUP 10A (FCA Approved Persons), COCON and APER) a *person* (A) whose responsibilities include committing another *person* (B) as part of B’s *proprietary trading*.

*proprietary trading*

(in SYSC 27 (Senior managers and certification regime: Certification regime), SUP 10A (FCA Approved Persons), COCON and APER) *dealing in investments as principal* as part of a business of trading in *specified investments*. For these purposes *dealing in investments as principal* includes any activities that would be included but for the exclusion in Article 15 (Absence of holding out), Article 16 (Dealing in contractually based investments) or, for a UK AIFM or UK UCITS management company, article 72AA (Managers of UCITS and AIFs) of the *Regulated Activities Order*.

*relevant senior management application*

has the meaning in section 61(1)(b) of the *Act* (Determination of applications) which, in summary, is an application for approval to perform a *designated senior management function* in relation to the carrying on of a *regulated activity* by ~~a relevant authorised person~~ an SMCR firm.

*senior conduct rules staff member*

(in COCON) a *person* who:

(a) comes within row (1) of the table in COCON 1.1.2R (an *SMF manager*);

(b) comes within row (2) of the table in COCON 1.1.2R (an *employee* of ~~a relevant authorised person~~ an SMCR firm who performs the function of an *SMF manager*); or

(c) ~~meets the following conditions:~~



(i) ~~they come within row (7) of the table in COCON 1.1.2R (an approved person performing a controlled function (including a PRA controlled function) in a Solvency II firm (including a large non-directive insurer) or a small non-directive insurer); and~~

(ii) ~~that controlled function is a significant influence function; or [deleted]~~

(d) is a non-executive director who comes within row (8) of the table in COCON 1.1.2R (a ~~standard non-executive board director of a relevant authorised person, a Solvency II firm (including a large non-directive insurer) or a small non-directive insurer~~ UK SMCR firm).

*significant-harm function*

a function defined in section 63E(5) of the Act (Certification of employees by ~~relevant~~ authorised persons) which is, in summary (in relation to the carrying on of a *regulated activity* by a ~~relevant~~ an authorised person), a function that meets the following conditions:

(a) it requires the *person* performing it to be involved in one or more aspects of the ~~relevant~~ *authorised person's* affairs, so far as relating to the activity; and

(b) those aspects involve, or might involve, a risk of significant harm to the ~~relevant~~ *authorised person* or to anyone who is using, or who is or may be contemplating using, any of the services provided by the ~~relevant~~ *authorised person*.

[Note: This definition is not relevant to a firm that is not an SMCR firm.]

*significant-influence function*

(for the purposes of *controlled functions* specified in the table of FCA controlled functions and in relation to the carrying on of a regulated activity by an authorised person) a function that is likely to enable the person responsible for its performance to exercise a significant influence on the conduct of the authorised person's affairs, so far as relating to the activity. For the purposes of SYSC 2, COCON and DEPP, this also includes a PRA controlled function, as specified in the Senior Insurance Management Functions parts of the PRA Rulebook: applicable to Solvency II Firms and Non-Solvency II Firms.

*significant management function*

FCA controlled functions function CF29 in ~~Parts 1 and 2~~ of the table of FCA controlled functions, described more fully in SUP 10A.9.9R.

*SMF manager*

(in relation to a ~~relevant authorised person~~ an SMCR firm) a person who has approval under section 59 of the Act (Approval for particular arrangements) to perform a *designated senior*

	<i>management function</i> in relation to the carrying on by that <del>relevant authorised person</del> <u>SMCR firm</u> of a regulated activity.
<i>small friendly society function</i>	<del>FCA controlled function</del> CF6 in <del>Part 1 and Part 2</del> of the table of <del>FCA controlled functions</del> , described more fully in SUP 10A.6.31R to SUP 10A.6.32R.
<i>Solvency II firm</i>	a firm which is any of: ... (f) in SUP TP 7 and SUP TP 8, SYSC, COCON, <del>APER</del> , SUP <del>10A</del> SUP 10C and DEPP only, a large non-directive insurer; ...
<i>staff being assessed under FIT</i>	(in FIT and in relation to a <del>relevant authorised person</del> : <u>an SMCR firm</u> ) <u>those persons set out in FIT 1.1.1G(4) to (7).</u> (a) <del>any of the following whose fitness is being assessed by the FCA or the relevant authorised person:</del> (i) <del>an FCA approved SMF manager; or</del> (ii) <del>a candidate for an FCA designated senior management function; or</del> (b) <del>a person whose fitness to perform an FCA specified significant harm function is being assessed by the relevant authorised person under section 63F of the Act (Issuing of certificates), whether or not that person is already a certification employee in relation to that FCA specified significant harm function.</del>
<i>systems and controls function</i>	<del>FCA controlled function</del> CF28 in <del>Part 1 and, for a Solvency II firm which is a third country insurance or reinsurance undertaking or an insurance special purpose vehicle, Part 2</del> of the table of <del>FCA controlled functions</del> , described more fully in SUP 10A.8.1R and SUP 10A.8.1AR.

Delete the following definitions. The text is not shown struck through.

<i>actuarial conduct function (third country)</i>	the part of the function of acting in the capacity of an actuary (as appointed by a firm under rule 7.1(2) of the PRA Rulebook: Solvency II Firms: Third Country Branches) that relates to compliance with FCA requirements and standards under the regulatory system, described more fully in SUP 10A.7.14R.
---	---

*EEA relevant authorised person*

an *incoming firm* which is a relevant authorised person in accordance with article 2 of the Financial Services and Markets Act 2000 (Relevant Authorised Persons) Order 2015 which, in summary, is an *incoming EEA firm* or *incoming Treaty firm* that meets the following conditions:

- (a) it has a *branch* in the *United Kingdom*;
- (b) it does not have *permission for effecting contracts of insurance* or *carrying out contracts of insurance*; and
- (c) it meets one of the following conditions:
  - (i) it is a *credit institution* which has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that includes *accepting deposits*; or
  - (ii) it meets all the following conditions:
    - (A) the institution is an *investment firm*;
    - (B) it has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that covers *dealing in investments as principal*; and
    - (C) when carried on by it, that activity is a *PRA-regulated activity*.

*FCA-specified significant-harm function*

a *specified significant-harm function* that has been specified under section 63E of the *Act* (Certification of employees by relevant authorised persons) by the *FCA* (see SYSC 27.7.3R (Table: FCA-specified significant-harm functions)).

*full scope regulatory reference firm*

for the purpose of SYSC 22 (Regulatory references):

- (a) a *relevant authorised person*;
- (b) a *Solvency II firm*; or
- (c) a *large non-directive insurer*.

*non-UK relevant authorised person*

- (a) an *EEA relevant authorised person*; or
- (b) a *third-country relevant authorised person*.

*PRA-prescribed UK branch senior management responsibility*

a “UK branch prescribed responsibility” in Chapter 6 of the part of the *PRA*’s rulebook called Allocation of Responsibilities.

- relevant authorised person*
- (a) an *EEA relevant authorised person*; or
  - (b) a *third country relevant authorised person*; or
  - (c) a *UK relevant authorised person*.
- specified significant-harm function*
- a *significant-harm function* that has been specified by the *FCA* or the *PRA* further to section 63E(2) of the *Act* (Certification of employees by relevant authorised persons).
- third-country relevant authorised person*
- a non-UK institution other than an *incoming firm* which is a relevant authorised person in accordance with article 2 of the Financial Services and Markets Act 2000 (Relevant Authorised Persons) Order 2015 which, in summary, is a non-UK institution other than an *incoming firm* that meets the following conditions:
- (a) it has a *branch* in the *United Kingdom*;
  - (b) it is not an institution that has *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*; and
  - (c) it meets one of the following conditions:
    - (i) it is a *credit institution* which has a *Part 4A permission* that includes *accepting deposits*; or
    - (ii) it meets all the following conditions:
      - (A) the institution is an *investment firm*;
      - (B) its *Part 4A permission* covers *dealing in investments as principal*; and
      - (C) when carried on by it, that activity is a *PRA-regulated activity*.
- UK relevant authorised person*
- has the meaning in section 71A of the *Act* ('relevant authorised person') which, in summary, is an institution that meets the following conditions:
- (a) it is incorporated in, or formed under the law of any part of, the *United Kingdom*;
  - (b) it does not have *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*; and
  - (c) it meets one of the following conditions:

- (i) its *Part 4A permission* includes *accepting deposits*;  
or
- (ii) it meets all the following conditions:
  - (A) the institution is an *investment firm*; and
  - (B) its *Part 4A permission* covers *dealing in investments as principal*; and
  - (C) when carried on by it, that activity is a *PRA-regulated activity*.

## Part 2: Comes into force 10 December 2019

Amend the following definitions as shown.

- certification employee* (1) ...
- (2) ~~(In relation to an *SMCR insurance firm*) it also includes an employee (as defined in section 63E of the *Act*) of an *SMCR firm* who performs a *certification function* under an arrangement entered into by the *SMCR firm* in relation to the carrying on by the *SMCR firm* of a *regulated activity*, even though the obligation of the *SMCR firm* to issue a certificate under section 63F of the *Act* has not yet come into force.~~

~~[Note: Paragraph (2) of this definition applies until (but not on) 10th December 2019.]~~

## Annex C

### Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

#### Part 1: Comes into force 1 November 2018

#### 4.7 Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities

...

##### 4.7.7 R Table: FCA-prescribed senior management responsibilities

Part One (applies to all firms)		
FCA-prescribed senior management responsibility	Explanation	Equivalent PRA-prescribed senior management responsibility
(4A) Acting as the <i>firm's whistleblowers' champion</i>	...	...
<p><u>(4B) Responsibility for the firm's obligations for:</u></p> <p><u>(a) conduct rules training; and</u></p> <p><u>(b) conduct rules reporting.</u></p>	<p><u>(1) The firm's obligations for conduct rules training means its obligations under section 64B of the Act (Rules of conduct: responsibilities of authorised persons).</u></p> <p><u>(2) The firm's obligations for conduct rules reporting means its obligations under section 64C of the Act (Requirement for authorised persons to notify regulator of disciplinary action) and the rules of the FCA</u></p>	

	<u>and PRA dealing with reporting under that section.</u>	
...		

## Part 2: Comes into force 10 December 2018

### 1 Application and purpose

#### 1.1A Application

...

- 1.1A.1 G The application of this sourcebook is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

Type of firm	Applicable chapters
<i>Insurer, UK ISPV</i>	Chapters 2, 3, 12 to 18, 19F.2, 21, 22, <u>23, 24, 25, 26, 27, 28</u>
<i>Managing agent</i>	Chapters 2, 3, 11, 12, 18, 19F.2, 21, 22, <u>23, 24, 25, 26, 27, 28</u>
<i>Society</i>	Chapters 2, 3, 12, 18, 19F.2, 21, 22, <u>23, 24, 25, 26, 27, 28</u>
<u>Any other SMCR firm</u>	<u>Chapters 4 to 12, 18, 19D, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28</u>
Every other firm	...

...

#### 1.4 Application of SYSC 11 to ~~SYSC 22 and 28~~

What?

- 1.4.1-A G The application of each of the chapters SYSC 19F.2, SYSC 22 ~~and~~ to SYSC 28 is set out in those chapters.

...

## Actions for damages

- 1.4.2 R A contravention of a *rule* in SYSC 11 to SYSC 21, SYSC 22.8.1R, SYSC 22.9.1R or SYSC 23 to SYSC 28 does not give rise to a right of action by a *private person* under section 138D of the *Act* (and each of those *rules* is specified under section 138D(3) of the *Act* as a provision giving rise to no such right of action).

...

**1 Annex Detailed application of SYSC****1**

...

Part 2	Application of the common platform requirements		
...			
2.6G	R	(1)	Except as provided for in (2), the <i>common platform requirements</i> (other than SYSC 4.5 to SYSC 4.9 and SYSC 4 Annex 1) do not apply to a <i>firm</i> in relation to <i>benchmark activities</i> .
		...	
...			
2.13D	R		<del>SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) also:</del>
		(1)	<del>Apply to the carrying on of <i>unregulated activities</i>; and</del>
		(2)	<del>Take into account any activity of other members of a <i>group</i> of which the <i>firm</i> is a member.</del>
...			
	Where?		
2.15	R		The <i>common platform requirements</i> , except the <i>common platform record-keeping requirements</i> , apply to a <i>firm</i> in relation to activities carried on by it from an establishment in the <i>United Kingdom</i> . However, <del>SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons),</del>



		<del>SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) apply in accordance with the rules in those sections.</del>
...		
2.18	R	<del>The common platform organisational requirements, except the common platform requirements on financial crime, also apply in a prudential context to a UK domestic firm and to an overseas firm (other than an incoming EEA firm or an Incoming Treaty firm) with respect to activities wherever they are carried on. However, SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) apply in accordance with the rules in those sections.</del>
...		
<b>Part 3</b>	<b>Tables summarising the application of the common platform requirements to different types of firm</b>	
...		
3.3A	R	<del>SYSC 1 Annex 1 3.3R(1)(b) does not apply to a firm in relation to the requirements in SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime).</del>
...		

**Table A: Application of the common platform requirements in SYSC 4 to SYSC 10**

Provision	COLUMN A	COLUMN A+	COLUMN A++	COLUMN B
SYSC 4	...	...	...	...
...	...	...	...	...

SYSC 4.5	Whole section applies to <i>UK relevant authorised persons only</i>	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons only</i> . All rules apply as <i>rules</i> and not as <i>guidance</i> .
SYSC 4.6	Applies to <i>EEA relevant authorised persons and third country relevant authorised persons in accordance with the rules in SYSC 4.6</i>	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons only</i> . All rules apply as <i>rules</i> and not as <i>guidance</i> .
SYSC 4.7	Whole section applies to <i>UK relevant authorised persons only</i>	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons only</i> . All rules apply as <i>rules</i> and not as <i>guidance</i> .
SYSC 4.8	Applies to <i>third country relevant authorised persons only</i>	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons only</i> . All rules apply as <i>rules</i> and not as <i>guidance</i> .
SYSC 4.9	Whole section applies to <i>third country relevant authorised persons and UK relevant authorised persons only</i>	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons only</i> . All rules apply as <i>rules</i> and not as <i>guidance</i> .
Provision SYSC 5	COLUMN A ...	COLUMN A+ ...	COLUMN A++ ...	COLUMN B ...
...	...	...	...	...
SYSC 5.2	Whole section	Not applicable	Not applicable	Whole section applies to <i>relevant authorised persons</i>

	applies to <i>relevant authorised persons only. All rules apply as rules and not as guidance.</i>			only. All <i>rules</i> apply as <i>rules</i> and not as <i>guidance</i> .
...	...	...	...	...

**Table B: Application of the common platform requirements in SYSC 4 to 10 to MiFID optional exemption firms and third country firms**

Provision	COLUMN A MiFID optional exemption firms	COLUMN B Third country firms
SYSC 4		
...		
SYSC 4.5	Not applicable	Not applicable
SYSC 4.6	Not applicable	<i>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.6</i>
SYSC 4.7	Not applicable	Not applicable
SYSC 4.8	Not applicable	<i>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.8</i>
SYSC 4.9	Not applicable	<i>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.9</i>
SYSC 5		
...		
SYSC 5.2	Not applicable	<i>Third country relevant authorised person: each provision applies as</i>

		rule or guidance as shown in SYSC 5.2
...		

...

Delete SYSC 2.1.3R, SYSC 2.1.3AR, SYSC 2.1.3BG, SYSC 2.1.3CR, SYSC 2.1.3DR, SYSC 2.1.4R, SYSC 2.1.5G and SYSC 2.1.6G. The deleted text is not shown but [deleted] tags are added to each provision as shown below.

## 2 Senior management arrangements

### 2.1 Apportionment of responsibilities

...

2.1.3 R [deleted]

2.1.3A R [deleted]

2.1.3B G [deleted]

2.1.3C R [deleted]

2.1.3D R [deleted]

2.1.4 R [deleted]

2.1.5 G [deleted]

2.1.6 G [deleted]

...

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

### 2.2 Recording the apportionment

2.2.1 R (1) A *firm* must make a record of the arrangements it has made to satisfy SYSC 2.1.1R (apportionment) and ~~SYSC 2.1.3R (allocation)~~ and take reasonable care to keep this up to date.

- ...
- ...
- 2.2.4 R (1) ~~A Solvency II firm (including a large non-directive insurer) must have, and maintain, a governance map which satisfies the following conditions:~~
- ~~(a) it complies, as applicable, with PRA Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.1 and 5.2, or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1 and 5.2, as if those rules had been made by the FCA;~~
  - ~~(b) it includes details relating to all persons carrying out a significant influence function within the firm not already included under (a);~~
  - ~~(c) the details in (b) must give as much information as required by, as applicable, the PRA Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.1 or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1, as if those rules applied in relation to the persons in (b) and as if they had been made by the FCA;~~
  - ~~(d) where the FCA requires responsibilities to be allocated to a person carrying out a significant influence function, the governance map must clearly show the person allocated responsibilities; and~~
  - ~~(e) the details in (b) and (d) must be updated in the same way as required by, as applicable, PRA Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.2, or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.2, as if those rules applied in relation to the persons in (b) and as if they had been made by the FCA.~~
- (2) ~~A Solvency II firm must keep an up-to-date record of the scope of responsibilities for each approved person performing a significant influence function.~~
- (3) ~~The scope of responsibilities record in (2), and each updated version, must:~~
- ~~(a) have the form and content, subject to amendments to keep it up to date, as required to be provided to the FCA or PRA on the application of an approved person to perform a significant influence function; and~~
  - ~~(b) be signed by the approved person and also an appropriate representative of the firm.~~

- (4) Where a *firm* amends its governance map to show changes in a *person's* responsibilities it must also ensure that:
- (a) the *person* concerned is informed in writing of the changes; and
  - (b) the document recording the *person's* scope of responsibilities is amended to show the changes.
- (5) Each version of the governance map and, separately, the document recording a *person's* scope of responsibilities must be retained for ten years, or six years for *large non directive insurers*, from the date on which it was superseded by a more up to date record, and the *firm* must be in a position to provide it to the *FCA* on request.
- (6) *SYSC 2.2.4R(1)* only applies to firms to whom *PRA* Rulebook: Solvency II firms: Insurance—Allocation of Responsibilities, 5.1 and 5.2 or *PRA* Rulebook: Large Non Solvency II firms—Allocation of Responsibilities, 5.1 and 5.2, applies. [deleted]
- 2.2.5 G *Firms* are not expected to update a *person's* scope of responsibilities record in *SYSC 2.2.4R(2)* more frequently than the governance map in *SYSC 2.2.4R(1)*. [deleted]
- 2.2.6 R A *small non directive insurer* must keep an up to date record of the scope of responsibilities for each *approved person* performing a *significant influence* and must:
- (1) retain each version of the record for six years from the date on which it was superseded by a more up to date record;
  - (2) be in a position to provide any version of the record in (1) to the *FCA* on request;
  - (3) ensure that the record in (1) and each updated version:
    - (a) has the form and content, subject to amendments to keep it up to date, as required, to be provided to the *FCA* or *PRA* on the application of an *approved person* to perform a *significant influence function*; and
    - (b) is signed by the *approved person* and also an appropriate representative of the *firm*. [deleted]
- 2.2.7 G A *firm* applying for a *person* to be approved to perform a *significant influence function* is required to submit with Form A (long and short form) a scope of responsibilities document (see *SUP 10A Annex 4D*).

...

### 3 Systems and Controls controls

...

### 3.2 Areas covered by systems and controls

...

The compliance function

...

- 3.2.8 R (1) ~~A firm which carries on designated investment business with or for retail clients or professional clients and a UK ISPV which carries on insurance risk transformation with respect to long-term insurance contracts~~ must allocate to a *director* or *senior manager* the function of:
- (a) having responsibility for oversight of the *firm's* compliance; and
  - (b) reporting to the *governing body* in respect of that responsibility.
- (2) In (1) “compliance” means compliance with ~~the rules in the firm's obligations under the regulatory system in relation to which the FCA has responsibility.~~ ÷
- (a) ~~COBS (Conduct of Business);~~
  - (b) ~~COLL (Collective Investment Schemes sourcebook); and~~
  - (c) ~~CASS (Client Assets)~~
- 3.2.9 G (1) ~~SUP 10A.7.8R~~ SUP 10C.6.1R uses SYSC 3.2.8R to describe the *controlled function*, known as the *compliance oversight function*, of acting in the capacity of a *director* or *senior manager* to whom this function is allocated.
- (2) ~~The rules referred to in SYSC 3.2.8R(2) are the minimum area of focus for the firm's compliance oversight function. A firm is free to give additional responsibilities to a person performing this function if it wishes.~~

Conduct risk oversight (Lloyd's) function

- 3.2.9A R In relation to business done at Lloyd's, the Society must allocate to a director or senior manager the function of having responsibility for overseeing the conduct of business standards required of managing agents for which the Society has responsibility.

...

Risk assessment

3.2.10 G ...

(3) The term ‘risk assessment function’ refers to the generally understood concept of risk assessment within a *firm*, that is, the function of setting and controlling risk exposure. The risk assessment function is not an *FCA controlled function* itself, but for certain *firms* ~~is part of the systems and controls function (CF28)~~ it may fall under the PRA chief risk officer controlled function.

...

...

3.2.14 G ...

(4) The requirements on *firms* with respect to *approved persons* are in Part V of the *Act* (Performance of regulated activities) and ~~SUP 10A~~ SUP 10C and the Senior Insurance Management Functions parts of the ~~PRA Rulebook~~ Rulebook.

...

Internal audit

3.2.16 G ...

(2) The term ‘internal audit function’ refers to the generally understood concept of internal audit within a *firm*, that is, the function of assessing adherence to and the effectiveness of internal systems and controls, procedures and policies. The internal audit function is not an *FCA controlled function* itself, but for certain *firms* ~~is part of the systems and controls function (CF28)~~ it may fall under the PRA chief risk officer controlled function.

...

...

**4 General organisational requirements**

**4.1 General requirements**

...

Application to a common platform firm

4.1.-2 G ...

Subject	Applicable rule or guidance
---------	-----------------------------



...	
<del>Management responsibilities maps for UK relevant authorised persons</del>	<del>SYSC 4.5</del>
<del>Management responsibilities maps for non UK relevant authorised persons</del>	<del>SYSC 4.6</del>
<del>Senior management responsibilities for UK relevant authorised persons</del>	<del>SYSC 4.7</del>
<del>Handover procedures and material</del>	<del>SYSC 4.9</del>

...

In the text shown amended below, ‘Editor’s notes’ are included for the benefit of the reader and do not form part of the legislative text. The text of provisions marked only as ‘deleted’ is not shown struck through elsewhere in the instrument.

#### **4.5 ~~Management responsibilities maps for UK relevant authorised persons~~**

##### ~~Application~~

- 4.5.1 R ~~[deleted]~~ [Editor’s note: The text of this provision has been moved to SYSC 25.1.1R]
- 4.5.2 R ~~[deleted]~~ [Editor’s note: The text of this provision has been moved to SYSC 25.1.3R]
- 4.5.3 R ~~[deleted]~~ [Editor’s note: The text of this provision has been moved to SYSC 25.1.2R]

##### ~~General rule~~

- 4.5.4 R ~~[deleted]~~ [Editor’s note: The text of this provision has been moved to SYSC 25.2.1R]
- 4.5.5 R ~~[deleted]~~ [Editor’s note: The text of this provision has been moved to SYSC 25.2.2R]

- 4.5.6 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.1.6G(1)]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.1.6G(2)]

#### Specific requirements

- 4.5.7 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.2.3R]
- 4.5.8 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.2.4R]

#### Guidance about what should be in a management responsibilities map

- 4.5.9 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.1G]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.2G]
- 4.5.10 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.3G]
- 4.5.11 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.4G]
- 4.5.12 G (1) [deleted]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.5G]
- (3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.6G]
- (4) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.7G]
- (5) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.8G]
- (6) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.11G]
- (7) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.9G]
- (8) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.10G]

- (9) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.4.12G]

**Small firms**

- 4.5.13 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.14G(1)]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.5G]

**Single document**

- 4.5.14 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.1R]
- 4.5.15 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.2G(1)]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.2G(2)]
- (3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.2G(3)]
- (4) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.2G(4)]
- (5) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.5.3G]

**Purpose of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)**

- 4.5.16 G (1) [deleted]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.2G(1)]
- (3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.2G(2)]
- (4) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.4G]
- (5) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.3G]

- 4.5.17 G [deleted]

**Contents of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)**

- 4.5.18 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.6G]
- 4.5.19 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.7G]
- 4.5.20 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.7.8G]

#### Records

- 4.5.21 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.8.1G]
- 4.5.22 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.8.2G]

## **4.6 ~~Management responsibilities maps for non-UK relevant authorised persons~~**

### ~~Application~~

- 4.6.1 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.1.4R]
- 4.6.2 R [deleted]
- 4.6.3 R [deleted]
- 4.6.4 G [deleted]

### ~~Purpose~~

- 4.6.5 G (1) [deleted]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.3G]

### ~~General rule for third-country relevant authorised persons~~

- 4.6.6 R [deleted]
- 4.6.7 R [deleted]
- 4.6.8 G [deleted]

### ~~Specific requirements for third-country relevant authorised persons~~

- 4.6.9 R (1) [deleted]

- (2) ~~[deleted] [Editor's note: The text of this provision has been moved to SYSC 25.1.5R]~~

4.6.10 R ~~[deleted]~~

~~Single document~~

4.6.11 R ~~[deleted]~~

~~Guidance about management responsibilities maps for a branch maintained by a third-country relevant authorised person~~

4.6.12 G ~~[deleted]~~

4.6.13 G ~~[deleted]~~

4.6.14 G ~~[deleted]~~

~~Management responsibilities maps for EEA relevant authorised persons: General rule~~

4.6.15 R ~~[deleted]~~

4.6.16 R ~~[deleted]~~

~~Responsibilities maps for EEA relevant authorised persons: purpose~~

4.6.17 G (1) ~~[deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.2G(1)]~~

(2) ~~[deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.2G(2)]~~

(3) ~~[deleted] [Editor's note: The text of this provision has been moved to SYSC 25.1.6G(3)]~~

(4) ~~[deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.2G(4)]~~

~~Responsibilities maps for EEA relevant authorised persons: detailed requirements~~

4.6.18 R ~~[deleted]~~

4.6.19 R ~~[deleted]~~

~~Responsibilities maps for EEA relevant authorised persons: leaving out information already supplied~~

4.6.20 R ~~[deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.5R]~~

- 4.6.21 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.6G]
- 4.6.22 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.7G]
- 4.6.23 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.8G]
- 4.6.24 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.9G]

~~Management responsibilities maps for EEA relevant authorised persons: Single document~~

- 4.6.25 R [deleted]

~~Management responsibilities maps for EEA relevant authorised persons: guidance about what should be included~~

- 4.6.26 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.6.10G]

- 4.6.27 G [deleted]

- 4.6.28 G [deleted]

~~Management responsibilities maps for small branches maintained by non-UK relevant authorised persons~~

- 4.6.29 G [deleted]

#### **4.7 Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities**

~~Application~~

- 4.7.1 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.1.1R]
- 4.7.2 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.1.3R]
- 4.7.3 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.1.2R]

~~Purpose of this section~~

- 4.7.4 G [deleted]

~~Allocation of FCA-prescribed senior management responsibilities~~

- 4.7.5 R (1) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 24.2.1R]
- (2) ~~[deleted]~~
- (3) ~~[deleted]~~
- (4) ~~[deleted]~~
- (5) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 24.2.3R(1)]
- (6) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 24.2.3R(2)]
- (7) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 24.2.4R]
- 4.7.6 R ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 24.2.5R]
- 4.7.7 R ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 24.2.6R]

~~Allocation of overall responsibility for a firm's activities, business areas and management functions~~

- 4.7.8 R (1) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 26.3.1R]
- (2) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 26.4.2R]
- (3) ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 26.3.4R]
- 4.7.9 G ~~[deleted]~~
- 4.7.10 G ~~[deleted]~~

~~Meaning of overall responsibility~~

- 4.7.11 G ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 26.7.2G]
- 4.7.12 G ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 26.6.7G]
- 4.7.13 G ~~[deleted]~~ [Editor's note: The text of this provision has been moved to SYSC 26.7.4G]

- 4.7.14 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.7.5G]
- 4.7.15 G [deleted]
- 4.7.16 G [deleted]
- 4.7.17 G [deleted]
- 4.7.18 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.4.5R]

~~Who functions should be allocated to~~

- 4.7.19 G [deleted]
- 4.7.20 G [deleted]
- 4.7.21 G (1) [deleted]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.9.1G]
- 4.7.22 G [deleted]
- 4.7.23 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.9.4G]
- 4.7.24 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.2G]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.3G]
- (3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.1G]
- (4) [deleted]
- (5) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.4G]

~~Dividing and sharing management functions between different people~~

- 4.7.25 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.7G]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.8G]
- 4.7.26 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.9G]



- 4.7.27 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.10G]
- 4.7.28 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.11G]
- 4.7.29 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 23.1.12G]

~~Allocation of responsibilities and territorial scope.~~

- 4.7.30 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.13G]

~~Group management arrangements and outsourcing~~

- 4.7.31 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.10.1G]
- 4.7.32 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.10.3G]
- 4.7.33 G [deleted]
- 4.7.34 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.10.2G]

~~Link between the senior management regime and this section~~

- 4.7.35 G [deleted]
- 4.7.36 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.1G(1) to (3)]

~~Link between SYSC 4 Annex 1G and this section~~

- 4.7.37 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.2G]
- 4.7.38 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.3G]

**4.8 Senior management responsibilities for third-country relevant authorised persons: allocation of responsibilities**

- 4.8.1 R [deleted]
- 4.8.2 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.1.5R]

4.8.3 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.1.4R]

4.8.4 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.1.2R]

**Purpose**

4.8.5 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.2.1G]

**Allocation of FCA-prescribed senior management responsibilities for third-country relevant authorised persons**

4.8.6 R [deleted]

4.8.7 R [deleted]

4.8.8 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.14G]

4.8.9 R [deleted]

**Local responsibility for a branch's activities, business areas and management functions**

4.8.10 R (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.3.2R(1)]

(2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.3.2R(2)]

(3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.3.2R(3)]

(4) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.3.3R]

(5) [deleted]

(6) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.4.3R]

(7) [deleted]

4.8.11 G (1) [deleted]

(2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.6.4G(1)]

(3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.6.4G(2)]

(4) [deleted]

(5) [deleted]

(6) [deleted]

~~Meaning of local responsibility: general~~

4.8.12 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.6.6G]

4.8.13 G (1) [deleted]

(2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.4.4G]

4.8.14 G [deleted]

~~Meaning of local responsibility in SYSC 4.8.10R(1): overall responsibility~~

4.8.15 G [deleted]

4.8.16 G [deleted]

4.8.17 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.7.3G]

4.8.18 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.7.6G]

4.8.19 G [deleted]

~~Meaning of local responsibility in SYSC 4.8.10R(2)~~

4.8.20 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.8.1G]

(2) [deleted]

(3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.8.2G]

(4) [deleted]

~~Who functions should be allocated to~~

4.8.21 G [deleted]

4.8.22 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.9.2G]

4.8.23 G [deleted]

- 4.8.24 G [deleted]
- 4.8.25 G [deleted]
- 4.8.26 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.8.4G]

~~Setting overall strategy for a branch~~

- 4.8.27 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.8.3G]

~~Not giving too much responsibility to one individual~~

- 4.8.28 G (1) [deleted]
- (2) [deleted]
- (3) [deleted]
- (4) [deleted]
- (5) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.9.5G]

~~Group arrangements and outsourcing~~

- 4.8.29 G [deleted]

~~Allocation of responsibility for transactions~~

- 4.8.30 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.5.3G]

~~Application of SYSC 4.7 to branches maintained by third-country relevant authorised persons~~

- 4.8.31 R [deleted]

~~Link between the senior management regime and this section~~

- 4.8.32 G [deleted]
- 4.8.33 G (1) [deleted]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.1G(4)]
- 4.8.34 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.1G(5)]

~~Link between SYSC 4 Annex 1G and this section~~

4.8.35 G [deleted]

#### **4.9 ~~Handover procedures and material~~**

##### ~~Application~~

4.9.1 R (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.1R]

(2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.2R]

4.9.2 R [deleted]

4.9.3 R [deleted]

##### ~~Rules about handover material~~

4.9.4 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.4R]

4.9.5 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.5R]

4.9.6 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.6G]

4.9.7 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.7G]

##### ~~Handover arrangements and certificates~~

4.9.8 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.8G]

##### ~~Application of this section to other parts of a firm's management~~

4.9.9 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 25.9.9G]

...

#### **4 Annex ~~The main business activities and functions of a relevant authorised person~~ 1G**

[Editor's note: The text of this annex has been moved to SYSC 25 Annex 1G]

...

#### **5.2 ~~Certification regime~~**

**Application**

5.2.1 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.1.1R]

5.2.2 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.1.2G]

**Purpose**

5.2.3 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.1.3G]

**General requirements**

5.2.4 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.3G]

5.2.5 G (1) [deleted]  
 (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.2G]

**Fitness to act**

5.2.6 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.4G]

5.2.7 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.5G]

5.2.8 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.6G]

5.2.9 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.7G]

5.2.10 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.8G]

**Issuing and renewing certificates**

5.2.11 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.9G]

5.2.12 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.10G]

5.2.13 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.11G]

- 5.2.14 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.12G]
- 5.2.15 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.13G]
- 5.2.16 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.14G(1)]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.14G(4)]
- (3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.14G(5)]
- 5.2.17 G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.15G(1) and SYSC 27.2.15G(2)]
- (2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.15G(3)]
- (3) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.15G(4)]
- 5.2.17A G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.2.16G]
- Scope: general requirements
- 5.2.18 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.6.1R]
- Scope: territorial scope
- 5.2.19 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.3.1R]
- 5.2.20 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.3.2G]
- 5.2.20A G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.3.3G]
- Scope: employees
- 5.2.21 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.4.1G]
- 5.2.22 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.4.2G]
- Scope: effect of PRA requirements

5.2.23 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.4.3G]

Scope: exclusions

5.2.24 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.6.1G]

5.2.25 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.6.2R]

5.2.26 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.6.3R]

Scope: emergency appointments

5.2.27 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.5.1R]

5.2.28 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.5.2G]

Scope: temporary UK role (the 30 day rule)

5.2.28A R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.5.3R]

5.2.28B G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.5.4G]

5.2.28C G (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.5.5G]

(2) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.5.6G]

Scope: ~~FCA specified significant harm functions~~

5.2.29 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.7.2R]

5.2.30 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.7.3R]

5.2.31 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.7.4G]

~~CASS oversight function~~

5.2.32 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.1R]



5.2.32A G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.2G]

~~Proprietary trader function~~

5.2.34 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.3R]

~~Significant management function~~

5.2.35 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.4R]

5.2.36 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.5G]

5.2.37 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.8G]

5.2.38 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.9G]

~~Functions requiring qualifications~~

5.2.39 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.10R]

5.2.40 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.11G]

~~Managers of certification employees~~

5.2.41 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.13R]

~~Material risk takers~~

5.2.42 R [deleted]

5.2.43 G [deleted]

~~Client dealing function~~

5.2.44 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.18R]

5.2.45 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.19R]

5.2.46 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.20G]

5.2.47 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.21G]

5.2.48 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.22G]

~~Algorithmic trading function~~

5.2.49 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.23R]

5.2.50 R (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.24R]

(2) [deleted]

5.2.51 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.25G]

5.2.52 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.26G]

5.2.53 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.27G]

5.2.54 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.28G]

5.2.55 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.29G]

5.2.56 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.30G]

5.2.57 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.31G]

**5 Annex 1G** ~~**Examples of how the temporary UK role rule in SYSC 5.2.28A (the 30-day rule) works**~~ [deleted]

[Editor's note: The text of this annex has been moved to SYSC 27 Annex 1G]

...

**6 Compliance, internal audit and financial crime**

**6.1 Compliance**

...

6.1.4-C G (1) This *guidance* is relevant to ~~a relevant authorised person~~ an SMCR firm required to appoint a compliance officer under SYSC 6.1.4R or article 22(3) of the *MiFID Org Regulation* as applicable.

...

...

## 6.2 Internal audit

...

6.2.1B G (1) This *guidance* is relevant to ~~a relevant authorised person~~ an SMCR firm required to establish and maintain an internal audit function under article 24 of the *MiFID Org Regulation*.

...

6.2.2 G ...

(2) For a *firm* that is not ~~a relevant authorised person~~ an SMCR firm, the internal audit function is not a *controlled function* itself, but is part of the *systems and controls function* ~~or the PRA's systems and controls controlled function~~ (CF28).

(3) For ~~a relevant authorised person~~ an SMCR firm, the internal audit function is a *PRA controlled function* (SMF5).

...

## 7 Risk control

### 7.1 Risk control

...

7.1.8 G ...

(3) For a *firm* that is not ~~a relevant authorised person~~ an SMCR firm, the risk management function is not a *controlled function* itself, but is part of the *systems and controls function* ~~or the PRA's systems and controls controlled function~~ (CF28).

(4) For ~~a relevant authorised person~~ an SMCR firm, the risk management function is a *PRA controlled function* (SMF4).

...

Additional rules for CRR firms

...

7.1.23 G (1) This *guidance* is relevant to ~~a *relevant authorised person*~~ an *SMCR banking firm* that has appointed a head of the risk management function.

...

...

## 18 Whistleblowing

### 18.1 Application and purpose

#### Application

18.1.1A R This chapter applies to:

...

(3) in relation to SYSC 18.3.6R and SYSC 18.3.10R, ~~EEA *relevant authorised persons*~~ *SMCR banking firms* and ~~third-country *relevant authorised persons*~~ *SMCR banking firms* only in relation to a *branch* maintained by them in the *United Kingdom*; and

...

18.1.1A G A *Firms* are reminded that for the purpose of SYSC 18 (except for SYSC 18.3.9G) “*firm*” has the specific meaning set out in paragraph (8) of that definition in the *Glossary*, namely:

“(8) (in SYSC 18, with the exception of the *guidance* in SYSC 18.3.9G):

(a) a ~~UK *relevant authorised person*~~ *SMCR banking firm* except a *small deposit taker*; and

...

...

### 18.3 Internal arrangements

...

#### Reporting of concerns by employees to regulators

18.3.6 R This rule applies to ~~a *firm*~~, an ~~EEA *relevant authorised person*~~ *SMCR banking firm* and a ~~third-country *relevant authorised person*~~ *SMCR banking firm*.

...

...

## Additional rules for UK branches

- 18.3.10 R (1) This *rule* applies where an *EEA relevant authorised person SMCR banking firm* or a *third-country relevant authorised person SMCR banking firm* has:
- (a) a *branch* in the *United Kingdom*; and
  - (b) a *group* entity which is a *UK relevant authorised person SMCR banking firm*.
- (2) An *EEA relevant authorised person SMCR banking firm* and a *third-country relevant authorised person SMCR banking firm* must, in the manner described in (3), communicate to the *UK-based employees* of its *UK branch*:
- (a) the whistleblowing arrangements of the *group* entity that is a *UK relevant authorised person SMCR banking firm*; and
- ...

...

**18.4 The whistleblowers' champion**

- 18.4.1 G (1) A *UK relevant authorised person SMCR banking firm* is required under ~~SYSC 4.7.5R(1)~~ SYSC 24.2.1R to allocate the *FCA-prescribed senior management responsibility* for acting as the *firm's whistleblowers' champion*.

...

...

**21 Risk control: additional guidance****21.1 Risk control: guidance on governance arrangements**

...

Chief Risk Officer

- 21.1.2 G ...
- (2) *Firms* will need to seek the *appropriate regulator's* approval for a Chief Risk Officer to perform:
- (a) (for a ~~relevant authorised person~~ an SMCR firm) the *PRA's Chief Risk Function controlled function*; or

- (b) (for any other *firm*) the *systems and controls function* (see *SUP 10A* (FCA approved persons)) ~~or the relevant *PRA controlled function*.~~

...

- 21.1.4A G (1) This *guidance* is relevant to ~~a *relevant authorised person*~~ an *SMCR banking firm* that has appointed a chief risk officer.

...

...

## 22 Regulatory references

### 22.1 Application

General application

- 22.1.1 R This chapter applies to all *firms* (subject to *SYSC 22.1.5R*).

Activities covered

- 22.1.2 G This chapter is not limited to *regulated activities* or other specific types of activities.

Territorial scope and overseas firms

- 22.1.3 R There is no territorial limitation on the application of this chapter, subject to *SYSC 22.1.5R* and *SYSC 22.1.6R*.

- 22.1.4 G One effect of *SYSC 22.1.3R* is that the obligation to provide a reference can apply even if the *employee* worked in an overseas office of the *employer*.

- 22.1.5 R This chapter does not apply to:

- (1) an *overseas firm* that does not have an establishment in the *United Kingdom*;
- (2) a *UCITS qualifier* (see section 266 of the Act (Disapplication of rules));
- (3) an *AIFM qualifier*; or
- (4) an *incoming EEA firm* that is an *EEA pure reinsurer*.

- 22.1.6 R For an *incoming firm* or any other *overseas firm*, *SYSC 22.2.2R* (Obligation to give references) only applies if the current or former *employee* in question

(defined as “P” in SYSC 22.2.2R) is or was an *employee* of its *branch* in the *United Kingdom* and only relates to their activities as such.

- 22.1.7 R (1) In order to decide whether someone is an *employee* of a *branch*, the *Glossary* definition of *employee* is applied to the *branch* as if the *branch* and the *firm* of which it forms part were separate *firms*.
- (2) For the purpose of (1), paragraph (4A)(c) of the definition of *employee* (someone employed elsewhere in the *group*) does not apply.

## 22.2 Getting, giving and updating references: the main rules

Obligation to obtain references (~~full scope regulatory reference firms only~~  
applicable to SMCR firms)

- 22.2.1 R (1) If a ~~full scope regulatory reference firm~~ an SMCR firm (A) is considering:
- (a) permitting or appointing someone (P) to perform a *controlled function*; or
  - (b) issuing a certificate under the certification regime for P;
- (as explained in more detail in rows (A) and (B) of the table in SYSC 22.2.3R), A must take reasonable steps to obtain appropriate references from:
- (c) P’s current *employer*; and
  - (d) anyone who has been P’s *employer* in the past six years.
- (2) A must take reasonable steps to obtain the reference before the time in column two of the applicable row in the table in SYSC 22.2.3R. If A does not obtain it within that time it must take reasonable steps to obtain it as soon as possible thereafter.
- (3) A must in particular request:
- (a) the information in SYSC 22.2.2R(1) to (3); and
  - (b) (if P’s current or previous *employer* is also a ~~full scope regulatory reference firm~~ an SMCR firm) the information in SYSC 22.2.2R(4) (questions (A) to (F) of Part One of SYSC 22 Annex 1R).
- (4) When deciding what information to request under (1), A must have regard to the factors in SYSC 22.2.2R(5) (Factors set out in SYSC 22 Annex 2R).

Obligation to give references

- 22.2.2 R (1) A *firm* (B) must provide a reference to another *firm* (A) as soon as reasonably practicable if:
- (a) A is considering:
    - (i) permitting or appointing someone (P) to perform a *controlled function*; or
    - (ii) issuing a certificate under the certification regime for P; or
    - (iii) appointing P to another position in the table in SYSC 22.2.3R;
 

(as explained in more detail in the table in SYSC 22.2.3R);
  - (b) A makes a request, for a reference or other information in respect of P from B, in B's capacity as P's current or former *employer*;
  - (c) B:
    - (i) is P's current *employer*; or
    - (ii) has been P's *employer* at any time in the six year period preceding the request in (1)(b); and
  - (d) A indicates to B the purpose of the request.
- (2) B must disclose to A in the reference all information of which B is aware that B reasonably considers to be relevant to A's assessment of whether P is fit and proper.
- (3) B is only required to disclose under (1) and (2) something that occurred or existed:
- (a) in the six years before the request for a reference; or
  - (b) between the date of the request for the reference and the date B gives the reference; or
  - (c) (in the case of serious misconduct) at any time.
- [**Note:** See SYSC 22.5.10G and SYSC 22.5.11G for *guidance* on the meaning of serious misconduct]
- (4) ~~If B is a full scope regulatory reference firm~~ Where B is an SMCR firm:
- (a) B must in addition disclose the information in questions (A) to (F) of Part One of SYSC 22 Annex 1R (Template for



regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements); and

- (b) B must disclose the information in (a) whether or not A is a ~~full scope regulatory reference firm~~ an SMCR firm.
- (5) When deciding what information to give to A under (1) to (3), B must have regard to the factors in SYSC 22 Annex 2R (Factors to take into account when asking for and giving regulatory references).

22.2.3 R Table: What positions need a reference

Position	When to obtain reference	Comments
(A) Permitting or appointing someone to perform an <i>FCA controlled function</i> or a <i>PRA controlled function</i> .	<p>One <i>month</i> before the end of the application period</p> <p>Where a request for a reference would require:</p> <p>(a) the <i>firm</i> requesting the reference;</p> <p>(b) the <i>employer</i> giving the reference; or</p> <p>(c) any other <i>person</i>;</p> <p>to make a mandatory disclosure prior to P disclosing to its current <i>employer</i> that such application has been made, the date is the end of the application period.</p>	
(B) Issuing a certificate under section 63F of the <i>Act</i> (Certification of employees by <del>relevant authorised persons</del> ).	Before the certificate is issued	This includes renewing an existing certificate.
(C) Appointing someone to any of the following positions (as	Not applicable	SYSC 22.2.1R (obligation to obtain a reference) does not apply to a <i>firm</i> appointing someone to

<p>defined in the <i>PRA Rulebook</i>):</p> <p>(a) a notified non-executive director;</p> <p>(b) a credit union non-executive director; or</p> <p>(c) a key function holder.</p>		<p>the position in column (1).</p> <p>However <i>SYSC 22.2.2R</i> does apply to a <i>firm</i> asked to give a reference to a <i>firm</i> appointing someone to the position in column (1).</p>
<p><b>Note 1:</b> Mandatory disclosure means an obligation in any applicable laws, regulations or rules to declare or disclose information to the public.</p>		
<p><b>Note 2:</b> P refers to the <i>employee</i> or <i>ex-employee</i> about whom the reference is given as defined in more detail in <i>SYSC 22.2.1R</i> and <i>SYSC 22.2.2R</i>.</p>		
<p><b>Note 3:</b> The application period means the period for consideration referred to in section 61 of the <i>Act</i> (Determination of application).</p>		

Obligation to revise references: The main rule (~~full scope regulatory reference firms only~~ applicable to SMCR firms)

- 22.2.4 R If at any time:
- (1) ~~a full scope regulatory reference firm~~ an SMCR firm (B) has given a reference under *SYSC 22.2.2R* to another *firm* (A) about an *employee* or *ex-employee* of B (P);
  - (2) B was also ~~a full scope regulatory reference firm~~ an SMCR firm when it gave the reference in (1);
  - (3) either of the following applies:
    - (a) B is aware of matters or circumstances that mean that if B had been aware of them when giving that reference, this chapter would have required B to draft the reference differently; or
    - (b) the following applies:
      - (i) B has since giving the reference reached conclusions of the type described in question (E) of Part One of *SYSC 22 Annex 1R* or taken disciplinary action of the type described in question (F) of Part One of *SYSC 22 Annex 1R*; and
      - (ii) if B had taken or reached those conclusions or actions within the six year period referred to in Part One of

SYSC 22 Annex 1R, this chapter would have required B to draft the reference differently; and

- (4) it would be reasonable to consider the differences in (3) to be significant for an assessment by A of the fitness and propriety of P for the role at A for which the reference was given;

B must:

- (5) make reasonable inquiries as to the identity of P's current *employer*; and
- (6) give A details of those differences in writing as soon as reasonably practicable, unless SYSC 22.2.5R says that B does not have to do so.

22.2.5 R B does not need to update A if:

- (1) A is no longer a *firm*;
- (2) P has not yet been *employed* by A (because, for example, P is still working their notice period with B) and it is no longer intended for A to *employ* P;
- (3) A is no longer P's *employer*; or
- (4) despite making reasonable enquiries under SYSC 22.2.4R, B does not know whether P is still *employed* by A.

22.2.6 R This *rule* sets out time limits about the obligation to update a reference in SYSC 22.2.4R.

- (1) If B still *employs* P, SYSC 22.2.4R applies throughout the period B remains *employed*.
- (2) If B no longer *employs* P, the obligation to update ends six years after P ceased to be *employed* by B.
- (3) If B no longer *employs* P and the matters or circumstances are not serious misconduct by P, B does not have to disclose something if it did not occur or exist in the six year period ending on the date B gave the original reference. This limitation applies in addition to the one in (2).

[**Note:** See SYSC 22.5.10G and SYSC 22.5.11G for *guidance* on the meaning of serious misconduct]

Obligation to revise references: Finding out who the current employer is (all firms)

22.2.7 R If at any time:

- (1) ~~a full scope regulatory reference firm~~ an SMCR firm (B) has given a reference under SYSC 22.2.2R to another *firm* (A) about an *employee* or *ex-employee* of B (P);
- (2) B asks A whether P is still an *employee* of A; and
- (3) B gave A the reference no more than six years ago;

A must answer that question as soon as reasonably practicable, even if B does not tell A why it wants to know that information.

## 22.3 Drafting the reference and the request for a reference

How to draft the reference

- 22.3.1 G There are no requirements about the form in which a *firm* that is not ~~a full scope regulatory reference firm~~ an SMCR firm should give a reference.
- 22.3.2 G SYSC 22.4 has requirements about the form in which ~~a full scope regulatory reference firm~~ an SMCR firm should give a reference.

How to draft the request for a reference

- 22.3.3 G (1) A *firm* (A) asking another *firm* (B) for a reference should give B sufficient information to let B know that the requirements in this chapter apply to the reference it is being asked to give and which requirements apply.
- (2) As long as it complies with (1), A does not have to set out specifically the information this chapter requires it to obtain. This is because B should include that information even though B is not specifically asked to include it.
- 22.3.4 G A *firm* asking for a reference under this chapter from a current or former *employer* that is not a *firm* will normally need to specify what information it would like.

Inclusion of additional material

- 22.3.5 G (1) This chapter sets out minimum requirements for a reference. It does not prevent a *firm* from including more than is required by this chapter.
- (2) If a *firm* does disclose more than is required by this chapter the reference should still meet its duties under general law to its former *employee* and the recipient (see SYSC 22.5.3G to SYSC 22.5.5G).
- 22.3.6 G Nothing in this chapter prevents a *firm* from disclosing material outside the time limits under this chapter.

## 22.4 Drafting the reference: detailed requirements for ~~full scope regulatory reference firms~~ SMCR firms

Purpose of SYSC 22 Annex 1R

- 22.4.1 G SYSC 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements) has two purposes:
- (1) to set out what information a ~~full scope regulatory reference firm~~ an SMCR firm should disclose under SYSC 22.2.2R(4); and
  - (2) to provide a template that a ~~full scope regulatory reference firm~~ an SMCR firm should use when giving a reference under this chapter.

How to draft the reference

- 22.4.2 R (1) ~~A full scope regulatory reference firm~~ An SMCR firm must use the template in Part One of SYSC 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements) when giving a reference under this chapter to another *firm* (A).
- (2) A *firm* may make minor changes to the format of the template in Part One of SYSC 22 Annex 1R when giving a reference under this chapter, provided that the reference includes all the information required by SYSC 22 Annex 1R.
- (3) This *rule* applies even if A is not a ~~full scope regulatory reference firm~~ an SMCR firm.
- 22.4.3 G (1) SYSC 22.4.2R does not stop a ~~full scope regulatory reference firm~~ an SMCR firm including matters in the reference not required by the template in SYSC 22 Annex 1R.
- (2) ~~A full scope regulatory reference firm~~ An SMCR firm may include the material required by the template and additional material in the same document.
- (3) Any additional material should not alter the scope of any of the questions in the templates.
- 22.4.4 G ~~A full scope regulatory reference firm~~ An SMCR firm should use the template in SYSC 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements) even if the *firm* asking for the reference does not specifically ask it to.

PRA requirements

- 22.4.5 R B may combine in a single reference what the *PRA's rules* require and what this chapter requires.

**22.5 Giving references: additional rules and guidance for all firms**

## Verification

- 22.5.1 R This chapter does not require a *firm* to disclose information that has not been properly verified.
- 22.5.2 G (1) For example, this chapter does not necessarily require a *firm* to include in a reference the fact that an *ex-employee* left while disciplinary proceedings were pending or had started. Including such information is likely to imply that there is cause for concern about the *ex-employee* but the *firm* may not have established that the *ex-employee* was actually responsible for misconduct.
- (2) However, a *firm* may include such information in a reference if it wishes to (see SYSC 22.3.5G).

## Accuracy

- 22.5.3 G A *firm* should, when giving a reference under this chapter, provide as complete a picture of an *employee's* conduct record as possible to new employers.

## Fairness

- 22.5.4 G (1) A *firm* supplying a reference in accordance with this chapter owes a duty under the general law to its former *employee* and the recipient *firm* to exercise due skill and care in the preparation of the reference.
- (2) The *firm* may give frank and honest views, but only after taking reasonable care both as to factual content, and as to the opinions expressed.
- (3) References should be true, accurate, fair and based on documented fact.
- 22.5.5 G (1) An example of the general duty described in SYSC 22.5.4G is that fairness will normally require a *firm* to have given an *employee* an opportunity to comment on information in a reference. The *firm* might do this through, for example, disciplinary proceedings.
- (2) Paragraph (1) does not mean that the *firm* should provide an opportunity to comment on the reference itself, as opposed to the allegations on which it is based.
- (3) A *firm* may have given the *employee* an opportunity to comment on allegations that are later included in a reference even though, at the time that the *firm* is giving that opportunity, no reference is being contemplated. That may mean that the *firm* gives the *employee* their

opportunity to comment on the allegations some time before the reference is prepared.

- (4) Paragraph (1) does not mean that a *firm* will be unable to include an allegation in a reference if it has offered the *employee* an opportunity to comment on the allegation but the *employee* has unreasonably refused to do so.
- (5) Where a *firm* should have given an *employee* an opportunity to comment on an allegation if the allegation is to be included in a reference, this chapter requires the *firm* to give the *employee* that opportunity rather than merely to leave the allegation out of the reference.
- (6) Paragraph (5) may mean that where the *firm* has not given its *employee* an opportunity to comment on a matter at the time it first arose, it will have to give the *employee* the opportunity around the time that the *firm* is preparing the reference.
- (7) The obligation to give an *employee* an opportunity to comment does not mean that there is a wider duty to investigate whether there are facts that show that there has been a conduct breach (see SYSC 22.5.18G).
- (8) This chapter does not require the *employee's* views to be included in the reference. Instead the *firm* should take those views into account so far as appropriate when deciding whether something should be disclosed and how the disclosure is drafted.

#### Outsourcing

- 22.5.6 G The requirements in this chapter for a *firm* (B) to give a *firm* (A) a reference also apply where A has outsourced the collection of that information to another (unregulated) third party, where B has been made aware that the unregulated third party is acting on behalf of A.

#### Circumstances in which the ex-employee left

- 22.5.7 G The obligation to give a reference for an *employee* or *ex-employee* applies however the *employment* ended or is going to end. For example, it applies whether it ended through resignation, redundancy, dismissal or fixed term work, a secondment or temporary work coming to an end.

#### Missing or incomplete information

- 22.5.8 G (1) If a *firm's* records do not cover the maximum periods contemplated by SYSC 22.2.2R or SYSC 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements), the *firm* should note that in the reference.

- (2) A *firm* should not include a warning of the type described in (1) as a matter of routine. It should only be included if there is a genuine need to include it.

All relevant information: Calculation of six year period for disclosure

- 22.5.9 G (1) In general there is a six year limit on what should be disclosed under SYSC 22.2.2R(1) to (3).
- (2) Where the matter to be disclosed consists of a single course of conduct (such as market manipulation) the six year period does not begin until that course of conduct has come to an end. This means that individual events that occurred more than six years ago may still be within the six year limit.
- (3) This *guidance* is also relevant to the six year time limits for updating references in SYSC 22.2.6R.

All relevant information: Removal of six year period

- 22.5.10 G (1) SYSC 22.2.2R(1) to (3) normally has a six year time limit. SYSC 22.2.2R(3)(c) removes that time limit for serious matters. This paragraph (SYSC 22.5.10G) and SYSC 22.5.11G have *guidance* about this. This *guidance* is also relevant to the time limits for updating references in SYSC 22.2.6R.
- (2) The removal of the time limit does not mean that the time that has elapsed since the matter occurred is irrelevant. The length of time that has elapsed is relevant to deciding whether the matter is serious. In general, the longer ago the matter occurred, the less likely it is still to be serious for these purposes.
- (3) In determining whether something is serious for these purposes, the key question is how important the information still is for the requesting *firm*'s assessment of the *employee*'s fitness for the function that they are going to perform.
- (4) In considering what is relevant, a *firm* should, in particular, have regard to SYSC 22.5.4G (Fairness).
- (5) The table in SYSC 22.5.11G provides *guidance* on some of the factors which a *firm* should take into account when determining whether a matter is serious.
- (6) The *guidance* in this paragraph and in the table in SYSC 22.5.11G is only designed for the purposes of this chapter. It does not, for example, apply for the purposes of SUP 15 (Notifications to the FCA), DEPP or EG.
- 22.5.11 G Table: Examples of factors to take into account when deciding whether old misconduct is sufficiently serious to disclose



Factors to take into account	Comments
<p>(A) Whether P has committed a serious breach of individual conduct requirements.</p>	<p>Individual conduct requirements has the same meaning as in Part Two of SYSC 22 Annex 1R (Template for regulatory references given by <del>relevant authorised persons</del> <u>SMCR firms</u> and disclosure requirements).</p> <p>Factors to take into account in deciding whether the breach is serious include the following.</p> <ol style="list-style-type: none"> <li>(1) The extent to which the conduct was deliberate or reckless.</li> <li>(2) The extent to which the conduct was dishonest.</li> <li>(3) Whether the breaches are frequent or whether they have continued over a long period of time. The fact that breaches were frequent or repeated may increase the likelihood that they should be disclosed since the breaches may show a pattern of non-compliance.</li> <li>(4) The extent of loss, or risk of loss, caused to existing, past or potential investors, depositors, policyholders or other counterparties or customers.</li> <li>(5) The reasons for the breach. For example, where the breach was caused by lack of experience which has been remedied by training or further experience, it is less likely that the breach will still be relevant.</li> </ol>
<p>(B) Whether the conduct caused B to breach requirements of the <i>regulatory system</i> or P was concerned in a contravention of such a requirement by B and, in each case, whether P's conduct was itself serious.</p>	<ol style="list-style-type: none"> <li>(1) The factors in (A) are relevant to whether P's conduct was serious.</li> <li>(2) The seriousness of the breach by B is relevant. The factors in (A) are also relevant to this.</li> <li>(3) A breach by B of certain requirements is always likely to be serious under (2). Breach of the</li> </ol>

	<i>threshold conditions</i> is an example. However that does not mean that P's involvement will automatically be serious.
(C) Whether P's conduct involved dishonesty (whether or not also involving a criminal act).	Dishonesty is an important factor but it is not automatically decisive in every case. For instance, a small one-off case of dishonesty many years ago may not be sufficiently serious to require disclosure.
(D) Whether the conduct would have resulted in B's dismissing P, had P still been working for B, based on B's disciplinary policies and the requirements of the law about unfair dismissal.	
(E) Whether the conduct was such that, if B was considering P for a role today and became aware of the historical conduct, B would not employ P today notwithstanding the time that has passed.	
<b>Note 1:</b> P refers to the <i>employee</i> about whom the reference is being written.	
<b>Note 2:</b> B refers to the <i>firm</i> giving the reference.	

## Breach of APER

- 22.5.12 G (1) An example of information that may be relevant under SYSC 22.2.2R(1) to (3) is the fact that the *employee* has breached a requirement in *APER*.
- (2) This means that any *firm* (not just one that is a ~~full scope regulatory reference firm~~ an SMCR firm) should consider whether it needs to disclose a breach of *APER* individual conduct requirements (as defined in Part Two of SYSC 22 Annex 1R (Template for regulatory references given by SMCR firms and disclosure requirements)) when giving a reference under this chapter.

## Agreements not to disclose information

- 22.5.13 R A *firm* must not enter into any arrangements or agreements with any *person* that limit its ability to disclose information under this chapter.

- 22.5.14 G SYSC 22.5.13R covers all types of agreements and arrangements. For example:
- (1) it is not limited to an agreement or arrangement entered into when the *employee* leaves;
  - (2) it applies however the *employment* ends (see SYSC 22.5.7G); and
  - (3) it covers a “COT 3” Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS).

22.5.15 G A *firm* should not give any undertakings to suppress or omit relevant information in order to secure a negotiated release.

22.5.16 G The obligation to supply information to another *firm* under this chapter will apply notwithstanding any agreement prohibited by SYSC 22.5.13R.

#### Time in which to respond to reference requests

22.5.17 G The *FCA* expects that normally a *firm* should issue a reference under this chapter within six weeks of being asked to.

#### Duty to investigate allegations

- 22.5.18 G
- (1) A *firm* should, wherever feasible, conclude investigative procedures before the *employee* departs.
  - (2) However, this chapter does not create a duty to investigate alleged misconduct by an *employee* or former *employee*.
  - (3) There are several reasons why a *firm* may find it appropriate to investigate potential misconduct by an *employee* or former *employee*, including:
    - (a) assessing the actual and potential damage resulting from misconduct;
    - (b) identifying other individuals potentially culpable or accountable for the breach;
    - (c) satisfying itself that the *SMF manager* responsible for the areas where the misconduct occurred took reasonable steps to prevent or stop it; and
    - (d) (where the *employee* has *remuneration* susceptible to malus or clawback) enabling it to consider whether any adjustments are justified.

#### Criminal record checks

22.5.19 G A *firm* giving a reference need not include information from a criminal records check it has carried out under Part V of the Police Act 1997

(Certificates of Criminal records ~~Records, etc &~~). The recruiting *firm* should carry out a criminal records check itself if necessary. *SUP* 10C.10.16R requires a ~~relevant authorised person~~ an SMCR firm to carry out such a check when appointing an *SMF manager*.

## 22.6 Giving and updating references: additional rules and guidance for ~~full-scope regulatory reference firms~~ SMCR firms

Omitting or supplementing mandatory disclosures

- 22.6.1 G (1) A *firm* may have concluded that an *employee* is unfit or has breached *COCON* or *APER* (as described in questions (E) to (F) of Part One of *SYSC* 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements)). The *firm* may later become aware of facts or matters causing it to revise its original conclusions.
- (2) If so, the *firm* may decide not to disclose in a reference its conclusion or may qualify its conclusion with supplementary information.
- 22.6.2 G (1) A *firm* may have concluded that an *employee* is unfit or has breached *COCON* or *APER* (as described in questions (E) to (F) of Part One of *SYSC* 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements)). However the *firm* may consider that the disclosure is incomplete without including mitigating circumstances.
- (2) For example, if the *firm* is reporting a breach of *COCON* it may consider that the breach is very uncharacteristic of the *employee* and that they have had an exemplary record since then. In that case, the *firm* should include those views.

Requirement to consider whether there has been a conduct breach

- 22.6.3 G (1) If a *firm* has taken disciplinary action of the type referred to in question (F) in Part One of *SYSC* 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements) against an *employee* and is asked to give a reference about that *employee*, the *firm* should (if it has not already done so) consider whether the basis on which it took that action amounts to a breach of any individual conduct requirements covered by question (F).
- (2) If the *firm* decides that the basis on which it took that action does amount to a breach of those requirements, it should include that disciplinary action in the reference under question (F).
- (3) Paragraph (2) applies even if the grounds of the disciplinary action did not include such a breach of individual conduct requirements.

- (4) ~~SYSC TP 5.4.5R disappplies the~~ The requirement in (1) is disapplied for disciplinary action taken before 7 March 2017 or, in the case of *relevant authorised persons*, 7 March 2016 certain specified dates, where a *full scope regulatory reference firm* 's records do not record whether previous conduct subject to disciplinary action amounted to a breach. The date differs between different types of *SMCR firms*. *SYSC TP 5 and SYSC TP 7 set out those specified dates and other details.*
- (5) The obligation to consider whether there was a conduct breach does not mean that there is a wider duty to investigate whether there are facts that show that there has been a conduct breach (see *SYSC 22.5.18G*).

All relevant information: Interaction with mandatory disclosures

- 22.6.4 G (1) ~~SYSC 22.2.2R(1) to (3) may require a *full scope regulatory reference firm*~~ an *SMCR firm* to disclose information that goes beyond the mandatory minimum information in Part One of *SYSC 22 Annex 1R* (Template for regulatory references given by ~~relevant authorised persons~~ *SMCR firms* and disclosure requirements).
- (2) This may mean, for instance, that a *firm* should in some cases disclose a conclusion that an *employee* or former *employee* has breached *COCON* or *APER* where that conclusion was reached outside the time limits in Part One of *SYSC 22 Annex 1R*.

Updating references fairly

- 22.6.5 G (1) *SYSC 22.5.1R to SYSC 22.5.5G* (Verification, accuracy and fairness) also apply to updating a reference under *SYSC 22.2.4R*.
- (2) Therefore fairness may require a *firm* to have given an *employee* an opportunity to comment on an allegation if it is included in an update to a reference.

## 22.7 **Getting references: additional rules and guidance for ~~full scope regulatory reference firms~~ SMCR firms**

Intra-group transfers

- 22.7.1 R (1) This *rule* applies when:
- (a) ~~a *full scope regulatory reference firm*~~ an *SMCR firm* (A) would otherwise have to ask another *person* (B) for a reference under *SYSC 22.2.1R*; and
- (b) A and B are in the same *group*.

- (2) A need not ask for a reference from B if there are adequate arrangements in place under which A has access to the same information sources as B to the extent that they are relevant to things A has to ask B under SYSC 22.2.1R (Obligation to obtain references).
- (3) If A only has access to some of the information sources in (2), A may ask for a reference that only covers the sources to which A does not have such access.
- (4) If A, in accordance with this *rule*, does not ask for a reference or a full reference it must access the information resources referred to in this *rule* and get the relevant information within the time specified by SYSC 22.2.3R.

- 22.7.2 G (1) SYSC 22.7.1R means that a *firm* recruiting someone from another member of its *group* is not required to request a reference from the other where the *group* has centralised records or alternative measures in place to ensure sharing of relevant information between its members.
- (2) The recruiting *firm* should be satisfied that the centralised or alternative measures ensure relevant information is made available as part of the fit and proper assessment of the recruit.

#### Who should be asked to give a reference

- 22.7.3 G The *Glossary* definition of *employer* covers more than just a conventional employer and so it may not always be obvious who a *person's employer* is. Therefore ~~a full scope regulatory reference firm~~ an SMCR firm appointing someone to a position that requires a reference may have to get the *employee's* help in identifying their previous *employers*.

- 22.7.4 G (1) SYSC 22.2.1R (Obligation of ~~a full scope regulatory reference firm~~ an SMCR firm to try to obtain a reference) applies even if the *ex-employer* is not a *firm*.
- (2) ~~A full scope regulatory reference firm~~ An SMCR firm should take all reasonable steps to try to obtain the reference in these circumstances. However, the *FCA* accepts that the previous *employer* may not be willing to give sufficient information.

#### Asking for a reference to be updated

- 22.7.5 G (1) SYSC 22.2.1R (Obligation of ~~a full scope regulatory reference firm~~ an SMCR firm to try to obtain a reference) applies even if the *employer* has already got a reference for the *employee*. For example:

- (a) ~~a relevant authorised person~~ an SMCR firm should have a reference whenever it renews the certificate of a *certification employee*; and
  - (b) changing jobs within the same ~~full scope regulatory reference firm~~ SMCR firm may require a reference.
- (2) However, the ~~full scope regulatory reference firm~~ SMCR firm does not necessarily need to obtain a new reference each time (a) or (b) above occurs. That is because an existing reference will very often still be appropriate for the purpose (see SYSC 22.7.6G to SYSC 22.7.8G).

22.7.6 G If ~~a relevant authorised person~~ an SMCR firm (A):

- (1) appoints someone (P) to a ~~specified significant harm~~ certification function position;
- (2) obtains a reference from an ex-employer; and
- (3) later wishes to renew P's certificate under the certification regime;

it is unlikely that A will need to ask for another reference from that ex-employer or ask for it to be reissued unless there is a change in P's role of the type described in SYSC 27.2.15G (major changes in role).

22.7.7 G (1) If a ~~full scope regulatory reference firm~~ an SMCR firm (A):

- (a) appoints someone (P) to a ~~specified significant harm~~ certification function or an *approved person* position;
- (b) obtains a reference from an ex-employer (B); and
- (c) later wishes to:
  - (i) appoint P to another ~~specified significant harm~~ certification function or *approved person* position; or
  - (ii) keep P in the same ~~specified significant harm~~ certification function but make a change in P's role of the type described in SYSC 27.2.15G (major changes in role), whether that change is made at a time when the certificate has not yet come up for renewal or at the time it is being reissued; or
  - (iii) move P from a ~~specified significant harm~~ certification function to an *approved person* position or vice versa;

A should consider whether to ask B to reissue or amend its reference.

- (2) A may decide that it is not necessary to ask B to reissue or amend its reference. For example, A may decide that:
  - (a) the existing reference already covers everything necessary; or
  - (b) (where B is not a *firm*) B will not give any further information.

22.7.8 G If:

- (1) a *firm* (A) appoints someone (P) to a ~~*specified significant harm certification function*~~ or *approved person* position;
- (2) A obtains a reference from an *ex-employer* (B);
- (3) later P transfers to a ~~*specified significant harm certification function position*~~ or an *approved person* position with a ~~*full scope regulatory reference*~~ an *SMCR firm* in A's group (C);
- (4) B's reference is:
  - (a) addressed to all *firms* in A's group; or
  - (b) otherwise drafted so that it is clear that C may rely on it; and
- (5) C does not need to ask for the reference to be reissued or amended, taking account of SYSC 22.7.6G and SYSC 22.7.7G;

C may be able to rely on that reference without asking B to give another one.

When references are to be obtained

22.7.9 G If a ~~*full scope regulatory reference firm*~~ an *SMCR firm* is unable to obtain a reference by the time in column two of the table in SYSC 22.2.3R, it should still try to obtain the reference as soon as possible afterwards.

- 22.7.10 G
- (1) Where a ~~*relevant authorised person*~~ an *SMCR firm* needs to fill a vacancy for a ~~*specified significant harm certification function*~~ which could not have reasonably been foreseen, the *FCA* recognises that it may not be reasonable to expect the ~~*relevant authorised person*~~ *SMCR firm* to obtain references prior to issuing a certificate.
  - (2) In such cases, the ~~*relevant authorised person*~~ *SMCR firm* should take up the reference as soon as reasonably possible.
  - (3) If a reference obtained later raises concerns about the person's fitness and propriety, the ~~*relevant authorised person*~~ *SMCR firm* should revisit its decision to issue the person with a certificate.

22.7.11 G (1) Although this chapter (see SYSC 22.2.3R) only requires a ~~*full scope regulatory reference firm*~~ an *SMCR firm* to try to get a reference for a



*person* it is recruiting to perform an *FCA controlled function* or a *PRA controlled function* towards the end of the application process, the *FCA* would normally expect a *firm* to have obtained the reference before the application for approval is made.

- (2) The main examples of circumstances in which it would be reasonable for a *firm* to delay getting a reference are where asking for a reference earlier will create a serious risk of:
- (a) breaching the confidentiality of a wider commercial or corporate transaction;
  - (b) prematurely triggering the need for a public announcement; or
  - (c) the *candidate* not applying for the position in the first place because it would reveal to the *candidate's* current *employer* the proposed move too soon.
- (3) The *FCA* may consider that it needs to see the information in a reference before it reaches a decision. If so, it may formally ask for that information and extend the time period in which it has to make its decision until it gets the reference. *SUP* 10C.10.28G gives additional details about requests for further information and the effect they have on the period of time the *FCA* has to make a decision about an application.
- (4) ~~*Full scope regulatory reference firms*~~ *SMCR firms* are reminded that the *Act* itself requires a *firm* to be satisfied that a *candidate* is fit and proper before it makes an application for approval (see *SUP* 10C.10.14G for more detail). *SYSC* 22.7.11G(2) does not affect that obligation.

## 22.8 Additional rules and guidance for all firms

### Policies and procedures

- 22.8.1 R A *firm* must establish, implement and maintain policies and procedures that are adequate for the purpose of complying with the obligations in this chapter.
- 22.8.2 G *SYSC* 22.8.1R does not require a *firm* to create or keep records that are not required under *SYSC* 22.9.1R (General record keeping rules) or another *rule*.

### Appointed representatives

- 22.8.3 R This chapter applies to a *firm's* appointed representatives as well as to the *firm*.

- 22.8.4 R When ~~a relevant authorised person is permitting or appointing someone to perform a controlled function whose approval is given under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives of relevant authorised persons)~~ SYSC 22.8.3R applies to an *SMCR firm*, the requirements of this chapter for *firms* that are not ~~full scope regulatory reference firms~~ *SMCR firms* apply in place of the requirements that only apply to ~~full scope regulatory reference firms~~ *SMCR firms*.
- 22.8.4A R (1) The approved person's authorised approved person employer is responsible for compliance with SYSC 22.8.3R in the case of a requirement:
- (a) to give a reference about an approved person whose approval is under SUP 10A.1.15R to SUP 10A.1.16BR (Appointed representatives);
- (b) to update any such reference; and
- (c) under SYSC 22.2.7R in relation to any such person.
- (2) In any other case, each principal of the appointed representative in question is responsible for compliance with SYSC 22.8.3R.
- (3) If another principal of the appointed representative has accepted responsibility for the obligation in SYSC 22.8.3R, that principal is responsible in place of the other firms in (1) or (2).
- 22.8.5 G ~~A firm should ensure its appointed representative complies with the requirements of this chapter when the~~ One effect of SYSC 22.8.4R is that when an appointed representative appoints an approved person under SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives of an SMCR firm) there is no requirement for the appointed representative or its principal to request a reference.
- 22.8.6 G (1) A firm should ensure that its appointed representative gives a reference when another firm (or its appointed representative) asks that appointed representative to give a reference in accordance with this chapter.
- (2) A firm is not responsible for its appointed representative's giving references if another principal has accepted responsibility for this.
- Getting and giving a reference where the employee has worked in a group or on secondment
- 22.8.7 G If:
- (1) a firm (A) is thinking of employing someone (P);
- (2) P is employed by a group services company (D) that is not a firm;

(3) P (in their capacity as an *employee* of D) performs a function or service for a *firm* (B) in the same *group* as D such that P is also an *employee* of B; and

(4) A intends to appoint (P) to a position that entitles A to obtain a reference from B;

then:

(5) (if A is a ~~full scope regulatory reference firm~~ an SMCR firm) A should ask both B and D for a reference;

(6) B is obliged to give the reference if A asks it to (whether or not A is a ~~full scope regulatory reference firm~~ an SMCR firm);

(7) B should ask D to provide it with the information needed to provide a reference in accordance with this chapter;

(8) D may give a reference but (as it is not a *firm*) it is not obliged to; and

(9) D and B may give a single joint reference.

22.8.8 G SYSC 22.8.7G also applies where:

(1) D is not in the same *group* but has seconded P to B; and

(2) P (in their capacity as an *employee* of D) performed any function or services for B such that P was also an *employee* of B.

22.8.9 G If:

(1) a *firm* (A) is thinking of appointing someone (P) to a position that entitles A to obtain a reference from another *firm* (B); and

(2) P was an *employee* of other members of B's *group* as well as of B;

then:

(3) (if A is a ~~full scope regulatory reference firm~~ an SMCR firm) A should ask all the group members that *employed* P for a reference;

(4) B should give a reference if A asks it to (whether or not A is a ~~full scope regulatory reference firm~~ an SMCR firm);

(5) P's *employers* in that group (including any that are not *firms*) may give a single joint reference; and

(6) if the reference is being provided on a consolidated group basis, it should be clear what information is relevant to which *employer* within the *group*.

## 22.9 Records

General record keeping rules (~~full scope regulatory reference firms only~~  
applicable to SMCR firms)

- 22.9.1 R (1) ~~A full scope regulatory reference firm~~ An SMCR firm must arrange for orderly records to be created and kept that are sufficient to enable it to comply with the requirements of this chapter.
- (2) This *rule* only applies to records in relation to the following questions in Part One of SYSC 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements):
- (a) question (E) (fit and proper); and
  - (b) question (F) (disciplinary action).

Time limit for records to be kept (~~full scope regulatory reference firms only~~  
applicable to SMCR firms)

- 22.9.2 G SYSC 22.9.1R does not have an express time limit for which a *firm* should retain the records as its effect is that those time limits are the same as the time limits in SYSC 22 Annex 1R (Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements).

Reduction in disclosure obligations where there are limited record keeping requirements (all firms)

- 22.9.3 R A *firm* does not breach the requirements of this chapter by failing to include information in a reference that it would otherwise have to include if:
- (1) the reason for the omission is that the *firm* does not have the necessary records; and
  - (2) neither SYSC 22.9.1R nor any other requirement of or under the *regulatory system* requires the *firm* to have those records.
- 22.9.4 G If a *firm* is asked to give a reference in circumstances where the record keeping requirements in SYSC 22.9.1R do not apply:
- (1) it is still required to give the reference;
  - (2) it should give the reference based on the records it does have; and
  - (3) it will not breach the requirements of this chapter by failing to include information in a reference if the reason for this is that it does not have the necessary records, as long as it is not required to have those records by some other requirement in the *Handbook* outside

this chapter or some other requirement of or under the *regulatory system*.

Effect of previous record keeping requirements (~~full scope regulatory reference firms only~~ applicable to SMCR firms)

- 22.9.5 G (1) SYSC 22.9.1R applies to keeping records created before the date this chapter came into force as well as ones created afterwards.
- (2) ~~A full scope regulatory reference firm~~ An SMCR firm does not breach the requirements of this chapter by failing to include something in a reference or by failing to have records because it destroyed the relevant records before the date this chapter came into force in accordance with the record keeping requirements applicable to it at the time of destruction.
- (3) (1) also applies to records created before this chapter (or the relevant provision of this chapter) first applied to the firm.
- (4) (2) also applies if the firm destroyed the records before this chapter (or the relevant provision of this chapter) first applied to it.

**22 Annex 1R** **Template for regulatory references given by ~~relevant authorised persons~~ SMCR firms and disclosure requirements**

**Part One: Form of Template**

Guide to using this template:

Each question must be answered. Where there is nothing to disclose, this should be confirmed by ticking the “No” box for the relevant question.

In this template:

- “we” / “our firm” refers to the firm or firms giving the reference (as set out in either 1A or 1B below);
- “individual” refers to the subject of the reference (as set out in 2 below); and
- “your” refers to the firm requesting the reference (as set out in 3 below).

Information requested	Response
-----------------------	----------

1A	Name, contact details and firm reference number of firm providing reference; or	
1B	Names, contact details and firm reference numbers (where applicable) of group firms providing a joint reference	
2	Individual's name (i.e. the subject of the reference)	
3	Name, contact details and firm reference number of firm requesting the reference	
4	Date of request for reference	
5	Date of reference	

[*Editor's note:* The underlining in the heading of each question and answer in the remaining portion of Part One of this Annex is in the existing Handbook text and does not indicate new text.]

**The answers to Questions A to F cover the period beginning six years before the date of your request for a reference and ending on the date of this reference.**

#### Question A

Has the individual:

- (1) performed a ~~specified significant harm~~ certification function for our firm; or
- (2) been an approved person for our firm.

Answer:

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

#### Question B:

Has the individual performed one or more of the following roles in relation to our firm:

- (1) notified non-executive director;

- (2) credit union non-executive director; or
- (3) key function holder (other than a controlled function).

Answer:

Yes	
No	

Question C:

If we have answered ‘yes’ to either Question A or B above, we set out the details of each position held below, including:

- (1) what the controlled function, ~~specified significant-harm~~ certification function or key function holder role is or was;
- (2) (in the case of a controlled function) whether the approval is or was subject to a condition, suspension, limitation, restriction or time limit;
- (3) whether any potential FCA governing function is or was included in a PRA controlled function; and
- (4) the dates during which the individual held the position.

Answer:

Question D

Has the individual performed a role for our firm other than the roles referred to in Questions A and B above:

Answer:

Yes	
No	

If ‘yes’, we have provided summary details of the other role(s), e.g. job title, department and business unit, below.

Question E

Have we concluded that the individual was not fit and proper to perform a function:

Answer:

Yes	
No	

If 'yes' and associated disciplinary action was taken as a result, please refer to Question F below.

If 'yes', and no associated disciplinary action was taken as a result, we have set out below the facts which led to our conclusion.

--

Question F

We have taken disciplinary action against the individual that:

(1) relates to an action, failure to act, or circumstances, that amounts to a breach of any individual conduct requirements that:

(a) apply or applied to the individual; or

(b) (if the individual is or was a key function holder, a notified non-executive director or a credit union non-executive director for your firm) the individual is or was required to observe under *PRA* rules (including if applicable, *PRA* rules in force before 7 March 2016); or

(2) relates to the individual not being fit and proper to perform a function.

Answer:

Yes	
No	

If 'yes', we have provided below a description of the breaches (including dates of when they occurred) and the basis for, and outcome of, the subsequent disciplinary action.

--

Question G



Are we aware of any other information that we reasonably consider to be relevant to your assessment of whether the individual is fit and proper? This disclosure is made on the basis that we shall only disclose something that:

(1) occurred or existed:

(a) in the six years before your request for a reference; or

(b) between the date of your request for the reference and the date of this reference; or

(2) is serious misconduct.

Answer:

Yes	
No	

If 'yes', we have provided the relevant information below.

--

## Part Two: Definitions used in Part One

Section One of Part Two of this annex defines terms used in this annex.

Section Two of Part Two of this annex modifies the meaning of certain requirements in Part One and has material about completing the template.

Section One: Meaning of certain terms and phrases	
Defined term or phrase	Meaning
B	B refers to the <i>employer</i> or <i>ex-employer</i> giving the reference as defined in more detail in SYSC 22.2.1R and SYSC 22.2.2R.
P	P refers to the <i>employee</i> or <i>ex-employee</i> about whom the reference is given as defined in more detail in SYSC 22.2.1R and SYSC 22.2.2R.
A finding or conclusion by B that P was not fit and proper to perform a function (see questions (E) to (F) of the template)	This means a finding or conclusion by B <del>in the following circumstances</del> where: (a) B assesses the continuing fitness and propriety of P as an <i>approved person</i> in

	<p>accordance with the requirements of the <i>regulatory system</i>, including when carrying out this assessment under section 63(2A) of the <i>Act</i> (annual assessment of <i>approved persons</i> by a <del>relevant authorised person</del> <u>an SMCR firm</u>); or</p> <p>(b) B assesses the fitness and propriety of P when B is proposing to issue a certificate under section 63F of the <i>Act</i> (Certification of employees by <del>relevant authorised persons</del> <u>SMCR firms</u>) for P.</p> <p>Paragraph (b) applies whether the certificate is being issued for the first time or is being renewed.</p>
<p>Individual conduct requirements</p>	<p>Individual conduct requirements mean any of the following:</p> <p>(a) <i>COCON</i>;</p> <p>(b) <i>APER</i>;</p> <p>(c) the <i>PRA</i>'s Individual Conduct Standards or Senior <del>Insurance</del> Manager Conduct Standards (in:</p> <p><u>(i) Chapter 3 of the Part of the <i>PRA Rulebook</i> called <del>Solvency II Firms</del>: Insurance – Conduct Standards;</u></p> <p><u>(ii) <del>and in</del> Chapter 3 of the Part of the <i>PRA Rulebook</i> called <del>Non-Solvency II Firms</del>: Large Non-Solvency II Firms – Conduct Standards; and</u></p> <p><u>(iii) Chapter 2 of the Part of the <i>PRA Rulebook</i> called Non-Solvency II firms - Conduct Standards</u>); or</p> <p>(d) the <i>PRA</i>'s Individual Conduct Rules or Senior Manager Conduct Rules (in:</p> <p><u>(i) Chapters 2 and 3 of the Part of the <i>PRA Rulebook</i> called CRR Firms: Conduct Rules; and</u></p> <p><u>(ii) <del>in</del> Chapters 2 and 3 of the Part of the <i>PRA Rulebook</i> called Non-CRR Firms: Conduct Rules</u>); or</p> <p><del>(e) the <i>PRA</i>'s Conduct Standards (in Chapter 3 of the Part of the <i>PRA</i>'s <i>Rulebook</i> called CRR Firms: Fitness and Propriety; and Chapter 3 of the Part of the <i>PRA</i></del></p>

	<del>Rulebook called Non-CRR Firms: Fitness and Propriety).</del>
Function (as referred to in questions (E) to (F))	A function means a function as an <i>approved person</i> or <i>certification employee</i> .
Disciplinary action	Disciplinary action has the same meaning as in section 64C(2) of the <i>Act</i> (Requirement for <del>relevant</del> authorised persons to notify regulatory of disciplinary action), which is: (a) the issue of a formal written warning; or (b) the suspension or dismissal of P; or (c) the reduction or recovery of any of P's remuneration.  This definition applies even if B is not a <del>relevant authorised person</del> <u>an SMCR firm</u> .
Notified non-executive director, credit union non-executive director and key function holder	These terms have the same meaning as they do in the <i>PRA Rulebook</i> .
<del>Specified significant harm</del> <u>Certification</u> function, approved person, controlled function and PRA controlled function	These terms have the same meaning as they do in the <i>Glossary</i> .
Potential FCA governing function	Potential FCA governing function means a function: (a) that would have been an <i>FCA controlled function</i> but for: (i) <i>SUP</i> 10A.11 (Minimising overlap with the PRA approved persons regime) ( <u>when that section was in force</u> ); or (ii) <i>SUP</i> 10C.9 (Minimising overlap with the PRA approved persons regime); (b) but instead is included in a <i>PRA controlled function</i> under the <del>following</del> parts of the <i>PRA Rulebook</i> : <u>listed in <i>SUP</i> 10C.9.6G</u> . <del>(i) Part 2 of "Senior management functions";</del> <del>(ii) Part 2 of "Insurance—Senior Insurance Management Functions";</del> <del>(iii) Part 6 of "Solvency II Firms: Senior Insurance Managers Regime—Transitional Provisions";</del> or

	<del>(iv) Part 6 of “Non-Solvency II Firms: Large Non-Solvency II Firms—Senior Insurance Managers Regime—Transitional Provisions.”</del>
Section Two: Supplementary requirements	
Item of template for which supplemental requirements apply	Supplemental requirements
Questions (E) and (F)	<p>If:</p> <p>(a) the finding or disciplinary action was reached or taken by another member of B’s <i>group</i> with the authority to do so; and</p> <p>(b) the finding or disciplinary action relates to conduct by P relating to the carrying on of activities (whether or not <i>regulated activities</i>) by B;</p> <p>this question applies to such finding or disciplinary action in the same way as it does to findings or disciplinary action made or taken by the <i>firm</i> itself.</p>
Question (F)	This question is subject to SYSC TP 5.4.5R and SYSC TP 7.4.4R (where there is no need to disclose disciplinary action that took place before certain dates if the <i>firm</i> ’s records do not show whether there was a breach of individual conduct requirements).
The whole of Part One of this annex	The template to be used by a <i>firm</i> in giving a reference <del>includes</del> <u>consists of</u> everything in Part One of this annex except for the “Guide to using this template” paragraph.

**22 Annex 2 Factors to take into account when asking for and giving regulatory references**

Matters to take into account	Comments
(A) Any outstanding liabilities of that person from commission payments	

(B) Any relevant outstanding or upheld complaint from an <i>eligible complainant</i> against P	
(C) Section 5 of the relevant Form A in <i>SUP</i> 10A Annex 4 (Application to perform controlled functions under approved persons regime) or <i>SUP</i> 10C Annex <del>2</del> <u>3</u> (Application to perform senior management functions)	
(D) <i>FIT</i> 2 (Main assessment criteria)	
(E) The persistency of any life policies sold by P	This only applies if <i>SUP</i> 16.8.1G(1) (Persistency reports from insurers) applies to B
<b>Note:</b> P refers to the <i>employee</i> or <i>ex-employee</i> about whom the reference is given as defined in more detail in SYSC 22.2.1R and SYSC 22.2.2R.	

After SYSC 22 (Regulatory references) insert the following new chapter SYSC 23. The text is not underlined.

## **23 Senior managers and certification regime: Introduction and classification**

### **23.1 Purpose**

23.1.1 G The purpose of this chapter is to:

- (1) explain what the senior managers and certification regime is and where to find the main *FCA Handbook* provisions;
- (2) define which *firms* the regime applies to; and
- (3) define the different kinds of *SMCR firm*.

### **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.

### 23.3 Overview of the senior managers and certification regime

- 23.3.1 G There are three main elements to the regime:
- (1) the senior managers regime;
  - (2) the certification regime; and
  - (3) conduct rules that apply directly to a *firm*'s workforce.
- 23.3.2 G The table in SYSC 23.3.3G gives more details about each of those three elements.
- 23.3.3 G Table: Summary of the senior managers and certification regime

Description of component of the regime	Handbook provisions
The senior managers regime: Parts that apply to all firms	
Pre-approval by the <i>FCA</i> of senior management (the <i>FCA Handbook</i> calls senior management subject to pre-approval <i>SMF managers</i> )	<i>SUP</i> 10C
<i>Firm</i> to be satisfied that a <i>person</i> is fit and proper before applying for them to be approved as an <i>SMF manager</i> by the <i>FCA</i> or <i>PRA</i>	This requirement is in section 60A of the <i>Act</i> . There is <i>guidance</i> on it in <i>SUP</i> 10C.10.14G (Vetting of candidates by the firm).
Annual assessment of fitness and propriety by the <i>SMF managers' firms</i>	This requirement is in section 63(2A) of the <i>Act</i> . There is <i>guidance</i> and related notification obligations in <i>SUP</i> 10C.14.18R to <i>SUP</i> 10C.14.25G (Notifications about fitness, disciplinary action and breaches of COCON).
A <i>firm</i> should carry out criminal records checks before applying for someone to be approved as an <i>SMF manager</i> .	<i>SUP</i> 10C.10.16R (Criminal records checks and verifying fitness and properness)
A <i>firm</i> should ask for a regulatory reference before appointing someone to be an <i>SMF manager</i> , or to certain other senior management positions, and give one if asked to by another <i>firm</i> doing so.	<i>SYSC</i> 22 (Regulatory references)

<p><i>Statements of responsibilities</i></p> <p>This is a document that sets out the responsibilities that an <i>SMF manager</i> performs as part of their <i>designated senior management function</i>. It is prepared as part of the <i>firm's</i> application to the <i>FCA</i> or <i>PRA</i> for them to be approved as an <i>SMF manager</i>. It should be updated after approval when there has been any significant change in the responsibilities of the <i>SMF manager</i>.</p>	<p><i>SUP</i> 10C.11 (Statements of responsibilities).</p> <p>Many of the requirements are in the <i>Act</i> itself but they are summarised in <i>SUP</i> 10C.11.</p> <p><i>SUP</i> 10C.11 also adds some further requirements, particularly about there being one <i>statement of responsibilities</i> per <i>SMF manager</i> per <i>firm</i>.</p>
<p>Duty of responsibility</p> <p>This applies to <i>SMF managers</i> in all types of <i>firm</i>.</p>	<p>This is dealt with in section 66A(5) of the <i>Act</i>.</p> <p>There is <i>guidance</i> on this in <i>DEPP</i> 6.2.9-AG to <i>DEPP</i> 6.2.9-FG.</p>
<p>The senior managers regime: Parts that apply to many firms</p>	
<p>A <i>firm</i> should allocate certain specified management responsibilities among its <i>SMF managers</i>.</p> <p>The <i>FCA Handbook</i> calls them <i>FCA-prescribed senior management responsibilities</i>.</p>	<p><i>SYSC</i> 24 (Senior managers and certification regime: Allocation of prescribed responsibilities)</p>
<p>A <i>firm</i> should maintain a comprehensive and up-to-date <i>document</i> (called the <i>management responsibilities map</i>) that describes its management and governance arrangements.</p>	<p><i>SYSC</i> 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material)</p>
<p>A <i>firm</i> should ensure that, at all times, one or more of its <i>SMF managers</i> have overall responsibility for each of the activities, business areas and functions of the <i>firm</i>.</p>	<p><i>SYSC</i> 26 (Senior managers and certification regime: Overall and local responsibility)</p>
<p>A <i>firm</i> should ensure that a person becoming an <i>SMF manager</i> has all the information and material that they could reasonably expect to</p>	<p><i>SYSC</i> 25.9 (Handover procedures and material)</p>

have to perform their responsibilities.	
The senior managers regime: Parts outside the Handbook	
<p>Criminal offence relating to a decision that causes a financial institution to fail</p> <p>It applies to a <i>UK SMCR banking firm</i> but does not apply to a <i>credit union</i>.</p> <p>It does not apply to any <i>firm</i> that is not a <i>UK SMCR banking firm</i>.</p>	<p>This is contained in section 36 of the Financial Services (Banking Reform) Act 2013</p>
The certification regime	
<p>A <i>firm</i> should not permit an <i>employee</i> to carry out certain functions (<i>certification functions</i>) unless it has issued them with a certificate.</p> <p>The certificate is only valid for a year. The <i>firm</i> will have to renew it if the <i>employee</i> is to carry on performing the function.</p> <p>A <i>firm</i> may not issue or renew a certificate unless it is satisfied that the <i>person</i> is fit and proper.</p> <p>Certification does not involve pre-approval by the <i>FCA</i> or <i>PRA</i>.</p>	<p>Most of the requirements of this regime are in sections 63E (Certification of employees by authorised persons) and 63F (Issuing of certificates) of the <i>Act</i>.</p> <p><i>SYSC 27</i> (Senior managers and certification regime: Certification regime) describes the regime and explains which <i>employees</i> are covered.</p>
<p>A <i>firm</i> should ask for a regulatory reference before appointing someone to perform an <i>FCA certification function</i> (or a <i>PRA</i> equivalent) and give one if asked to by another <i>firm</i> doing so.</p>	<p><i>SYSC 22</i> (Regulatory references)</p>
Conduct rules (applies to all firms)	
<p><i>Rules</i> of conduct that apply directly to a <i>firm</i>'s workforce other than ancillary staff.</p>	<p><i>COCON</i></p>
<p>A <i>firm</i> should report breaches of <i>COCON</i> to the <i>FCA</i>.</p>	<p>Section 64C of the <i>Act</i> (Requirement for authorised persons to notify regulator of disciplinary action) and <i>SUP 15.11</i> (Notification</p>



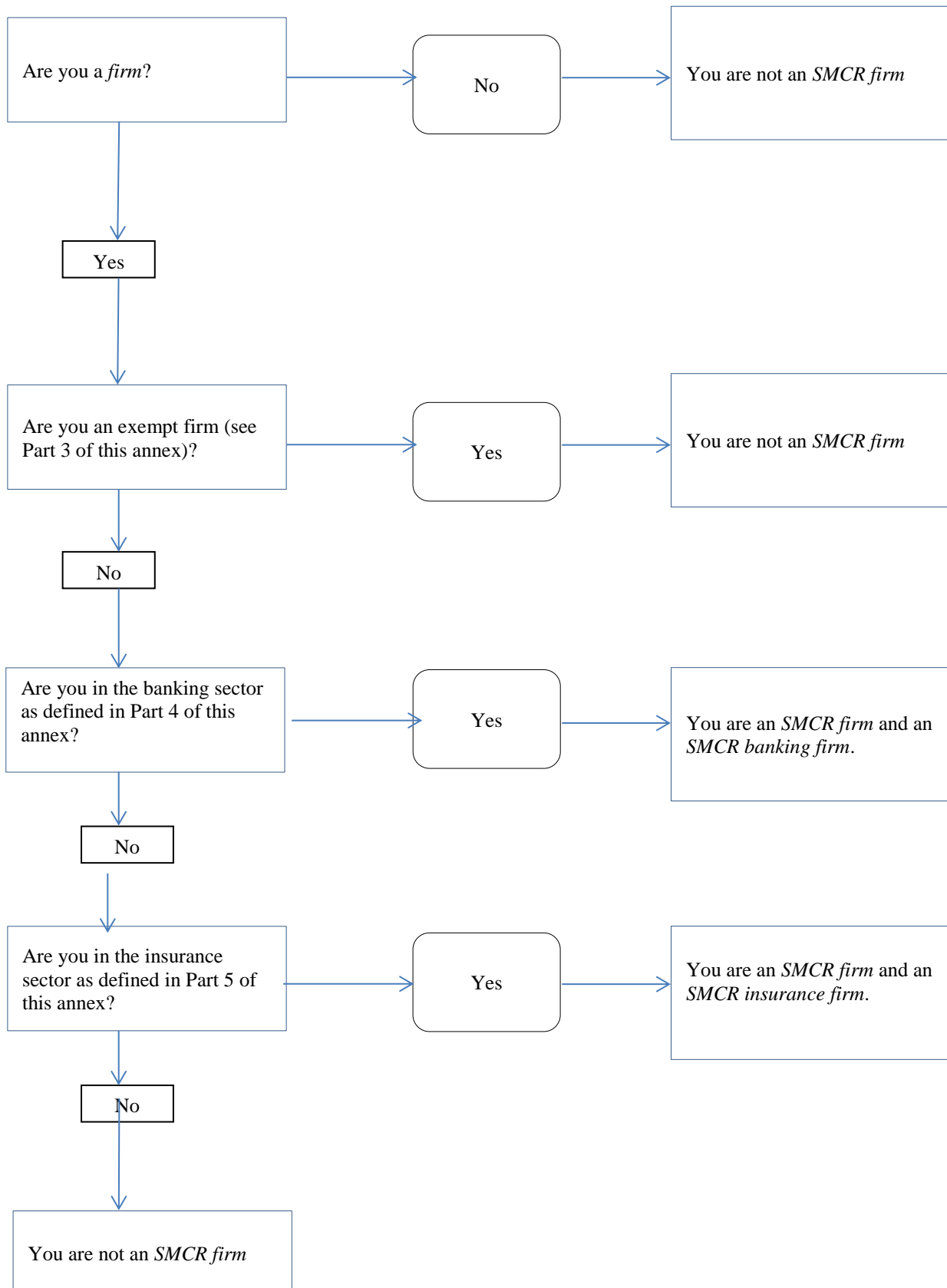
	of COCON breaches and disciplinary action)
<p>A <i>firm</i> should:</p> <p>(a) ensure that all <i>persons</i> subject to <i>COCON</i> are notified of the <i>rules</i> that apply to them; and</p> <p>(b) take all reasonable steps to ensure that they understand how <i>COCON</i> applies to them</p>	<p>These obligations are in section 64B of the Act (Rules of conduct: responsibilities of authorised persons).</p> <p>There is <i>guidance</i> in <i>COCON</i> 2.3 (Firms: Training and breaches).</p>

- 23.3.4 G The *PRA* has requirements corresponding to the senior managers and certification regime that apply to *PRA-authorised persons*. The *FCA* and *PRAs*’ regimes are designed to work together and complement each other. A *PRA-authorised person* will therefore need to consider the *PRA*’s requirements to get a complete picture of the requirements that apply to it (and its workforce) in the area covered by the senior managers and certification regime and the requirements in the *Act* on which it is based.

## 23 Annex 1 Definition of SMCR firm and different types of SMCR firms

### Part One: Flow diagram and other basic provisions

- 1.1 R The flow diagram in *SYSC* 23 Annex 1 1.2R defines:
- (1) an *SMCR firm*; and
  - (2) the different categories of *SMCR firm*.
- 1.2 R Flow diagram: Types of *SMCR firm*



Note to the decision tree

The categorisation in this decision tree is subject to SYSC 23 Annex 1 2.1R.

Part Two: Changing category

- 2.1 R If a *firm* is subject to a *requirement* that it must comply with the *rules* in the *FCA Handbook* applicable to one of the categories of *SMCR firm* set out in this Annex, it is to be treated as falling into that category of *SMCR firm* for all purposes.

Part Three: Definition of exempt firm

- 3.1 R This part defines an exempt firm for the purposes of the flow diagram in Part One of this Annex.
- 3.2 R An *overseas firm* is an exempt *firm* if it:
- (1) does not have; and
  - (2) does not have an *appointed representative* that has;  
an establishment in the *United Kingdom*.
- 3.3 R An *incoming EEA firm* that is an *EEA pure reinsurer* is an exempt firm.

Part Four: Definition of banking sector

- 4.1 R A *firm* is in the banking sector for the purposes of the flow diagram in Part One of this Annex if the *firm* meets the conditions in SYSC 23 Annex 1 4.2R, SYSC 23 Annex 1 4.4R or SYSC 23 Annex 1 4.6R.
- 4.2 R A *firm* is in the banking sector for the purposes of the flow diagram in Part One of this Annex if it is an institution that meets the following conditions:
- (1) it is incorporated in, or formed under the law of any part of, the *United Kingdom*;
  - (2) it is not an institution authorised under the *Act* to carry on the *regulated activity* of *effecting contracts of insurance* or *carrying out contracts of insurance*; and
  - (3) it meets one of the following conditions:
    - (a) its *Part 4A permission* includes *accepting deposits*; or
    - (b) it meets all the following conditions:
      - (i) the institution is an *investment firm*;

- (ii) its *Part 4A permission* covers *dealing in investments as principal*; and
  - (iii) when carried on by it, that activity is a *PRA-regulated activity*.
- 4.3 R An *SMCR banking firm* in SYSC 23 Annex 1 4.2R is a *UK SMCR banking firm*.
- 4.4 R A *firm* is also in the banking sector for the purposes of the flow diagram in Part One of this Annex if it is a non-UK institution other than an *incoming firm* that meets the following conditions:
- (1) it has a *branch* in the *United Kingdom*;
  - (2) it is not an institution authorised under the *Act* to carry on the *regulated activity of effecting contracts of insurance or carrying out contracts of insurance*; and
  - (3) it meets one of the following conditions:
    - (a) it is a *credit institution* which has a *Part 4A permission* that includes *accepting deposits*; or
    - (b) it meets all the following conditions:
      - (i) the institution is an *investment firm*;
      - (ii) its *Part 4A permission* covers *dealing in investments as principal*; and
      - (iii) when carried on by it, that activity is a *PRA-regulated activity*.
- 4.5 R An *SMCR banking firm* in SYSC 23 Annex 1 4.4R is a *third-country SMCR banking firm*.
- 4.6 R A *firm* is also in the banking sector for the purposes of the flow diagram in Part One of this Annex if it is an *incoming EEA firm* or *incoming Treaty firm* that meets the following conditions:
- (1) it has a *branch* in the *United Kingdom*;
  - (2) it is not an institution authorised under the *Act* to carry on the *regulated activity of effecting contracts of insurance or carrying out contracts of insurance*; and
  - (3) it meets one of the following conditions:

- (a) it is a *credit institution* which has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that includes *accepting deposits*; or
- (b) it meets all the following conditions:
  - (i) the institution is an *investment firm*;
  - (ii) it has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that covers *dealing in investments as principal*; and
  - (iii) when carried on by it, that activity is a *PRA-regulated activity*.

4.7 R An *SMCR banking firm* in SYSC 23 Annex 1 4.6R is an *EEA SMCR banking firm*.

Part Five: Definition of insurance sector

5.1 R A *firm* is in the insurance sector for the purposes of the flow diagram in Part One of this Annex if the *firm* is:

- (1) a *Solvency II firm* (including a *large non-directive insurer*); or
- (2) a *small non-directive insurer*.

5.2 R (1) A *firm* from which the Solvency II rules (as defined by the part of the *PRA Rulebook* described in this paragraph (1)) are disapplied by chapter 2 of the Solvency II Firms: Transitional Measures part of the *PRA Rulebook* is in the insurance sector for the purposes of the flow diagram in Part One of this Annex.

(2) A *firm* defined as a small run-off firm in the Glossary part of the *PRA Rulebook* is in the insurance sector for the purposes of the flow diagram in Part One of this Annex.

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

**24 Senior managers and certification regime: Allocation of prescribed responsibilities**

**24.1 Application**

Main application rules

- 24.1.1 R This ~~section~~ chapter applies to ~~UK relevant authorised persons~~ an SMCR  
4.7.1 firm, except to the extent that this chapter applies a narrower scope to a  
particular provision. However, this chapter does not apply to an EEA SMCR  
firm.
- 24.1.2 R This ~~section~~ chapter is not limited to *regulated activities* or other specific  
4.7.3 types of activities.

#### Territorial scope

- 24.1.3 R There is no territorial limitation on the application of this ~~section~~ chapter,  
4.7.2 subject to SYSC 24.1.4R.
- 24.1.4 R When this chapter applies to an overseas SMCR firm, it applies in relation to  
the activities of the firm's branch in the United Kingdom.

## **24.2 Allocation of FCA-prescribed senior management responsibilities: Main allocation rules**

### Allocation of FCA-prescribed senior management responsibilities

- 24.2.1 R A *firm* must allocate each of the *FCA-prescribed senior management*  
4.7.5(1) *responsibilities* in ~~Part 1~~ of the table in SYSC 24.2.6R that apply to it to one  
or more SMF managers of the firm.
- 24.2.2 G (1) Subject to (2), SYSC 24 Annex 1 (Which prescribed responsibilities  
apply to which kind of firm) sets out which FCA-prescribed senior  
management responsibilities apply to which kind of SMCR firm.
- (2) In some cases, an FCA-prescribed senior management responsibility  
is subject to further restrictions on the types of firm and  
circumstances to which it applies, as set out in the table in SYSC  
24.2.6R (Table: FCA-prescribed senior management  
responsibilities).
- 24.2.3 R (1) A *firm* may not allocate an *FCA-prescribed senior management*  
4.7.5(5) *responsibility* to an *SMF manager* who is only approved to perform  
the other overall responsibility function or the other local  
responsibility function for that *firm*, subject to ~~(6)~~ (2).
- (2) A *firm* may allocate ~~the~~ *FCA-prescribed senior management*  
4.7.5(6) *responsibility* (z) in ~~row (11)~~ of the table in SYSC 24.2.6R (functions  
in relation to CASS) to an *SMF manager* who is only approved to  
perform the other overall responsibility function or the other local  
responsibility function.

24.2.4 R A *firm* must make the allocations of *FCA-prescribed senior management*  
 4.7.5(7) *responsibilities* in this ~~rule~~ chapter in such a way that it is clear who has  
 which of those responsibilities.

What the FCA-prescribed senior management responsibilities are

24.2.5 R The *FCA-prescribed senior management responsibilities* are set out in the  
 4.7.6 table in SYSC 24.2.6R.

24.2.6 R Table: FCA-prescribed senior management responsibilities  
 4.7.7

Part One (applies to all firms)		
<b>FCA-prescribed senior management responsibility</b>	<b>Explanation</b>	<b>Equivalent PRA-prescribed senior management responsibility</b> <b><u>Reference letter</u></b>
(1) Responsibility for the <i>firm's</i> performance of its obligations under the senior <del>management</del> <u>managers</u> regime	<p>The senior <del>management</del> <u>managers</u> regime means the requirements of the <i>regulatory system</i> applying to <del>relevant authorised persons</del> <u>SMCR firms</u> insofar as they relate to <i>SMF managers</i> performing <i>designated senior management functions</i>, including SUP 10C (FCA senior <del>management managers</del> regime for approved persons <del>in relevant authorised persons</del>).</p> <p>This responsibility includes:</p> <p>(1) compliance with conditions and time limits on approval;</p> <p>(2) compliance with the requirements about</p>	<p><del>PRA-prescribed senior management responsibility</del> 4.1(1)                      (a)</p>

	<p>the <i>statements of responsibilities</i> (but not the allocation of responsibilities recorded in them);</p> <p>(3) compliance by the <i>firm</i> with its obligations under section 60A of the <i>Act</i> (Vetting of candidates by <del>relevant</del> authorised persons); and</p> <p>(4) compliance by the <i>firm</i> with the requirements in SYSC 22 (Regulatory references) so far as they relate to the senior <del>management</del> <u>managers</u> regime, including the giving of references to another <i>firm</i> about an <i>SMF manager</i> or former <i>SMF manager</i>.</p>	
<p>(2) Responsibility for the <i>firm</i>'s performance of its obligations under the employee certification regime</p>	<p>The employee certification regime means the requirements of sections 63E and 63F of the <i>Act</i> (Certification of employees) and all other requirements of the <i>regulatory system</i> about the matters dealt with in those sections, including:</p> <p>(1) SYSC 27 (<u>Senior managers and certification regime</u>: Certification Regime);</p> <p>(2) the requirements in SYSC 22 (Regulatory references) so far as they relate to the employee certification</p>	<p><del>PRA-prescribed senior management responsibility 4.1(2)</del></p> <p><u>(b)</u></p>



	<p>regime, including the giving of references to another <i>firm</i> about a <i>certification employee</i> or former <i>certification employee</i>; and</p> <p>(3) the corresponding <i>PRA</i> requirements.</p>	
<p><del>(3) Responsibility for compliance with the requirements of the <i>regulatory system</i> about the <i>management responsibilities map</i></del></p>	<p>This responsibility does not include allocating responsibilities recorded in it</p>	<p><del><i>PRA-prescribed senior management responsibility</i> 4.1(3)</del></p>
<p>(4) <del>(3)</del> Overall responsibility <u>Responsibility</u> for the <i>firm's</i> policies and procedures for countering the risk that the <i>firm</i> might be used to further <i>financial crime</i></p>	<p>(1) This includes the function in:</p> <p><u>(a) responsibility for the <i>firm's</i> policies and procedures in relation to the matters in SYSC 3.2.6R (Systems and controls in relation to compliance, financial crime and money laundering);</u></p> <p><u>(b) the functions in SYSC 3.2.6HR or SYSC 6.3.8R (firm must allocate to a <i>director</i> or <i>senior manager</i> overall responsibility within the <i>firm</i> for the establishment and maintenance of effective anti-money laundering systems and controls);</u> ;</p> <p>if <del>that</del> <u>any of those <del>rule</del> rules applies apply</u> to the <i>firm</i>.</p> <p>(2) The <i>firm</i> may allocate this <i>FCA-prescribed senior management responsibility</i> to the</p>	<p>None</p> <p><u>(d)</u></p>

	<p><i>MLRO</i> but does not have to.</p> <p>(3) If the <i>firm</i> does not allocate this <i>FCA-prescribed senior management responsibility</i> to the <i>MLRO</i>, this <i>FCA-prescribed senior management responsibility</i> includes responsibility for supervision of the <i>MLRO</i>.</p>	
<p><del>(4A) Acting as the <i>firm's whistleblowers' champion</i></del></p>	<p><del>The <i>whistleblowers' champion's</i> allocated responsibilities are set out in SYSC 18.4.4R</del></p>	
<p><del>(4B)</del> (4) Responsibility for the <i>firm's</i> obligations for:</p> <p>(a) conduct rules training; and</p> <p>(b) conduct rules reporting.</p>	<p>(1) The <i>firm's</i> obligations for conduct rules training means its obligations under section 64B of the <i>Act</i> (Rules of conduct: responsibilities of authorised persons).</p> <p>(2) The <i>firm's</i> obligations for conduct rules reporting means its obligations under section 64C of the <i>Act</i> (Requirement for authorised persons to notify regulator of disciplinary action).</p>	<p><u>(b-1)</u></p>
<p><del>Part Two (applies to all firms except for small CRR firms and credit unions)</del></p>		
<p>(5) Responsibility for:</p> <p>(a) leading the development of; and</p> <p>(b) monitoring the effective implementation of;</p>		<p><del><i>PRA-prescribed senior management responsibility</i> 4.1(13)</del></p> <p><u>(f)</u></p>

<p>policies and procedures for the induction, training and professional development of all members of the <i>firm's governing body</i>.</p>		
<p>(6) Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all <u>the firm's</u>:</p> <p>(a) <del>persons performing designated senior management functions on behalf of the firm SMF managers</del>; and</p> <p>(b) <u>key function holders</u>;</p> <p>other than members of the <i>firm's governing body</i>.</p>	<p>(1) <u>Key function holder has the same meaning as it does in the Glossary Part of the PRA Rulebook.</u></p> <p>(2) <u>Paragraph (b) of column (1) of this row (6) only applies to a firm if and to the extent that the PRA's requirements about key function holders apply to it.</u></p>	<p><del>PRA prescribed senior management responsibility 4.1(5)</del></p> <p>(g)</p>
<p>(7) Responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of;</p> <p>the internal audit function, in accordance with <del>SYSC 6.2 (Internal Audit) or article 24 of the MiFID Org Regulation</del> <u>the internal audit requirements for SMCR firms and the PRA requirements referred to in column (2) of this row (7).</u></p>	<p>(1) This responsibility includes responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of;</p> <p>a person approved to perform the <del>PRA's</del> <u>Head of Internal Audit function designated senior management function</u> for the <i>firm</i> <u>if that function applies to the firm.</u></p>	<p><del>PRA prescribed senior management responsibility 4.1(15)</del></p> <p>(j)</p>

	<p><u>(2) This responsibility only applies if and to the extent that:</u></p> <p><u>(a) the internal audit requirements for SMCR firms; or</u></p> <p><u>(b) any requirements of the PRA about the matters in paragraph (1) of this column of this row (7);</u>  <u>apply to the firm.</u></p> <p><u>(3) Independence means independence to the extent it is required by the requirements referred to in paragraph (2) of this column of this row (7).</u></p> <p><u>(4) The Head of Internal Audit function means the PRA's Head of Internal Audit designated senior management function.</u></p>	
<p>(8) Responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of;</p> <p>the compliance function in accordance with SYSC 6.1 <del>(Compliance) or article 22 of the MiFID Org Regulation</del> <u>the compliance requirements for SMCR firms.</u></p>	<p><u>(1) This responsibility includes responsibility for:</u></p> <p><u>(a) safeguarding the independence of; and</u></p> <p><u>(b) oversight of the performance of;</u></p> <p><u>the person performing the compliance oversight function for the firm.</u></p> <p><u>(2) This responsibility only applies if and to the extent that the compliance requirements for SMCR firms apply to the firm.</u></p>	<p><del>PRA-prescribed senior management responsibility 4.1(16)</del></p> <p><u>(k)</u></p>

	<p><u>(3) “Independence” means independence to the extent it is required by the <i>compliance requirements for SMCR firms.</i></u></p>	
<p>(9) Responsibility for:                  (a) safeguarding the independence of; and                  (b) oversight of the performance of;                  the risk function, in accordance with <del>SYSC 7.1.21R and SYSC 7.1.22R (Risk control)</del> <u>the risk control requirements for SMCR firms and the PRA requirements referred to in column (2) of this row (9).</u></p>	<p><u>(1) This responsibility includes responsibility for:</u>                  (a) safeguarding the independence of; and                  (b) oversight of the performance of;                  a person approved to perform the <i>PRA’s Chief Risk designated senior management function</i> function for the <i>firm</i> <u>if that function applies to the <i>firm</i>.</u>  <u>(2) This responsibility only applies if and to the extent that:</u>  <u>(a) the risk control requirements for SMCR firms; or</u>  <u>(b) any requirements of the PRA about the matters in paragraph (1) of this column of this row (9);</u>                  apply to the <i>firm</i>.  <u>(3) “Independence” means independence to the extent it is required by the requirements referred to in paragraph (2) of this column of this row (9).</u>  <u>(4) The Chief Risk function means the PRA’s Chief Risk designated senior management function.</u></p>	<p><del>PRA-prescribed senior management responsibility 4.1(17)</del>  <u>(1)</u></p>

<p>(10) Responsibility for overseeing the development of and implementation of the <i>firm's</i> remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)</p>	<p><u>This responsibility does not apply to a firm to which SYSC 19D does not apply.</u></p>	<p><del>PRA prescribed senior management responsibility 4.1(18)</del> <u>(m)</u></p>
<p><b>Part Three (applies in specified circumstances)</b></p>		
<p>(11) <del>Overall</del> <u>Responsibility</u> for the <i>firm's</i> compliance with CASS</p>	<p><del>(A)</del> <u>(1)</u> This responsibility only applies to a <i>firm</i> to which CASS applies.</p> <p><del>(B)</del> <u>(2)</u> A <i>firm</i> may include in this <i>FCA-prescribed senior management responsibility</i> whichever of the following functions apply to the <i>firm</i>:</p> <p>(a) CASS 1A.3.1R (certain CASS compliance functions for a <i>CASS small firm</i>);</p> <p>(b) CASS 1A.3.1AR (certain CASS compliance functions for a <i>CASS medium firm</i> or a <i>CASS large firm</i>);</p> <p>(c) CASS 11.3.1R (certain CASS compliance functions for certain <i>CASS small debt management firms</i>); or</p> <p>(d) CASS 11.3.4R (certain CASS compliance functions for a <i>CASS large debt management firm</i>);</p> <p>but it does not have to.</p>	<p>None <u>(z)</u></p>

	<p><del>(C)</del> (3) If the <i>firm</i> does not include the functions in <del>(B)</del> <u>paragraph (2) of this column of this row (11)</u> in this <i>FCA-prescribed senior management responsibility</i>, this <i>FCA-prescribed senior management responsibility</i> includes responsibility for supervision of the person performing the functions in <del>(B)</del> <u>paragraph (2) of this column of this row (11)</u> that apply to the <i>firm</i>.</p>	
<p><u>(12) Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map</u></p>	<p>(1) This responsibility does not include <u>allocating responsibilities recorded in the management responsibilities map.</u></p> <p>(2) This responsibility does not apply to a <i>firm</i> to which the <u>requirements about management responsibilities maps in SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material)</u> do not apply.</p>	<p>(c)</p>
<p><u>(13) Acting as the firm's whistleblowers' champion</u></p>	<p>(1) The <u>whistleblowers' champion's allocated responsibilities</u> are set out in SYSC 18.4.4R.</p>	<p>(n)</p>

	<p><u>(2) This responsibility does not apply to a <i>firm</i> that is not required to have a <i>whistleblowers' champion</i>.</u></p>	
<p><u>(14) Responsibility for:</u></p> <p><u>(a) providing for an effective internal audit function in accordance with one of the sections of the <i>PRA Rulebook</i> listed in paragraph (2) of column (2) of this row (14); and</u></p> <p><u>(b) overseeing the performance of the internal audit function.</u></p>	<p><u>(1) Only applies to a <i>firm</i>:</u></p> <p><u>(a) that outsources its internal audit function to an external third party service provider; and</u></p> <p><u>(b) to which one of the following internal audit <i>PRA-prescribed senior management responsibilities</i> applies:</u></p> <p><u>(i) the responsibility in rule 3.3(1) in the <i>Insurance – Allocation of Responsibilities Part of the PRA Rulebook</i>; or</u></p> <p><u>(ii) the responsibility in rule 3.2(1) in the <i>Large Non-Solvency II Firms – Allocation of Responsibilities Part of the PRA Rulebook</i>.</u></p> <p><u>(2) The parts of the <i>PRA Rulebook</i> referred to in column (1) of this row (14) are:</u></p> <p><u>(a) <i>Solvency II firms - Conditions Governing Business 5</i>; and</u></p> <p><u>(b) <i>Non-Solvency II Firms – Governance 9.2</i>.</u></p> <p><u>(3) Terms used in column (1) of this row (14) have the same meaning as they do for the corresponding <i>PRA-prescribed senior management</i></u></p>	<p><u>(j-2)</u></p>



	<u>responsibility described in paragraph (1) of this column of this row (14).</u>	
<u>(15) Responsibility for management of the firm's risk management processes in the UK</u>		<u>(aa)</u>
<u>(16) Responsibility for the firm's compliance with the UK regulatory system applicable to the firm</u>		<u>(ff)</u>
<u>(17) Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the firm to each of the governing body or the management body of the firm and, as appropriate, of the firm's parent undertaking and the ultimate parent undertaking of the firm's group</u>	<u>This includes taking steps to ensure that the senior management of the firm and, where applicable, the group, are made aware of any views expressed by the regulatory bodies and any steps taken by them in relation to the branch, firm or group.</u>	<u>(ee)</u>

### **24.3 Who functions prescribed responsibilities should be allocated to**

#### Seniority and authority

24.3.1 G ~~In general, the~~ The FCA expects that a person who has responsibility for an  
4.7.24 FCA-prescribed senior management responsibility ~~in (2)~~;  
(3)

(1) will generally (in the case of the FCA-prescribed senior management responsibilities in SYSC 24.3.3G) be the most senior employee or officer responsible for managing that area (or the most senior below the chief executive); and

(2) will:

- (a) be sufficiently senior and credible; and
  - (b) have sufficient resources and authority;
- to be able to exercise their management and oversight responsibilities effectively.

Executive or non-executive

- 24.3.2  
4.7.24(1)
- G The *FCA* expects that normally a *firm* will allocate the *FCA-prescribed senior management responsibility* ~~in rows with the following *FCA* reference letters (5), (7), (8), (9) and (10)~~ (see column three of the table in SYSC 24.2.6R) to an *SMF manager* who is a *non-executive director* of the *firm* (or, in the case of a partnership, a partner without management responsibilities):
- (1) (f) (development of members of governing body);
  - (2) (j) (internal audit oversight);
  - (3) (k) (compliance oversight);
  - (4) (l) (risk control oversight);
  - (5) (m) (remuneration code oversight); and
  - (6) (n) (whistleblowers' champion).
- 24.3.3  
4.7.24  
(2)
- G The *FCA* expects that normally a *firm* will allocate: ~~(a) the other *FCA-prescribed senior management responsibilities*; and (b) functions under SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions);~~ to an *SMF manager* who performs executive functions for the *firm*.

Exceptions for small non-complex firms

- 24.3.4  
4.7.24  
(5)
- G The *FCA* accepts that it may not be practical for a small non-complex *firm* (see SYSC 4.5.13G) to comply with the parts of ~~(1), (2) and (3)~~ SYSC 24.3.1G(1), SYSC 24.3.2G and SYSC 24.3.3G that would otherwise apply to it.
- 24.3.5  
4.5.13(2)
- G (1) A *firm* UK SMCR banking firm is likely to be small and non-complex for these the purposes in SYSC 24.3.4G if ~~(a)~~ it is:
- (a) a small CRR firm as defined in the part of the *PRA's rulebook* *PRA Rulebook* called "Allocation of responsibilities"; or
  - (b) a *credit union* that meets the *PRA's* size requirements for small CRR firms as defined under the *PRA's* requirements in (a)(i); ~~(a)(i);~~

- (2) A firm is likely to be non-complex for these purposes if:
- (a) it conducts a limited number of simple business lines; ~~and~~
  - ~~(b)~~
  - (b) it does not rely on group governance arrangements; and
  - ~~(c)~~
  - (c) (in the case of a branch) it does not rely on governance arrangements for other parts of the firm.

Not assigning too many responsibilities to one person

- 24.3.6 G When deciding how to allocate FCA-prescribed senior management responsibilities, a firm should avoid assigning such a wide range of responsibilities to a particular SMF manager that they are not able to carry out those responsibilities effectively.

Dividing and sharing management functions between different people

- 24.3.7 G The FCA expects that a firm will not normally split an FCA-prescribed senior management responsibility between several SMF managers, with each only having responsibility for part.

- 24.3.8 G The FCA expects that a firm will not normally allocate responsibility for:

- ~~(a) an FCA-prescribed senior management responsibility; or~~
- ~~(b) a function under SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions);~~

to two or more SMF managers jointly.

- 24.3.9 G (1) Although the norm should be for a firm to have a single individual performing each FCA-prescribed senior management responsibility ~~or function allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~, there may be circumstances in which responsibilities can be divided or shared (see (2)).

4.7.26

- (2) A firm should only divide or share a responsibility where this is appropriate and can be justified.
- (3) For example, it would be justified to share a ~~function or~~ responsibility if that is done:
  - (a) as part of a job share; or

- (b) where departing and incoming senior managers work together temporarily as part of a handover.
- (4) A *firm* may have co-heads of a department or business unit if this can be justified under (1) to (3).
- 24.3.10 G (1) The *FCA* expects a *firm* to divide and allocate responsibilities under: this chapter  
4.7.27
- (a) ~~SYSC 4.7.5R (Allocation of FCA-prescribed senior management responsibilities); and~~
- (b) ~~SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions);~~
- between its *SMF managers* so that responsibilities are grouped together appropriately.
- (2) The *firm* should make the judgement:
- (a) in (1); and
- (b) about whether and how responsibilities ~~and functions~~ should be shared;
- under:
- (c) SYSC 4.1.1R (robust governance arrangements); ~~and~~
- (d) any other applicable *Handbook* requirements, including :
- (i) ~~SYSC 4.7.25G and SYSC 4.7.26G~~ SYSC 2 (Apportionment of Responsibilities);
- (ii) SYSC 24.3.7G to SYSC 24.3.9G; and
- (e) article 21 of the MiFID Org Regulation (General organisational requirements) or other similar relevant and directly applicable EU legislation.
- (3) The *firm* should take into account the way it is organised, the business it carries out and the need not to allocate too many responsibilities to one individual (see ~~SYSC 4.7.23G~~ SYSC 24.3.6G).
- (4) The *FCA* expects a *firm* to allocate *FCA-prescribed senior management responsibilities* ~~and responsibilities allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~ to the *SMF managers* they are most closely linked to.

- 24.3.11 G ~~SUP 10C.11.31G to SUP 10C.11.33G (Statements of responsibilities~~ What  
4.7.28 statements of responsibilities should contain: dividing and splitting  
responsibilities) contains material about:
- (1) how to prepare *statements of responsibilities* where a responsibility ~~or function~~ is shared or divided between several *SMF managers*; and
  - (2) dividing and sharing responsibilities.
- 24.3.12 G (1) *A firm* may allocate more than one *FCA-prescribed senior*  
4.7.29 *management responsibility* to the same *SMF manager*.
- (2) This is subject to:
    - (a) ~~SYSC 4.7.23G~~ SYSC 24.3.6G (should not give too many responsibilities to one person); and
    - (b) *SYSC 24.3.10G* (what responsibilities should be grouped together).

Allocation of responsibilities and territorial scope-

- 24.3.13 G (1) As explained in *SYSC 24.1.3R*, there is no territorial limitation to the  
4.7.30 application of this ~~section~~ chapter.
- (2) This means that a *firm* should allocate:
    - (a) the *FCA-prescribed senior management responsibilities*; ~~and~~
    - (b) ~~overall responsibilities under SYSC 4.7.8R;~~

so that they cover activities, transactions, business areas and management functions that are located or take place wholly or partly outside, as well as ones in, the *United Kingdom*.
- 24.3.14 G ~~The~~ In the case of an overseas SMCR firm, the *FCA-prescribed senior*  
4.8.8 *management responsibilities* relate to the activities of the ~~third-country~~  
~~relevant authorised person's~~ firm's branch in the *United Kingdom* (see SYSC 24.1.4R).

After SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities) insert the following new SYSC 24 Annex 1. The text is not underlined.

**24**            **Which FCA-prescribed senior management responsibilities apply to which**  
**Annex 1**   **kind of firm**

## Introduction and exclusions

- 1.1 G This annex sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR firm*.
- 1.2 R In this annex:
- (1) a ✓ means that the *FCA-prescribed senior management responsibility* does apply;
  - (2) a × means that the *FCA-prescribed senior management responsibility* does not apply; and
  - (3) a reference letter refers to the reference letters in column (3) of the table in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities).
- 1.3 G If an *FCA-prescribed senior management responsibility* is not included in the table for a particular class of *firm*, that *FCA-prescribed senior management responsibility* does not apply to any *firm* in that class.

## Banking sector firms

- 2.1 R (1) The table in SYSC 24 Annex 1 2.3R sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR banking firm*.
- (2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):
- (a) a *UK SMCR banking firm* (excluding *firms* in (b));
  - (b) a small *UK SMCR banking firm*; and
  - (c) a *third-country SMCR banking firm*.
- 2.2 R A small *UK SMCR banking firm* means a *UK SMCR banking firm* that is:
- (1) a small CRR firm as defined in the part of the *PRA Rulebook* called “Allocation of responsibilities”; or
  - (2) a *credit union*.
- 2.3 R Table: FCA-prescribed senior management responsibilities applying to banking sector firms

Brief description of responsibility	Reference letter of responsibility	UK firm	Small UK firm	Third-country firm
-------------------------------------	------------------------------------	---------	---------------	--------------------

Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	(a)	✓	✓	✓
Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	(b)	✓	✓	✓
<i>Financial crime</i>	(d)	✓	✓	✓
<i>COCON</i>	(b-1)	✓	✓	✓
Training <i>governing body</i>	(f)	✓	×	×
Training of staff performing <i>designated senior management responsibilities</i> See Note (2)	(g)	✓	×	×
<i>Management responsibilities maps</i>	(c)	✓	✓	✓
<i>Whistleblowers' champion</i>	(n)	✓	✓	×
Internal audit oversight	(j)	✓	×	×
Compliance oversight	(k)	✓	×	×
Risk oversight	(l)	✓	×	×
Remuneration	(m)	✓	×	×
<i>CASS</i>	(z)	✓	✓	✓
<i>UK risk management</i>	(aa)	×	×	✓
Compliance with <i>UK regulatory system</i>	(ff)	×	×	✓
Escalation of correspondence	(ee)	×	×	✓
<p><b>Note (1):</b> the categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> in SYSC 24 Annex 1 2.1R. Therefore:</p> <p>(a) column three (UK firm) refers to SYSC 24 Annex 1 2.1R(2)(a);</p> <p>(b) column four (Small UK firm) refers to SYSC 24 Annex 1 2.1R(2)(b); and</p> <p>(c) column five (Third-country firm) refers to SYSC 24 Annex 1 2.1R(2)(c).</p>				

**Note (2):** Paragraph (b) of this *FCA-prescribed senior management responsibility* (key function holder) does not apply to any *firm* in this table.

Insurance sector firms

- 3.1 R (1) The table in SYSC 24 Annex 1 3.2R sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR insurance firm*.
- (2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):
- (a) a *Solvency II firm* (excluding *firms* in any other paragraph);
- (b) a *firm* falling within paragraph (b) of the definition of *Solvency II firm* (third country branch);
- (c) a *small non-directive insurer*;
- (d) a *firm* in SYSC 23 Annex 1 5.2R (*firms* in run-off); and
- (e) an *insurance special purpose vehicle*.
- (3) An *insurance special purpose vehicle* only falls into paragraph (2)(e). Subject to that, a *firm* in (2)(d) does not fall into any other paragraph.
- 3.2 G References to a *Solvency II firm* include a *large non-directive insurer*.
- 3.3 R Table: FCA-prescribed senior management responsibility applying to insurance sector firms

Brief description of responsibility	Reference letter of responsibility	Solvency II firm	Third country branches	Other insurance sector	ISPV
Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	(a)	✓	✓	✓	✓
Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	(b)	✓	✓	✓	✓



<i>Financial crime</i>	(d)	✓	✓	✓	✓
<i>COCON</i>	(b-1)	✓	✓	✓	✓
<i>Training governing body</i>	(f)	✓	×	×	×
<i>Training of staff performing designated senior management responsibilities</i>	(g)	✓	×	×	×
<i>Management responsibilities maps</i>	(c)	✓	✓	×	×
<i>Whistleblowers' champion</i>	(n)	✓	×	×	×
<i>CASS</i>	(z)	✓	✓	✓	×
<i>Internal audit for non-significant insurers</i>	(j-2)	✓	×	×	×
<i>Compliance with UK regulatory system</i>	(ff)	×	✓	×	×
<i>Escalation of correspondence</i>	(ee)	×	✓	×	×
<p><b>Note:</b> The categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> in SYSC 24 Annex 1 3.1R. Therefore:</p> <p>(1) Solvency II firm (column three) refers to SYSC 24 Annex 1 3.1R(2)(a);</p> <p>(2) Third country branches (column four) refers to SYSC 24 Annex 1 3.1R(2)(b);</p> <p>(3) Other insurance sector (column five) refers to SYSC 24 Annex 1 3.1R(2)(c) and (d); and</p> <p>(4) ISPV (column six) refers to SYSC 24 Annex 1 3.1R(2)(e).</p>					

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

**25**            **Senior managers and certification regime: Management responsibilities maps and handover procedures and material**

**25.1**          **Application and purpose**

Main application rules

25.1.1        R     This section ~~chapter~~ applies to: ~~UK-relevant authorised persons.~~

4.5.1

- (1) an SMCR banking firm; and
- (2) an SMCR insurance firm that is a Solvency II firm (including a large non-directive insurer) but excluding:
- (a) an insurance special purpose vehicle; and
- (b) a firm in SYSC 23 Annex 1 5.2R (firms in run-off);

except to the extent that this chapter applies a narrower scope to a particular provision.

25.1.2 R This ~~section~~ chapter is not limited to *regulated activities* or other specific  
4.5.3 types of activities.

#### Territorial scope

25.1.3 R Subject to SYSC 25.1.4R, There ~~there~~ is no territorial limitation on the  
4.5.2 application of this ~~section~~ chapter.

25.1.4 R This ~~section~~ chapter applies to an overseas SMCR firm:

4.6.1

- (1) ~~EEA relevant authorised persons; and~~
- (2) ~~third country relevant authorised persons;~~

in relation to the activities of a *branch* maintained by ~~them~~ the firm in the *United Kingdom*.

#### How this chapter applies to overseas SMCR firms

25.1.5 R Unless the context requires otherwise, the following terms in ~~SYSC 4.5.7R~~  
4.6.9(2) this chapter are modified as follows in relation to an overseas SMCR firm:

Reference in <del>SYSC 4.5.7R</del> <u>this chapter</u>	Modification
<i>firm</i>	treated as a reference to the <i>branch</i>
<i>governing body, management body, senior management and senior personnel</i>	(a) treated as a reference to the <i>branch's governing body, management body, senior management or senior personnel;</i>

	(b) the <i>Glossary</i> definitions of these terms are adjusted so as to refer to the <i>branch</i> rather than the <i>firm</i> as a whole
<i>group</i>	treated as including the rest of the <i>firm</i>
<del><i>PRA-prescribed senior management responsibilities</i></del>	<del>treated as a reference to <i>PRA-prescribed UK branch senior management responsibilities</i></del>
<del>functions allocated under SYSC 4.7.8R (Allocation of overall responsibility for a <i>firm's</i> activities, business areas and management functions)</del>	<del>treated as a reference to functions allocated under SYSC 4.8.10R (Local responsibility for a branch's activities, business areas and management functions)</del>

### Purpose

- 25.1.6 G (1) One purpose of the *management responsibilities map* is to help the  
4.5.6(1) *firm* and the *FCA* satisfy themselves that the *firm* has a clear organisational structure (as required by ~~SYSC~~ the regulatory system).
- 4.5.6(2) (2) It also helps the *FCA* to identify who it needs to speak to about particular issues ~~and who is accountable if something goes wrong~~.
- 4.6.17(3) (3) The *management responsibilities map* helps the *FCA* to operate its powers and requirements for individuals. For example it helps the *FCA*:
- (a) to identify who is accountable if something goes wrong;
- (b) to understand the role of the *approved person* (or *candidate*) in the *branch firm* and therefore to judge how to use its powers under the ~~*approved persons*~~ regime for *SMCR firms*, such as the power to grant or refuse approval of an *SMF manager* or to amend or impose conditions.

## 25.2 Management responsibilities maps: Main rules

### General rule

- 25.2.1 R (1) A *UK SMCR firm* must, at all times, have a comprehensive and up-  
4.5.4 to-date ~~document~~ document (the *management responsibilities map*) that describes its management and governance arrangements, ~~including:~~
- (2) An *overseas SMCR firm* must, at all times, have a comprehensive and up-to-date document (the *management responsibilities map*) that

describes the management and governance arrangements for any branch it maintains in the United Kingdom.

(3) A management responsibilities map must include:

- (a) details of the reporting lines and the lines of responsibility;  
~~(1)~~ and
- (b) reasonable details about:  
~~(2)~~
  - (i) the *persons* who are part of those arrangements; and  
~~(a)~~
  - (ii) their responsibilities.  
~~(b)~~

(See further requirements in SYSC 25.2.3R.)

- 25.2.2 R The *firm's management responsibilities map* must show clearly how any  
4.5.5 responsibilities covered by a *firm's management responsibilities map* are shared or divided between different *persons*.

Specific requirements

- 25.2.3 R A *management responsibilities map* must include:  
4.5.7

- (1) (a) the names of all the *firm's*:
  - (i) *approved persons* (including *PRA approved persons*);
  - (ii) members of its *governing body* and (if different) *management body* who are not *approved persons*;
  - (iii) *senior management*;
  - (iv) *senior personnel*; and
- (b) details of the responsibilities which they hold;
- (2) all responsibilities described in any current *statement of responsibilities*;
- (3) details of the management and governance arrangements relating to:
  - (a) the *FCA-prescribed senior management responsibilities*; and
  - (b) the *PRA-prescribed senior management responsibilities*;

- including the identity of the *persons* to whom those functions are allocated;
- (4) the reasons why (if it has done any of these things) the *firm*:
- (a) allocates responsibility for an *FCA-prescribed senior management responsibility* to more than one *person* jointly; or
- (b) divides responsibility for an *FCA-prescribed senior management responsibility* between different *persons*;
- (5) details about the functions allocated under ~~SYSC 4.7.8R (Allocation of overall responsibility for a *firm*'s activities, business areas and management functions)~~ SYSC 26 (Senior managers and certification regime: Overall and local responsibility), including:
- (a) what ~~those~~ the activities, business areas and management functions allocated under that chapter are;
- (b) the management and governance arrangements relating to them;
- (c) ~~details about whether and how they are shared or divided up;~~ [deleted]
- (d) the reasons why (if it has done this) the *firm* allocates responsibility for any such function to more than one *person* jointly; and
- (e) the identity of the *persons* to whom those functions are allocated;
- (6) matters reserved to the *governing body* (including the terms of reference of its committees) and, if different, the *management body*;
- (7) details of how the *firm*'s management and governance arrangements fit together with:
- (a) its *group*; and
- (a) any other *person* in (8);
- (8) details of the extent to which the *firm*'s management and governance arrangements are provided by, or shared with, other members of its *group* or others;
- (9) details of the reporting lines and the lines of responsibility (if any) between the *firm* and those who carry out functions in relation to ~~them~~ it and:

- (a) other members of its *group* or other third parties;
  - (b) *persons* acting as employees or officers of, or otherwise acting for, anyone in (a); or
  - (c) committees or other bodies of anyone in (a);
- (10) reasonable information about the *persons* described or identified in the *management responsibilities map*, including:
- (a) whether they are *employees* of the *firm* and, if not, by whom they are employed;
  - (b) if they are *certification employees* of the *firm*; and
  - (c) the responsibilities they have in relation to other *group* members or any other *person* in (8); and
- (11) details of how (1) to (10) fit together and fit into the *firm's* management and governance arrangements as a whole.
- 25.2.4 R ~~SYSC 4.5.7R(1)~~ SYSC 25.2.3R(1) does not require the *firm* to include the names of *approved persons* under SUP 10A.1.16BR (Appointed representatives).
- 4.5.8

**25.3** [This part has been left blank deliberately]

## **25.4 Guidance about what should be in a management responsibilities map**

### Material applicable to all firms

- 25.4.1 G The *management responsibilities map* should be consistent with the *statements of responsibilities*.
- 4.5.9(1)
- 25.4.2 G The *statements of responsibilities* and the *management responsibilities map* should all be prepared in a way that makes it simple to see how the responsibilities allocated in a particular *statement of responsibilities* fit into the overall system of management and governance of the *firm*.
- 4.5.9(2)
- 25.4.3 G The *management responsibilities map* should include functions that are:
- 4.5.10
- (1) included in a *PRA controlled function* under the *PRA rules* complementing SUP 10C.9 (Minimising overlap with the PRA approved persons regime) (as listed in SUP 10C.9.6G(2)); ~~or~~

- (2) excluded from the *other overall responsibility function* under SUP 10C.7.1R(2) (Exclusion for *approved person* with approval to perform other *designated senior management functions*); or
- (3) excluded from the *other local responsibility function* under SUP 10C.8.1R(2) (Exclusion for *approved person* with approval to perform other *designated senior management functions*).
- 25.4.4 G A firm's *management responsibilities map* should demonstrate that there are  
4.5.11 no gaps in the allocation of responsibilities among its management.
- 25.4.5 G A firm need only include summary details of the *persons* in ~~SYSC 4.5.7R(1)~~  
4.5.12(2) SYSC 25.2.3R(1).
- 25.4.6 G A firm's *SMF managers* and members of its governing body may overlap  
4.5.12(3) with its *senior management* and *senior personnel*. If so, the firm does not have to give the same details twice.
- 25.4.7 G A firm should include details ~~of about~~ individuals in addition to ~~those the~~ the  
4.5.12(4) details in ~~SYSC 4.5.7R(1) (3) and (5)~~ SYSC 25.2.3R(1), (3) and (5) if they are needed to make the *management responsibilities map* clear. For example, ~~it may be necessary to include these details~~ if the same individual has responsibilities in a number of different areas of the firm it may be necessary to make this clear.
- 25.4.8 G A firm should only include summary details about *statements of*  
4.5.12(5) *responsibilities* under ~~SYSC 4.5.7R(2)~~ SYSC 25.2.3R(2). There is no need to duplicate the *statements of responsibilities*. The main aim of including material about *statements of responsibilities* in the *management responsibilities map* is to show how ~~the~~ that material:
- (1) fits into the firm's overall governance structure; and  
(a)
- (2) for each *statement of responsibilities*, fits with the others.  
(b)
- 25.4.9 G A *management responsibilities map* should include a checklist confirming  
4.5.12(7) that all *FCA-prescribed senior management responsibilities* have been allocated or, if some have not been allocated, the reason why.
- 25.4.10 G If:  
4.5.12(8)
- (1) any *designated senior management function* is performed by; or  
(a)

- (2) any *FCA-prescribed senior management responsibility* is allocated to;
- (b)

more than one *person*, a *firm's management responsibilities map* should give details of how the performance or discharge of the responsibilities is to be carried out by those *persons*.

- 25.4.11 G The ~~executive~~ *executive director function*, ~~the other local responsibility~~ *function*, ~~the partner function~~ and the *other overall responsibility function* are defined generally and generically and can be performed by several people. Therefore, there is no need to explain why several people perform one of the functions.
- 4.5.12(6)
- 25.4.12 G The material in *SUP 10C.11.31G* and *SUP 10C.11.32G* (recording sharing and splitting of responsibilities in *statements of responsibilities*) also applies to a *management responsibilities map*.
- 4.5.12(9)

#### Branches of overseas firms

- 25.4.13 G One effect of SYSC 25.1.5R is that an overseas SMCR firm should draw up its management responsibilities map as if the rest of the firm outside the UK branch were a separate company in its group. This means, for example, that the map should include:
- (1) details of how the branch's management and governance arrangements fit together with the wider firm;
- (2) details of the extent to which the branch's management and governance arrangements are provided by, or shared with, the wider firm; and
- (3) details of the reporting lines and the lines of responsibility between the branch and those who carry out functions in relation to it and the wider firm and persons acting for it.

#### Small firms

- 25.4.14 G (1) The *FCA* expects that the *management responsibilities map* of a small and non-complex *firm* is likely to be simple and short. It may be no more than a single sheet of paper.
- 4.5.13(1)
- (2) See SYSC 24.3.5G for what small and non-complex mean.

### **25.5 Single Management responsibilities map should be a single document**

- 25.5.1 R A *management responsibilities map* must be a single ~~document~~ *document*.
- 4.5.14



- 25.5.2 G (1) The requirement for a *management responsibilities map* to be a  
4.5.15(1) single ~~document~~ *document* does not mean that it has to be a single sheet of paper or must be capable of being reproduced as one.
- 4.5.15(2) (2) A *management responsibilities map* may be made up of a folder with several files or items in it. The folder may be electronic.
- 4.5.15(3) (3) However, a *firm* that creates a *management responsibilities map* in this way should ensure that its approach is compatible with it being a single ~~document~~ *document*. In particular:
- (a) there should be a single item that identifies every item making up the *management responsibilities map* and shows where each item can be found;
- (b) for example, this could be a contents list of the items making up the *management responsibilities map* with electronic links to each of them;
- (c) the *management responsibilities map* should be complete by itself and should not refer to documents not forming part of it;
- (d) every item in the *management responsibilities map* should only contain material about the matters required by this ~~section~~ chapter to be included in *management responsibilities maps*;
- (e) for example, if there is relevant material in the *firm's* report and accounts, the folder should only contain the relevant parts or a link to those parts.
- 4.5.15(4) (4) The folder and its contents should be easily identifiable as the *firm's management responsibilities map*.
- 25.5.3 G Although a *management responsibilities map* can be large and complex,  
4.5.15(5) ~~SYSC 4.5.13G~~ SYSC 25.4.14G explains that, for small non-complex *firms*, it may be small and simple.

## **25.6 Management responsibilities maps: Material only relevant to EEA SMCR firms**

### Application

25.6.1 R This section applies to an *EEA SMCR firm*.

### Purpose

- 25.6.2 G (1) The *management responsibilities map* is an important support to the  
4.6.17(1) *FCA's* functions as *Host State competent authority*.
- 4.6.17(2) (2) Having requirements and powers that apply directly to individuals helps to make the requirements on *firms* that the *FCA* is required or entitled to impose as *Host State competent authority* more effective.
- (3) As explained in SYSC 25.1.6G (Purpose), the *management responsibilities map* also helps the *FCA* to operate its powers and requirements for individuals.
- 4.6.17(4) (4) By helping the *FCA* to better understand how the *branch* is structured, the *management responsibilities map* also helps the *FCA* to carry out more effective supervision of conduct of business, money laundering and other *Host State* responsibilities.
- 25.6.3 G This ~~section~~ chapter is not intended to extend the application of the *common platform requirements* or other parts of *SYSC* to matters which are reserved  
4.6.5(2) by an *EU* instrument to the *firm's Home State regulator* in relation to *EEA relevant authorised persons* *SMCR firms*.

FCA-prescribed senior management responsibilities

- 25.6.4 G *SYSC 25.2.3R (Specific requirements)* requires a *management responsibilities map* to cover the allocation of *FCA-prescribed senior management responsibilities*. This is not relevant to an *EEA SMCR firm* as *FCA-prescribed senior management responsibilities* do not apply to it.

~~Responsibilities maps for EEA relevant authorised persons: leaving~~ Leaving out information already supplied

- 25.6.5 R An ~~*EEA relevant authorised person*~~ *SMCR firm* may exclude from its  
4.6.20 *management responsibilities map*:
- (1) any information contained in its *requisite details*;
- (2) any information contained in any notice of changes to its *requisite details* under the *EEA Passport Rights Regulations*; and
- (3) any other information that has been supplied by the *firm* to the *FCA* or the *PRA* (including through the *firm's Home State competent authority*) if:
- (a) that information was supplied to the *FCA* or the *PRA* as a *Host State competent authority* ~~for credit institutions or investment firms~~; and
- (b) the *Single Market Directives* or any other *EU* legislation provides for the supply of that information to the *FCA* or the *PRA* as described in (a).

- 25.6.6  
4.6.21 G Information contained in ~~SYSC 4.6.20R (1) and (2)~~ SYSC 25.6.5R(1) and (2) covers:
- (1) details about the *branch* contained in the notice given by the *firm's Home State competent authority* as part of the process for establishing the *branch* in the *United Kingdom*; and
  - (2) any updates to that information under the *EEA Passport Rights Regulations*.
- 25.6.7  
4.6.22 G The *management responsibilities map* of an ~~EEA relevant authorised person~~ SMCR firm may therefore consist of information:
- (1) that has changed since its *requisite details* were supplied or were last changed; or
  - (2) that is not covered in the *firm's Home State competent authority's* passport notification.
- 25.6.8  
4.6.23 G The *FCA* expects that an ~~EEA relevant authorised person~~ SMCR firm that excludes information from its *management responsibilities map* under SYSC 25.6.5R will identify in its *management responsibilities map* the documents supplied to the *FCA* or the *PRA* where the omitted information can be found.
- 25.6.9  
4.6.24 G In practice an ~~EEA relevant authorised person~~ SMCR firm may find it easier to prepare its *management responsibilities map* without omitting any information under SYSC 25.6.5R so that all the information referred to in ~~SYSC 4.6.15R to SYSC 4.6.19R~~ SYSC 25.2 (Management responsibilities maps: Main rules) can be found in a single integrated ~~document~~ document.
- 25.6.10  
4.6.26 G ~~SYSC 4.6.27G and SYSC 4.6.28G do~~ SYSC 25.4 (Guidance about what should be in a management responsibilities map) does not take into account the right of a *firm* to omit information under SYSC 25.6.5R. ~~They assume~~ It assumes that the *firm* will prepare a single ~~document~~ document under SYSC 25.6.9G. However ~~SYSC 4.6.27G and SYSC 4.6.28G are~~ 25.4 is not intended to take away the right to omit information under SYSC 25.6.5R.

## 25.7 Guidance about SYSC 25 Annex 1G

- 25.7.1 G This section gives guidance about SYSC 25 Annex 1G (Examples of the business activities and functions of an SMCR firm).

Purpose of SYSC 25 Annex 1G (~~The main business activities and functions of a relevant authorised person~~)

- 25.7.2  
4.5.16(2) G (1) A *firm* may use ~~it~~ SYSC 25 Annex 1G as a checklist prompt to see whether its *management responsibilities map* covers all its business activities.

- 4.5.16(3) (2) A *firm* may wish to prepare its *management responsibilities map* using the same split of activities, where this is appropriate.
- 25.7.3 G As mentioned in SYSC 26.11.2G, a *firm* may also use ~~it~~ SYSC 25 Annex 1G as a ~~checklist prompt~~ when allocating responsibilities under SYSC ~~4.7.8R~~ 26 (Senior managers and certification regime: Overall and local responsibility).
- 4.5.16(5) (Allocation of overall responsibility for a *firm's* activities, business areas and management functions)
- 25.7.4 G If a *firm* uses SYSC 25 Annex 1G to help it prepare its *management responsibilities map* or when allocating responsibilities under SYSC 26 (Senior managers and certification regime: Overall and local responsibility). it should bear in mind that it is not comprehensive and that there may be other business activities and functions that are relevant to that *firm* but that are not included in SYSC 25 Annex 1G (see SYSC 25.7.8G).
- 4.5.16(4)
- 25.7.5 G The purpose of SYSC 25 Annex 1G is not say how an SMCR *firm* should:
- (1) prepare its *management responsibilities map*;
  - (2) allocate responsibilities amongst its senior management; or
  - (3) organise itself.

Contents of SYSC 25 Annex 1G (~~The main business activities and functions of a relevant authorised person~~)

- 25.7.6 G SYSC 25 Annex 1G sets out examples of the ~~main~~ business activities and functions that the FCA thinks ~~are likely to~~ could be relevant to most large or complex firms, although the FCA does not require firms (large or small, complex or non-complex) to organise themselves in this way.
- 4.5.18
- 25.7.7 G Most or all of these activities and functions will normally apply to a complex *firm*. Many of them may not apply to a non-complex *firm*.
- 4.5.19
- 25.7.8 G (1) SYSC 25 Annex 1G is not comprehensive. While it is intended to cover most front-line business activities of ~~a relevant authorised person~~ an SMCR *firm*, it does not cover all internal oversight and monitoring functions.
- 4.5.20
- (2) For example, it does not cover compliance or internal audit or the *firm's governing body* or its *committees*.

## **25.8 Management responsibilities maps: Records**

- 25.8.1 G A *firm* should consider past versions of its *management responsibilities map* as an important part of its records and as an important resource for the FCA in supervising the *firm*.
- 4.5.21

- 25.8.2 G Past versions of a *firm's management responsibilities map* form part of its  
4.5.22 records under ~~SYSC 9.1 (General rules on record-keeping)~~ the regulatory system.
- 25.8.3 R (1) This rule applies to a Solvency II firm (including a large non-directive insurer) to which SYSC 25.1.1R(2) (Main application rules) applies.
- (2) A firm must retain each version of its management responsibilities map for:
- (a) (in the case of a large non-directive insurer) six years; or
- (b) (in any other case) ten years;
- from the date on which it was superseded by a more up-to-date version.
- (3) A firm must be prepared to provide each version to the FCA on request for as long as the firm is required to retain it.

## 25.9 Handover procedures and material

### Application

- 25.9.1 R This section applies to a firm that meets the following conditions:  
4.9.1(1)
- (1) it falls within SYSC 25.1.1R (Application and purpose); and
- (2) it falls within one of the following categories:
- (a) it is a UK relevant authorised persons SMCR firm; and or
- (b) it is a third-country-relevant authorised persons SMCR banking firm.
- 25.9.2 R For ~~third-country relevant authorised persons SMCR banking firms,~~  
4.9.1(2) references in this section to an *SMF manager* are references to the *SMF manager* when acting as an *SMF manager* for the *firm's branch* in the *United Kingdom*.

25.9.3 [This has been left blank deliberately]

### Rules about handover material

- 25.9.4 R A *firm* must take all reasonable steps to ensure that:  
4.9.4

- (1) a *person* who is becoming an *SMF manager*;
- (2) an *SMF manager*:
  - (a) taking on a new job or new responsibilities; or
  - (b) whose responsibilities or job are being changed; and
- (3) anyone who has management or supervisory responsibilities for the *SMF manager* in (1) or (2);

has, when the *SMF manager* starts to perform ~~his~~ their new or revised responsibilities or job, all information and material that a *person* in (1) to (3) could reasonably expect to have to perform those responsibilities or that job effectively and in accordance with the requirements of the *regulatory system*.

- |                 |   |   |
|-----------------|---|---|
| 25.9.5<br>4.9.5 | R | <ol style="list-style-type: none"> <li>(1) A <i>firm</i> must have a policy about how it complies with SYSC 25.9.4R, including the systems and controls it uses.</li> <li>(2) A <i>firm</i> must make and maintain adequate records of the steps taken to comply with SYSC 25.9.4R.</li> </ol>  |
| 25.9.6<br>4.9.6 | G | <p>The information and material in SYSC 25.9.4R that should be made available includes details:</p> <ol style="list-style-type: none"> <li>(1) about unresolved or possible breaches of the requirements of the <i>regulatory system</i>; and</li> <li>(2) of any unresolved concerns expressed by the <i>FCA</i>, the <i>PRA</i> or another <i>regulatory body</i>.</li> </ol>   |
| 25.9.7<br>4.9.7 | G | <ol style="list-style-type: none"> <li>(1) The main purpose of SYSC 25.9.4R is to help the <i>SMF manager</i> with <del>his</del> <u>their</u> new or revised responsibilities or job and to help the managers of <i>SMF managers</i>.</li> <li>(2) <del>¶</del> <u>The information and material</u> should be a practical and helpful <del>document</del> and not just a record.</li> <li>(3) The material should include an assessment of what issues should be prioritised.</li> <li>(4) <del>¶</del> <u>The information and material</u> should include judgement and opinion, not just facts and figures.</li> </ol> |

#### Handover arrangements and certificates

- |                 |   |  |
|-----------------|---|--|
| 25.9.8<br>4.9.8 | G | <ol style="list-style-type: none"> <li>(1) Where the responsibilities or job in SYSC 25.9.4R are being taken over from another <i>person</i>, the <i>firm</i> should have arrangements for an orderly transition.</li> </ol> |
|-----------------|---|--|

- (2) As part of these arrangements, the *firm* should take reasonable steps to ensure that the predecessor contributes to the information and material in SYSC 25.9.4R all that would be reasonable to expect the predecessor to know and consider relevant, including the predecessor's opinions.
- (3) One way of doing this could be for the predecessor to prepare a handover certificate.
- (4) However, the *FCA* accepts that there will be cases in which it will be impractical to ask the predecessor to prepare a handover certificate.

Application of this section to other parts of a firm's management

- 25.9.9 G A *firm* should consider whether to apply the procedures in this section to  
4.9.9 other parts of its management.

**25 Annex 1G** ~~The main~~ **Examples of the business activities and functions of a relevant authorised person an SMCR firm**

~~4 Annex 1G~~

Business areas and management functions	Explanation
(1) Payment services	This means: <ol style="list-style-type: none"> <li>(1) <i>payment services</i>;</li> <li>(2) issuing and administering other means of payment (for example, cheques and bankers' drafts);</li> <li>(3) issuing <i>electronic money</i>; and</li> <li>(4) current accounts.</li> </ol>
(2) Settlement	This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex, in relation to the assets covered by (9).  It also includes clearing and settlement of any transactions described in row (10).
(3) Investment management	This has the same meaning as <i>managing investments</i> with the following adjustments:

	<p>(a) it covers all types of assets; and</p> <p>(b) the exclusions in the <i>Regulated Activities Order</i> do not apply.</p> <p>It also covers fund management.</p>
(4) Financial or investment advice	This includes <i>advising on investments</i> .
(5) Mortgage advice	This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.
(6) Corporate investments	This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.
(7) Wholesale sales	This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i> . It does not include the activities in (1).
(8) Retail sales	This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i> . It includes savings accounts. It does not include the activities in (1).
(9) Trading for clients	This means <i>dealing in investments as agent and execution of orders on behalf of clients</i> but the list of products <u>also</u> includes money market instruments and foreign exchange.
(10) Market making	This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1( <del>8</del> )(7)).
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	<p>Origination and syndication include:</p> <p>(1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;</p> <p>(2) sub-participation; and</p> <p>(3) any transaction described in the <i>Glossary</i> definition of <i>originator</i>.</p>



	<p>Underwriting includes underwriting that is not on a firm commitment basis.</p> <p>A commitment or <i>investment</i> includes an economic interest in some or all of it.</p> <p>This activity also includes the provision of services relating to such transactions.</p>
(13) Retail lending decisions	<p>Deciding whether, and on what terms, to lend to <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(14) Wholesale lending decisions	<p>Deciding whether, and on what terms, to lend to <i>persons</i> who are not <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(15) Design and manufacturing of products intended for wholesale customers	Wholesale customers mean <i>persons</i> who are not <i>retail customers</i> .
(16) Design and manufacture of products intended for <i>retail customers</i>	
(17) Production and distribution of marketing materials and communications	This includes <i>financial promotions</i> .
(18) Customer service	This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests.
(19) Customer complaints handling	<p>This includes the <i>firm's</i> compliance with <i>DISP</i>.</p> <p>It also includes:</p> <ol style="list-style-type: none"> <li>(1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman Service</i>;</li> <li>(2) activities that take place outside the <i>UK</i>; and</li> <li>(3) activities that are not subject to any ombudsman service.</li> </ol>
(20) Collection and recovering amounts owed to a <i>firm</i> by its customers	'Customer' means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA's Handbook</i> . The

Dealing with customers in arrears	definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i> .
(21) Middle office	This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i> .
(22) The <i>firm's</i> information technology	<u>This includes cybersecurity.</u>
(23) Business continuity planning	<del>This If means the functions described in SYSC 4.1.6R and SYSC 4.1.7R (Business continuity)</del> <u>apply to the <i>firm</i>, this includes the systems and policies used to comply with those <i>rules</i>.</u> <u>This business area of function includes operational continuity, resilience and strategy.</u>
(24) Human resources	This includes recruitment, training and competence and performance monitoring.
(25) Incentive schemes for the <i>firm's</i> staff	This is not limited to schemes based on sales.
(26) <i>Contributing input data to a BMR benchmark administrator (other than an Annex II benchmark administrator)</i>	
(27) <i>Administering a benchmark</i>	
<u>(28) Administration of insurance</u>	<u>This means the activity described in SYSC 27.7.5G(1)(k) (examples of what the significant management <i>FCA certification function</i> can cover).</u>
<u>(29) Issuing commitments</u>	<u>This means the activity described in SYSC 27.7.5G(1)(i) (examples of what the significant management <i>FCA certification function</i> can cover).</u>
<u>(30) Processing</u>	<u>This means the activity described in SYSC 27.7.5G(1)(j) (examples of what the significant management <i>FCA certification function</i> can cover).</u>
<u>(31) Outsourcing, procurement and vendor management</u> <u>Management of services shared with other <i>group</i> members</u>	
<u>(32) Internal operations</u>	

**Note (1):** The purpose of this annex is explained in ~~SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons)~~ SYSC 25.7 (Guidance about SYSC 25 Annex 1G) and SYSC 26.11.2G. This annex is also referred to in ~~SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons)~~ and ~~SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities)~~ (see ~~SYSC 4.6.14 and SYSC 4.8.35~~).

**Note (2):** A *firm* does not have to use the split of example activities in this annex for the purposes in Note (1). If a *firm* does decide to use it, ~~it may~~ the firm should adapt it to suit ~~its~~ the firm's management arrangements better.

For example, a *firm* may find the split of activities into retail and wholesale activities unsuitable. If so, the *firm* might:

- (a) treat retail and wholesale activities together; or
- (b) use its own definition of retail and wholesale activities.

## 26 Senior managers and certification regime: Overall and local responsibility

### 26.1 Application

#### Main application rules

26.1.1 R This chapter applies to:

- (1) an SMCR banking firm; and
- (2) an SMCR insurance firm that is a Solvency II firm (including a large non-directive insurer) but excluding:
  - (a) an insurance special purpose vehicle; and
  - (b) a firm in SYSC 23 Annex 1 5.2R (firms in run-off);

except to the extent that this chapter applies a narrower scope to a particular provision.

26.1.2 R ~~SYSC 4.8~~ This chapter is not limited to *regulated activities* or other specific types of activities.

4.8.4

#### Exclusions

26.1.3 R This chapter does not apply to an EEA SMCR firm.

#### Territorial scope

- 26.1.4 R There is no territorial limitation on the application of SYSC 4.8 this chapter,  
4.8.3 save as set out in SYSC 26.1.5R.
- 26.1.5 R ~~This section relates~~ When this chapter applies to the activities of a third-  
4.8.2 country relevant authorised person's an overseas SMCR firm, it applies in  
relation to the firm's branch in the United Kingdom.
- 26.1.6 R Unless the context requires otherwise, the terms in the first column of the  
table in SYSC 26.1.7R are modified as described in the second column of  
that table in relation to an overseas SMCR firm.
- 26.1.7 R Table: Application of this chapter to a third-country SMCR firm

<u>Reference in this chapter</u>	<u>Modification</u>
<u>firm</u>	<u>treated as a reference to the branch</u>
<u>governing body</u>	<u>(a) treated as a reference to the branch's governing body;</u> <u>(b) the Glossary definition of this term is adjusted so as to refer to the branch rather than the firm as a whole</u>
<u>group</u>	<u>treated as including the rest of the firm</u>
<u>chief executive</u>	<u>branch manager or the person performing the PRA's Head of Overseas Branch designated senior management function</u>

## 26.2 Purpose

- 26.2.1 G The purpose of this ~~section~~ chapter is to ensure, together with the equivalent  
4.8.5 PRA requirements and the requirements about FCA-prescribed senior management responsibilities in SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities), that:
- (1) an SMF manager is responsible and accountable for every area of a branch's firm's activities;
  - (2) the allocation of responsibilities is done systematically and explicitly; and
  - (3) the process of allocation of responsibilities under this chapter covers every part of a firm's activities, business areas and management

functions (subject to the exclusions in SYSC 26.4 (Exclusions) without any gaps in what is allocated in this process.

- 26.2.2     G     The purpose of this chapter is not primarily to ensure that formal responsibility for everything a *firm* does is allocated amongst its senior management. Even without the requirements of this chapter, responsibilities that have not been allocated explicitly would fall to the *chief executive* by default. However, one of the purposes of this chapter is to avoid responsibilities being allocated by implication or by default.
- 26.2.3     G     (1)     The allocation of responsibilities under this chapter does not replace the responsibilities of the *chief executive*.
- (2)     If a *firm* allocates responsibilities under this chapter to an *SMF manager* other than the *chief executive*, the *chief executive* will be responsible for managing that *person's* performance of those responsibilities in the same way that the *chief executive* manages that *person's* other responsibilities.
- (3)     A *firm* may allocate responsibilities under this chapter to the *chief executive*.

### **26.3     Main rules**

- 26.3.1     R     A *UK SMCR firm* must ensure that, at all times, one or more of its *SMF managers* have overall responsibility for each of the activities, business areas and management functions of the *firm*.
- 4.7.8(1)
- 26.3.2     R     (1)     A *An overseas SMCR firm* must ensure that, at all times, one or more of its *SMF managers* has overall responsibility (subject to the *branch's governing body*) for each of the activities, business areas and management functions of the *branch* that are under the management of the *branch's governing body*.
- 4.8.10(1)
- 4.8.10(2)     (2)     A *An overseas SMCR firm* must ensure that, at all times, one or more of its *SMF managers* has responsibility for each of the activities, business areas and management functions of the *branch* not covered by (1).
- 4.8.10(3)     (3)     An *SMF manager* in (2) must be directly involved in the management of the activity, business area or management function for which they have responsibility under (2).
- 26.3.3     R     An *SMF manager* who has responsibility for an activity, business area or management function under ~~(1)~~ or ~~(2)~~ this section:
- 4.8.10(4)
- (1)     (in the case of a *UK SMCR firm*) has “overall responsibility”;
- (2)     (in the case of an *overseas SMCR firm*) has “local responsibility”;

for that activity, business area or management function.

- 26.3.4 R A *firm* must make the allocations of responsibilities in this ~~rule~~ chapter in  
4.7.8(3) such a way that it is clear who has which of those responsibilities.

## **26.4 Exclusions**

Exclusions where other requirements apply

- 26.4.1 R SYSC 26.3 (Main rules) does not require a *firm* to ensure that *SMF managers*  
4.7.8(3) have local or overall responsibility for any activity, business area or  
management function that is included in an *FCA-prescribed senior  
management responsibility* that applies to the *firm*.

- 26.4.2 R ~~This rule~~ SYSC 26.3 (Main rules) does not require a *firm* to ensure that *SMF*  
4.7.8(2) *managers* have local or overall responsibility for any activity, business area  
or management function that is:

~~(a) included in an *FCA-prescribed senior management responsibility*; or~~

(1) included in an a *PRA-prescribed senior management responsibility*  
(b) that applies to the *firm*; or

(2) managed (as part of the *PRA-designated senior management function*  
(c) concerned) by any of the *firm's SMF managers* approved to perform  
(e) any of the following *PRA-designated senior management functions*  
for the *firm*:

(a) the Chief Finance function;

~~(i)~~

(b) the Chief Risk function;

~~(ii)~~

(c) the Head of Internal Audit function; or

~~(iii)~~

(d) the Head of Key Business Area function; or

~~(iv)~~

(e) the Chief Operations function; or

(f) the Group Entity Senior Manager function or the Group  
(v) Entity Senior Insurance Manager function.

Exclusion of the governing body and non-executive directors

- 26.4.3 R ~~This rule~~ SYSC 26.3 (Main rules) does not require a *firm* to allocate overall  
4.8.10(6) or local responsibility for the running of the *branch's firm's governing body*.
- 26.4.4 G ~~This SYSC 26.4.3R~~ means that a *person* does not have overall or local  
4.8.13(2) responsibility for a function under SYSC 4.8.10R this chapter just by being a  
member of a *branch's firm's governing body* or equivalent.
- 26.4.5 G (1) A *person* who just provides oversight of a function does not have  
4.7.18 overall or local responsibility for that function under SYSC 4.7.8R  
(~~Allocation of overall responsibility for a firm's activities, business  
areas and management functions~~) this chapter.
- (2) Paragraph (1) and ~~SYSC 4.7.17G~~ SYSC 26.4.4G mean that a *non-  
executive director* acting as such does not have overall or local  
responsibility for a function under SYSC 4.7.8R SYSC 26.3 or  
perform the *other overall responsibility function* or the *other local*  
*responsibility function*.
- (3) Paragraph (1) and ~~SYSC 4.7.17G~~ SYSC 26.4.4G mean that a *non-  
executive director*:
- (a) providing oversight of a function; or
- (b) being responsible for the independence of a function;
- does not have overall or local responsibility for that function under  
~~SYSC 4.7.8R~~ this chapter or perform the *other overall responsibility*  
*function* or the *other local responsibility function*.

Exclusion where the 12-week rule applies

- 26.4.6 R (1) This rule applies where:
- (a) a *firm* appoints someone to perform a function in order to  
provide cover as described in SUP 10C.3.13R(1) (The 12-  
week rule) or the PRA equivalent; and
- (b) the *firm* has allocated any responsibilities (the  
"Responsibilities") under SYSC 26.3 (Main rules) to the SMF  
manager (the absent manager) who is absent as described in  
SUP 10C.3.13R(2) or the PRA equivalent.
- (2) While the disapplication of the *designated senior management*  
*function* provided for in SUP 10C.3.13R or the PRA equivalent is  
still in force the *firm* may allocate the Responsibilities to an  
*employee* who is not an SMF manager.
- (3) For the purposes of this rule, the PRA equivalent of:
- (a) SUP 10C.3.13R is the following parts of the PRA Rulebook:

- (i) rule 2.3 in “Senior Management Functions”;
  - (ii) rule 2.4 in “Insurance - Senior Management Functions”; and
  - (iii) rule 2.4 in “Large Non-Solvency II Firms – Senior Management Functions”.
- (b) SUP 10C.3.13R(1) and (2) is the following parts of the PRA Rulebook:
- (i) rules 2.3(1) and (2) in “Senior Management Functions”;
  - (ii) rules 2.4(1) and (2) in “Insurance - Senior Management Functions”; and
  - (iii) rules 2.4(1) and (2) in “Large Non-Solvency II Firms – Senior Management Functions”.
- 26.4.7 G A firm need not allocate the Responsibilities referred to in SYSC 26.4.6R(1)(b) to the person who is providing cover for the absent SMF manager.
- 26.4.8 G SYSC 26.4.6R and SUP 10C.3.13R apply to a person performing the other overall responsibility function or the other local responsibility function as well as to a person performing one of the other designated senior management functions.

## **26.5** **Guidance on territorial scope**

### Allocation of responsibilities and territorial scope

- 26.5.1 G SYSC 26.1.4R (territorial scope) means that a firm should allocate overall responsibilities under this chapter so that they cover activities, transactions, business areas and functions that are located or take place wholly or partly outside, as well as ones in, the United Kingdom.

### Allocation of responsibility for transactions in branches

- 26.5.2 G There is an exception to SYSC 26.5.1G for an overseas SMCR firm. This is that SYSC 26.1.5R limits this chapter to the activities of its UK branch.
- 26.5.3 G (1) It is common for a branch to carry out only part of a transaction. For instance, a transaction may be booked in a branch but negotiated and arranged elsewhere or vice versa.
- 4.8.30 (2) When allocating responsibility to an SMF manager for activities in relation to transactions under ~~SYSC 4.8.10R~~ SYSC 26.3 (Main rules), a firm should not exclude a transaction which is arranged, booked or



negotiated in the *branch* merely because other elements of the transaction occur outside the *United Kingdom*.

## 26.6      **Meaning of local and overall responsibility: General**

### UK firms

- 26.6.1      G    The meaning in practice of overall responsibility for a function of a UK SMCR firm depends on whether that function is under the management of the firm's governing body or not.
- 26.6.2      G    (1)    Certain EU legislation requires the governing body of a firm to have ultimate responsibility for, and the prime and leading role in, managing the firm.
- (2)    In particular this is the case under:
- (a)    article 88 of the CRD (Governance arrangements);
- (b)    article 9 of MiFID (management body); and
- (c)    article 40 of the Solvency II Directive (Responsibility of the administrative, management or supervisory body).
- (3)    This means that the governing body of a UK SMCR firm subject to these requirements will manage the conduct of the whole of the business of the firm. In turn that means that the parts of this chapter dealing with a function that is not managed by the firm's governing body will not be relevant to it.
- 26.6.3      G    The FCA recognises that for some UK SMCR firms not subject to the requirements in SYSC 26.6.2G, some activities, business areas and functions of a firm may not be under the management of its governing body. This may be the case where, for example:
- (1)    the firm does not have a governing body; or
- (2)    the firm's shareholders play a key role in managing it through, for example, a group management committee.

### Branches of overseas firms

- 26.6.4      G    (1)    ~~SYSC 4.8.10R(1)~~ SYSC 26.3.2R(1) refers to the activities, business areas and management functions of the branch that are under the management of the branch's governing body. However, the FCA recognises that for some branches, some activities, business areas and functions of the branches may not be under the management of the branch's governing body. This may be the case where the branch does not have its own governing body or where it is organised in such a way that certain functions are under the
- 4.8.11(2)

management of a *person* or body outside the *branch's* management structure. In those circumstances, it would not be appropriate to require the *firm* to allocate overall responsibility for that matter to a *person* who is part of the management structure of the *branch*.

- 4.8.11(3) (2) The requirements to allocate responsibility for activities, business areas and functions of a *branch* under ~~SYSC 4.8.10R(1) and (2)~~ SYSC 26.3.2R(1) and (2) respectively are intended to allow for the difference described in ~~(2)~~ (1). In particular:
- (a) ~~SYSC 4.8.10R(1)~~ SYSC 26.3.2R(1) is intended to cater for the situation where a particular activity, business area or function of the *branch* is under the management of the *branch's* governing body. In that situation, the *firm* should allocate ~~overall~~ responsibility for that matter under ~~SYSC 4.8.10R(1)~~ SYSC 26.3.2R(1); and
- (b) ~~SYSC 4.8.10R(2)~~ SYSC 26.3.2R(2) is intended to cater for the situation where a particular activity, business area or function of the *branch* is not under the management of *branch's* governing body. In that situation, the *firm* should allocate responsibility for that matter under ~~SYSC 4.8.10R(2)~~ SYSC 26.3.2R(2).

#### Further guidance

- 26.6.5 G SYSC 26.7 gives guidance on the effect of SYSC 26.3 (Main rules) when a function is under the governing body's management. SYSC 26.8 gives guidance on the effect of SYSC 26.3 when the function is not.

#### Day-to-day or ultimate control

- 26.6.6 G ~~SYSC 4.8.10R(4) states that a person who has responsibility for an activity, business area or management function under SYSC 4.8.10R(1) or (2) will have local responsibility for that matter.~~ Having overall or local responsibility under this chapter for a matter does not necessarily mean:
- 4.8.12
- (1) having ultimate authority over it; or
- (2) having day-to-day management control of that function.
- 26.6.7 G ~~Having overall responsibility for a matter does not mean having ultimate authority over it. The~~ In particular, the ultimate decision-making body of a ~~firm~~ many UK SMCR firms is its their governing body, acting collectively.
- 4.7.12

## **26.7 Meaning of local and overall responsibility: Reporting to the governing body**

- 26.7.1      G      This section gives *guidance* on what overall and local responsibility for a function means when the *governing body* manages the function in question under SYSC 26.3 (Main rules).
- 26.7.2      G      When ~~SYSC 4.7~~ this chapter refers to a *person* having overall or local  
4.7.11      responsibility for a function as described in SYSC 26.7.1G, it means a *person* who has:
- (1)      ultimate responsibility (under the *governing body* and the *chief executive*) for managing or supervising that function; and
- (2)      primary and direct responsibility for:
- (a)      briefing and reporting to the *governing body* about that function; and
- (b)      putting matters for decision about that function to the *governing body*.
- 26.7.3      G      In general, the *FCA* expects that a person to whom overall responsibility for  
4.8.17      a function is allocated ~~under SYSC 4.8.10R(1)~~ as described in SYSC 26.7.1G will be the most senior employee or officer responsible for managing or supervising that function under the management of the *branch's governing body*.
- 26.7.4      G      (1)      A *person* with overall or local responsibility for a matter will either  
4.7.13      be a member of the *governing body* or will report directly to the *governing body* for that matter.
- (2)      For example, a *firm* appoints A to be head of sales. A is not on the *governing body*. A reports to an executive director (B) and B reports to the *governing body* about the sales function. In this example B, rather than A, has overall responsibility for sales.
- 26.7.5      G      (1)      A *person* who reports to another, or is subject to oversight by  
4.7.14      another, may still have overall or local responsibility for a function.
- (2)      For example, a head of compliance may report direct to the *governing body* but be subject to performance appraisal by the ~~chief executive~~ *chief executive*. In this example, the head of compliance will still have overall responsibility for compliance.
- (3)      If a *person* (A):
- (a)      reports directly to the *firm's governing body* about a particular matter; but
- (b)      is not a member of the *governing body*; and

- (c) reports to a member of the *governing body* (B) about that matter, who also reports to the *governing body* about that matter;

B has overall or local responsibility for that matter.

- (4) If:
- (a) a *person* (A) reports directly to the *firm's governing body* about a particular matter;
  - (b) A also reports to another *person* (B) about that matter;
  - (c) neither A nor B is a member of the *governing body*; and
  - (d) B also reports directly to the *firm's governing body* about that matter;

B has overall responsibility for that matter.

- (5) A member of the *governing body* who reports to the ~~chief executive~~ *chief executive* may still have overall or local responsibility for a function.

- (6) If:
- (a) a *person* (A) reports directly to the *firm's governing body* about a particular matter; and
  - (b) A's function is subject to oversight by a *non-executive director* (B) or by a committee of the *firm's governing body* chaired by B;

A (not B) has overall or local responsibility for that matter.

- 26.7.6 G A *person* may have ~~overall~~ local responsibility for a function ~~under SYSC~~  
4.8.18 ~~4.8.10R(1)~~ for a branch of an overseas SMCR firm even though that *person* also reports to a *person* outside the *branch*.

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

### Scope of this section

- 26.8.1 G ~~SYSC 4.8.10R(2)~~ This section relates to the allocation of overall or local  
4.8.20(1) responsibility for any activities, business areas and functions of the *branch firm* which are not under the management of ~~the branch's~~ 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 ~~under SYSC 4.8.10R(2)~~  
4.8.20(3) 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  
4.8.27 ~~under SYSC 4.8.10R~~ 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 ~~management~~ managers regime for *approved persons* in ~~*third-country*~~ *relevant authorised persons overseas SMCR firms*.

Branches: Seniority

- 26.8.4 G (1) In some cases, a *person* who has local responsibility for a particular  
4.8.26 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 G 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.

## **26.9 Who functions should be allocated to**

Seniority

- 26.9.1 G ~~However, the~~ The *FCA* expects that anyone who has overall or local responsibility for a matter:

4.7.21(2)

(1) will be sufficiently senior and credible; and

~~(a)~~

(2) will have sufficient resources and authority;

~~(b)~~

to be able to exercise ~~his~~ their management and oversight responsibilities effectively.

26.9.2

G

(1) The *FCA* would not consider it unusual if a *person* who has overall or local responsibility for a particular function was not a member of the ~~*branch's*~~ *firm's governing body* or equivalent.

4.8.22

(2) For example, in some ~~*branches*~~ *firms*, the head of compliance may report directly to the ~~*branch's*~~ *firm's governing body* even though the head of compliance is not a member of the *governing body*.

26.9.3

G

Other parts of this chapter dealing with seniority are:

(1) *SYSC 26.7.3G* (seniority of someone with overall responsibility for a function under the management of a *firm's governing body*);

(2) *SYSC 26.8.3G* and *SYSC 26.8.4G* (seniority of someone from elsewhere in the *firm* having local responsibility in a *branch*); and

(3) *SYSC 26.8.5G* (seniority of someone within a *UK SMCR firm* with overall responsibility for a function not under the management of a *firm's governing body*).

Not giving too much responsibility to one individual

26.9.4

G

(1) It will be common for a small non-complex *firm* to divide overall or local responsibility for its activities under the management of its *governing body* between members of its *governing body* and not to assign overall or local responsibility for any activity to someone who is not a member.

4.7.23(1)

(2) However, when deciding how to divide up overall or local responsibility for its activities, a *firm* should avoid assigning such a wide range of responsibilities to a particular *person* ~~so~~ that the *person* is not able to carry out those responsibilities effectively.

4.7.23(2)

(3) Therefore, in a large or complex *firm*, the *FCA* expects overall or local responsibility for some functions to be assigned to *persons* in the layer of management below the *governing body*. Anyone in that layer having overall or local responsibility for an activity will be performing a *designated senior management function*.

4.7.23(3)

- 26.9.5 G ~~Paragraph (2)~~ SYSC 26.9.4G(2) also applies to allocating responsibility for  
4.8.28(5) functions that are not under the management of the *firm's or branch's governing body*.

Dividing and sharing management functions between different people

- 26.9.6 G The following provisions of SYSC 24.3 (Who prescribed responsibilities should be allocated to) also apply to allocations under this chapter so far as those provisions deal with sharing responsibilities:

- (1) SYSC 24.3.8G (responsibilities should generally not be shared);
- (2) SYSC 24.3.9G (when responsibilities may be shared); and
- (3) SYSC 24.3.11G (statements of responsibilities);

- 26.9.7 G (1) The material in SYSC 24.3 (Who prescribed responsibilities should be allocated to) about splitting of responsibilities is not directly relevant to this chapter. This is because SYSC 24 deals with functions that have been defined in the *FCA Handbook* whereas this chapter does not define the areas into which a *firm's* activities should be divided when allocating responsibilities to its *SMF managers*.
- (2) However SYSC 24.3.10G (responsibilities should be grouped together appropriately) is also relevant for deciding whether responsibility for a particular set of matters should be allocated to one *SMF manager* or allocated between several.

**26.10 Group management arrangements and outsourcing**

- 26.10.1 G (1) ~~SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~ This chapter  
4.7.31 requires overall or local responsibility for various aspects of a *firm's* affairs to be allocated to an *SMF manager*.
- (2) This requirement does not prevent a *firm* from relying on an employee of a company in the same group to perform the function.
- (3) A *firm* has two main choices about how to fit such arrangements into the senior ~~management managers~~ regime for ~~relevant authorised persons~~ SMCR firms.
- (a) The group employee is appointed by the ~~firm's~~ firm (usually by its governing body if it has one) to perform the function. This means that the *firm* will have entered into an arrangement with that *person*. As explained in SUP 10C.3.9G, an arrangement with the *firm* is one of the factors that makes the senior ~~management managers~~ regime for ~~relevant authorised persons~~ SMCR firms apply. The result is

that the group official will be performing a *controlled function* and will need to be approved as an *SMF manager*.

- (b) The *firm* appoints someone (A) to ~~oversee~~ supervise what the group employee does (so far as it concerns the *firm*) and ~~to take overall~~ allocates responsibility for the function to A, leaving day-to-day activities to the group employee. A will need to be approved as an *SMF manager*.

26.10.2 4.7.34 G SYSC 26.10.1G ~~and SYSC 4.7.33G~~ also ~~apply~~ applies to a *firm* that outsources functions to a third party and is relying on an individual from the outsourced services provider to carry out the functions in those paragraphs.

26.10.3 4.7.32 G (1) ~~SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~ This chapter does not cover responsibility for an aspect of a *firm's* affairs managed by an individual approved to perform the Group Entity Senior Manager or the Group Entity Senior Insurance Manager *PRA-designated senior management function* (see SYSC 26.4.2R (Exclusions where other requirements apply)).

- (2) Where a responsibility is held by someone approved to perform ~~the Group Entity Senior Manager~~ one of those *PRA-designated senior management function functions* for the *firm*, there is no need to appoint that person under this chapter and apply the arrangements in SYSC 26.10.1G.

- (3) (a) The *statement of responsibilities* for the individual performing the ~~Group Entity Senior Manager~~ *PRA-designated senior management function*; and

- (b) the *firm's management responsibilities map*;

should clearly show what responsibilities are held by that individual.

## **26.11 Link between this chapter and other parts of the senior managers regime**

Link between the designated senior management regime functions and this ~~section~~ chapter

26.11.1 4.7.36(1) G (1) Having overall or local responsibility for an activity under ~~SYSC 4.7.8R~~ this chapter requires approval as an *SMF manager*. This is because a *person* who has overall or local responsibility for an activity will be:

- (a) performing the *other overall responsibility function* or the other local responsibility function; or



- (b) approved to perform another *designated senior management function*.
- 4.7.36(2) (2) The *other overall responsibility function* applies because this is the effect of SUP 10C.7.1R (definition of *other overall responsibility function*).
- 4.7.36(3) (3) SUP 10C.7.1R(2) says that the *other overall responsibility function* does not apply to a person who is approved to perform another *designated senior management function*.
- 4.8.33(2) (4) The other local responsibility function applies because this is the effect of SUP 10C.8.1R (Definition of the other local responsibility function (SMF22)).
- 4.8.34 (5) SUP 10C.8.1R(2) says that the *other local responsibility function* does not apply to a *person* who is approved to perform another *designated senior management function* in relation to the *branch*.

Link between SYSC 25 Annex 1G and this ~~section~~ chapter

- 26.11.2 G (1) The purpose of SYSC 25 Annex 1G (~~The main~~ Examples of the business activities and functions of a ~~relevant authorised person an~~ SMCR firm) is to help a *firm* to prepare its *management responsibilities map* (see SYSC 25.7.2G).
- 4.7.37 (2) There is no direct link between SYSC 25 Annex 1G and this ~~section~~ chapter.
- (3) However, a *firm* may find SYSC 25 Annex 1G useful as a checklist prompt to help it make sure that it has not failed to allocate overall or local responsibility under ~~SYSC 4.7.8R~~ this chapter for a particular activity of the *firm*.
- (4) If a *firm* uses SYSC 25 Annex 1G ~~to help it check whether it has allocated~~ as a prompt when it allocates overall or local responsibility as described in (3), it should bear in mind that it is not comprehensive (see SYSC 25.7.8G).
- 26.11.3 G ~~SYSC 4.7.26G (a firm should normally allocate responsibility for particular areas to a single SMF manager) does not mean that the~~ The FCA expects does not require:
- 4.7.38 (1) there to be a separate *person* with overall responsibility for each individual business area in SYSC 25 Annex 1G (~~The main~~ Examples of the business activities and functions of a ~~relevant authorised person an~~ SMCR firm); or
- (2) a firm to allocate functions under this chapter using the same split of business areas as in SYSC 25 Annex 1G.

## 27 Senior managers and certification regime: Certification regime

### 27.1 Application and purpose

#### Application

27.1.1 R This ~~section~~ chapter applies to a ~~relevant authorised person~~ an SMCR firm.

5.2.4

27.1.2 G This ~~section~~ chapter is also relevant to *employees* of ~~relevant authorised persons~~ SMCR firms performing functions specified as ~~FCA-specified significant harm~~ FCA certification functions.

5.2.2

#### Purpose

27.1.3 G (1) This ~~section~~ chapter is about the *FCA* 's certification regime.

5.2.3

(2) Under this regime, a *firm* should ensure that its employees only perform an ~~FCA-specified significant harm~~ FCA certification function if they have a certificate issued by that *firm* to perform that function.

(3) The purpose of this ~~section~~ chapter is to specify '~~FCA-specified significant harm~~ FCA certification functions' and to give *guidance* on the *FCA* 's certification regime.

### 27.2 Requirements of the certification regime

#### General

27.2.1 G Most of the requirements of the certification regime are in the Act. This section summarises and gives guidance on them.

27.2.2 G (2) ~~SYSC TP 5 explains how and SYSC TP 7 contain transitional material about the certification regime applies before then. This includes material about the fact that:~~

5.2.5(2)

(1) the requirement in SYSC 27.2.3G did not come into force at the same time as the rest of the certification regime; and

(2) the certification regime came into force at different times for different types of firm.

#### ~~General~~ Basic requirements

- 27.2.3 G Under section 63E(1) of the *Act*, a *firm* must take reasonable care to ensure  
5.2.4 that no *employee* of the *firm* performs an ~~FCA-specified significant harm~~  
FCA certification function under an arrangement entered into by the *firm* in  
relation to the carrying on by that *firm* of a *regulated activity*, unless the  
*employee* has a valid certificate issued by that *firm* to perform the function to  
which the certificate relates.

#### Fitness to act

- 27.2.4 G Under section 63F of the *Act*, a *firm* may issue a certificate to a *person* only  
5.2.6 if the *firm* is satisfied that the *person* is a fit and proper *person* to perform  
the ~~FCA-specified significant harm~~ FCA certification function to which the  
certificate relates.

- 27.2.5 G Under section 63F of the *Act*, in assessing if a *person* is fit and proper to  
5.2.7 perform an ~~FCA-specified significant harm~~ FCA certification function, a  
*firm* must have regard, in particular, to whether that *person*:

- (1) has obtained a qualification;
- (2) has undergone, or is undergoing, training;
- (3) possesses a level of competence; or
- (4) has the personal characteristics,

required by general *rules* made by the *FCA*.

- 27.2.6 G *FIT* 1.3 provides guidance to *firms* about the criteria that the *FCA* would  
5.2.8 expect the *firm* to consider in assessing if a *person* is fit and proper to  
perform an ~~FCA-specified significant harm~~ FCA certification function.

- 27.2.7 G *SYSC* 22 (Regulatory references) deals with obtaining references from a  
5.2.9 previous *employer* when a *firm* is planning to appoint someone to perform a  
~~specified significant harm~~ certification function as part of its assessment of  
whether that *person* is fit and proper.

- 27.2.8 G (1) A *person* seconded from a contractor may fall into the certification  
5.2.10 regime. The material in *SYSC* 27.4.1G is relevant to when this is the  
case.
- (2) In deciding if whether a *person* seconded from a contractor is fit and  
proper, the *firm* may take into account information and references  
from the contractor.
- (3) In deciding how much reliance to put on the contractor, the *firm*  
should take into account:
- (a) the familiarity of the contractor with the obligations of *firms*  
under ~~SYSC 5.2~~ this chapter, the corresponding *PRA*

requirements and the requirements of the *Act* described in this ~~section~~ chapter;

- (b) whether any reference directly addresses the criteria in *FIT*; and
- (c) the degree to which the *firm* believes it can rely on the contractor's judgement about the secondee's fitness and properness and the grounds for that belief.

#### Issuing and renewing certificates

- 27.2.9  
~~5.2.11~~ G Under section 63F of the *Act*, a certificate issued by a *firm* to a *person* must:
- (1) state that the *firm* is satisfied that the *person* is fit and proper to perform the function to which the certificate relates; and
  - (2) set out the aspects of the affairs of the *firm* in which the *person* will be involved in performing the function.
- 27.2.10  
~~5.2.12~~ G (1) The *Act* says that a certificate is valid for a period of 12 months, beginning with the day on which it is issued.
- (2) The *FCA* believes that the *Act* allows a *firm* to draft a certificate to expire after fewer than 12 months. The *FCA* interprets the *Act* in this way because to require a *firm* to make a certificate last longer than the *firm* thinks best is likely to make it harder for the *firm* to ensure the fitness of its *certification employees*. That would undermine the purpose of the certification regime in the *Act*.
  - (3) A certificate cannot be drafted to last more than 12 months.
- 27.2.11  
~~5.2.13~~ G Under section 63F of the *Act*, if, after having considered if a *person* is fit and proper to perform an ~~*FCA specified significant harm*~~ *FCA certification function*, a *firm* decides not to issue a certificate to that *person*, the *firm* must give the *person* a notice in writing stating:
- (1) what steps (if any) the *firm* proposes to take in relation to the *person* as a result of the decision; and
  - (2) the reasons for proposing to take those steps.
- 27.2.12  
~~5.2.14~~ G If, after having considered whether a *person* is fit and proper to perform an ~~*FCA specified significant harm*~~ *FCA certification function*, a *firm* decides not to issue a certificate to that *person*, it should consider if the circumstances warrant making a notification to the *FCA* for a breach of the *rules* in *COCON* pursuant to *SUP* 15.3.11R (Breaches of rules and other requirements in or under the *Act* or the *CCA*).

- 27.2.13 G Under section 63F of the *Act*, a *firm* must maintain a record of every  
5.2.15 *employee* who has a valid certificate issued by it.
- 27.2.14 G (1) ~~The *FCA*'s approach to specifying *FCA-specified significant harm*~~  
5.2.16(1) ~~*functions* has the effect that several elements of a *person*'s job may~~  
~~involve an *FCA-specified significant harm function* or that a *person*~~  
~~may~~ A *firm* need not issue multiple certificates for one of its  
*employees* even if they perform several *FCA-specified significant-*  
*harm FCA certification functions* as part of the same job.
- (2) Similarly, a *firm* need not issue multiple certificates for one of its  
*employees* who performs an *FCA certification function* that is made  
up of a number of different functions.
- (3) An example of an *FCA certification function* in (2) is the material  
risk taker *FCA certification function* described in SYSC 27.8.14R.  
SYSC 27.8.14R says that each function carried out by someone who  
is covered by that rule is an *FCA certification function*.
- 5.2.16(2) (4) ~~However, this does not mean that the *FCA* expects a *firm* to issue~~  
~~multiple certificates to each *certification employee*.~~ Rather than  
having to issue multiple certificates, in a certificate, a *firm* may, in a  
single certificate, describe the *employee*'s functions that involve an  
*FCA-specified significant harm FCA certification function* in broad  
terms, and without listing all the activities that the function may  
involve.
- 5.2.16(3) (5) A *firm* should assess whether the *employee* is fit and proper to  
perform all aspects of the *employee*'s functions that involve an *FCA-*  
*specified significant harm FCA certification function* as described by  
a certificate.
- 27.2.15 G (1) In cases where a *certification employee*'s role changes to involve a  
5.2.17(1) new ~~function involving an *FCA-specified significant harm FCA*~~  
~~*certification function* part way through the twelve 12-month period~~  
~~for which their certificate is valid, and that new function may have~~  
~~different requirements relating to:~~ the *firm* may need to reissue the  
certificate.
- (2) If that new function has different requirements relating to:
- (a) personal characteristics;
- (b) the level of competence, knowledge and experience;
- (c) qualifications; or
- (d) training;

- the *FCA* would expect the *firm* to assess whether the *employee* is fit and proper to perform that new function before they start it.
- 5.2.17(2) (3) A In such a case, the *firm* should not wait until the point of annual reassessment to determine whether the *employee* is fit and proper for the new function.
- 5.2.17(3) (4) ~~Paragraphs (1) and (2) also apply if a *certification employee's* role changes to involve a new *FCA-specified significant-harm function* part way through the twelve-month period. A *firm* may not need to issue a new certificate if:~~
- (a) applying the conditions in paragraph (1) are met (2), the *firm* concludes that no re-assessment is required; and
- (b) the certificate is drafted broadly enough to cover the new ~~*FCA-specified significant-harm FCA certification function*.~~
- (5) Paragraphs (1) to (4) also apply if a *certification employee's* role changes part way through the 12-month period without the new role involving a new *FCA certification function*.
- 27.2.16 G (1) This paragraph gives further *guidance* on the flexibility a *firm* has in drafting its certificates.
- 5.2.17A (2) A certificate may cover functions that a *certification employee* is not currently performing, as long as the *firm* has assessed the *employee's* fitness for these additional functions. This is subject to (3).
- (3) When a *firm* is deciding what a certificate can cover beyond the functions that the *certification employee* is currently performing, it should take the factors in ~~*SYSC 5.2.17G(1)*~~ *SYSC 27.2.15G(2)* into account. A certificate should not normally cover an additional function if ~~*SYSC 5.2.17G(1)*~~ *SYSC 27.2.15G(2)* would require the *firm* to consider the *employee's* fitness before allowing them to perform it.
- (4) A *firm* may, if it wishes, restrict a certificate to the functions that the *certification employee* is currently performing rather than drafting the certificate more widely as described in (2) and (3).
- (5) *SYSC 27.2.10G* deals with the flexibility a *firm* has in choosing the period for which a certificate lasts.

### 27.3      Territorial scope

Scope: territorial scope

- 27.3.1 R (1) A function is an ~~FCA-specified significant harm FCA certification~~ FCA certification  
5.2.19 ~~function~~ for a ~~UK relevant authorised person~~ UK SMCR firm only to the extent:
- (a) it is performed by a *person* from an establishment of the *firm* (or its *appointed representative*) in the *United Kingdom*; or
  - (b) the *person* performing that function is dealing with a *client* of the *firm* in the *United Kingdom* from an establishment of the *firm* (or its *appointed representative*) overseas.
- (2) A function is an ~~FCA-specified significant harm FCA certification~~ FCA certification ~~function~~ for a ~~non-UK relevant authorised person~~ an overseas SMCR firm, only to the extent that it is performed by a *person* from an establishment of the *firm* (or its *appointed representative*) in the *United Kingdom*.
- (3) Paragraph (1) does not apply to ~~FCA-specified significant harm FCA certification~~ function (7) (6) (material risk takers). For a ~~UK relevant authorised person~~ SMCR firm, ~~FCA-specified significant harm FCA certification~~ function (7) (6) applies without any territorial limitation.
- 27.3.2 G The *FCA* interprets the phrase ‘dealing with’ in *SYSC 27.3.1R* as including  
5.2.20 having contact with *clients* and extending beyond ‘dealing’ as used in the phrase ‘dealing in investments’. ‘Dealing in’ is used in Schedule 2 to the *Act* to describe in general terms the *regulated activities* which are specified in Part II of the *Regulated Activities Order*.
- 27.3.3 G The *FCA* interprets the phrase ‘a *client* of the *firm* in the *United Kingdom*’ in  
5.2.20A *SYSC 27.3.1R* as referring to:
- (1) for a *client* which is a body corporate, its office or *branch* in the *United Kingdom*; or
  - (2) for a *client* who is an individual, a *client* who is in the *United Kingdom* at the time of the dealing.

## **27.4** **General material about the scope of the certification regime**

Scope: ~~employees~~ Employees

- 27.4.1 G (1) The certification regime only applies to an *employee*.  
5.2.21
- (2) This definition includes a *person* who:
- (a) personally provides, or is under an obligation personally to provide, services to the *firm* in question under an

arrangement made between the *firm* and the *person* providing the services or another *person*; and

- (b) is subject to (or to the right of) supervision, direction or control by the *firm* as to the manner in which those services are provided.

- 27.4.2  
~~5.2.22~~
- G (1) A *person* who works for an *appointed representative* of a *firm* may fall into the certification regime. In practice, however, they may not meet the conditions for the certification regime to apply.
- (2) One condition for the certification regime to apply to a *person* is that the *person* performs a ~~*specified significant harm*~~ *certification function* under an arrangement entered into by the *firm* (see SYSC 27.2.3G). However, unlike the equivalent parts of the *Act* for the *approved persons* regime, the *Act* does not say that the certification regime applies if the function is performed under an arrangement entered into by the employee with a contractor of the *firm* instead of the *firm*.
- (3) The certification regime only applies if the *person* concerned is an *employee*. This is defined in SYSC 27.4.1G. In many cases, a *person* working for an *appointed representative* will not fall into this definition as they may not:
- (a) provide services to the *firm*; or
- (b) be subject to (or to the right of) supervision, direction or control by the *firm*.
- (4) If none of these limitations on the scope of the certification regime apply, a *person* working for an *appointed representative* will be subject to the certification regime, as long as the other conditions in this ~~section~~ chapter are met.

Scope: effect Effect of PRA requirements

- 27.4.3  
~~5.2.23~~
- G A ~~*specified significant harm function*~~ *function* does not cease to be an ~~*FCA-specified significant harm*~~ *FCA certification function* if the ~~*PRA*~~ also ~~specifies~~ that function as a ~~*specified significant harm*~~ *is also a PRA certification function*.

## **27.5 Exclusions for emergency and temporary appointments**

Scope: emergency Emergency appointments

- 27.5.1  
~~5.2.27~~
- R (1) If:



- (a) a *firm* appoints an individual to perform a function which, but for this *rule*, would be an ~~*FCA-specified significant-harm FCA certification function*~~;
- (b) the appointment is to provide cover for a *certification employee* whose absence is reasonably unforeseen; and
- (c) the appointment is for less than four weeks;

then the performance by that individual of such function does not constitute an ~~*FCA-specified significant-harm FCA certification function*~~.

- (2) This *rule* does not apply to ~~*FCA-specified significant-harm FCA certification function*~~ (5) (4) (functions requiring qualifications).

27.5.2 5.2.28 G SYSC 27.5.1R does not apply to ~~*FCA-specified significant-harm FCA certification function*~~ (5) (4) (functions requiring qualifications). Where there is an unforeseen absence of an *employee* performing a function for which there is a qualification requirement:

- (1) the *firm* should take reasonable care to ensure that no *employee* of that *firm* performs that function without a valid certificate; and
- (2) the certificate should be issued before the *person* starts to perform the function.

Scope: ~~temporary~~ Temporary UK role (the 30-day rule)

- 27.5.3 5.2.28A R (1) None of the ~~*FCA-specified significant-harm FCA certification functions*~~ extend to an individual (“P”) in relation to a *firm* if:
- (a) P is based outside the *United Kingdom* for the *firm*; and
  - (b) in a 12-month period, P spends no more than 30 days performing what would otherwise be an ~~*FCA-specified significant-harm FCA certification function*~~ for that *firm* within the territorial scope of this ~~section~~ chapter as described in SYSC 27.3.1R.
- (2) Paragraph (1) only applies to the extent that P is appropriately supervised by:
- (a) one of the *firm’s SMF managers*; or
  - (b) one of the *firm’s certification employees* whose certificate covers the ~~*FCA-specified significant-harm FCA certification function*~~ that is to be disapplied under (1).
- (3) This *rule* does not apply to any ~~*FCA-specified significant-harm FCA certification function*~~ to the extent that it involves:

- (a) giving advice or performing related activities in connection with *pension transfers, pension conversions* or *pension opt-outs* for *retail clients*; or
- (b) giving advice to a *person* to become, or continue or cease to be, a member of a particular Lloyd's syndicate.
- (4) In the case of a *UK relevant authorised person SMCR firm*, this rule does not apply to ~~FCA-specified significant-harm~~ FCA certification function ~~(7)~~ (6) (material risk takers).
- 27.5.4 G SYSC 27 Annex 1G gives examples of how SYSC 27.5.3R works.  
~~5.2.28B~~
- 27.5.5 G The FCA would expect an individual from overseas using the temporary UK role rule in SYSC 27.5.3R to be accompanied on a visit to a *customer* in the United Kingdom.  
~~5.2.28C(4)~~
- 27.5.6 G An individual benefiting from the temporary UK role rule in SYSC 27.5.3R may still be subject to the requirements of TC (Training and competence). However, TC 2.1.9R gives an exemption from certain qualification requirements in TC to an individual benefiting from the temporary UK role rule.  
~~5.2.28C(2)~~

## 27.6 Other exclusions

### Scope: exclusions Single Market Directives

- 27.6.1 G Under section 63E(7) of the Act, ~~SYSC 5.2~~ this chapter does not apply to an arrangement which allows an *employee* to perform a function if the question of whether the *employee* is fit and proper to perform the function is reserved under any of the *Single Market Directives* or the *auction regulation* to an authority in a country or territory outside the *United Kingdom*.  
~~5.2.24~~

### Insolvency

- 27.6.2 R This ~~section~~ chapter does not apply to a function performed by a *person* acting as:  
~~5.2.25~~
- (1) an insolvency practitioner under section 388 of the Insolvency Act 1986;
  - (2) a nominee in relation to a voluntary arrangement under Part I (Company Voluntary Arrangements) of the Insolvency Act 1986;
  - (3) an insolvency practitioner under article 3 of the Insolvency (Northern Ireland) Order 1989; or

- (4) a nominee in relation to a voluntary arrangement under Part II (Company Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

#### Non-executive directors

- 27.6.3 R A function performed by a *non-executive director* of a firm acting as such is  
5.2.26 not an ~~FCA-specified significant-harm~~ FCA certification function for that firm.

#### Benchmarks

- 27.6.4 R This chapter does not apply to a firm in relation to benchmark activities.
- 27.6.5 G Some benchmark activities are within the certification regime under SYSC TP 7.5 (Transitional provisions about benchmarks and the certification regime).

#### Overall responsibility

- 27.6.6 R Performing any of the following is not an FCA certification function:
- (1) a responsibility allocated to an SMF manager under SYSC 26.3 (Main rules); or
- (2) a responsibility allocated to someone under SYSC 26.4.6R (Exclusion where the 12-week rule applies).

### 27.7 Specification of functions

#### ~~Scope: general~~ General requirements

- 27.7.1 R In accordance with section 63E of the *Act* (Certification of employees by  
5.2.18 ~~relevant~~ authorised persons), a function is an ~~FCA-specified significant-harm~~ FCA certification function only if, in relation to the carrying on of a regulated activity by a firm, that function:
- (1) is not a *controlled function* in relation to the carrying on of that regulated activity by that firm; and
- (2) will require the *person* performing it to be involved in one or more aspects of the firm's affairs, so far as relating to that regulated activity.

#### ~~Scope: FCA-specified significant-harm~~ FCA certification functions

- 27.7.2 R In accordance with section 63E(3) of the *Act*, the functions in the table in  
5.2.29 SYSC 27.7.3R are ~~FCA-specified significant-harm~~ FCA certification functions.

27.7.3 R Table: ~~FCA-specified significant harm~~ FCA certification functions  
5.2.30

Function	Where defined
(1) CASS oversight	SYSC 27.8.1R
<del>(3)</del> <u>(2)</u> Proprietary trader	SYSC 27.8.3R
<del>(4)</del> <u>(3)</u> Significant management	SYSC 27.8.4R
<del>(5)</del> <u>(4)</u> Functions requiring qualifications	SYSC 27.8.10R
<del>(6)</del> <u>(5)</u> Managers of certification employees	SYSC 27.8.13R
<del>(7)</del> <u>(6)</u> Material risk takers	SYSC 27.8.14R
<del>(8)</del> <u>(7)</u> Client-dealing	SYSC 27.8.18R
<del>(9)</del> <u>(8)</u> Algorithmic trading	SYSC 27.8.23R

- 27.7.4 G (1) If a function falls into more than one of the ~~FCA-specified significant harm~~ FCA certification functions in the table in SYSC 5.2.31 27.7.3R, all of those ~~FCA-specified significant harm~~ FCA certification functions apply to it.
- (2) For example, if a *person's* job involves both ~~FCA-specified significant harm~~ FCA certification function ~~(5)~~ (4) (functions requiring qualifications) and ~~(7)~~ (6) (material risk takers), the emergency appointments *rule* (SYSC 27.5.1R) does not apply to that job.
- (3) Another example is the *rule* about the territorial scope of this section (SYSC 27.3.1R)) for a *UK relevant authorised person SMCR firm*. For example, if a *person's* job involves both ~~FCA-specified significant harm~~ FCA certification function ~~(5)~~ (4) (functions requiring qualifications) and ~~(7)~~ (6) (material risk takers), the territorial restriction in that *rule* does not apply to that job. Instead, this ~~section~~ chapter applies without any territorial limitation.
- (4) The reason for (3) is that ~~SYSC 5.2.19R(3))~~ SYSC 27.3.1R(3) says that there is no territorial limitation on ~~FCA-specified significant harm~~ FCA certification function ~~(7)~~ (6) for a *UK relevant authorised person SMCR firm*. As explained in (1), it does not matter that the

job also involves ~~FCA-specified significant harm FCA certification function (5)~~ (4), to which the territorial limitation does apply.

## **27.8**      **Definitions of the FCA certification functions**

### CASS oversight function

- 27.8.1      R      (1)      Each of the following is an ~~FCA-specified significant harm FCA certification function~~ (5) (4), to which the territorial limitation does apply.
- 5.2.32
- (a)      in relation to a *CASS medium firm* and a *CASS large firm* (other than a *CASS large debt management firm*), the function of acting in the capacity of a *person* who is allocated the function in CASS 1A.3.1AR (oversight of operational effectiveness);
- (b)      in relation to a *CASS large debt management firm*, the function of acting in the capacity of a *person* who is allocated the function in CASS 11.3.4R (oversight of operational effectiveness).
- (2)      A function in (1) is not an ~~FCA-specified significant harm FCA certification function~~ for that *firm* if it is performed by an *SMF manager* of that *firm*.
- 27.8.2      G      ~~SYSC 5.2.32R(1)~~ SYSC 27.8.1R(1) only applies to a *firm* to the extent that CASS applies to that *firm*.
- 5.2.32A

### Proprietary trader function

- 27.8.3      R      The function of acting as a *proprietary trader* whose activity involves, or might involve, a risk of significant harm to the *firm* or any of its *customers* is an ~~FCA-specified significant harm FCA certification function~~.
- 5.2.34

### Significant management function

- 27.8.4      R      (1)      The function of acting as a *senior manager*, with significant responsibility for a significant business unit, is an ~~FCA-specified significant harm FCA certification function~~.
- 5.2.35
- (2)      For a ~~non-UK relevant authorised person's~~ an overseas SMCR firm's branch in the *United Kingdom*, the significant management function is limited to business units of the *branch*.
- 27.8.5      G      A *senior manager* carrying on the significant management ~~FCA-specified significant harm FCA certification function~~ under SYSC 27.8.4R could, for example, be:
- 5.2.36
- (1)      the head of a unit carrying on the activities of:

- (a) retail banking;
  - (b) personal lending;
  - (c) corporate lending;
  - (d) salvage or loan recovery; ~~or~~
  - (e) *proprietary trading*; ~~or~~
  - (f) designated investment business;
  - (g) effecting contracts of insurance;
  - (h) credit-related regulated activity;
  - (i) making material decisions on the commitment of the firm's financial resources, its financial commitments, its assets acquisitions, its liability management or its overall cash and capital planning;
  - (j) processing confirmations, payments, settlements, insurance claims, client money and similar matters;
  - (k) administration of contracts of insurance;
  - (l) complaints handling; or
  - (m) determining whether an applicant should be accepted for credit (including lending) and on what terms; or
- (2) a member of a committee (that is, a *person* who, together with others, has authority to commit the *firm*) making decisions in these functions.
- 27.8.6     G     The examples in SYSC 27.8.5G are illustrative only. They are not intended to be exhaustive.
- 27.8.7     G     A business unit is not limited to one that carries on commercial activities with customers and third parties or that earns revenue. A business unit can be an internal support department that has no contact with people outside the firm. It may include, for example, human resources, operations or information technology.
- 27.8.8     G     For the purposes of the definition of the significant management ~~FCA-~~  
5.2.37     ~~specified significant harm~~ FCA certification function, the following additional factors about the *firm* should be considered:
- (1) the size and significance of the *firm's* business in the *United Kingdom* – for example, a *firm* carrying on *designated investment business* may have a large number of *certification employees* (for example, in excess of 100 individuals); or a firm carrying on general

insurance business may have gross written premiums in excess of £100m;

- (2) the number of *regulated activities* carried on, or proposed to be carried on, by the *firm* and (if relevant) other members of the *group*;
- (3) its *group* structure (if it is a member of a *group*);
- (4) its management structure (for example, matrix management); and
- (5) the size and significance of its international operations, if any.

27.8.9 G When considering whether a business unit is significant for the purposes of  
5.2.38 SYSC 27.8.4R, the *firm* should take into account all relevant factors in the light of the *firm*'s current circumstances and its plans for the future, including:

- (1) the risk profile of the unit;
- (2) its use or commitment of the *firm*'s capital;
- (3) its contribution to the profit and loss account;
- (4) the number of *employees*, *certification employees* or *SMF managers* in the unit;
- (5) the number of *customers* of the unit; and
- (6) any other factor which makes the unit significant to the conduct of the *firm*'s affairs so far as relating to the *regulated activity*.

#### Functions requiring qualifications

- 27.8.10 R (1) Each function involving an activity for which there is a qualification  
5.2.39 requirement as specified in TC App 1.1.1R (Activities and Products/Sectors to which TC applies) is an ~~FCA-specified significant-harm~~ FCA certification function.
- (2) For a ~~non-UK relevant authorised person~~ an overseas SMCR firm, each function involving an activity for which there would have been a qualification requirement, as specified in (1) if the *firm* had been a ~~UK relevant authorised person~~ SMCR firm, is an ~~FCA-specified significant-harm~~ FCA certification function.
- (3) A person performs the FCA certification function in this rule even if:
- (a) the time period within which the person must have obtained the qualification requirement has not yet expired; or
  - (b) the person is exempt from the qualification requirement.

- 27.8.11 G (1) SYSC 27.8.10R (Functions requiring qualifications) ~~does not~~ may still apply to a ~~UK relevant authorised person~~ an SMCR firm where one of the exclusions in TC App 3.1 (Circumstances in which TC does not apply) or elsewhere in TC ~~does not apply~~ applies.
- 5.2.40 (2) SYSC 27.8.10R (~~Functions requiring qualifications~~) applies to a ~~non-UK relevant authorised person~~ an overseas SMCR firm irrespective of whether the function in TC App 1.1.1R (Activities and Products/Sectors to which TC applies) applies to *incoming EEA firms* or *overseas firms* for the purposes of TC.
- (3) The territorial scope of qualification requirements as specified in TC App 2.1.1R (Territorial Scope subject to the limitation in TC Appendix 3) does not apply to the FCA certification function in SYSC 27.8.10R. However SYSC 27.3.1R (Territorial scope) restricts the scope of this chapter outside the United Kingdom.
- 27.8.12 G SYSC 27.8.10R(3) means that a person performs the FCA certification function in SYSC 27.8.10R even if for example they are:

- (1) still in training and do not yet need to have the qualification; or
- (2) exempt under TC 2.1.9R (Exemption from appropriate qualification requirements).

#### Managers of certification employees

- 27.8.13 R (1) The function of managing or supervising a *certification employee*, directly or indirectly, is an ~~FCA specified significant harm~~ FCA certification function.
- 5.2.41 (2) A function in (1) is not an ~~FCA specified significant harm~~ FCA certification function for that *firm* if it is performed by an *SMF manager* of that *firm*.

#### Material risk takers

- 27.8.14 R Each function performed by a person in column (2) of the table in SYSC 27.8.15R is an FCA certification function with respect to a firm in the corresponding entry in column (1).
- 27.8.15 R Table: Definition of material risk taker

<u>Type of SMCR firm</u>	<u>Employees included</u>
(1) <u>A UK SMCR banking firm</u> <u>A third-country SMCR banking firm</u>	<u>Each member of the dual-regulated firms Remuneration Code staff of the firm in column (1) of this row (1).</u>



	<u>This includes any <i>person</i> who meets any of the criteria set out in articles 3 to 5 of Commission Delegated Regulation (EU) No 604/2014 (criteria to identify categories of staff whose professional activities have a material impact on an institution’s risk profile).</u>
<u>(2) An EEA SMCR banking firm</u> <u>For these purposes, sub-paragraphs (i) and (ii) in SYSC 19D.1.1R(1)(d) (application of the dual-regulated firms Remuneration Code) do not apply.</u>	<u>In relation to a <i>firm</i> in column (1) of this row (2), the definition of <i>dual-regulated firms Remuneration Code staff</i> is extended so that it includes <i>employees</i> of this kind of <i>firm</i> in the same way as it includes <i>employees</i> of a <i>third-country SMCR banking firm</i>.</u>
<u>(3) A Solvency II firm</u>	<u>Persons referred to in articles 275.1(c) and (d) of <i>Solvency II Regulation 2015/35</i> (key functions and staff with a material impact).</u>

27.8.16 G If the definitions or requirements in the ‘Employees included’ column of the table in SYSC 27.8.15R (as adjusted) do not apply to a *firm* in the corresponding entry in the ‘Type of SMCR firm’ column, that row of the table does not apply to the *firm*.

27.8.17 G One example of SYSC 27.8.16G is that a *credit union* is excluded from the table in SYSC 27.8.15R. Therefore the material risk taker *FCA certification function* does not apply to a *credit union*. However, it is subject to equivalent *PRA* requirements.

#### Client-dealing function

27.8.18 R A *person* (“P”) performs the client-dealing ~~*FCA specified significant harm*~~ *FCA certification function* for a *firm* if:

5.2.44

- (1) P is carrying out any of the activities in the table in SYSC 27.8.19R; and
- (2) those activities will involve P dealing with:
  - (a) a *person* with or for whom those activities are carried out; or
  - (b) the property of any such *person*;

in a manner substantially connected with the carrying on of *regulated activities* by the *firm*.

27.8.19 R Table: Activities covered by the client-dealing ~~FCA specified significant-~~  
 5.2.45 ~~harm~~ FCA certification function

Activity	Comments
(1) The following activities: (a) <i>advising on investments</i> other than a <i>non-investment insurance contract</i> ; or (b) performing other functions related to this, such as <i>dealing</i> and <i>arranging</i> .	(a) does not include <i>advising on investments</i> in the course of carrying on the activity of giving <i>basic advice</i> on a <i>stakeholder product</i> .
(2) The following activities: (a) giving advice in connection with <i>corporate finance business</i> ; or (b) performing other functions related to this.	
(3) If the <i>firm</i> does any of the following activities: (a) <i>dealing</i> , as principal or as agent; or (b) <i>arranging (bringing about) deals in investments</i> ; taking part in those activities is included.	(a) and (b) do not include <i>dealing</i> or <i>arranging (bringing about) deals in investments</i> in a <i>non-investment insurance contract</i> . For the activity in this row (3), <del>SYSC 5.2.44R(2)(a) and (b)</del> <u>SYSC 27.8.18R(2)(a) and (b)</u> are expanded to cover also: (a) a <i>person</i> in connection with whom the activities in the first column of this row are carried out; and (b) the property of any such <i>person</i> .
(4) If the <i>firm</i> is acting in the capacity of an <i>investment manager</i> the following are included:	

<p>(a) taking part in that activity; and</p> <p>(b) carrying on functions connected to this.</p>	
<p>(5) Acting as a ‘bidder’s representative’ in relation to <i>bidding in emissions auctions</i>.</p>	<p>Acting as a ‘bidder’s representative’ has the meaning in sub-paragraph 3 of article 6(3) of the <i>auction regulation</i>.</p>

- 27.8.20 G SYSC 27.3.2G (the *FCA* interprets the phrase ‘dealing with’ as including  
5.2.46 having contact with and extending beyond ‘dealing’ as used in ‘dealing in investments’) applies to SYSC 27.8.18R.
- 27.8.21 G The client-dealing ~~*FCA-specified significant-harm FCA certification*~~  
5.2.47 *function* generally involves dealing with any *person* with or for whom the activities in the table in SYSC 27.8.19R are carried out (or their property). That *person* need not be a *client* of the *firm*.
- 27.8.22 G The restrictions in SYSC 27.7.1R (~~*FCA-specified significant-harm FCA*~~  
5.2.48 *certification function*) should require the *person* performing it to be involved in one or more aspects of the *firm’s* affairs so far as they relate to *regulated activities*) also applies to the client-dealing ~~*FCA-specified significant-harm FCA certification function*~~.

#### Algorithmic trading function

- 27.8.23 R (1) Each of the following is an ~~*FCA-specified significant-harm FCA*~~  
5.2.49 *certification function*:
- (a) approving the deployment of:
- (i) a trading algorithm or a part of one; or
- (ii) an amendment to a trading algorithm or a part of one;  
or
- (iii) a combination of trading algorithms; and
- (b) each of the following functions:
- (i) having significant responsibility for the management of monitoring whether or not a trading algorithm; and
- (ii) deciding whether or not a trading algorithm;  
is, or remains, compliant with the *firm’s* obligations.
- (2) The *firm’s* obligations in (1)(b) include:

- (a) the *firm's* regulatory obligations; and
- (b) the rules and requirements of the *trading venues* to which the *firm's* trading systems are connected.
- 27.8.24 R A trading algorithm means a computer algorithm used in ~~algorithmic trading~~  
5.2.50(1) algorithmic trading.
- 27.8.25 G ~~Algorithmic trading~~ Algorithmic trading is not limited to high-frequency  
5.2.51 algorithmic trading.
- 27.8.26 G Deploying a trading algorithm includes deploying one on a *trading venue* on  
5.2.52 which the *firm* has not traded before where the *firm* is already using that trading algorithm on another *trading venue*.
- 27.8.27 G ~~SYSC 5.2.49R(1)(b)~~ SYSC 27.8.23R(1)(b) (monitoring or deciding whether  
5.2.53 or not a trading algorithm is compliant) includes testing, such as validation and stress testing.
- 27.8.28 G (1) Sometimes an approval or a decision involves sign-off from different  
5.2.54 people about different aspects of the decision or approval.
- (2) If this is the case, all will have given the approval or decision for the purposes of SYSC 27.8.23R.
- 27.8.29 G (1) Sometimes an approval or decision involves sign-off by a number of  
5.2.55 people of different levels of seniority about the same aspects of the decision.
- (2) If this is the case, only the most senior decision-taker gives the approval or decision for the purposes of SYSC 27.8.23R.
- (3) Where the *firm's* procedures do not require the more senior person to carry out a detailed review of the decision of the more junior, both the junior and the senior person will give the approval or decision.
- 27.8.30 G A *firm* may have deployed an algorithm even though:  
5.2.56
- (1) it has not yet actually been used in the generation or acceptance of orders; or
- (2) it is not actually being used in the generation or acceptance of orders at the moment; or
- (3) it is not currently being used in the generation or acceptance of orders because the circumstances have not arisen for it to start doing so.

- 27.8.31 5.2.57 G In the examples in SYSC 27.8.30G the algorithm is capable of being used in the generation or acceptance of orders but is not actually generating or accepting them at the moment. However, a *firm* does not deploy an algorithm if the algorithm is not yet capable of generating or accepting orders because, for example, it is still in development.
- 27.8.32 1G G The algorithmic trading FCA certification function applies whether the firm develops the algorithm itself or buys one from a third party.

27

Annex

1G

Examples of how the temporary UK role rule in SYSC 27.5.3R (the 30-day rule) works

~~5 Annex~~

1G

Example		How the temporary UK role rule applies
(1)	A spends 20 days in the UK performing the proprietary trader <del>FCA specified significant harm FCA certification function</del> for Firm X and wishes to spend another 20 days in the UK performing the significant management <del>FCA specified significant harm FCA certification function</del> for Firm X.	The rule does not allow this. There is a single 30-day allowance, not a separate 30-day allowance for each <del>FCA specified significant harm FCA certification function</del> .
(2)	A spends 20 days in the UK performing an <del>FCA specified significant harm FCA certification function</del> for Firm X (which is a <del>UK relevant authorised person UK SMCR firm</del> ) and wishes to spend another 20 days dealing with Firm X's clients in the UK from the overseas office of Firm X in which A is based.	The rule does not allow this. There is a single 30-day limit for both types of contact with the UK.
(3)	A wishes to spend 40 days dealing with Firm X's clients in the UK from the overseas office of Firm X (which is a <del>UK relevant authorised person UK SMCR firm</del> ) in which A is based. However the total time spent doing that will only be a few hours overall.	The rule does not allow this. If A deals with a UK client on one day, that uses up one day of the 30-day allowance, however short the time for which the contact lasts.
(4)	A spends 25 days in calendar year one for Firm X in the UK and 25 days in calendar year two. However A spends 40 days in the	The rule does not allow this. This is because the 30-day annual allowance

	UK for Firm X between June in calendar year 1 and June in calendar year 2.	relates to any 12-month period and not just a calendar year.
(5)	Firm X is a <del>non-UK relevant authorised person</del> <u>an overseas SMCR firm</u> . A is employed by Firm X and is based in one of its offices outside the UK. A wants to work in the UK branch for 10 days.	The rule applies to <del>non-UK relevant authorised persons</del> <u>overseas SMCR firms</u> .  It does not matter that A is not employed by the UK branch and instead is employed by another part of Firm X.  It does not make a difference whether A is based in an office of Firm X in its home state or one in a third country.
(6)	A is based in one of Firm X's overseas offices. Firm X then decides to relocate A to the UK, where A will be certified to perform an <del>FCA-specified significant-harm FCA certification function</del> for Firm X. Firm X wants to rely on the temporary UK role rule for the first 30 days while Firm X goes through the certification process for A.	The rule does not allow this. A is no longer based in an overseas office and so the rule does not apply.
(7)	A is based in the overseas branch of a <del>UK relevant authorised person</del> <u>UK SMCR firm</u> . A is to be promoted, so that A will be performing the material risk taker <del>FCA-specified significant-harm FCA certification function</del> . Firm X wants to rely on the temporary UK role rule for the first 30 days while Firm X goes through the certification process for A.	The rule does not allow this because it does not apply to the material risk taker <del>FCA-specified significant-harm FCA certification function</del> when it is performed for a <del>UK relevant authorised person</del> <u>UK SMCR firm</u> .
	A reference in this table to an <del>FCA-specified significant-harm FCA certification function</del> is to a function that would have been an <del>FCA-specified significant-harm FCA certification function</del> but for SYSC 27.5.3R (temporary UK role).	

...

**TP 5 Financial Services (Banking Reform) Act 2013: Certification and regulatory references**

	<u>Note to the reader</u>
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5.1.1-2	G	(1)	<u>SYSC TP 5 has not been amended to reflect changes in the <i>FCA Handbook</i> and <i>Glossary</i> since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then.</u>
		(2)	<u>A small number of provisions may have effect beyond that date. To help the reader, the table in SYSC TP 5.1.1-1G explains how superseded <i>Glossary</i> terms in SYSC TP 5 should be interpreted.</u>
5.1.1-1	G	<u>Table: meaning of superseded Glossary terms</u>	

<u>Term in SYSC TP 5</u>	<u>Term that has replaced it</u>	<u>Comment</u>
<u>FCA specified significant-harm function</u>	<u><i>FCA certification function</i></u>	
<u>full scope regulatory reference firm</u>	<u>Any of the following: (a) an <i>SMCR banking firm</i>; (b) a <i>Solvency II firm</i>; or (c) a <i>large non-directive insurer</i>.</u>	<u>SYSC TP 5.4.2R refers to SYSC 22.2.1R (Obligation to obtain a regulatory reference). On 7 March 2017 (the date referred to in SYSC TP 5.4.2R), SYSC 22.2.1R applied to what were then called full scope regulatory reference firms.</u>
<u>relevant authorised person</u>	<u><i>SMCR banking firm</i></u>	
<u>specified significant-harm function</u>	<u><i>certification function</i></u>	

	Purpose of SYSC TP 5			
5.1.1	G	...		
...				

...

**TP 6 Transitional Provision 6**

...				
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6	SYSC 5.2.30R (row 2) and SYSC 5.2.33R	R	<del>The rule in column 2, as it was in force on 28 June 2018, continues to apply to a benchmark administrator, until that administrator becomes authorised or registered under the benchmarks regulation, or ceases to be authorised for administering a specified benchmark. [deleted]</del>	<del>From 29 June 2018</del>	<del>From 29 June 2018</del>
...					

After SYSC TP 6 (Transitional Provision 6) insert the following new SYSC TP 7. The text is not underlined.

**TP 7 Bank of England and Financial Services Act 2016: Certification and regulatory references**

**7.1 Application, purpose and definitions**

7.1.1 R SYSC TP 7 applies as set out in the table in SYSC TP 7.1.2R.

7.1.2 R Table: Application of SYSC TP 7

Type of firm	Parts of SYSC TP 7 that apply
An <b>SMCR insurance firm</b> except one in the following row	All applies
An <b>SMCR insurance firm</b> that is a <i>Solvency II firm</i> (including a <i>large non-directive insurer</i> )	All applies except as follows: (1) SYSC TP 7.4.2R to SYSC TP 7.4.3G do not apply. (2) Subject to (3), SYSC TP 7.4.4R and SYSC TP 7.4.5G do not apply. (3) SYSC TP 7.4.4R and SYSC TP 7.4.5G apply where the requirement to obtain a reference arises under SYSC 22.2.1R(1)(b) (certification).
All other <i>firms</i>	Does not apply, except as follows. SYSC TP 7.4.6R, SYSC TP 7.4.7G and SYSC TP 7.6 apply.



	SYSC TP 7.5 applies to the <i>firms</i> specified in SYSC TP 7.5.
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- 7.1.3 G SYSC TP 7:
- (1) explains how the certification regime described in SYSC 27 applies during the **certification transitional period** described in SYSC TP 7.2.1G;
  - (2) has certain transitional provisions dealing with SYSC 22 (Regulatory references) and with benchmark activities; and
  - (3) has certain other transitional provisions relating to the amendments made to the *FCA Handbook* by the Individual Accountability (Dual-Regulated Firms) Instrument 2018.
- 7.1.4 G (1) The main time period for which SYSC TP 7 operates is 2018 to 2019.
- (2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.
- 7.1.5 R The terms in the first column of the table in SYSC TP 7.1.6R, where they appear in bold in SYSC TP 7, have the meaning in the corresponding row of column 2 for the purposes of SYSC TP 7.
- 7.1.6 R Table: glossary of bespoke terms used in SYSC TP 7

<b>Part One: General</b>	
<b>Defined term</b>	<b>Meaning</b>
<b>SMCR insurance firm</b>	has the meaning set out in the amendments to the <i>Glossary</i> to be made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018).

<b>Part Two: Dates</b>	
<b>Defined term</b>	<b>Meaning</b>
<b>certification transitional period</b>	the one year period beginning on 10 December 2018 and ending on 10 December 2019 referred to in regulation 2 of the <b>insurance firms commencement SI</b> (Appointed days for the coming into force of section 21 and Schedule 4 for insurers)

<b>general commencement date</b>	10 December 2018
<b>insurance firms commencement SI</b>	the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018 (SI 2018/990)

## 7.2 Certification: The certification transitional period

- 7.2.1 G Under the **insurance firms commencement SI**, the obligation in section 63E(1) of the *Act* for an *SMCR firm* to take reasonable care to ensure that no *employee* of the *firm* performs an *FCA certification function*, unless the *firm* has issued the *employee* with a valid certificate, does not apply until the end of the **certification transitional period**.
- 7.2.2 G However, other parts of the *FCA Handbook* and the *Act* about *certification employees* apply in the **certification transitional period**.
- 7.2.3 G The table in *SYSC TP 7.2.4G* explains how the requirements of the *FCA Handbook* and the *Act* about *certification employees* apply in the **certification transitional period**.
- 7.2.4 G Table: How the certification regime applies in the certification transitional period

<b>Provision in the Act or the Handbook</b>	<b>What that provision is about</b>	<b>How it applies in the certification transitional period</b>
<i>Glossary</i> definition of <i>certification employee</i>		During the <b>certification transitional period</b> , the <i>Glossary</i> definition of <i>certification employee</i> covers everyone who would need a certificate to perform their job if the obligation to issue certificates were in force
<i>SYSC 27.2</i> and the parts of the <i>Act</i> on which it gives <i>guidance</i>	Issuing certificates and fitness	Does not apply

SYSC 27.3	Territorial scope of the certification regime	Applies for the purpose of those parts of the <i>FCA Handbook</i> and the <i>Act</i> that are in force as described in this table
SYSC 27.4	General material about the scope of the certification regime	
SYSC 27.5	Exclusions for emergency and temporary appointments	
SYSC 27.6	Other exclusions	
SYSC 27.7	Specification of functions	
SYSC 27.8	Definitions of the FCA certification functions	
SYSC 22	Regulatory references	Obligation to obtain a reference does not apply because the obligation to get a reference is triggered by issuing a certificate.  <i>SYSC TP 7.4</i> has exemptions that apply after the <b>certification transitional period</b> .
SYSC 25	<i>SYSC 25</i> says that the <i>management responsibilities map</i> should say whether <i>persons</i> described or identified in the <i>management responsibilities map</i> are <i>certification employees</i>	Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force
COCON		Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.  This applies even if they have not been notified:  (a) that <i>COCON</i> applies to them; or  (b) of the <i>rules</i> that apply to them.  <i>COCON</i> also applies to those who would have been

		excluded from the certification regime by SYSC 27.5.1R (Emergency appointments) or SYSC 27.5.3R (Temporary UK role).
Section 64B of the Act	<i>Firm</i> should ensure that all <i>persons</i> subject to COCON are notified  <i>Firm</i> should take reasonable steps to ensure that those <i>persons</i> understand how COCON applies to them.	Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force
The parts of SUP 15.3 that deal with COCON breaches	Notifying a significant breach of COCON to the FCA	
Section 64C of the Act and SUP 15.11	Notifying the FCA of disciplinary action	

### 7.3 General material about certification

- 7.3.1 G (1) SYSC 27.5.1R (Emergency appointments) allows a *firm* to appoint someone (P) to perform a function which would normally be an *FCA certification function* without P becoming a *certification employee*. There is a maximum period for which the appointment can last.
- (2) When calculating the maximum time period in (1), the *firm* need not take into account any time spent by P before the **general commencement date** performing what will become the *FCA certification function* in (1).
- (3) When a *firm*, after the end of the **certification transitional period**, is calculating the maximum time period in (1), the *firm* should take into account any time spent by P during the **certification transitional period** performing the *FCA certification function* in (1).
- 7.3.2 G (1) SYSC 27.5.1R only applies where P (as referred to in SYSC TP 7.3.1G) is providing cover for a *certification employee* whose absence is reasonably unforeseen.
- (2) SYSC 27.5.1R may still apply if the absence referred to in (1) began before the **general commencement date** or during the **certification transitional period**.

- 7.3.3 G (1) Some *FCA certification functions* only apply where the place of performance of the function has a connection with the *United Kingdom* (for example, it is carried on there).
- (2) *SYSC 27.5.3R* (Temporary UK role (the 30-day rule)) allows a *person (P)* to carry on a function for a *firm* that would normally be an *FCA certification function* because of its connection with the *United Kingdom* without *P* becoming a *certification employee*. There is a time limit on how long the *firm* can allow *P* to do this.
- (3) When calculating the time limit in (2), the *firm* need not take into account any time spent by *P* before the **general commencement date** performing functions with a *United Kingdom* connection.
- (4) When a *firm*, after the end of the **certification transitional period**, is calculating the maximum time period in (1), the *firm* should take into account any time spent by *P* during the **certification transitional period** performing functions with a *United Kingdom* connection.

#### 7.4 Transitional provisions about regulatory references

- 7.4.1 R (1) If on the **general commencement date** an *employee (P)* is already performing an *FCA certification function* for an *SMCR firm (A)*, the obligation under *SYSC 22* (Regulatory references) for *A* to obtain a reference when issuing a certificate (including reissuing a certificate) for *P* for that *FCA certification function* does not apply either on or after the end of the **certification transitional period**.
- (2) If there has been a significant change in *P*'s responsibilities forming part of that *FCA certification function* as compared to the position on the **general commencement date**, paragraph (1) ceases to apply from that time.
- 7.4.2 R *SYSC 22.2.1R* (Obligation to obtain a regulatory reference) does not apply to an application for approval as an *approved person* that:
- (1) is made before the **general commencement date** and is continued in force by *SUP TP 11.7* (In-flight applications: Conversion); or
- (2) is made under *SUP TP 11.15* (Applications of approved persons to take effect from the commencement date).
- 7.4.3 G *SYSC 22.2.4R* (Obligation to revise references) does not apply to references given before the **general commencement date**.
- 7.4.4 R Question (F) (disciplinary action) in Part One of *SYSC 22 Annex 1R* (Template for regulatory references given by *SMCR* firms and disclosure

requirements) does not require disclosure of breaches of individual conduct requirements referred to in question (F) if:

- (1) the disciplinary action referred to in that item took place before the **general commencement date**; and
- (2) the *firm's* records do not show whether the conduct that was subject to disciplinary action amounted to a breach of those individual conduct requirements.

7.4.5 G The term individual conduct requirements in SYSC TP 7.4.4R is defined in Section One of Part Two of SYSC 22 Annex 1R.

7.4.6 R If:

- (1) a *firm* (A) asks another *firm* (B) for a reference before the **general commencement date**; but
- (2) B gives the reference after that date;

SYSC 22 (Regulatory references) in the form it is in at the time in (2) applies to B.

7.4.7 G SYSC 22 in the form it is in after the **general commencement date** applies to a reference requested or given after the **general commencement date** even if the matters covered by the reference occurred before then.

## 7.5 Transitional provisions about benchmarks and the certification regime

7.5.1 G SYSC 27.6.4R excludes *benchmark activities* from the certification regime. SYSC TP 7.5 brings certain activities in relation to benchmarks back into the certification regime.

7.5.2 R SYSC 27 (Senior managers and certification regime: Certification regime) applies to a *person with permission* to carry on the *regulated activity* of *administering a specified benchmark* acting as such.

7.5.3 G As a consequence of the *benchmarks regulation*, the *regulated activities* referred to in SYSC TP 7.5.2R will cease to apply in certain circumstances (see SUP TP 10 for an explanation of those circumstances).

7.5.4 G The effect of SYSC TP 7.5.2R is that SYSC 27 continues to apply to *firms* which still have *permission* to carry on the *regulated activity* in SYSC TP 7.5.2R when carrying on that activity.

## 7.6 Miscellaneous

Common platform requirements

- 7.6.1 G The Individual Accountability (Dual-Regulated Firms) Instrument 2018 renumbered material that used to be in *SYSC 4* and *SYSC 5* so that it now appears in *SYSC 24* to *SYSC 27*. That instrument updated *FCA Handbook* cross-references accordingly.
- 7.6.2 G The requirements of chapters *SYSC 24* to *SYSC 27* no longer form part of the *common platform organisational requirements* and a reference to anything in *SYSC 4* or *SYSC 5* does not include any material referred to in *SYSC TP 7.6.1G*.

Amend the following as shown.

## Sch 1 Record keeping requirements

...

### Sch 1.2G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
<i>SYSC 2.2.1R</i>	...	...	...	<del>Six</del> <u>6</u> years from the date on which the record is superseded by a more up-to-date record
<i>SYSC 2.2.4R</i>	Governance map and scope of responsibilities for certain approved persons of <i>Solvency II</i> firms	As stated in <i>rule</i>	The records should be kept up to date, as stated in the <i>rule</i>	10 years from the date superseded, or <del>6</del> years for <i>large non-directive insurers</i> .
<i>SYSC 2.2.6R</i>	Scope of responsibilities for certain approved persons of <i>small non-</i>	As stated in <i>rule</i>	The records should be kept up to date, as stated in the <i>rule</i>	<del>6</del> years from the date superseded.

	<i>directive insurers</i>			
...	...	...	...	...
SYSC 4.5.21G	Past versions of a <i>firm's management responsibilities maps</i>	Past versions of a <i>firm's management responsibilities maps</i>	SYSC 4.5.21G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important part of its records	SYSC 4.5.21G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important part of its records
SYSC 4.6.14G and SYSC 4.6.28G	Applies SYSC 4.5.21G to <i>non-UK relevant authorised persons</i>	See entry for SYSC 4.5.21G	See entry for SYSC 4.5.21G	See entry for SYSC 4.5.21G
SYSC 25.9.5R	Steps taken to comply with SYSC 25.9.4R (Information to be made available to new manager)	Adequate	Adequate time	None specified.
...	...	...	...	...
SYSC 22.9.1R	...	...	...	...
<u>SYSC 25.8.1G</u>	<u>Past versions of a <i>firm's management responsibilities maps</i></u>	<u>Past versions of a <i>firm's management responsibilities maps</i></u>	<u>SYSC 25.8.1G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important</u>	<u>SYSC 25.8.1G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an</u>



			<u>part of its records</u>	<u>important part of its records</u>
<u>SYSC 25.8.3R</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>None specified</u>	<u>10 years from the date superseded, or 6 years for large non-directive insurers</u>
<u>SYSC 25.9.5R</u>	<u>Steps taken to comply with SYSC 25.9.4R (Information to be made available to new manager)</u>	<u>Adequate</u>	<u>Adequate time</u>	<u>None specified</u>

...

**Sch 5 Rights of action for damages**

...

Sch 5.4G ...

Chapter/ Appendix	Section/ Annex	Paragraph	Right of action under section 138D		
			For private person?	Removed?	For other person?
...	...	...	...	...	...
<u>SYSC 23 to SYSC 27</u>			<u>No</u>		<u>No</u>

## Annex D

## Amendments to the Code of Conduct sourcebook (COCON)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

## Part 1: Comes into force 10 December 2018

## 1 Application and purpose

## 1.1 Application

- 1.1.1 G Under section 64A of the *Act*, the *FCA* may make *rules* about the conduct of certain *persons* working in *firms*.

To whom does it apply?

- 1.1.1A R *COCON* applies to the *persons* set out in the table in *COCON* 1.1.2R.

- 1.1.2 R Table: To whom does *COCON* apply?

Persons to whom COCON applies	Comments
(1) An <i>SMF manager</i> .	
(2) An <i>employee</i> (“P”) of a <del>relevant</del> <u>authorised person</u> <u>an SMCR firm</u> who:  (a) performs the function of an <i>SMF manager</i> ;  (b) is not an <i>approved person</i> to perform the function in question; and  (c) is required to be an <i>approved person</i> at the time P performs that function.	
(3) An <i>employee</i> of a <del>relevant</del> <u>authorised person</u> <u>an SMCR firm</u> who would be an <del>SMF manager</del> <u>performing an FCA-designated senior management function</u> but for <i>SUP</i> 10C.3.13R (The 12-week rule).	

<p>(4) A <i>certification employee</i> <del>employed by a relevant authorised person</del> of an <u>SMCR firm</u>.</p>	<p>This applies even if the <i>certification employee</i> has not been notified that <i>COCON</i> applies to them or notified of the <i>rules</i> that apply to them.</p>
<p>(5) An <i>employee</i> of a <del>relevant authorised person</del> <u>an SMCR firm</u> who would be a <del>certification employee</del> performing an <u>FCA certification function</u> but for <del>SYSC 5.2.27R(1)</del> <u>SYSC 27.5.1R</u> (Scope: emergency <u>Emergency</u> appointments) or <del>SYSC 5.2.28AR</del> <u>SYSC 27.5.3R</u> (Scope: temporary <u>Temporary</u> UK role).</p>	
<p>(6) Any <i>employee</i> of a <del>relevant authorised person</del> <u>an SMCR firm</u> not coming within another row of this table, except one listed in column (2) <u>of this row (6) of this table</u>.</p>	<p>(A) This row (6) does not apply to an <i>employee</i> of a <del>relevant authorised person</del> <u>an SMCR firm</u> who only performs functions falling within the scope of the following roles:</p> <ul style="list-style-type: none"> <li>(a) receptionists;</li> <li>(b) switchboard operators;</li> <li>(c) post room staff;</li> <li>(d) reprographics/print room staff;</li> <li>(e) property/facilities management;</li> <li>(f) events management;</li> <li>(g) security guards;</li> <li>(h) invoice processing;</li> <li>(i) audio visual technicians;</li> <li>(j) vending machine staff;</li> <li>(k) medical staff;</li> <li>(l) archive records management;</li> <li>(m) drivers;</li> <li>(n) corporate social responsibility staff;</li> <li>(o) data controllers or processors under the <i>data protection legislation</i>;</li> <li>(p) cleaners;</li> </ul>

	<p>(q) catering staff;</p> <p>(r) personal assistant or secretary;</p> <p>(s) information technology support (ie, helpdesk); and</p> <p>(t) human resources administrators /processors.</p> <p><u>(B) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR insurance firm</i> until 10 December 2019.</u></p>
(7) <del>An FCA approved person or PRA approved person approved to perform a controlled function in a Solvency II firm or a small non-directive insurer. [deleted]</del>	This row does not apply to <del>approved persons</del> approved to perform a controlled function in SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives).
(8) <del>A standard non-executive board director of a UK SMCR firm.</del> <del>(a) a relevant authorised person;</del> <del>(b) a Solvency II firm; or</del> <del>(c) a small non-directive insurer.</del>	This row only applies to a <i>UK domestic firm</i> .
<b>Note:</b> In accordance with the <i>Glossary</i> , <i>Solvency II firm</i> includes a <i>large non-directive insurer</i> .	

- 1.1.2A R For *Swiss general insurers*, references in this sourcebook to parts of the *PRA Rulebook* for ‘Solvency II firms’ are to be read as references to the corresponding parts of the *PRA Rulebook* applying to *large non-directive insurers*.
- 1.1.3 R *Rules 1 to 5 in COCON 2.1* apply to all *conduct rules staff*.
- 1.1.4 R (1) *Rules SC1 to SC4 in COCON 2.2* apply to all *senior conduct rules staff members* (subject to (2)).
- (2) SC1 to SC3 in *COCON 2.2* do not apply to a ~~*standard non-executive director*~~ *senior conduct rules staff member* within paragraph (d) of the definition of *senior conduct rules staff member* (P) unless, P also as well as being a ~~*standard non-executive director*~~, they also fall falls into one of the other categories paragraph (a) or (b) of that definition of ~~*senior conduct rules staff member*~~.
- 1.1.5 G (1) The *guidance in COCON 2.3* applies to ~~*relevant authorised persons*~~ *SMCR firms*.

- (2) [deleted]
- (3) *SYSC 27.6.3R* provides that a function performed by a *non-executive director* of a *firm* acting as such is not an ~~FCA specified significant harm~~ FCA certification function for that *firm*.

To what conduct does it apply?

- 1.1.6 R For a *person* (P) who is an *approved person*, *COCON* applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not *regulated activities*) by the *firm* (Firm A) on whose application approval was given to P.

[**Note:** sections 64A(4) and (5)(a) of the *Act* (Rules of conduct)]

- 1.1.6A R For a *person* (P) who is a *board director* of a *firm* (Firm A) but is not an *approved person* of Firm A, *COCON* applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not *regulated activities*) by Firm A.

[**Note:** sections 64A(4) and (5)(ab) of the *Act* (Rules of conduct)]

- 1.1.7 R (1) For a *person* (P) subject to *COCON* who is not an *approved person*, *COCON* applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not *regulated activities*) by :

(1) ~~(in the case of a *board director* of a *firm*) that *firm*; or~~

(2) ~~(in any other case) P's *employer* employer (Firm A).~~

(2) This rule does not apply where *COCON* 1.1.6A applies.

[**Note:** sections 64A(4), ~~(5)(ab)~~ and (5)(b) of the *Act* (Rules of conduct)]

- 1.1.7A R (1) Where Firm A in *COCON* 1.1.6R to *COCON* 1.1.7R is an *SMCR firm* other than an *SMCR banking firm*, the application of *COCON* is further restricted by this rule.

(2) *COCON* only applies to conduct that forms part of, or is for the purpose of, any of the following:

(a) the *SMCR financial activities* of Firm A; or

(b) any activities of Firm A that have, or might reasonably be regarded as likely to have, a negative effect on:

(i) the integrity of the *UK financial system*; or

(ii) the ability of Firm A to meet the “fit and proper” test in threshold condition 2E and 3D (Suitability); or

- (iii) the ability of Firm A to meet the applicable requirements and standards under the *regulatory system* relating to Firm A's financial resources.
- 1.1.8 G (1) ~~Both More than one of COCON 1.1.6R and to COCON 1.1.7R~~  
1.1.7AR may apply to the same individual performing several roles.
- (2) For example, say that an individual (A) is an *approved person* for *firm X* and is employed by *firm Y* in a role that does not involve a *controlled function* or being a *director*. ~~Say that *firm X* is a *Solvency II firm* or a *small non-directive insurer* and that *firm Y* is a *relevant authorised person*.~~
- (3) *COCON* 1.1.6R applies to A's role with *firm X* and *COCON* 1.1.7R applies to A's role with *firm Y*.
- 1.1.8A R (1) This rule applies to a person (P):
- (a) who is an *approved person* approved to perform a *controlled function* under *SUP* 10A.1.15R to *SUP* 10A.1.16BR (appointed representatives);
- (b) for whom P's *authorised approved person employer* is an *SMCR firm* (F); and
- (c) to whom *COCON* also applies in P's capacity as a member of F's *conduct rules staff*.
- (2) *COCON* does not apply to conduct of P to the extent that:
- (a) that conduct relates to the performance by P of functions:
- (i) in (1)(a); or
- (ii) in relation to the carrying on of a *regulated activity* by the *appointed representative* concerned; and
- (b) *APER* applies to that conduct.

Where does it apply?

- 1.1.9 R (1) *COCON* applies to the conduct of *conduct rules staff* set out in (2) wherever it is performed.
- (2) This rule applies to:
- (a) a *senior conduct rules staff member*; and
- (b) a *certification employee* performing ~~*FCA specified significant harm FCA certification function*~~ (7) (6) (material

risk takers) in the table in SYSC 27.7.3R for a *UK-relevant authorised person UK SMCR firm*.

- 1.1.9A G (1) This paragraph deals with how COCON 1.1.9R applies to a certification employee (P) who performs the material risk taker FCA certification function and another FCA certification function for the same UK SMCR firm.
- (2) If P's conduct relates to both FCA certification functions (because for example those two functions cover the same activities) COCON applies without territorial limitation to P's conduct.
- (3) If part of P's conduct relates to the material risk taker FCA certification function and the rest of P's conduct relates to the other FCA certification function, COCON only applies without territorial limitation to P's conduct in relation to the material risk taker FCA certification function.
- 1.1.10 R (1) This rule applies to members of a firm's conduct rules staff apart from conduct rules staff in COCON 1.1.9R.
- (2) Subject to (3), COCON only applies to the conduct of persons to whom this rule applies (as set out in (1)) if that conduct:
- (a) is performed from an establishment maintained in the United Kingdom by: the SMCR firm; or
- (i) ~~(for a relevant authorised person) that person's employer; or~~
- (ii) ~~(for a Solvency II firm or a small non-directive insurer) the firm in relation to whom that person carries out controlled functions; or~~
- (b) involves dealing with a client of the firm in the United Kingdom from an establishment overseas.
- (3) Paragraph (2)(b) only applies to a *UK relevant authorised person SMCR firm*.
- 1.1.11 G The FCA interprets the phrase 'dealing with' in COCON 1.1.10R as including having contact with customers and extending beyond 'dealing' as used in the phrase 'dealing in investments'. 'Dealing in' is used in Schedule 2 to the Act to describe, in general terms, the regulated activities which are specified in Part II of the Regulated Activities Order.
- 1.1.11A G The FCA interprets the phrase 'a client of the firm in the United Kingdom' in COCON 1.1.10R as referring to:
- (1) for a client which is a body corporate, its office or branch in the United Kingdom; or

- (2) for a *client* who is an individual, a *client* who is in the *United Kingdom* at the time of the dealing.

- 1.1.12 R A *person* will not be subject to *COCON* to the extent that it would be contrary to the *UK's* obligations under a *Single Market Directive*, the *auction regulation* or the *benchmarks regulation*.

Purpose

- 1.1.13 G The purpose of this chapter is to set out *rules* for *conduct rules staff* and to provide *guidance* about those *rules* to *firms* whose staff are subject to them.

- 1.1.14 G *COCON* 1 Annex 1 has *guidance* on the role and responsibilities of *non-executive directors* to whom *COCON* applies.

## 1.2 Investments

- 1.2.1 G *COCON* refers in a number of places to '*investments*'. The *Glossary* meaning of *investment* is wide and is not just limited to the ordinary dictionary meaning.

- 1.2.2 G Therefore, for example, an *approved person* performing *controlled functions* in a *Solvency II firm* or a *small non-directive insurer* should note that that term includes rights under a contract of insurance, meaning they should also take into account those parts of *COCON* which provide *guidance* on individual conduct rules that refer to '*investments*'.

- 1.2.3 G Where *guidance* refers to risks associated with *investments* that will include risks applicable to rights under a contract of insurance including for example the risk of inadequate cover.

...

## 1 Annex 1G Guidance on the role and responsibilities of NEDs subject to COCON non-executive directors of SMCR firms

### 1 Introduction

- 1.1 This annex applies to *non-executive directors* (NEDs) of: an SMCR firm.

- (1) ~~a relevant authorised person;~~  
 (2) ~~a Solvency II firm (including a large non-directive insurer); or~~  
 (3) ~~a small non-directive insurer.~~

- 1.2 This annex covers the role of a NED in performing the roles in (1) to (4), below:

- (1) the role of ~~chairman~~ chair of the board of *directors*;  
 (2) the role of ~~chairman~~ chair of the nomination committee;



- (3) the role of ~~chairman~~ chair of any other committee (irrespective of whether performing that role is itself a *designated senior management function*);
- (4) the general NED role.

1.3 The *FCA*'s view of the role of a NED is consistent with the duties of directors included in *UK* company law and the description of the role of a NED in the *UK Corporate Governance Code*.

## **2 The general role of a NED**

2.1 The role of a NED performing the general NED role is to:

- (1) provide effective oversight and challenge; and
- (2) help develop proposals on strategy.

2.2 To deliver this, their responsibilities include:

- (1) attending and contributing to board and committee meetings and discussions;
- (2) taking part in collective board and committee decisions, including voting and providing input and challenge; and
- (3) ensuring they are sufficiently and appropriately informed of the relevant matters prior to taking part in board or committee discussions and decisions.

2.3 Other key roles of a NED include:

- (1) scrutinising the performance of management in meeting agreed goals and objectives;
- (2) monitoring the reporting of performance;
- (3) satisfying themselves on the integrity of financial information;
- (4) satisfying themselves that financial controls and systems of risk management are robust and defensible;
- (5) scrutinising the design and implementation of the remuneration policy;
- (6) providing objective views on resources, appointments and standards of conduct; and
- (7) being involved in succession planning.

## **3 Role of a NED as chair of the board or a committee**

3.1 Subject to any specific governance arrangements, *rules* or requirements applicable to the board or particular committees, a NED's responsibility as ~~chairman~~ chair of the board or a committee includes:

- (1) ensuring that the board or committee meets with sufficient frequency;
- (2) fostering an open, inclusive discussion which challenges executives, where appropriate;
- (3) ensuring that the board or committee devotes sufficient time and attention to the matters within its remit;
- (4) helping to ensure that the board or committee and its members have the information necessary to its and their tasks;
- (5) reporting to the main board on the committee's activities; ~~and~~
- (6) facilitating the running of the board or committee to assist it in providing independent oversight of executive decisions; and
- (7) in relation to the nomination committee, safeguarding the independence and overseeing the performance of the nomination committee.

3.2 The chair of the nomination committee should take reasonable steps to ensure that the nomination committee complies with:

- (1) the requirements in SYSC 4.3A about the nomination committee (if that part of SYSC applies to the *firm*); and
- (2) any specific and relevant requirements relating to the committee or to the matters within the committee's responsibilities.

3.3 ~~SYSC 4.3A.8R and SYSC 4.3A.9R deal with the nomination committee for relevant authorised persons. There is no equivalent material for Solvency II firms. Although being the chair of the nomination committee is not a controlled function for a small non-directive insurer, paragraph Paragraph 3.2 of this annex is still relevant to a small non-directive insurer firm:~~

- (1) that is not required by the FCA Handbook to have a nomination committee; or
- (2) for which being the chair of such a committee is not a controlled function;  
if it has such a committee.

#### **4 General approach to the role of a NED**

4.1 The FCA recognises that NEDs individually do not manage a *firm's* business in the same way as executive *directors*. Therefore, the responsibilities for which NEDs are accountable are likely to be more limited.

- 4.2 A NED is neither required nor expected to assume executive responsibilities.
- 4.3 Although NEDs who are subject to the senior management regime for *SMF managers* ~~or the approved persons regime for insurers~~ have individual duties under that regime, the *FCA* views the regime and its application as consistent with the principle of collective decision-making.
- 4.4 The standard of care, skill and diligence that the *FCA* would expect from a NED is the care, skill and diligence that would be exercised by a reasonably diligent person with:
- (1) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the NED in relation to the firm, taking into account the standards in the *Handbook* (especially *COCON* and *DEPP*); and
  - (2) the general knowledge, skill and experience that the NED has.

## 2 Individual conduct rules

### 2.1 Individual conduct rules

- 2.1.1 R *Rule 1: You must act with integrity.*
- 2.1.2 R *Rule 2: You must act with due skill, care and diligence.*
- 2.1.3 R *Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.*
- 2.1.4 R *Rule 4: You must pay due regard to the interests of customers and treat them fairly.*
- 2.1.5 R *Rule 5: You must observe proper standards of market conduct.*

### 2.2 Senior management conduct rules

- 2.2.1 R SC1: You must take reasonable steps to ensure that the business of the *firm* for which you are responsible is controlled effectively.
- 2.2.2 R SC2: You must take reasonable steps to ensure that the business of the *firm* for which you are responsible complies with the relevant requirements and standards of the *regulatory system*.
- 2.2.3 R SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.

- 2.2.4 R SC4: You must disclose appropriately any information of which the *FCA* or *PRA* would reasonably expect notice.

## 2.3 Firms: Training and breaches

- 2.3.1 G Under section 64B of the *Act*, ~~a relevant authorised person~~ an SMCR firm must:
- (1) ensure that all *persons* subject to the *rules* in *COCON* are notified of the *rules* that apply to them; and
  - (2) take all reasonable steps to ensure that those *persons* understand how the *rules* in *COCON* apply to them.
- 2.3.2 G (1) The steps that ~~a relevant authorised person~~ an SMCR firm must take to ~~secure~~ ensure that its *conduct rules staff* understand how the *rules* in *COCON* apply to them include the provision of suitable training.
- (2) Suitable training should always ensure that those who are subject to the *rules* in *COCON* have an awareness and broad understanding of all of the *rules* in *COCON*, and that they also have a deeper understanding of the practical application of the specific rules which are relevant to their work.
  - (3) For example:
    - (a) for individuals who trade in the markets, *rule 5* in *COCON* 2.1.5R may apply in various circumstances arising in the individual's day-to-day activities and additional training may be appropriate to ensure that the individual knows how that *rule* applies to those activities in those various circumstances; or
    - (b) for individuals who deal directly with customers, *rule 4* in *COCON* 2.1.4R may apply in various circumstances which makes additional training appropriate for such individuals.
- 2.3.3 G There are *rules* and *guidance* in *SUP* 15.3 (General notification requirements) and *SUP* 15.11 (Notification of *COCON* breaches and disciplinary action) that deal with reporting by ~~a relevant authorised person~~ an SMCR firm of *COCON* breaches to the *FCA*.

## 3 General factors for assessing compliance

### 3.1 General factors for assessing compliance

- 3.1.1 G Where descriptions of conduct are provided in this chapter which exemplify breaches of the *rules* in *COCON*, they are not intended to be an exhaustive list of the kind of conduct that may contravene the relevant *rule*.
- 3.1.2 G In assessing compliance with, or a breach of, a *rule* in *COCON*, the *FCA* will have regard to the context in which a course of conduct was undertaken, including:
- (1) the precise circumstances of the individual case;
  - (2) the characteristics of the particular function performed by the individual in question; and
  - (3) the behaviour expected in that function.
- 3.1.3 G Without prejudice to section 66A of the *Act*, a *person* will only be in breach of any of the *rules* in *COCON* where they are personally culpable. Personal culpability arises where:
- (1) a *person's* conduct was deliberate; or
  - (2) the *person's* standard of conduct was below that which would be reasonable in all the circumstances.
- 3.1.4 G In determining whether or not the particular conduct of a *person* complies with the *rules* in *COCON*, factors the *FCA* would expect to take into account include:
- (1) whether that conduct relates to activities that are subject to other provisions of the *Handbook*;
  - (2) whether that conduct is consistent with the requirements and standards of the *regulatory system* relevant to the *person's firm*.
- 3.1.5 G In determining whether or not the conduct of a *senior conduct rules staff member* complies with *rules* SC1 to SC4 in *COCON*, factors the *FCA* would expect to take into account include:
- (1) whether they exercised reasonable care when considering the information available to them;
  - (2) whether they reached a reasonable conclusion upon which to act;
  - (3) the nature, scale and complexity of the *firm's* business;
  - (4) their role and responsibility as determined by reference to the relevant *statement of responsibility*;
  - (5) the knowledge they had, or should have had, of regulatory concerns, if any, relating to their role and responsibilities.

- 3.1.6 G In assessing whether a *senior conduct rules staff member* may have breached a *rule* in *COCON*, the nature, scale and complexity of the business and the role and responsibility of the individual undertaking the activity in question within the *firm* will be relevant in assessing whether that *person's* conduct was reasonable. For example, the smaller and less complex the business, the less detailed and extensive the systems of control need to be.
- 3.1.7 G *UK domestic firms* listed on the *London Stock Exchange* are subject to the *UK Corporate Governance Code*, whose internal control provisions are explained in the publication entitled 'Internal Control: Revised Guidance for Directors on the Combined Code (October 2005)' issued by the Financial Reporting Council. Therefore, *firms* in this category will be subject to that code, as well as to the *rules* in *COCON*. In forming an opinion as to whether a *senior conduct rules staff member* has complied with the *rules* in *COCON*, the *FCA* will give due credit if they followed corresponding provisions in the *UK Corporate Governance Code* and related guidance.

#### 4 Specific guidance on individual conduct rules

##### 4.1 Specific guidance on individual conduct rules

...

##### **Rule 5: You must observe proper standards of market conduct.**

...

- 4.1.16 G ...
- 4.1.17 G (1) Markets include relevant markets as defined in section 1F of the Act (Meaning of "relevant markets" in strategic objective).
- (2) Markets are not limited to regulated markets or formal markets such as one on a stock exchange.
- (3) Nor are markets limited to markets for professionals (such as the wholesale foreign exchange markets) or ones that involve tradeable and transferable assets.
- (4) Therefore markets include consumer markets (whether for products, services, credit or otherwise).

##### 4.2 Specific guidance on senior manager conduct rules

...

- 4.2.28 G (1) If a *senior conduct rules staff member* comes across a piece of information that is something of which they think the *FCA* or *PRA*

could reasonably expect notice, they should determine whether that information falls within the scope of their responsibilities: .

(a) ~~(for For an SMF manager) by virtue of those responsibilities will be set out in that person’s statement of responsibilities; of .~~

(b) ~~(for an approved person performing a significant influence function in a Solvency II firm or a small non-directive insurer) including by reference to their scope of responsibilities document.~~

(2) If it does, then they should ensure that, if it is otherwise appropriate to do so, it is disclosed to the *appropriate regulator*.

**Part 2: Comes into force 10 December 2019**

**1 Application and purpose**

**1.1 Application**

...

To whom does it apply?

...

1.1.2 R Table: To whom does COCON apply?

Persons to whom COCON Applies	Comments
...	
(6) ...	<p>...</p> <p><del>(B) This row (6) also does not apply to an employee of an SMCR insurance firm until 10 December 2019.</del></p>
...	

...

## Annex E

## Amendments to the Threshold Conditions (COND)

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

**2 The threshold conditions**

...

**2.5 Suitability**

...

2.5.3 G (1) The emphasis of the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 of the *Act* is on the suitability of the *firm* itself. The suitability of each *person* who performs a *controlled function* will be assessed by the *FCA* and/or the *PRA*, as appropriate, under the *approved persons* regime (in relation to an *FCA-approved person*, see *SUP 10A* (FCA Approved Persons), *SUP 10C* (~~FCA senior management regime for approved persons in relevant authorised persons~~) (FCA senior managers regime for approved persons in SMCR firms) and *FIT*). In certain circumstances, however, the *FCA* may consider that the *firm* is not suitable because of doubts over the individual or collective suitability of *persons* connected with the *firm*.

...

...

2.5.6 G Examples of the kind of particular considerations to which the *FCA* may have regard when assessing whether a *firm* will satisfy, and continue to satisfy, the *threshold condition* include, but are not limited to, whether:

...

(7) the *firm* has put in place procedures which are reasonably designed to:

...

(b) ensure that its *approved persons* and, ~~in the case of relevant authorised persons~~, the rest of its *conduct rules staff* are aware of those requirements and standards under the *regulatory system* applicable to them, whether or not they are employed by the *firm*;



...

- (d) determine that its *approved persons* and, ~~in the case of *relevant authorised persons*~~, the rest of its *conduct rules staff*, are adhering to those requirements and standards;

...

- (12) those *persons* who perform *controlled functions* under certain *arrangements* entered into by the *firm* or its contractors (including *appointed representatives* or, where applicable, *tied agents*) act with due skill, care and diligence in carrying out their *controlled function* (see *APER 4.2* (Statement of Principle 2) or *COCON 2.1.2R* or managing the business for which they are responsible (see *APER 4.7* (Statement of Principle 7) or *COCON 2.2.2R*, as applicable);

...

## Annex F

## Amendments to the Statements of Principle and Code of Practice for Approved Persons (APER)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

### 1.1A Application

Who?

- 1.1A.1 R *APER applies to FCA-approved persons and ~~PRA-approved persons~~ who ~~fall under (1) or (2)~~ are either:*
- (1) *approved persons of firms that are not: SMCR firms; or*
    - (a) *~~relevant authorised persons~~; or*
    - (b) *~~Solvency II firms or small non-directive insurers~~; or*
  - (2) *approved persons approved to perform a controlled function in SUP 10A.1.15R to SUP 10A.1.16BR (~~appointed representatives~~ appointed representatives).*
- 1.1A.1A G (1) *APER does not apply to FCA-approved persons ~~or PRA-approved persons~~ of ~~relevant authorised persons, Solvency II firms or small non-directive insurers~~ SMCR firms. COCON applies instead. For the purposes of APER (and SYSC, SUP 10A, COCON and DEPP) a ~~large non-directive insurer is treated as and included in the Glossary definition of a Solvency II firm.~~*
- (2) *However, APER applies to approved persons approved to perform a controlled function under SUP 10A.1.15R to SUP 10A.1.16BR (~~appointed representatives~~ appointed representatives) even if the appointed representative's principal is ~~a relevant authorised person or Solvency II firm~~ an SMCR firm.*

What?

- 1.1A.2 R (1) *APER applies to the performance by an approved person of:*
- (a) *FCA controlled functions in SUP 10A (FCA Approved Persons) (whether or not approval has been sought and granted); and*
  - (b) *~~PRA controlled functions~~ (whether or not approval has been sought and granted);*

~~in relation to the *authorised persons* in relation to which that *person* is an *approved person*.~~

- (2) *APER* also applies to the performance by an *approved person* of any other functions in relation to the carrying on of a *regulated activity* by ~~the *authorised persons* referred to in (1)~~ their *authorised approved person employer*.
- (3) Subject to (4), *APER* does not apply to conduct to which *COCON* applies.
- (4) *APER* applies to conduct to which *COCON* does not apply under *COCON* 1.1.8AR (To what conduct does it apply?).

...

Coverage of *APER*

1.1A.6 G *APER* 1.1A.7G gives examples of the effect of *APER* 1.1A.1R and *APER* 1.1A.2R. The first column says whether the example involves an *FCA-approved person* in relation to one or two *firms* and ~~the second column says whether the example involves a *PRA-approved person*. So for example if there is a “Yes” in both columns that means that the example concerns a *person* who has been approved both by the *FCA* and by the *PRA*. The third second column explains what functions *APER* covers in the scenario set out in the first two columns column. The table is divided between cases in which the *person* performs the *controlled function* for an *FCA authorised person* and ones where the *person* does so for a *PRA authorised person*.~~

1.1A.7 Table: Examples of what activities *APER* *APER* covers

FCA approved	PRA approved	Coverage of <i>APER</i> <u><i>APER</i></u>
<del>FCA authorised person</del>		
(1) Yes, in relation to <i>firm A</i>	<del>Not applicable</del>	Applies to the <i>FCA controlled function</i> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(2) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	<del>Not applicable</del>	In relation to <i>firm A</i> , the answer is the same as for scenario (1). However, <i>APER</i> does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i> . However, if the function that <del>he performs</del> <u>they perform</u> in

		relation to <i>firm B</i> is a <i>controlled function</i> the <i>approved person</i> and <i>firm B</i> may be subject to legal sanctions (see <i>SUP 10A.13.1G</i> to <i>SUP 10A.13.2G</i> ).
<del>PRA authorised person that is not a <i>relevant authorised person</i>, or a <i>Solvency II firm</i> or a <i>small non-directive insurer</i>.</del>		
(3) Yes, in relation to <i>firm A</i>	No	The answer is the same as for scenario (1).
(4) No	Yes, in relation to <i>firm A</i>	Applies to <del><i>PRA controlled function</i></del> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(5) Yes, in relation to <i>firm A</i>	Yes, in relation to <i>firm A</i>	Applies to <del><i>FCA controlled function</i></del> and <del><i>PRA controlled function</i></del> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(6) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	In relation to <i>firm A</i> , the answer is the same as for scenario (5). However, <del><i>APER</i></del> does not apply to any function that the <del><i>approved person</i></del> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i> . However, if the function that he performs in relation to <i>firm B</i> is a <i>controlled function</i> the <del><i>approved person</i></del> and <i>firm B</i> may be subject to legal sanctions (see <del><i>SUP 10A.13.1G</i></del> to <del><i>SUP 10A.13.21G</i></del> ).
<del>PRA authorised person that is a <i>relevant authorised person</i>, a <i>Solvency II firm</i> or a <i>small non-directive insurer</i>.</del>		
(7) Yes, in relation to <i>firm A</i>	No	No. <del><i>APER</i></del> does not apply to <del><i>approved persons</i></del> of <del><i>relevant authorised persons</i></del> , <del><i>Solvency II firms</i></del> or <del><i>small non-directive insurers</i></del> . <del><i>COCON</i></del> applies instead.
(8) No	Yes, in relation to <i>firm A</i>	The answer is the same as for scenario (7).
(9) Yes, in relation to <i>firm A</i>	Yes, in relation to <i>firm A</i>	The answer is the same as for scenario (7).

- 1.1A.8 G (1) A person may be an *approved person* in relation to more than one *firm*. When that is the case, *APER* applies in relation to all those *firms*.
- (2) *APER* does not apply if the *firm* is a ~~relevant authorised person or a Solvency II firm~~ an SMCR firm, except for *approved persons* of an appointed representative of a ~~relevant authorised person, a Solvency II firm or a small non-directive insurer~~ an SMCR firm.
- (3) If a person is an *approved person* of a *firm* (A) that is not a ~~relevant authorised person, a Solvency II firm or a small non-directive insurer~~ an SMCR firm and also of another *firm* (B) that is either a ~~relevant authorised person, a Solvency II firm or a small non-directive insurer~~ an SMCR firm, the result is:
- (a) *APER* applies to the *approved person* in relation to *firm* A; and
- (b) *COCON* applies to the *approved person* in relation to *firm* B.
- 1.1A.9 G (1) *APER* 1.1A refers to ~~the authorised person in relation to which a person is an approved person's firm. This means their authorised approved person employer. It also refers to an approved person of a firm.~~
- ...
- (3) Section 59(1) of the *Act* describes the first. It covers a *person* who performs a *controlled function* under an arrangement entered into by an *authorised person* (“A”). In this case, ~~*APER* 1.1A refers to the~~ authorised approved person employer is A.
- (4) Section 59(2) of the *Act* describes the second. It covers a *person* who performs a *controlled function* under an arrangement entered into by a contractor (“B”) of an *authorised person* (“A”). In this case, ~~*APER* 1.1A refers to~~ the authorised approved person employer is A (and not B).

...

### 3 Code of Practice for Approved Persons: general

#### 3.1 Introduction

...

- 3.1.7A G *Statements of Principle* 1 to 4 apply to all *approved persons*. A *person* performing an *accountable higher management function* is also subject to the additional requirements set out in *Statements of Principle* 5 to 7 in performing that *accountable function*. Those responsible under ~~*SYSC* 2.1.3R~~

~~or~~ SYSC 4.4.5R (Apportionment of responsibilities) for the *firm's* apportionment obligation will be specifically subject to *Statement of Principle 5* (and see, in particular, *APER 4.5.6G*). In addition, it will be the responsibility of any such *approved person* to oversee that the *firm* has appropriate systems and controls under *Statement of Principle 7* (and see, in particular, *APER 4.7.3G*).

...

3.1.9 G ...

3.1.10 R (1) In the case of an *approved person* approved to perform a *controlled function* in SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives), a reference in in *APER 2* to *APER 4* to a *firm* is a reference to:

(a) the *appointed representative* in relation to which that *approved person* performs the *controlled function* in SUP 10A.1.15R to SUP 10A.1.16BR; and

(b) their *authorised approved person employer*.

(2) For the purposes of *Statements of Principle 5* to *7* the reference is only to (a).

...

#### 4 Code of Practice for Approved Persons: specific

...

#### 4.5 Statement of Principle 5

...

4.5.6 G In the case of an *approved person* who is responsible under ~~SYSC 2.1.3R (1)~~ ~~or~~ SYSC 4.4.5R(1) for dealing with the appointment of responsibilities under ~~SYSC 2.1.1R~~ ~~or~~ SYSC 4.4.3R, failing to take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among the *firm's directors* and senior managers falls within *APER 4.5.2G*.

...

#### 4.7 Statement of Principle 7

...

4.7.3 G Failing to take reasonable steps to implement (either personally or through a compliance department or other departments) adequate and appropriate systems of control to comply with the relevant requirements and standards of the *regulatory system* in respect of the *regulated activities* of the *firm* in question (as referred to in *Statement of Principle 7*) falls within *APER*

4.7.2G. In the case of an *approved person* who is responsible, under ~~SYSC 2.1.3R(2)~~ or SYSC 4.4.5R(2), with overseeing the *firm's* obligation under ~~SYSC 3.1.1R~~ or SYSC 4.1.1R, failing to take reasonable care to oversee the establishment and maintenance of appropriate systems and controls falls within APER 4.7.2G.

...

4.7.9 G In the case of the *money laundering reporting officer*, failing to discharge the responsibilities imposed on them by the *firm* in accordance with ~~SYSC 3.2.6R~~ or SYSC 6.3.9R falls within APER 4.7.2G.

4.7.10 G In the case of an *approved person* performing an *accountable higher management function* responsible for compliance in respect of the following provisions, failing to take reasonable steps to ensure that appropriate compliance systems and procedures are in place falls within APER 4.7.2G:

(1) ~~SYSC 3.2.8R~~; or [deleted]

...

...

#### Review and improvement of systems and procedures

4.7.14 G Where independent reviews of systems and procedures have been undertaken and result in recommendations for improvement, the *approved person* performing an *accountable higher management function* should ensure that, unless there are good reasons not to, any reasonable recommendations are implemented in a timely manner (~~APER 4.7.10G~~ 4.7.8G). What is reasonable will depend on the nature of the inadequacy and the cost of the improvement. It will be reasonable for the *approved person* performing an *accountable higher management function* to carry out a cost benefit analysis when assessing whether the recommendations are reasonable.

## Annex G

**Amendments to the ~~Fit and Proper test for Approved Persons and Specified Significant-harm Functions~~ Fit and Proper test for Employees and Senior Personnel sourcebook (FIT)**

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

## 1 General

### 1.1 Application and purpose

#### 1.1.1 G ~~FF~~ FIT applies to:

- (1) a *firm* (including a ~~relevant authorised person~~ an SMCR firm);
- (2) an applicant for *Part 4A permission*;
- (3) an *EEA firm*, or a Treaty firm ~~or a UCITS qualifier~~ that wishes to establish a *branch* into the *United Kingdom* using *EEA rights*, or Treaty rights, ~~or UCITS directive rights (see SUP 10A.1.10G and SUP 10A.1.11R)~~, or apply for a top-up permission (~~see SUP 10A.1.13R~~);
- (4) an *approved person* performing an FCA controlled function;
- (5) a *candidate* for an FCA controlled function;
- (6) a *certification employee* performing an ~~FCA-specified significant-harm~~ FCA certification function; and
- (7) a *person* whom a ~~firm~~ an SMCR firm is proposing to certify to perform an ~~FCA-specified significant-harm~~ FCA certification function.

#### 1.1.2 G The purpose of *FIT* is to set out and describe the criteria that:

- (1) a ~~relevant authorised person~~ an SMCR firm should consider when:
  - (a) assessing the fitness and propriety of a *candidate* whom the *firm* is proposing to put forward for approval as an *FCA-approved SMF manager*;
  - (b) assessing the continuing fitness and propriety of a *person* approved to perform the function of an *FCA-approved SMF manager*, including for formulating an opinion about whether there are any grounds on which the regulator could withdraw



the approval given to that individual to perform that function under section 63(2A) of the *Act*;

- (c) assessing the fitness and propriety of a *person* whom the *firm* is proposing to certify to perform an ~~*FCA-specified significant-harm*~~ *FCA certification function*; and
- (d) assessing the continuing fitness and propriety of a *person* whom the *firm* has certified to perform an ~~*FCA-specified significant-harm*~~ *FCA certification function*.

- (2) the *FCA* will consider when assessing the fitness and propriety of a *candidate* for a *controlled function*, including a *designated senior management function* (see generally *SUP 10A* and *SUP 10C* on *approved persons*), and may consider when assessing the continuing fitness and propriety of *approved persons*.

1.1.3 G The table in *FIT 1.1.4G* summarises the situations to which *FIT* applies.

1.1.4 G Table: Situations to which *FIT* applies

What <i>FIT</i> applies to	Does it apply to <del><i>relevant authorised persons</i></del> <u><i>SMCR firms</i></u> ?	Does it apply to <i>firms</i> that are not <del><i>relevant authorised persons</i></del> <u><i>SMCR firms</i></u> ?	Comment
(1) A <i>firm</i> assessing the fitness and propriety of a <i>candidate</i> whom the <i>firm</i> is proposing to put forward for approval	Yes	No	However, the answer to Question 11 in <i>SUP 10A</i> Annex 1 (Frequently asked questions) says that the <i>FCA</i> 's approval process is not a substitute for the checks that a <i>firm</i> should be carrying out on its prospective recruits. <i>FIT</i> may be a useful guide to matters that a <i>firm</i> that is not a <del><i>relevant authorised person</i></del> <u><i>an SMCR firm</i></u> should take into account.
(2) A <i>firm</i> assessing the continuing fitness	Yes	No	However, a <i>firm</i> should employ personnel with the skills, knowledge and

and propriety of an <i>approved person</i>			expertise necessary for the discharge of the responsibilities allocated to them (SYSC 5.1). <i>FIT</i> may be a useful guide to matters which a <i>firm</i> should take into account if it is not a <del>relevant authorised person</del> <u>an SMCR firm</u> .
(3) The <i>FCA</i> assessing the fitness and propriety of a <i>candidate</i> for approval as an <i>approved person</i>	Yes	Yes	
(4) The <i>FCA</i> assessing the continuing fitness and propriety of an <i>approved person</i>	Yes	Yes	
(5) A <i>firm</i> assessing the fitness and propriety of a <i>person</i> whom a <i>firm</i> is proposing to certify to perform an <del><i>FCA-specified significant harm FCA certification function</i></del>	Yes	No	<u><i>FCA certification functions do not apply to a firm that is not an SMCR firm.</i></u>  See <u>However</u> , see the comment on row (2).
(6) A <i>firm</i> assessing the continuing fitness and propriety of a <i>person</i> whom a <i>firm</i> has certified to perform an <del><i>FCA-specified significant harm FCA certification function</i></del>	Yes	No	<u><i>FCA certification functions do not apply to a firm that is not an SMCR firm.</i></u>  See <u>However</u> , see the comment on row (2).

## 1.2 Introduction

- 1.2.-1 G Under section 60A(1) of the *Act*, before a ~~relevant authorised person~~ an SMCR firm may make an application for the *FCA*'s approval of a *designated senior management function*, *controlled function* the ~~relevant authorised person~~ firm must be satisfied that the *person* for whom the application is made is a fit and proper *person* to perform that function.
- 1.2.1 G Under section 61(1) of the *Act* (Determination of applications), the *FCA* may grant an application for approval made under section 60 (Applications for approval) of the *Act* only if it is satisfied that the *candidate* is fit and proper to perform the *controlled function* to which the application relates.
- 1.2.1A G Under section 63F of the *Act*, a ~~relevant authorised person~~ an SMCR firm may issue a certificate to a *person* to perform a ~~specified significant harm certification function~~ only if it is satisfied that the *person* is a fit and proper *person* to perform that function.
- 1.2.1B G Under sections 60A and 63F of the *Act*, in assessing whether a *person* is a fit and proper person to perform an *FCA designated senior management function* or an ~~FCA specified significant harm~~ FCA certification function, a ~~relevant authorised person~~ an SMCR firm must have particular regard to whether that *person*:
- (1) has obtained a qualification; or
  - (2) has undergone, or is undergoing, training; or
  - (3) possesses a level of competence; or
  - (4) has the personal characteristics;
- required by general *rules* made by the *FCA*.
- 1.2.1C G The key general *rules* relating to the criteria listed in ~~FIT 1.2.1B~~ 1.2.1BG include:
- (1) in the case of very senior *employees*, SYSC 4.2 (*persons* who effectively direct the business) and SYSC 4.3A.3R (*management body*);
  - (2) for ~~employees~~ personnel of *firms* generally, SYSC 5.1.1R (the *competent employees rule*); ~~and~~
  - (3) in relation to retail activities, TC 2.1.1R, TC 2.1.5BR and TC 2.1.12R (*employees' competence*); and
  - (4) for those who are *employees* of insurance firms, SYSC 3.1.6R.

...

- 1.2.3A G Under section 63(1) of the *Act* (Withdrawal of approval), the *FCA* may withdraw an approval under section 59 given by the *FCA* or the *PRA* in relation to the performance by a person of a function if it considers that the *person* is not a fit and proper *person* to perform the function.
- 1.2.4 G The *Act* does not prescribe the matters which the *FCA* should take into account when determining fitness and propriety. However, section 61(2) states that the *FCA* may have regard (among other things) to whether the *candidate* or *approved person*:
- (1) has obtained a qualification; or
  - (2) has undergone, or is undergoing, training; or
  - (3) possesses a level of competence; or
  - (4) has the personal characteristics;
- required by general *rules* made by the *FCA*.
- 1.2.4A G (1) Under Article 21(1)(d) of the *MiFID Org Regulation* and articles 34 and 35 of *MiFID*, the requirement to employ personnel with the knowledge, skills and expertise necessary for the discharge of the responsibilities allocated to them is reserved to the *firm's Home State*. Therefore, in assessing the fitness and propriety of:
- (a) a *person* to perform a *controlled function*; or
  - (b) a *certification employee*;
- solely in relation to the *MiFID business* of an *incoming EEA firm*, the *FCA* will not have regard to that *person's* competence and capability.
- (2) Where the function relates to:
- (a) matters outside the scope of *MiFID*; or
  - (b) business outside the scope of the *MiFID business* of an *incoming EEA firm*, for example *insurance distribution activities* in relation to *life policies*; or
  - (c) matters within the responsibility of the *FCA* as the *Host State regulator*, for example *money laundering* responsibilities (see the *money laundering reporting function* (CF11 and SMF17)) or (3) below;
- the *FCA* will have regard to a *person's* competence and capability as well as their honesty, integrity, reputation and financial soundness.
- (3) The *FCA* will have regard to a natural *person's* competence and capability to the extent they give a *personal recommendation* or

information about *financial instruments, structured deposits, investment services* or *ancillary services* on behalf of a *UK branch* of:

- (a) an *investment firm* authorised under *MiFID*;
  - (b) an *AIFM investment firm* carrying out activities under article 6(4) of the *AIFMD* (provision of additional services);
  - (c) a *UCITS investment firm* carrying out activities under article 6(3) of the *UCITS Directive* (provision of additional services); or
  - (d) a *credit institution*.
- (4) (3) is the result of the combined effect of articles 25(1) (Assessment of suitability and appropriateness and reporting to clients) and 35(8) (Establishment of a branch) of *MiFID*.
- (5) (1) to (4) are also relevant to the matters an ~~*EEA relevant authorised person*~~ *EEA SMCR firm* should take into account when assessing any *staff being assessed under FIT*. Where, under (1) to (4):
- (a) the *FCA* will have regard to a *person's* competence and capability, so should a *firm* when assessing any *staff being assessed under FIT*; and
  - (b) the *FCA* will not have regard to a *person's* competence and capability, a *firm* need not do so either when assessing any *staff being assessed under FIT*.

1.2.4B G Where the application relates to a function within a *Solvency II firm* and is for an *FCA controlled function* which is also a *Solvency II Directive* ‘key function’ as defined in the PRA Rulebook: Glossary, then the *FCA* will also have regard to the assessment made by the *firm* as required in article 273 of the *Solvency II Regulation* (EU) 2015/35 of 10 October 2014; Rules 2.1 and 2.2 of the PRA Rulebook: Solvency II Firms: Insurance - Fitness and Propriety, and other factors, as set out in *EIOPA Guidelines* on system of governance dated 28 January 2015 (see Guideline 16).

### 1.3 Assessing fitness and propriety

- 1.3.1 G The *FCA* will have regard to a number of factors when assessing the fitness and propriety of a *person* to perform a particular *controlled function*, as more particularly described in *FIT 2* (Main assessment criteria).
- 1.3.1A G The *FCA* would expect *firms* that are required to assess the fitness and propriety of *staff being assessed under FIT* to have regard to substantially the same factors as those outlined in *FIT 2*.
- 1.3.1B G In the *FCA's* view, the most important considerations will be the *person's*:

- (1) honesty, integrity and reputation;
  - (2) competence and capability; and
  - (3) financial soundness.
- 1.3.2 G In assessing fitness and propriety, the *FCA* will also take account of the activities of the *firm* for which the *controlled function* is or is to be performed, the *permission* held by that *firm* and the markets within which it operates.
- 1.3.2A G ~~A relevant authorised person~~ An SMCR firm assessing the fitness and propriety of *staff being assessed under FIT* should consider:
- (1) the nature, scale and complexity of its business, the nature and range of financial services and activities undertaken in the course of that business; and
  - (2) whether the *candidate* or *person* has the knowledge, skills and experience to perform the specific role that the *candidate* or *person* is intended to perform.
- 1.3.2B G ~~A relevant authorised person~~ An SMCR firm is reminded that, in assessing a *candidate* for a position within the *management body* of the *firm*, SYSC 4.3A.3R(3) requires the *firm* to ensure that the management body, as a collective, possesses adequate knowledge, skills and experience to understand the *firm's* activities.
- 1.3.3 G The criteria listed in *FIT* 2.1 to *FIT* 2.3 are *guidance* and will be applied in general terms when the *FCA* is determining a *person's* fitness and propriety. It would be impossible to produce a definitive list of all the matters which would be relevant to a particular determination. ~~A relevant authorised person~~ An SMCR firm assessing the fitness and propriety of *staff being assessed under FIT* should be guided by substantially the same criteria in *FIT* 2.1 to *FIT* 2.3 (to the extent applicable to the *firm*), recognising that this is not intended to be a definitive list of matters to be considered.
- 1.3.4 G If a matter comes to the *FCA's* attention which suggests that the *person* might not be fit and proper, the *FCA* will take into account how relevant and how important it is. In the same way, if a matter comes to the attention of a ~~relevant authorised person~~ an SMCR firm which suggests that any *staff being assessed under FIT* might not be fit and proper, the *firm* should take into account how relevant and how important that matter is.
- 1.3.4A G ~~A relevant authorised person~~ An SMCR firm assessing the continuing fitness and propriety of an *approved person* is required to notify the *FCA* under section 63(2A) of the *Act* if it forms the opinion that there are grounds on which the *FCA* could withdraw its approval (see SUP 10C.14.24R). In discharging its obligation to notify the *FCA*, a ~~relevant authorised person~~ an SMCR firm should take into account how relevant and how important the matter is that comes to its attention which suggests an *approved person*

might not be fit and proper before determining that a notification should be made.

- 1.3.4B G ~~A relevant authorised person~~ An SMCR firm assessing the continuing fitness and propriety of *staff being assessed under FIT* should assess the role that the individual is actually performing at the time the assessment is done. For this purpose, the assessor(s) should be provided with an up-to-date job description for that individual in advance of the assessment.
- 1.3.5 G During the application process for a *controlled function*, the *FCA* may discuss the assessment of the *candidate's* fitness and propriety informally with the *firm* making the application and may retain any notes of those discussions.

## 2 Main assessment criteria

### 2.1 Honesty, integrity and reputation

- 2.1.1 G In determining a *person's* honesty, integrity and reputation, the *FCA* will have regard to all relevant matters including, but not limited to, those set out in *FIT 2.1.3G* which may have arisen either in the *United Kingdom* or elsewhere. The *FCA* should be informed of these matters (see *SUP 10A.14.17R* and *SUP 10C.14.18R*), but will consider the circumstances only where relevant to the requirements and standards of the *regulatory system*. For example, under *FIT 2.1.3G(1)*, conviction for a criminal offence will not automatically mean an application will be rejected. The *FCA* treats each candidate's application on a case-by-case basis, taking into account the seriousness of, and circumstances surrounding, the offence, the explanation offered by the convicted *person*, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation.
- 2.1.1A G ~~A relevant authorised person~~ An SMCR firm determining the honesty, integrity and reputation of *staff being assessed under FIT*, should consider all relevant matters, including those set out in *FIT 2.1.3G*, which may have arisen either in the *United Kingdom* or elsewhere. *Firms* should inform themselves of relevant matters, including checking for convictions for criminal offences (where possible) and contacting previous employers who have employed that *candidate* or *person*. If any *staff being assessed under FIT* has a conviction for a criminal offence, the *firm* should consider the seriousness of and circumstances surrounding the offence, the explanation offered by that *person*, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual's rehabilitation.
- ...
- 2.1.2 G In considering the matters in *FIT 2.1.1G*, the *FCA* will look at whether the *person's* reputation might have an adverse impact upon the *firm* for which the *controlled function* is or is to be performed and at the *person's* responsibilities.

- 2.1.2A G In considering the reputation of *staff being assessed under FIT 2.1.1AG* a ~~relevant authorised person~~ an SMCR firm should have regard to whether that *person's* reputation might have an adverse impact upon the *firm* for which the function is to be performed and the *person's* responsibilities.
- 2.1.3 G The matters referred to in FIT 2.1.1G to which the FCA will have regard, and to which a ~~relevant authorised person~~ an SMCR firm should also 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 *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 under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, other financial services, insolvency, consumer credit *companies*, insurance, consumer protection, *money laundering*, market manipulation and *insider dealing*, whether or not in the *United Kingdom*;
  - (2) whether the *person* has been the subject of any adverse finding or any settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a *body corporate*;
  - (3) whether the *person* has been the subject of, or interviewed in the course of, any existing or previous investigation or disciplinary proceedings, by the *appropriate regulator*, by other regulatory authorities (including a *previous regulator*), *clearing houses* and exchanges, professional bodies, or government bodies or agencies;
  - (4) whether the *person* is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings;
  - (5) whether the *person* has contravened any of the requirements and standards of the *regulatory system* or the equivalent standards or requirements of other regulatory authorities (including a *previous regulator*), *clearing houses* and exchanges, professional bodies, or government bodies or agencies;
  - (6) whether the *person* has been the subject of any justified complaint relating to *regulated activities*;
  - (7) whether the *person* has been involved with a *company*, *partnership* or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence



revoked, withdrawn or terminated, or has been expelled by a regulatory or government body;

- (8) whether, as a result of the removal of the relevant licence, registration or other authority, the *person* has been refused the right to carry on a trade, business or profession requiring a licence, registration or other authority;
- (9) whether the *person* has been a *director, partner*, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the *person* has been connected with that organisation or within one year of that connection;
- (10) whether the *person*, or any business with which the *person* has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or Tribunal, whether publicly or privately;
- (11) whether the *person* has been dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar;
- (12) whether the *person* has ever been disqualified from acting as a *director* or disqualified from acting in any managerial capacity;
- (13) whether, in the past, the *person* has been candid and truthful in all ~~his~~ their dealings with any *regulatory body* and whether the *person* demonstrates a readiness and willingness to comply with the requirements and standards of the *regulatory system* and with other legal, regulatory and professional requirements and standards.

## 2.2 Competence and capability

- 2.2.1 G In determining a *person's* competence and capability, the *FCA*, in accordance with FIT 1.1.2G, will have regard to all relevant matters including but not limited to:
  - (1) whether the *person* satisfies the relevant *FCA* training and competence requirements in relation to the *controlled function* the *person* performs or is intended to perform;
  - (2) whether the *person* has demonstrated by experience and training that they are suitable, or will be suitable if approved, to perform the *controlled function*;
  - (3) whether the *person* has adequate time to perform the *controlled function* and meet the responsibilities associated with that function.
- 2.2.1A G In determining a *person's* competence and capability to perform an *FCA designated senior management function* or an ~~*FCA-specified significant-*~~

~~harm~~ FCA certification function, ~~a relevant authorised person~~ an SMCR firm, in accordance with *FIT* 1.1.2G, should have regard to all relevant matters including but not limited to:

- (1) whether the *person* satisfies any applicable training and competence requirements (in relation to the function that the *person* performs or is intended to perform);
- (2) whether the *person* has demonstrated by experience and training that they are suitable to perform the function they are intended to perform;
- (3) whether the *person* has adequate time to perform the function in question and meet the responsibilities associated with that function.

2.2.2 G A *person* may have been convicted of, or dismissed or suspended from employment for, drug or alcohol abuses or other abusive acts. This will be considered by the *FCA* only in relation to a *person's* continuing ability to perform the particular *controlled function* for which the *person* is or is to be employed.

2.2.2A G The *FCA* would expect ~~a relevant authorised person~~ an SMCR firm determining the competence and capability of *staff being assessed under FIT* to consider convictions, dismissals and suspensions from employment for drug or alcohol abuses or other abusive acts only in relation to a *person's* continuing ability to perform the particular *FCA designated senior management function* or an ~~FCA-specified significant-harm~~ FCA certification function for which the *person* is, or is to be, employed.

### 2.3 Financial soundness

2.3.1 G In determining a *person's* financial soundness, the *FCA* will have regard, and ~~a relevant authorised person~~ an SMCR firm should also have regard, to any factors including, but not limited to:

- (1) whether the *person* has been the subject of any judgment debt or award, in the *United Kingdom* or elsewhere, that remains outstanding or was not satisfied within a reasonable period;
- (2) whether, in the *United Kingdom* or elsewhere, the *person* has made any arrangements with ~~his~~ their creditors, filed for bankruptcy, had a bankruptcy petition served on ~~him~~ them, been adjudged bankrupt, been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order), offered a bankruptcy restrictions undertaking, had assets sequestrated, or been involved in proceedings relating to any of these.

2.3.2 G The *FCA* will not normally require a *candidate* to supply a statement of assets or liabilities. The fact that a *person* may be of limited financial means

will not, in itself, affect their suitability to perform a controlled function. The *FCA* would expect a ~~relevant authorised person~~ an SMCR firm to take a similar view in assessing whether *staff being assessed under FIT*, are fit and proper.

**Annex H**

**Amendments to the Training and Competence sourcebook (TC)**

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

**2 Competence**

**2.1 Assessing and maintaining competence**

...

Notification requirements

2.1.31 R A *firm* must notify the *FCA* as soon as reasonably practicable after it becomes aware, or has information which reasonably suggests, that any of the following events has occurred or may have occurred in relation to any of its *retail investment advisers*, and the event is significant:

...

- (3) a *retail investment adviser* has failed to comply with a ~~Statement of Principle~~ APER or COCON (as applicable) in carrying out their *controlled function* ~~or has failed to comply with COCON~~ (as applicable); and

...

...

**App 6 Accredited bodies**

**App 6.1 Accredited bodies**

6.1.1 G ...

...	
<b>Carrying out effective verification services</b>	
...	...
12.	The <i>FCA</i> will expect an <i>accredited body</i> to have in place effective procedures for carrying out its verification activities. These should include:
(1)	verifying that each <i>retail investment adviser</i> who is a member of or subscriber to the <i>accredited body's</i> verification

		service has made an annual declaration in writing that the <i>retail investment adviser</i> has, in the preceding 12 months, complied with <i>APER</i> or, <del>for a <i>relevant authorised person</i>, complied with <i>COCON</i> (as applicable)</del> and completed the continuing professional development required under <i>TC 2.1.15R</i> ;
	...	
...		
14.	...	(b) a false declaration in relation to a <i>retail investment adviser's</i> compliance with <i>APER</i> or <i>COCON</i> (as applicable). <del>;</del> (e) <del>for a <i>relevant authorised person</i>, compliance with <i>COCON</i>.</del>
<b>Having appropriate systems and controls in place and providing evidence to the FCA of continuing effectiveness</b>		
...		
17.		The <i>FCA</i> will expect an <i>accredited body</i> to have a code of ethics and to ensure that its code of ethics and verification service terms and conditions do not contain any provisions that conflict with <i>APER</i> or <i>COCON</i> (as applicable).
...		

...

**Sch 2 Notification requirements**

Sch 2.1 G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
...	...	...	...	...
<i>TC 2.1.31R</i>	...	...	...	...
...	...	...	(3) a <i>retail investment</i>	...

			<p><i>adviser</i> has failed to comply with a <i>Statement of Principle</i> in carrying out <del>his controlled function or, in the case of a relevant authorised person,</del> has failed to comply with <u>APER</u> or, as applicable, <u>COCON</u>; and</p> <p>...</p>	
--	--	--	---	--

## Annex I

### Amendments to the General Provisions (GEN)

In this Annex, striking through indicates deleted text.

#### Sch 4 Powers exercised

...

#### Sch 4.2 G Powers to make rules

The following powers and related provisions in or under the <i>Act</i> have been exercised by the <i>FCA</i> to make the rules in <i>GEN</i> :	
	...
	Section 60A (Vetting of candidates by <del>relevant</del> authorised persons)
	...

...

#### Sch 4.7 G Powers to direct, require or specify

The following powers and related provisions in the <i>Act</i> have been exercised by the <i>FCA</i> in <i>GEN</i> to direct, require or specify:	
	...
	Section 63ZA (Variation of senior manager's approval at request of <del>relevant</del> authorised person)
	...
	Section 63E (Certification of employees by <del>relevant</del> authorised persons)
	Section 64C (Requirement for <del>relevant</del> authorised persons to notify regulator of disciplinary action)
	...

...



## Annex J

### Amendments to the Prudential sourcebook for Investment Firms (IFPRU)

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

#### 2 Supervisory processes and governance

...

#### 2.4 Reporting of breaches

...

- 2.4.2 G SYSC 18 (Whistleblowing) contains requirements on *UK ~~relevant authorised persons~~ SMCR banking firms* and certain *insurers* (see SYSC 18.1.1AR) in relation to the adoption and communication of appropriate internal procedures for handling *reportable concerns* as part of an effective risk management system. SYSC 18.1.1CG provides that *firms* not otherwise subject to SYSC 18 may nonetheless wish to adopt the provisions in that chapter as best practice.

...

## Annex K

**Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)**

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

- 2 Insurance and MCD mediation activity: responsibility, knowledge, ability and good repute**
- ...
- 2.2 Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity**
- ...
- 2.2.2 R ~~The firm may allocate the responsibility for its insurance distribution activity or MCD credit intermediation activity to an approved person (or persons) who is:~~
- (1) ~~(if the firm is not a relevant authorised person):~~
- (a) ~~performing:~~
- (i) ~~an FCA governing function; or~~
- (ii) ~~a PRA governing function;~~
- ~~(other than a person who is a non-executive director of the firm); or~~
- (b) ~~performing the apportionment and oversight function; or~~
- (c) ~~performing the significant management function in so far as it relates to dealing in investments as principal, disregarding article 15 of the Regulated Activities Order (Absence of holding out etc) (or agreeing to do so) or an activity which is not designated investment business;~~
- (2) ~~(if a firm is a relevant authorised person) a director of the firm who:~~
- (a) ~~is not a non-executive director; and~~
- (b) ~~is an approved person of that firm. [deleted]~~
- 2.2.3 G (1) Typically a firm will appoint a director who is an approved person of that firm to direct its insurance distribution activity or MCD credit

~~intermediation activity. A firm that is not a relevant authorised person may also appoint a person performing another FCA governing function or PRA governing function.~~

- ~~(1A) A firm should not appoint someone performing one of the FCA's or PRA's non-executive director controlled functions or any other non-executive director.~~
- ~~(1B) Where responsibility for a firm's insurance distribution activity or MCD credit intermediation activity is allocated to a person performing a controlled function that is not in paragraph (1), the firm must ensure that the firm's insurance distribution activity or MCD credit intermediation activity is appropriately allocated. If the apportionment and oversight function applies to the firm, the person performing the apportionment and oversight function with responsibility for the apportionment of responsibilities should carry out the allocation.~~
- ~~(2) The descriptions of significant influence functions, other than the required functions, do not extend to activities carried on by an insurance intermediary with permission only to carry on insurance distribution activity and whose principal purpose is to carry on activities other than regulated activities (see SUP 10A.1.18 R). In this case, the firm may allocate the responsibility for the firm's insurance distribution activity to one or more of the persons performing the apportionment and oversight function who will be required to be an approved person.~~
- ~~(2A) Paragraph (2) does not apply to a relevant authorised person.~~
- ~~(3) In the case of a sole trader, the sole trader will be responsible for the firm's insurance distribution activity or MCD credit intermediation activity, as applicable. [deleted]~~

...

**Annex L****Amendments to the Conduct of Business sourcebook (COBS)**

In this Annex, underlining indicates new text.

**19 Pensions supplementary provisions**

...

**19.5 Independent governance committees (IGCs)**

...

19.5.8 G (1) A *firm* should consider allocating responsibility for the management of the relationship between the *firm* and its *IGC* to a person at the *firm* holding an *FCA significant-influence function* or *designated senior management function*.

...

...

## Annex M

## Amendments to the Client Assets sourcebook (CASS)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

**1A CASS firm classification and operational oversight**

...

**1A.3 Responsibility for CASS operational oversight**

1A.3.1 R ...

- (2) A CASS *small firm* that is not a ~~relevant authorised person~~ an SMCR firm must make the allocation in (1) to a *director* or *senior manager* who is approved to perform a *significant influence function* for that *firm*.

...

1A.3.1-A G The material in CASS 1A.3.1BG about how CASS 1A.3 fits into the *FCA approved persons* senior managers and certification regime for ~~relevant authorised persons~~ SMCR firms also applies to a CASS *small firm* that is an SMCR firm and the function in CASS 1A.3.1R. However:

- (1) the function in CASS 1A.3.1R is not an ~~FCA specified significant-harm~~ a separate FCA certification function; and
- (2) the *person* performing that function will not necessarily be subject to the employee certification regime described in SYSC 27 ~~(Certification Regime)~~ (Senior managers and certification regime: Certification regime).

...

1A.3.1B G (1) (a) CASS 1A.3.1AR describes the *FCA controlled function* known as the *CASS operational oversight function* (CF10a). The table of *FCA controlled functions* in SUP 10A.4.4R together with SUP 10A.7.9R specify the *CASS operational oversight function* as an *FCA required function* for a *firm* to which CASS 1A.3.1AR applies.

(b) The *CASS operational oversight function* does not apply to a ~~relevant authorised person~~ an SMCR firm. For an SMCR firm, the function in CASS 1A.3.1AR is not a separate controlled function and performing that function does not

require approval as an *approved person*. Paragraphs (1A) to (4) describe how CASS 1A.3.1AR applies to *SMCR firms*.

- (c) However, nothing in paragraphs (1A) to (4) affects the requirement for the function in CASS 1A.3.1AR to be allocated to a single *director* or *senior manager* of sufficient skill and authority in accordance with CASS 1A.3.1AR and CASS 1A.3.2AR.

(1A) There are three elements of the regime for *SMCR firms* that are particularly relevant to CASS 1A, although they do not all apply to all *SMCR firms*:

- (a) a *firm*'s obligation to allocate certain responsibilities to its *SMF managers* (see SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));
- (b) a *firm*'s obligation to ensure that one or more of its *SMF managers* have overall responsibility for each of its activities, business areas and management functions (see SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and
- (c) the certification regime (see SYSC 27 (Senior managers and certification regime: Certification regime)).

(2) (a) ~~For a *firm* that is a *UK relevant authorised person*, the function in CASS 1A.3.1AR is not a separate *controlled function* and performing that function does not require approval as an *approved person*. This paragraph (2) explains how CASS 1A.3.1AR applies to an *SMCR firm* to which SYSC 24 and SYSC 26 both apply.~~

- (b) ~~A *UK relevant authorised person*~~ The *firm* must allocate overall responsibility for the *firm*'s compliance with CASS to one of its *SMF managers* (see SYSC 4.7.5R SYSC 24.2.1R). That responsibility is an “*FCA-prescribed senior management responsibility*”. The full list of *FCA-prescribed senior management responsibilities* is in the table in SYSC 24.2.6R.

- (c) ~~A *UK relevant authorised person*~~ Although the CASS function in SYSC 24.2.1R is different from the function in CASS 1A.3.1AR, the *firm* may allocate the function in CASS 1A.3.1AR to the *SMF manager* in (b).

- (d) ~~A *UK relevant authorised person*~~ The *firm* may allocate the CASS *FCA-prescribed senior management responsibility* described in (b) to an *SMF manager* who does not perform any other function coming within the *FCA approved persons*

- regime for ~~relevant authorised persons~~ SMF managers in SMCR firms. See SUP 10C.7 (Other overall responsibility function (SMF18)) and SUP 10C.8.1R (Other local responsibility function (SMF22)) for details. Where this is the case, the manager will be performing the other overall responsibility function or the other local responsibility function.
- (e) ~~A UK relevant authorised person~~ The firm may choose to allocate the function in CASS 1A.3.1AR to someone who is not an *approved person* and *SMF manager*. If so:
- (i) that *person* will be subject to the employee certification regime described in SYSC 27 (Senior managers and certification regime: Certification regime);
  - (ii) that *person* will be subject to supervision by the *SMF manager* in (b); and
  - (iii) the function in CASS 1A.3.1AR will be the CASS oversight ~~FCA specified significant harm~~ FCA certification function in SYSC 27.8.1R.
- (3) ~~Broadly speaking, paragraph (2) applies to a third country relevant authorised person, with certain differences~~ In relation to an SMCR firm to which SYSC 24 applies but SYSC 26 does not apply, the guidance in sub-paragraphs (2)(b), (2)(c), and 2(e) applies, but the guidance in sub-paragraph (2)(d) does not apply.
- (a) ~~SYSC 4.8.6R and SYSC 4.8.9R apply instead of SYSC 4.7.5R and SYSC 4.7.7R;~~
  - (b) ~~SUP 10C.8 applies instead of SUP 10C.7;~~
  - (c) ~~the other local responsibility function (SMF22) applies in place of the other overall responsibility function (SMF18).~~
- (4) (a) The position of an incoming EEA firm that has a top-up permission SMCR firm to which neither SYSC 24 nor SYSC 26 apply is slightly different.
- (b) The *firm* may choose to allocate the function in CASS 1A.3.1AR to an *SMF manager*.
  - (c) The *firm* may instead choose to allocate the function in CASS 1A.3.1AR to someone who is not an *SMF manager*.
  - (d) Where (c) applies, the *person* performing the function in CASS 1A.3.1AR will fall into the certification regime. The

function in CASS 1A.3.1AR will be the CASS oversight FCA certification function in SYSC 27.8.1R.

- (e) ~~FCA prescribed senior management responsibilities do not apply to an incoming EEA firm that has a top-up permission. There is no requirement in SYSC 4.7 or SYSC 4.8 that an SMF manager in an incoming EEA firm should have overall responsibility for CASS.~~
- (f) ~~Having responsibility for CASS may fall within the scope of the EEA branch senior manager function (SMF21).~~
- (g) ~~However, having responsibility for CASS may not fall into any controlled function.~~

1A.3.1C R If, at the time a firm that is not a ~~relevant authorised person~~ an SMCR firm becomes a CASS medium firm or a CASS large firm in accordance with CASS ~~1A.2.12 R(1)~~ 1A.2.12R(1) or CASS ~~1A.2.12 R(2)~~ 1A.2.12R(2), the firm is not able to comply with CASS 1A.3.1AR because it has no director or senior manager who is an approved person in respect of the CASS operational oversight function, the firm must:

...

1A.3.1D G (1) CASS 1A.3.1CR provides a grace period for a firm that is not a ~~relevant authorised person~~ an SMCR firm to apply for someone to be approved to perform the CASS operational oversight function.

(2) There is no equivalent to CASS 1A.3.1CR for a ~~relevant authorised person~~ an SMCR firm, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (5), below.

(3) As explained in CASS 1A.3.1BG(2), the function in CASS 1A.3.1AR is not, by itself, a controlled function.

(4) Therefore, if an approved person is to perform the function for a ~~relevant authorised person~~ an SMCR firm, it can be allocated to any director or senior manager who is already an approved person who is suitable to carry it out. However, if the firm wishes to allocate the function to someone as described in CASS 1A.3.1BG(2)(d), it will need to get FCA approval before the firm appoints them.

(5) If the function is to be carried out by a certification employee:

...

- (b) the firm should:
  - (i) either issue them with a certificate under SYSC 27 (Senior managers and certification regime:



Certification regime) before the *firm* becomes a CASS *medium firm* or a CASS *large firm*; or

...

...

## 11 Debt management client money chapter

...

### 11.3 Responsibility for CASS operational oversight

CASS small debt management firm other than a not-for-profit debt advice body

11.3.1 R ...

- (2) A *firm* that is not ~~a relevant authorised person~~ an SMCR firm must make the allocation in (1) to a *director* or *senior manager* approved to perform a *significant influence function* in relation to that *firm*.

11.3.1A G CASS 11.3.3G(5) to (11) also apply to a CASS *small debt management firm* that is an SMCR firm and the function in CASS 11.3.1R. However:

- (1) the function in CASS 11.3.1R is not ~~an FCA specified significant-harm~~ a separate FCA certification function; and
- (2) the *person* performing that function will not necessarily be subject to the employee certification regime described in SYSC 27 (Senior managers and certification regime: Certification Regime regime).

...

CASS large debt management firm: the CASS operational oversight function (CF10a)

11.3.3 G ...

- (3) In the case of a *firm* that is not ~~a relevant authorised person~~ an SMCR firm, the *director* or *senior manager* in (2) should be an *approved person* under the *approved persons* regime provided for in SUP 10A (FCA Approved Persons).
- (4) However, the CASS *operational oversight function* does not apply to ~~a relevant authorised person~~ an SMCR firm.
- (4A) For an SMCR firm, the function in CASS 11.3.4R is not a separate controlled function and performing that function does not require approval as an approved person. Paragraphs (5) to (11) describe how CASS 11.3.4R applies to such firms.

- (4B) There are three elements of the regime for SMCR firms that are particularly relevant to CASS 11.3, although they do not all apply to all SMCR firms:
- (a) a firm's obligation to allocate certain responsibilities to its SMF managers (see SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));
  - (b) a firm's obligation to ensure that one or more of its SMF managers have overall responsibility for each of its activities, business areas and management functions (see SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and
  - (c) the certification regime (see SYSC 27 (Senior managers and certification regime: Certification regime)).
- (5) ~~For a firm that is a relevant authorised person, the function in CASS 11.3.4R is not a separate controlled function and performing that function does not require approval as an approved person.~~ Paragraphs (6) to (9) explain how CASS 11.3.4R applies to an SMCR firm to which SYSC 24 and SYSC 26 apply.
- (6) ~~A relevant authorised person~~ The SMCR firm must allocate overall responsibility for the firm's compliance with CASS to one of its SMF managers (see ~~SYSC 4.7.5R~~ SYSC 24.2.1R). That responsibility is an "FCA-prescribed senior management responsibility". The full list of FCA-prescribed senior management responsibilities is in the table in SYSC 24.2.6R.
- (7) ~~A relevant authorised person~~ Although the CASS function in SYSC 24.2.1R is different from the function in CASS 11.3.4R, the SMCR firm may allocate the function in CASS 11.3.4R to the SMF manager in (6).
- (8) ~~A relevant authorised person~~ The SMCR firm may allocate the CASS FCA-prescribed senior management responsibility described in (6) to an SMF manager who does not perform any other function coming within the FCA approved persons regime for ~~relevant authorised persons~~ SMF managers in SMCR firms. See SUP 10C.7 (Other overall responsibility function (SMF18)) and SUP 10C.8.1R (Other local responsibility function (SMF22)) for details.
- (9) ~~A relevant authorised person~~ The SMCR firm may choose to allocate the function in CASS 11.3.4R to someone who is not an approved person and SMF manager. If so:

- (a) that *person* will be subject to the employee certification regime described in SYSC 27 (~~Certification Regime Senior managers and certification regime: Certification regime~~);
  - (b) that *person* will be subject to supervision by the *SMF manager* in (6); and
  - (c) the function in CASS 11.3.4R will be the CASS oversight ~~FCA specified significant harm~~ FCA certification function in SYSC 27.8.1R.
- (10) Broadly speaking, paragraphs (1) to (9) apply to a *third country relevant authorised person*, with certain differences: In relation to an *SMCR firm* to which SYSC 24 applies but SYSC 26 does not apply the guidance in paragraphs (6), (7) and (9) applies, but the guidance in paragraph (8) does not apply.
- (a) ~~SYSC 4.8.6R and SYSC 4.8.9R apply instead of SYSC 4.7.5R and SYSC 4.7.7R;~~
  - (b) ~~SUP 10C.8 applies instead of SUP 10C.7;~~
  - (c) ~~the *other local responsibility function* (SMF22) applies in place of the *other overall responsibility function* (SMF18).~~
- (11) (a) The position of an ~~*incoming EEA firm* that has a *top-up permission*~~ *SMCR firm* to which neither SYSC 24 nor SYSC 26 apply is slightly different.
- (b) The *firm* may choose to allocate the function in CASS 11.3.4R to an *SMF manager*.
  - (c) The *firm* may instead choose to allocate the CASS function to someone who is not an *SMF manager*.
  - (d) Where (c) applies, the *person* performing the function in CASS 11.3.4R will fall into the certification regime. The function in CASS 1A.3.1AR will be the CASS oversight FCA certification function in SYSC 27.8.1R.
  - (e) ~~FCA prescribed senior management responsibilities do not apply to an *incoming EEA firm* that has a *top-up permission*. There is no requirement in SYSC 4.7 or SYSC 4.8 that an *SMF manager* in an *incoming EEA firm* should have overall responsibility for CASS.~~
  - (f) ~~Having responsibility for CASS may fall within the scope of the *EEA branch senior manager function* (SMF21).~~
  - (g) ~~However, having responsibility for CASS may not fall into any *controlled function*.~~

...

11.3.5 R If, at the time a *CASS debt management firm* that is not a ~~relevant authorised person~~ an SMCR firm becomes a *CASS large debt management firm* in accordance with CASS 11.2.8R, the *firm* is not able to comply with CASS 11.3.4R because it has no *director* or *senior manager* who is an *approved person* in respect of the *CASS operational oversight function*, the *firm* must:

...

11.3.5A G (1) CASS 11.3.5R provides a grace period for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm to apply for someone to be approved to perform the *CASS operational oversight function*.

(2) There is no equivalent to CASS 11.3.5R for a ~~relevant authorised person~~ an SMCR firm, because a *person* does not need specific *FCA* approval before carrying out the function. This is explained in (3) to (5), below.

(3) As explained in CASS 11.3.3G, the function in CASS 11.3.5R is not, by itself, a *controlled function*.

(4) Therefore, if an *approved person* is to perform the function for a ~~relevant authorised person~~ an SMCR firm, it can be allocated to any *director* or *senior manager* who is already an *approved person* who is suitable to carry it out. However, if the *firm* wishes to allocate the function to someone as described in CASS 11.3.3G(8), it will need to get *FCA* approval before the *firm* appoints them.

(5) If the function is to be carried out by a *certification employee*:

...

(b) the *firm* should:

(i) either issue them with a certificate under SYSC 27 (Senior managers and certification regime: Certification regime) before the *firm* becomes a *CASS large debt management firm*; or

...

...

## Annex N

## Amendments to the Market Conduct sourcebook (MAR)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

## 8 Benchmarks

...

### 8.5 Regulated benchmark administrators

...

Responsibility for benchmark activities: regulated benchmark administrators

- 8.5.2 R (1) This *rule* applies to a *regulated benchmark administrator* other than:
- (a) an *Annex II benchmark administrator*;
  - (b) ~~a relevant authorised person~~ an SMCR firm.

...

- 8.5.3 G The rule in *MAR 8.5.2R* does not apply to a *regulated benchmark administrator* which is ~~a relevant authorised person~~ an SMCR firm. That is because:
- (1) Most UK relevant authorised persons SMCR firms are already subject to the requirement to allocate overall responsibility for each of the activities, business areas and management functions of the *firm* in ~~SYSC 4.7.8R~~ SYSC 26.3 (Main rules) (the table in *SYSC 25 Annex 1G* (~~The main Examples of the~~ business activities and functions of a relevant authorised person an SMCR firm) refers to *administering a benchmark*); and
  - (2) ~~EEA relevant authorised persons and third country relevant authorised persons~~ overseas SMCR firms do not require *authorisation* to carry out the activity of *administering a benchmark* unless they are *located* in the *UK*. That is because that *regulated activity* gives effect to article 34 of the *benchmarks regulation* and, for these purposes, the requirements of article 34 only apply to administrators which are *located* in the *UK*.

...

- 8.5.6 G An *Annex II benchmark administrator* which is a ~~relevant authorised person~~ an SMCR firm may comply with the requirement in *MAR 8.5.4R(2)* to notify the *FCA* of the identity of the most senior manager(s) responsible for implementing the requirements of the *benchmarks regulation* by including that responsibility in that *person's statement of responsibilities*.

...

## 8.6 Responsibility for benchmark activities: benchmark contributors

...

- 8.6.4 G A *UK benchmark contributor* or *third country benchmark contributor* which is a ~~relevant authorised person~~ an SMCR firm may comply with the requirement in *MAR 8.6.2R* to notify the *FCA* of the *senior personnel* responsible for the process for *contributing input data* to a *BMR benchmark administrator* by including that responsibility in that *person's statement of responsibilities*.

...

## Annex O

## Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

## Part 1: Comes into force 28 September 2018

## 10C.13 Variation of conditional and time-limited approvals

Purpose

10C.13.1 G ...

10C.13.2 G (1) ...

- (2) This section does not deal with the *FCA's* policies on varying a condition on its own initiative. *DEPP* 8 deals with that. However this section gives a short description of the *FCA's* powers to impose such variations.

Variation of a conditional approval at the request of the firm: general description

10C.13.3 G A *firm* may apply to the *FCA* to change a conditional or time-limited approval. The changes for which a *firm* may apply are:

- (1) a variation of the condition;
- (2) removal of the condition; ~~and~~
- (3) the imposition of a new condition; or
- (4) where the approval is time-limited:
- (a) varying the time limit; or
- (b) removing the time limit.

10C.13.4 G (1) ~~If a *firm* is applying for a change of the type described in SUP 10C.13.3G(1) or SUP 10C.13.3G(2), There are requirements about whether the *firm* applying for a change described in SUP 10C.13.3G should apply to the *FCA* if the *FCA* imposed that condition, even if the approval was given by or the *PRA*. Paragraphs (2) to (3) summarise these requirements.~~

- (2) If the *firm* is applying for the imposition of a new condition, the *firm* should apply to the *FCA* if the approval to which the application relates was given by the *FCA*.
- (2A) If a *firm* is applying for a change of the type described in SUP 10C.13.3G(1) or SUP 10C.13.3G(2), the *firm* should (subject to (2C)) apply to the *FCA* if the *FCA* imposed that condition, even if the approval was given by the *PRA*.
- (2B) If a *firm* is applying for a change of the type described in SUP 10C.13.3G(4), the *firm* should (subject to (2C)) apply to the *FCA* if the *FCA* imposed that time limit, even if the approval was given by the *PRA*.
- (2C) Where the time limit or condition has been varied before and the *FCA* was the last to vary it, the *firm* should apply to the *FCA*. This applies whether the variation was made on the application of the *firm* or on the initiative of the *FCA* or the *PRA*.
- (3) In other cases, the application should be to the *PRA*.
- 10C.13.5 G The ~~power right~~ to apply for a variation does not ~~apply to~~ include the right to apply for a time limitation where the current approval has effect for an unlimited period.
- 10C.13.5A G The procedures described in this section for the variation of an approval at the request of a *firm* do not apply where the condition or time limit has effect by virtue of section 66 of the *Act* (Disciplinary powers).
- ...
- 10C.13.24 G The *FCA* may vary an approval by:
- (1) imposing a condition;
  - (2) varying a condition;
  - (3) removing a condition; ~~or~~
  - (4) limiting the period for which the approval is to have effect; or
  - (5) removing or varying a time limit on an approval.
- ...

After SUP TP 10 (Benchmarks Regulation Transitional Provisions) insert the following new SUP TP 11. The text is not underlined.



## TP 11 Bank of England and Financial Services Act 2016: Approved persons in insurers

### 11.1 Application and purpose

- 11.1.1 R (1) *SUP* TP 11 applies to **SMCR insurance firms**.
- (2) *SUP* TP 11.15 applies to every *firm*.
- 11.1.2 G (1) *SUP* TP 11 has transitional provisions relating to the changes to the *approved persons* regime made by Part 2 of the Bank of England and Financial Services Act 2016 and the Individual Accountability (Dual-Regulated Firms) Instrument 2018.
- (2) In particular, it has procedures for converting existing approvals for the performance of *controlled functions* into approvals for the corresponding *designated senior management functions*.
- 11.1.3 G (1) The main time period for which *SUP* TP 11 operates is 2018.
- (2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.
- 11.1.4 G Most of *SUP* TP 11 relates *SUP* 10C.
- 11.1.5 G *SUP* TP 11.22 has a glossary of terms used in *SUP* TP 11 which have meanings that only apply in *SUP* TP 11. These terms appear in bold type in *SUP* TP 11.

### 11.2 Conversion of existing approvals

- 11.2.1 R If the conditions set out in *SUP* TP 11.2.2R are met, a **pre-implementation approval** in relation to a particular *approved person* (AP) and a particular **SMCR insurance firm** (F) has effect on and after the **commencement date** as if it had been given in relation to the *FCA-designated senior management function* or *FCA-designated senior management functions* specified in *SUP* TP 11.2.2R(2) and (3).
- 11.2.2 R Those conditions are:
- (1) the **pre-implementation approval** is in effect in relation to F:
- (a) (in the case of a **notifying firm**) at the **firm specific date**;  
and
- (b) immediately before the **commencement date**;
- (2) AP is performing an *FCA-designated senior management function* in relation to F on the **commencement date**;

- (3) the **pre-implementation approval** in (1) is **potentially convertible** into approval for the *FCA-designated senior management function* in (2); and
  - (4) (in the case of a **notifying firm**) F has notified the *FCA*:
    - (a) before the **commencement date**;
    - (b) that it considers that the **pre-implementation approval** will be converted into approval for the *FCA-designated senior management function* in (2) under *SUP TP 11.2*.
- 11.2.3 R (1) A **pre-implementation approval** is **potentially convertible** into approval for an *FCA-designated senior management function* if a single row within the applicable part of the mapping table in *SUP TP 11.2.5R* contains both:
- (a) the **pre-implementation controlled function** for which that **pre-implementation approval** was given; and
  - (b) that *FCA-designated senior management function*.
- (2) An approval for a **pre-implementation controlled function** excluded from *SUP TP 11* by *SUP TP 11.4.2R* is not **potentially convertible** into approval for any *FCA-designated senior management function*.
- (3) An approval for a **pre-implementation controlled function** is not **potentially convertible** into approval for an *FCA-designated senior management function* in relation to a *firm* if either that **pre-implementation controlled function** or that *FCA-designated senior management function* does not apply to the *firm*.
- 11.2.4 R (1) Part One of the table in *SUP TP 11.2.5R* applies to a **non-notifying firm**.
- (2) Part Two of the table in *SUP TP 11.2.5R* applies to a **notifying firm**.
- 11.2.5 R Mapping table: Potential conversion of approval for existing controlled functions into approval for designated senior management functions

<b>Part One (non-notifying firms)</b>	
(1) <b>Pre-Implementation Controlled Function</b>	(2) <b>New FCA-designated senior management function</b>
Executive functions	

Director function	Executive director function
Chief executive function	Executive director function
Director of unincorporated association function	Executive director function
Small friendly society function	Executive director function
Required functions	
Compliance oversight function	Compliance oversight function
Money laundering reporting function	Money laundering reporting function

<b>Part Two (notifying firms)</b>	
<b>(1) Pre-Implementation Controlled Function</b>	<b>(2) New FCA-designated senior management function</b>
Executive functions	
Director function	(a) Executive director function (b) Conduct risk oversight (Lloyd's) function
Director of unincorporated association function	Executive director function
Small friendly society function	Executive director function
Oversight functions	
Chair of the nomination committee function	Chair of the nomination committee function
Chair of the with-profits committee function	Chair of the with-profits committee function
Systems and controls	
Systems and controls function	Other local responsibility function
Required functions	
Compliance oversight function	Compliance oversight function
Money laundering reporting function	Money laundering reporting function

CASS operational oversight function	(a) Other overall responsibility function (b) Other local responsibility function
Significant management function	
Significant management function	(a) Other overall responsibility function (b) Other local responsibility function (c) EEA branch senior manager function

Note for Parts One and Two of this table
All references to a new FCA-designated senior management function are to <i>FCA-designated senior management functions</i> brought into force for the <i>firm</i> concerned by the Individual Accountability (Dual-Regulated Firms) Instrument 2018.

- 11.2.6 G If a **pre-implementation controlled function** does not apply to a *firm* immediately before the **commencement date**, the applicable row of the table in SUP TP 11.2.5R does not apply to it either.
- 11.2.7 G (1) The general principle is that a **pre-implementation approval** cannot be converted to approval for an *FCA-designated senior management function* if that *FCA-designated senior management function* will not apply to the *firm* or to the particular *approved person* on the **commencement date**.
- (2) For example, if none of the *FCA-designated senior management functions* in a row of the table in SUP TP 11.2.5R apply to a *firm* on the **commencement date**, that row does not apply to the *firm*.
- 11.2.8 G Another example of the principle in SUP TP 11.2.7G is that if:
- (1) the result of SUP TP 11.2 would otherwise be that an *approved person* is deemed to be approved to perform the *other overall responsibility function* or the *other local responsibility function*; and
- (2) either that *approved person*:
- (a) is deemed by SUP TP 11.2 to be approved to perform any other *FCA-designated senior management function* for the same *firm*; or
- (b) has approval to perform a *PRA controlled function* for the same *firm*;

that *approved person's pre-implementation approval* will not be converted into approval for the *other overall responsibility function* or the *other local responsibility function* (whichever is applicable).

- 11.2.9 R (1) A notification to the *FCA* is not to be taken into account for the purposes of *SUP TP 11.2.2R(4)* so far as it concerns a particular *approved person* if the *firm* does not include a **statement of responsibilities** about that *approved person* with the notification when required to do so by *SUP TP 11.11*.
- (2) A notification to the *FCA* is not to be taken into account for the purposes of *SUP TP 11.2.2R(4)* if the *firm* does not include a **management responsibilities map** with the notification when required to do so by *SUP TP 11.12*.
- 11.2.10 G *SUP TP 11.2.2R(4)(a)* (together with *SUP TP 11.5* and *SUP TP 11.6*) means that:
- (1) a failure to submit a Form K before the **final notification date** is a breach of the requirements of *SUP TP 11*; but
- (2) despite that breach, the **pre-implementation approval** can still be converted into an approval for the applicable *FCA-designated senior management function* as long as it is received before the **commencement date**.
- 11.2.11 R (1) This *rule* applies to a *firm* (referred to as 'B' in this *rule*) in relation to an *approved person* (referred to as 'AP' in this *rule*) if:
- (a) immediately before the **commencement date**, AP is treated under *SUP 10A.11.12R* (The main rule) as not performing an *FCA governing function* for B;
- (b) approval for that *FCA governing function* is **potentially convertible** into approval for an *FCA-designated senior management function*;
- (c) that *FCA-designated senior management function* is an *FCA governing function*; and
- (d) AP would be performing that *FCA-designated senior management function* in relation to B on the **commencement date** but for this *rule*.
- (2) *SUP 10C.9.8R* (The main rule) applies in relation to AP, B and the *FCA-designated senior management function* in (1) from the **commencement date** so that:
- (a) that *FCA-designated senior management function* is treated as a 'particular' *FCA governing function* in *SUP 10C.9.8R*; and

- (b) the functions included in what would have been that *FCA governing function* are treated as a potential *FCA governing function* in SUP 10C.9.8R that:
      - (i) meets the conditions in SUP 10C.9.8R(4); and
      - (ii) has met the conditions in SUP 10C.9.8R(5) up to the **commencement date**.
- 11.2.12 G (1) SUP 10A.11.12R and SUP 10C.9.8R say that a *person* performing a *PRA controlled function* does not need approval for carrying on an *FCA governing function* if certain conditions are met.
- (2) The effect of SUP TP 11.2.11R is that if immediately before the **commencement date**, an *approved person* is taking advantage of SUP 10A.11.12R they will be able to rely on the corresponding arrangement in SUP 10C.9.8R for as long as they have approval for performing a *PRA controlled function*.

### 11.3 Effect of conversion

- 11.3.1 R (1) Where, immediately before the **commencement date**, a **pre-implementation approval** is subject to a suspension, condition or limitation imposed under section 66(3) of the *Act* (Disciplinary powers), that suspension, condition or limitation is to be treated as if it were imposed in respect of the **converted approval** from the beginning of the **commencement date**.
- (2) This *rule* applies whether or not the *FCA* or the *PRA* has given a *warning notice* or a *decision notice* under:
- (a) section 63 of the *Act* (Withdrawal of approval); or
  - (b) section 63B of the *Act* (Procedure and right to refer to tribunal); or
  - (c) section 67 of the *Act* (Disciplinary measures: procedure and right to refer to Tribunal).
- 11.3.2 R Anything done under section 63 of the *Act* (Withdrawal of approval) in respect of a **pre-implementation approval** before the **commencement date** continues to have effect on and after that day in respect of the **converted approval**.

### 11.4 Lapse of existing approvals and special provisions about appointed representatives

- 11.4.1 R Subject to *SUP* TP 11.4.2R, any **pre-implementation approval** that is in effect immediately before the **commencement date** that is not converted under *SUP* TP 11.2 ceases to have effect as from the beginning of the **commencement date** in relation to the *controlled function* concerned.
- 11.4.2 R *SUP* TP 11 does not apply to a **pre-implementation approval** that has effect under *SUP* 10A.1.15R to *SUP* 10A.1.16AR (appointed representatives).
- 11.4.3 G An approval excluded from *SUP* TP 11 by *SUP* TP 11.4.2R continues in force and is not affected by *SUP* TP 11.

## 11.5 Notification to the FCA: Initial notification

- 11.5.1 R (1) A **notifying firm** must notify the *FCA* of:
- (a) each **pre-implementation approval** that it considers will be converted into approval for an *FCA-designated senior management function* under *SUP* TP 11.2 (assuming that the *firm* complies with the applicable notification requirements in *SUP* TP 11);
  - (b) the *approved person* in respect of whom that **pre-implementation approval** was given; and
  - (c) the *FCA-designated senior management function* referred to in (a).
- (2) A *firm* must make the notification in (1) before the **final notification date**.
- 11.5.2 G *SUP* TP 11.10 explains how the *firm* should make the notification.
- 11.5.3 G (1) This paragraph (*SUP* TP 11.5.3G) gives examples of things that a *firm* should not include in a notification under *SUP* TP 11.5.1R.
- (2) A *firm* should not include a **pre-implementation approval** for the *customer function*. This is because there is no need to notify a **pre-implementation approval** if it is not **potentially convertible** into any *FCA-designated senior management function*.
- (3) A *firm* should not include a **pre-implementation approval** if:
- (a) it is **potentially convertible** into an *FCA-designated senior management function*; but
  - (b) the *firm* considers that the *approved person* will not be performing that *FCA-designated senior management function* on the **commencement date**.

- (4) Therefore, a *firm* should not include an *approved person* who plans to resign before the **commencement date** if it is intended that they will have left the *firm* before then.
  - (5) A *firm* should not include a **pre-implementation approval** if *SUP* TP 11.4.2R says that *SUP* TP 11 does not apply to it.
- 11.5.4 G If the *firm* considers that some of an *approved person*'s **pre-implementation approvals** will be converted and some will not be, the *firm*'s notification should:
- (1) include the *approved person*; but
  - (2) exclude the approvals that will not be converted.

## 11.6 Notification to the FCA: Revision of initial notice

- 11.6.1 R (1) This *rule* applies if, before the **commencement date**:
- (a) there is a change relating to information given in or accompanying a notification that the *firm* has previously made under *SUP* TP 11.5 (or a notification given under *SUP* TP 11.6); or
  - (b) the *firm* giving the notice discovers that any part of that information is inaccurate.
- (2) Where circumstances described in (1) occur before the **final notification date**, the *firm* must submit a revision of the notice referred to in (1) to the *FCA* before the **final notification date**.
- (3) Where circumstances described in (1) occur between the **final notification date** and the **commencement date**, the *firm* must submit a revision of the notice referred to in (1) to the *FCA* before the **commencement date**.
- 11.6.2 G *SUP* TP 11.10 explains how the *firm* should make the revised notification.
- 11.6.3 G (1) This paragraph *SUP* TP 11.6.3G gives examples of when a *firm* should revise its *SUP* TP 11.5 notice under *SUP* TP 11.6.
- (2) A *firm* need not include in a notification under *SUP* TP 11.5 an *approved person* who plans to leave the *firm* before the **commencement date**. However that plan may change and as a result the *firm* may later conclude that the *approved person* will carry on with their job after the **commencement date**. If so, the *firm* should revise the notice.
  - (3) If, after the notice to the *FCA*, the *FCA* grants an approval under section 59 of the *Act* (Approval for particular arrangements) to



someone who did not have any such approval for the *firm* at the time of the notice, the *firm* should revise its notice by including that new *approved person* and that new **pre-implementation approval**.

- (4) If, after a *firm* has given the notice to the *FCA*, the *FCA* grants a new approval under section 59 of the *Act* to someone who already was an *approved person* for the *firm* when the *firm* gave the notice to the *FCA*, the *firm* should revise its notice by including that new **pre-implementation approval**.
- (5) If a *firm* includes an *approved person* in a notification under *SUP* TP 11.5 and the *firm* later concludes that that *person's* **pre-implementation approval** will no longer qualify for conversion because that *person* will not be performing the relevant *FCA-designated senior management function* for the *firm* on the **commencement date**, the *firm* should revise its notice. Possible reasons for this include:
- (a) the *approved person* leaves the *firm*;
  - (b) the *approved person* tells the *firm* they are going to leave the *firm* before the **commencement date**; or
  - (c) the *approved person's* job changes so that it will no longer involve performing an *FCA-designated senior management function* on the **commencement date**.
- (6) There is no need to include information about the matters set out in *SUP* TP 11.5.3G.

- 11.6.4 G If a *firm* gives a notification to the *FCA* under *SUP* TP 11.5 about an *approved person* and that *approved person* later leaves the *firm* or gives up performing some of their **pre-implementation controlled functions** before the **commencement date**, the *firm* should notify the *FCA* using Form C or Form E under *SUP* 10A as well as a Form K under *SUP* TP 11.10.

## 11.7 In-flight applications: Conversion

- 11.7.1 R (1) A **pre-implementation application** by a *firm* that has not been determined or withdrawn by the **commencement date** is to be treated, on and after the **commencement date**, as if it had been made for the **corresponding** *FCA-designated senior management function* or *FCA-designated senior management functions* (if there are any).
- (2) If a *firm* is required to notify a **pre-implementation application** to the *FCA* under *SUP* TP 11.8R, (1) only applies to a **corresponding** *FCA-designated senior management function* if the *firm* has included in that notification:

- (a) that **pre-implementation application**; and
  - (b) that *FCA-designated senior management function*.
- 11.7.2 R An *FCA-designated senior management function* “**corresponds**” to a **pre-implementation controlled function** if approval for the latter is **potentially convertible** into approval for the former and “**corresponding**” must be interpreted accordingly.
- 11.7.3 R *SUP* TP 11.7.1R is subject to any amendment the *firm* may make to the application before the **commencement date** to specify that on the **commencement date**:
- (1) the **pre-implementation application** is to lapse; or
  - (2) the **pre-implementation application** is to be treated as only being for some of the *FCA-designated senior management functions*.
- 11.7.4 G *SUP* TP 11.8.3G explains what *FCA-designated senior management functions* are covered by *SUP* TP 11.7.1R(2).
- 11.7.5 G (1) *SUP* TP 11.7.3R is not the only way a *firm* may change the effect of *SUP* TP 11.7.
- (2) After the **commencement date** a *firm* is free to amend its application in accordance with the *Act* and the *FCA Handbook*.
- (3) Before the **commencement date**, a *firm* is free to amend its application in accordance with the *Act* and the *FCA Handbook* by changing the **pre-implementation controlled function** for which it is applying. That will affect the **corresponding FCA-designated senior management function**. If the *firm* amends its application in this way it should notify the *FCA* under *SUP* TP 11.8 as well as under *SUP* 10A.
- 11.7.6 R Subject to *SUP* TP 11.7.7R, a **pre-implementation application** lapses on the **commencement date** unless it is continued in force by *SUP* TP 11.7.
- 11.7.7 R *SUP* TP 11 does not apply to a **pre-implementation application** if the **pre-implementation approval** that would result if it was granted would be excluded from *SUP* TP 11 by *SUP* TP 11.4.2R.

## 11.8 In-flight applications: Notification requirements

- 11.8.1 R A **notifying firm** must, before the **final notification date**, notify the *FCA* of every **pre-implementation application** if:
- (1) it has not been determined or withdrawn at the time of the notification;

- (2) it is not excluded under *SUP* TP 11.7.7R; and
- (3) the *firm* would be required to notify the *FCA* under *SUP* TP 11.5 if that application had been granted and the approval was in effect immediately before the date of the notification in *SUP* TP 11.8.1R.
- 11.8.2 R The information about a **pre-implementation application** that the notification must contain is the information that the *firm* would be required to give the *FCA* in a notification under *SUP* TP 11.5 if:
- (1) that **pre-implementation application** had been granted; and
- (2) the resulting approval was in effect immediately before the date of the notification in *SUP* TP 11.8.1R.
- 11.8.3 G *SUP* TP 11.8.1R and *SUP* TP 11.8.2R mean:
- (1) Only a **notifying firm** needs to make the notification.
- (2) The information to be notified to the *FCA* about a particular **pre-implementation application** includes each *FCA-designated senior management function* that meets the following conditions:
- (a) approval for the **pre-implementation controlled function** for which the **pre-implementation application** is being made is **potentially convertible** into approval for that *FCA-designated senior management function*; and
- (b) the *firm* considers that the *approved person* concerned will be performing that *FCA-designated senior management function* on the **commencement date** if the **pre-implementation application** is approved before then.
- (3) A *firm* should not notify the *FCA* about a particular **pre-implementation application** if the *firm* considers that even if the application were approved before the **commencement date**, the *approved person* will not be performing on the **commencement date** any of the *FCA-designated senior management functions* into which the applicable **pre-implementation approval** would be **potentially convertible**. This might be because the *firm* intends that the *candidate* will only be in post for a short time.
- 11.8.4 R (1) This *rule* applies if, before the **commencement date**:
- (a) a *firm* makes a **pre-implementation application** after the initial notice under *SUP* TP 11.8.1R; and
- (b) the *firm* would have been required to notify the *FCA* under *SUP* TP 11.8.1R if that application had been made before the date of the notification under *SUP* TP 11.8.1R.

- (2) This *rule* also applies if, before the **commencement date**:
- (a) there is any other change relating to information given in or accompanying the initial notice under *SUP* TP 11.8.1R (or a notification given under *SUP* TP 11.8.4R); or
  - (b) the *firm* discovers that any part of that information is inaccurate.
- (3) Where circumstances described in (1) or (2) occur before the **final notification date**, the *firm* must submit a revision of the notice referred to in (1) or (2) to the *FCA* before the **final notification date**.
- (4) Where circumstances described in (1) or (2) occur between the **final notification date** and the **commencement date**, the *firm* must submit a revision of the notice referred to in (1) or (2) to the *FCA* before the **commencement date**.
- 11.8.5 G *SUP* TP 11.10 explains how the *firm* should make the notification.
- 11.8.6 G If a *firm* notifies the *FCA* under *SUP* TP 11.8 of a **pre-implementation application** and that application is granted or refused before the **commencement date**, the *firm* should revise its notification under *SUP* TP 11.8.4R and, if applicable, *SUP* TP 11.6.

## 11.9 In-flight applications: Supplemental material

- 11.9.1 R (1) This *rule* applies if, in relation to a **pre-implementation application** continued in effect after the **commencement date** under *SUP* TP 11.7, the *FCA* has before the **commencement date**:
- (a) imposed a requirement under section 60 of the *Act* (Application for approval);
  - (b) given a *warning notice* under section 62(2) of the *Act* (Applications for approval: procedure and right to refer to tribunal) or a *decision notice* under section 62(3) of the *Act* to the interested parties referred to in section 62(5); or
  - (c) taken any step in connection with giving a *warning notice* or *decision notice* under section 62.
- (2) The requirement, notice or step in (1) is to be treated, on and after the **commencement date**, as having been imposed, given or taken in relation to the application as affected by *SUP* TP 11.7.

## 11.10 Procedure for notification

- 11.10.1 R A *firm* must only make a single notification under *SUP* TP 11.5 and *SUP* TP 11.8.1R and must do so on the same notification form.
- 11.10.2 R A *firm* must make a notification under *SUP* TP 11.5, *SUP* TP 11.6 or *SUP* TP 11.8 by completing Form K (*SUP* TP 11.23.1R).
- 11.10.3 R A *firm* must make a notification or submit a *document* to the *FCA* under *SUP* TP 11 in accordance with *SUP* 10C.15.11R(1) and (3) (Method of submission: electronic submission).
- 11.10.4 R (1) A *firm* making a notification under *SUP* TP 11.10.3R in accordance with *SUP* 10C.15.11R(1) must use the version of Form K made available on the electronic system referred to in *SUP* 10C.15.11R, which is based on the version in *SUP* TP 11.23.1R.
- (2) A *firm* making a notification under *SUP* TP 11.10.3R in accordance with *SUP* 10C.15.11R(3) and *SUP* 10C.15.14R must use the version of Form K in *SUP* TP 11.23.1R.
- 11.10.5 G If a *firm* discovers after the **commencement date** that any information it has given under *SUP* TP 11 is inaccurate it should notify the *FCA* as described in *SUP* 15.6 (Inaccurate, false or misleading information). If *SUP* TP 11.17.6R applies, the *firm* should notify the *FCA* under that *rule* instead.

## 11.11 Statements of responsibilities

- 11.11.1 G The table in *SUP* TP 11.11.2G explains when a *firm* is required to prepare a **statement of responsibilities** as part of the transitional arrangements in *SUP* TP 11 and whether it is required to send it to the *FCA*.
- 11.11.2 G Table: Preparing statements of responsibilities and sending them to the *FCA*

Scenario	Non-notifying firm	Notifying firm
Is a <i>firm</i> required to prepare a <b>statement of responsibilities</b> for their <b>transitioned SMF managers</b> ?	Yes. The <b>insurance firms commencement SI</b> requires this.  A <i>firm</i> should have prepared it by or soon after the <b>commencement date</b> .	Yes. The <b>insurance firms commencement SI</b> requires this.
Is a <i>firm</i> required to send it to the <i>FCA</i> ?	No	Yes. See <i>SUP</i> TP 11.11.3R.

Is a <i>firm</i> required to prepare a <b>statement of responsibilities</b> for a <b>pre-implementation application</b> by the <i>firm</i> that has been converted into an application for approval for the performance of an <i>FCA-designated senior management function</i> under <i>SUP TP 11.7</i> ?	Yes. The <i>Act</i> requires this.	Yes. The <i>Act</i> and <i>SUP TP 11.11.3R</i> require this.
Is a <i>firm</i> required to send it to the <i>FCA</i> ?	Yes. See <i>SUP TP 11.11.4R</i> .	Yes. See <i>SUP TP 11.11.3R</i> .
Is a <i>firm</i> required to prepare a <b>statement of responsibilities</b> for an application under <i>SUP TP 11.15</i> ?	Yes. The <i>Act</i> and <i>SUP TP 11.15</i> require this.	Yes. The <i>Act</i> and <i>SUP TP 11.15</i> require this.
Is a <i>firm</i> required to send it to the <i>FCA</i> ?	Yes. The details are in <i>SUP TP 11.15</i> .	Yes. The details are in <i>SUP TP 11.15</i> .

- 11.11.3 R A notification to the *FCA* under *SUP TP 11.5*, *SUP TP 11.6* or *SUP TP 11.8* about an *approved person* or *candidate* must be accompanied by a **statement of responsibilities** about that *person*.
- 11.11.4 R A **non-notifying firm** must, within five *business days* after the **commencement date**, give the *FCA* a **statement of responsibilities** for each *candidate* who is the subject of a **pre-implementation application** by the *firm* that has been converted into an application for approval for the performance of an *FCA-designated senior management function* under *SUP TP 11.7*.
- 11.11.5 G A **statement of responsibilities** should comply with all the *rules* and directions in the *FCA Handbook* that will apply to *statements of responsibilities* prepared by the *firm* (see *SUP TP 11.16*).
- 11.11.6 G (1) Before the **commencement date**, *SYSC 2.2* required many *firms* to have a scope of responsibilities document for its senior *approved persons*.
- (2) That document may also satisfy the requirements for a **statement of responsibilities** and the ongoing requirements after the **commencement date** for *statements of responsibilities*. If so, there is no need to create a new **statement of responsibilities**. To the extent

that the scope of responsibilities document does not satisfy those requirements, a *firm* should amend or replace it.

## 11.12 Management responsibilities maps

- 11.12.1 R *SUP* TP 11.12 applies to a *firm* that will be required under *SYSC* 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) to have a *management responsibilities map* when that chapter comes into force on the **commencement date**.
- 11.12.2 R A notification to the *FCA* under *SUP* TP 11.10.1R must be accompanied by a **management responsibilities map**.
- 11.12.3 G A **management responsibilities map** should comply with all the *rules* and directions in the *FCA Handbook* that will apply to a *management responsibilities map* prepared by the *firm* (see *SUP* TP 11.16).
- 11.12.4 G (1) Before the **commencement date**, *SYSC* 2.2 required many *firms* to have a governance map.
- (2) That document may also satisfy the requirements for a **management responsibilities map** and the ongoing requirements after the **commencement date** for *management responsibilities maps*. If so, there is no need to create a new **management responsibilities map**. To the extent that the governance map does not satisfy those requirements, a *firm* should amend or replace it.

## 11.13 Supplemental material about statements of responsibilities and management responsibilities maps

- 11.13.1 R A **statement of responsibilities** and a **management responsibilities map** must be prepared as of the **commencement date**.
- 11.13.2 D *SUP* TP 11.13.1R also applies to a **management responsibilities map** or **statement of responsibilities** prepared under a direction.
- 11.13.3 G (1) If there has been a change relating to a **statement of responsibilities** or a **management responsibilities map** submitted to the *FCA* under *SUP* TP 11, the *firm* should submit a revised version.
- (2) This is the effect of *SUP* TP 11.6 and *SUP* TP 11.8.4R.
- 11.13.4 G A *firm* should not assume that the *FCA* has reviewed a **statement of responsibilities** or a **management responsibilities map** submitted to it for completeness, quality or accuracy. It is the *firm's* responsibility to ensure that they have been prepared in accordance with the *FCA's rules* and the *Act*.

## 11.14 Criminal record checks and employment references

- 11.14.1 R *SUP* 10C.10.16R (Criminal record checks) does not apply to any **pre-implementation application** continued in effect by *SUP* TP 11.7.1R after the **commencement date**.
- 11.14.2 G *SUP* 10C.10.16R (Criminal record checks) applies to any application for approval made under *SUP* TP 11.15.
- 11.14.3 G *SYSC* TP 7.4.2R (Transitional provisions about regulatory references) has transitional provisions about regulatory references in relation to a **pre-implementation application** continued in effect by *SUP* TP 11.7.1R and applications for approval made under *SUP* TP 11.15.

## 11.15 Applications of approved persons to take effect from the commencement date

- 11.15.1 D (1) A *firm* may, before the **commencement date**, apply under section 60 of the *Act* (Applications for approval) for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* which comes into effect (as respects the *firm*) on the **commencement date**.
- (2) Any such application is made on the basis that it is treated as being made on the **commencement date**.
- (3) The application must be made using the version of Form A or Form E applicable from the **commencement date** and in accordance with the other requirements to be in effect on that date.
- 11.15.2 G The rest of *SUP* TP 11 will not apply to an application under *SUP* TP 11.15. In particular, it is not a **pre-implementation application** and the application should not be included in the *firm*'s Form K.
- 11.15.3 G Any such application should be accompanied by a *statement of responsibilities* and, if *SYSC* 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) will apply, a *management responsibilities map*.
- 11.15.4 G A *firm* does not have to make an application under *SUP* TP 11.15. It can make an application for an existing *controlled function* before the **commencement date** under the *rules* and directions in force at the time of the application. *SUP* TP 11 will apply to such applications.



## 11.16 Application of ongoing requirements to converted approvals and conversion documents

- 11.16.1 R (1) The *rules* of the *FCA Handbook* apply to a **converted approval**, as they do to approvals granted after the **commencement date**.
- (2) The *rules* of the *FCA Handbook* apply to a **pre-implementation application** that is continued in force under *SUP* TP 11 after the **commencement date** as they do to applications made after the **commencement date**.
- (3) This paragraph is subject to the other provisions of *SUP* TP 11.
- 11.16.2 R (1) A **statement of responsibilities** (including one revised under *SUP* TP 11.16.4R) must comply with all the *rules* and directions in the *FCA Handbook* that will apply to *statement of responsibilities* as from the **commencement date**.
- (2) (2) applies even if the *firm* is not required to submit the **statement of responsibilities** to the *FCA* under *SUP* TP 11.12.
- 11.16.3 R A **management responsibilities map** submitted to the *FCA* under *SUP* TP 11.12 must comply with all the *rules* and directions in the *FCA Handbook* that will apply to the *firm's management responsibilities map* as from the **commencement date**.
- 11.16.4 D *SUP* TP 11.16.1R to *SUP* TP 11.16.3R apply to directions in *SUP* 10C in the same way as they do to *rules*.
- 11.16.5 G The table in *SUP* TP 11.16.6G gives examples of how *SUP* 10C and other parts of the *FCA Handbook* apply to **converted approvals**.
- 11.16.6 G Table: Examples of how ongoing requirements apply to converted approvals

Requirement in Handbook	Summary of the requirement in column (1)	How SUP 10C applies
Revised statements of responsibilities		
<i>SUP</i> 10C.11.7D	Submission of revised <i>statement of responsibilities</i>	The effect of the <i>Act</i> and of the <b>insurance firms commencement SI</b> is that section 62A of the <i>Act</i> (Changes in responsibilities of senior managers) applies to a <b>statement of responsibilities</b> . This means that if after the <b>commencement date</b> there has been a significant change in a <b>transitioned SMF manager's</b> responsibilities in relation to their

		<b>converted designated senior management functions</b> , the <i>firm</i> should submit a revised <i>statement of responsibilities</i> . It should also submit a Form J unless SUP 10C.11 says that it is not required.
Varying an approval		
<i>SUP</i> 10C.11.10D	<i>Statements of responsibilities</i>	The powers and requirements in the <i>Act</i> and in <i>SUP</i> 10C about variation of approvals at the request of a <i>firm</i> and at the initiative of the <i>FCA</i> apply to <b>converted approvals</b> .  If a <b>transitioned SMF manager</b> ceases to perform a <i>designated senior management function</i> but continues to perform a <b>converted designated senior management function</b> , the <i>firm</i> should submit a revised statement of responsibilities <i>document</i> under <i>SUP</i> 10C.11.12R.
<i>SUP</i> 10C.11.12R	Ceasing to carry on some functions	
<i>SUP</i> 10C.13	Other material about variations	
Single statement of responsibilities document		
<i>SUP</i> 10C.11.13D	One <i>statement of responsibilities</i> for each <i>SMF manager</i> for each <i>firm</i>	Applies to <b>statements of responsibilities</b> in the same way as it applies to <i>statements of responsibilities</i> . For example:  (1) If on the <b>commencement date</b> a <b>transitioned SMF manager</b> is already approved by the <i>PRA</i> to perform a <i>PRA-designated senior management function</i> for that <i>firm</i> , the <b>statement of responsibilities</b> should cover both the <b>converted designated senior management function</b> and the <i>PRA-designated senior management function</i> . That single <i>document</i> should be treated as a <i>statement of responsibilities</i> prepared under the <i>Act</i> .  (2) If after the <b>commencement date</b> a <i>firm</i> applies for the <i>FCA</i> 's approval for a <b>transitioned SMF manager</b> to perform another <i>FCA-designated senior management function</i> , the <i>statement of responsibilities</i> prepared for that application should be

		<p>combined with the <b>statement of responsibilities</b> required by <i>SUP</i> TP 11 and the <b>insurance firms commencement SI</b> into a single <i>document</i>.</p> <p>(3) If:</p> <p>(a) after the <b>commencement date</b> a <b>transitioned SMF manager</b> is approved by the <i>FCA</i> to perform another <i>FCA-designated senior management function</i>; and</p> <p>(b) later there is a significant change in the <b>transitioned SMF manager's</b> responsibilities;</p> <p>the <i>firm</i> should notify the <i>FCA</i> and submit a single revised statement of responsibilities <i>document</i>, whether the change relates to the <b>converted designated senior management function</b> or to the additional <i>FCA-designated senior management function</i>.</p>
Complete set of statements of responsibilities		
<i>SUP</i> 10C.11.20R	Complete set of current <i>statements of responsibilities</i>	Applies to <b>statements of responsibilities</b> in the same way as it does to <i>statements of responsibilities</i> .
Ceasing to carry on functions		
<i>SUP</i> 10C.11.12R	<i>Statements of responsibilities</i> to be included in notification	Applies to ceasing to carry on a <b>converted designated senior management function</b> after the <b>commencement date</b> .
<i>SUP</i> 10C.14.5R	Notification of ceasing to perform the function	
<i>SUP</i> 10C.14.7R	Qualified Form C	
Form D		
<i>SUP</i> 10C.14.13R	Changes to details	Applies to a <b>transitioned SMF manager</b> and to changes of any details

<i>SUP</i> 10C.14.15R	Changes to arrangements	relating to the <b>converted designated senior management function</b> .
<i>SUP</i> 10C.14.18R	Fitness	The Form D requirements also apply to a <i>candidate</i> whose application is continued in force by <i>SUP</i> TP 11.  Before the <b>commencement date</b> , the existing requirements of <i>SUP</i> 10A apply to changes in a <i>candidate's</i> fitness.
Notifications under the Act		
<i>SUP</i> 10C.14.22R	Notifications under the <i>Act</i>	Applies to notification about a <b>transitioned SMF manager</b> .
General		
Requirements referring to a <i>current approved person approval</i>		Apply to a <b>converted approval</b> .
Requirements referring to a <i>current approved person approval</i> held within the last six <i>months</i>		These requirements apply to an approval for a <i>controlled function</i> abolished after the <b>commencement date</b> and to an approval that ceased to have effect under <i>SUP</i> TP 11 for some other reason.  These requirements also apply to an approval given up within the last six <i>months</i> before the <b>commencement date</b> even though the <i>controlled function</i> ceases to exist after the <b>commencement date</b> .
<i>FCA-prescribed senior management responsibility</i> (a)	Responsibility for a <i>firm's</i> performance of its obligations under the senior managers regime	Includes compliance with the requirements about <b>statements of responsibilities</b>
<i>SYSC</i> 25	Preparation of <i>management responsibilities maps</i>	A <i>management responsibilities map</i> should include a <b>transitioned SMF manager</b> and their <b>converted designated senior management functions</b>

## 11.17 Making sure that the Financial Services Register is accurate

### Existing notification requirements

- 11.17.1 R (1) If before the **commencement date** a *firm* is required to notify the *FCA* using Form C or Form D or under *SUP* 10A.14.10R, that obligation continues to apply after the **commencement date** if the *firm* has not complied with that obligation before then.
- (2) (1) applies whether the deadline for reporting expires before or after the **commencement date**.
- (3) (1) applies to a **notifying firm** even if it is obliged to report the same facts under a Form K.
- (4) (1) does not apply to the *customer function* (unless the *customer function* continues to apply after the **commencement date** under *SUP* TP 11.4.2R) if the deadline for reporting expires after the **commencement date**. Instead, the obligation to report ends on the **commencement date**.

### Notification required from non-notifying firms in certain cases

- 11.17.2 R (1) This *rule* applies to a **non-notifying firm** (F) in relation to a particular *approved person* (AP) if:
- (a) F has **pre-implementation approval** for the performance by AP of a **pre-implementation controlled function**;
- (b) that **pre-implementation approval** is **potentially convertible** into an *FCA-designated senior management function*; and
- (c) F believes that that **pre-implementation approval** will not be converted into approval for the performance of that *FCA-designated senior management function*.
- (2) If F is not already required to notify the *FCA* of the facts giving rise to this, it must notify the *FCA* of the matters in (1) using Form C in accordance with *SUP* 10A before:
- (a) the **final notification date**; or
- (b) (if the situation in (1) first arises after the **final notification date**) the **commencement date**.
- 11.17.3 G (1) The most likely reason for the situation in *SUP* TP 11.17.2R to arise is that, before the **commencement date**, AP resigns or gives up their *controlled function* or plans to do so.

- (2) In most cases F will already be required to notify the *FCA*. If so, *SUP TP 11.17.2R* will not apply, even if the reporting deadline is after the **commencement date**.
- (3) An example of circumstances in which *SUP TP 11.17.2R* will apply is if:
  - (a) AP is going to remain in post after the **commencement date**; but
  - (b) their job does not come within the definition of the *FCA-designated senior management function* in *SUP TP 11.17.2R* even though their job comes within the **pre-implementation controlled function**.

11.17.4 G *SUP TP 11.17.2R* does not apply to a **notifying firm**. The *FCA* will rely on its Form K instead.

#### Checking the Register

- 11.17.5 R A *firm* must, in the *month* beginning five *business days* after the **commencement date**, check whether the *Financial Services Register*:
- (1) correctly records all the *firm's SMF managers*;
  - (2) correctly records each *FCA-designated senior management function* for the performance of which by the *SMF manager* the *firm* has approval;
  - (3) includes everyone performing an *FCA-designated senior management function* for the performance of which the *firm* should have obtained approval; and
  - (4) includes all the *FCA-designated senior management functions* for which the *firm* should have obtained approval in relation to *persons* in (3).
- 11.17.6 R (1) If:
- (a) the *Financial Services Register* does not correctly do all the things in *SUP TP 11.17.5R*; and
  - (b) the *firm* is not already required to notify the *FCA* of the facts giving rise to (1)(a) or to apply for the necessary approvals under section 59 of the *Act* (Approval for particular arrangements);

the *firm* must (by the end of the one *month* period in *SUP TP 11.17.5R*) notify the *FCA* of that fact using the applicable form in *SUP 10C*.

- (2) The applicable form in (1) is, in relation to a particular *person* (AP) and *firm*, whichever one or more of the following forms in SUP 10C applies:
- (a) Form A (short form) where AP is not, but should be, included in the *Financial Services Register* or where the *Financial Services Register* omits some of AP's *FCA-designated senior management functions* for which the *firm* has approval; or
  - (b) Form C where AP is, but should not be, included in the *Financial Services Register* or where the *Financial Services Register* shows an approval for AP to perform an *FCA-designated senior management function* that the *firm* does not have; or
  - (c) Form E where both (1) and (2) apply; or
  - (d) Form D in any other case.
- 11.17.7 G The requirement to check the *Financial Services Register* is particularly important in a case of a **non-notifying firm** because:
- (1) the *FCA* will update the *Financial Services Register* based on the information it has; but
  - (2) the *FCA* may not have sufficient information to tell whether all the conversion conditions in SUP TP 11.2.2R have been met.
- 11.17.8 G (1) In practice it is unlikely that SUP TP 11.17.6R will normally apply because the *firm* will already be required to notify the *FCA* of the matter or apply for approval. For example:
- (a) if the *Financial Services Register* does not include a *person* performing an *FCA-designated senior management function* because the *firm* has not yet applied for approval, the *firm* should apply for approval using Form A (long or short) or Form E as soon as possible;
  - (b) if the *Financial Services Register* includes a *person* who left the *firm* before the **commencement date** or who stopped performing their **pre-implementation controlled function** before then, the *firm* should report that using Form C (see SUP TP 11.17.1R);
  - (c) if the **pre-implementation controlled function** and the corresponding *designated senior management function* are so different that approval for the former is not converted into approval for the latter, a **non-notifying firm** should report that under SUP TP 11.17.2R.

- (2) *SUP* TP 11.17.6R may apply for example if the *firm* has made all the notifications (if any) required by *SUP* TP 11 and other parts of the *Handbook* but:
- (a) the *Financial Services Register* does not include one of the *firm's approved persons* even though their **pre-implementation controlled function** was converted under *SUP* TP 11; or
  - (b) the *Financial Services Register* includes one of the *firm's approved persons* even though none of their **pre-implementation controlled functions** were converted under *SUP* TP 11.

#### Abolition of the customer function

- 11.17.9 G A *firm* does not have to submit a Form C for an *approved person* who had a **pre-implementation approval** to perform the *customer function* but ceases to perform that function because the *customer function* is (except in relation to *appointed representatives*) abolished after the **commencement date**.

### 11.18 The 12-week rule

- 11.18.1 G (1) *SUP* 10C.3.13R (The 12-week rule) allows a *firm* to appoint someone (P) to perform a function which would normally be an *FCA-designated senior management function* without needing to apply for the *FCA's* approval under section 59 of the *Act* (Approval for particular arrangements) where P is filling in for someone who is absent unexpectedly or temporarily. There is a maximum period for which P's appointment can last.
- (2) When calculating the maximum time period in (1), the *firm* need not take into account any time spent by P before the **commencement date** performing what will become the *FCA-designated senior management function* in (1).
- 11.18.2 G (1) *SUP* 10C.3.13R only applies where P (as referred to in *SUP* TP 11.18.1G) is providing cover for an *SMF manager* whose absence is temporary or reasonably unforeseen.
- (2) *SUP* 10C.3.13R may still apply if the absence referred to in (1) began before the **commencement date**.
- 11.18.3 G *SUP* TP 11.18.1G and *SUP* TP 11.18.2G may apply even if:
- (1) before the **commencement date** P was taking advantage of *SUP* 10A.5.6R (the equivalent of *SUP* 10C.3.13R under *SUP* 10A); and



- (2) approval for the *controlled function* disapproved by SUP 10A.5.6R is **potentially convertible** into approval for the *FCA-designated senior management function* in SUP TP 11.18.1G and SUP TP 11.18.2G.

## 11.19 Application for permission

- 11.19.1 D (1) This direction applies to a **pre-implementation application** that is made by an **authorisation applicant** before the **commencement date**.
- (2) A **pre-implementation application** in (1) must comply with (or, as the case may be, must be revised so that it complies with) the requirements (if any) of SUP TP 11 that apply to a **pre-implementation application** by a *firm*:
- (a) of the type that the **authorisation applicant** will be if the **authorisation application** is granted or otherwise succeeds; and
- (b) for an approval by the *FCA* for the performance of the same **pre-implementation controlled function**.
- 11.19.2 R SUP TP 11.7 and SUP TP 11.9 apply to a **pre-implementation application** in SUP TP 11.19.1D.
- 11.19.3 D SUP TP 11.15 applies to an **authorisation applicant**.

## 11.20 Prohibition orders

- 11.20.1 R The changes to the *FCA Handbook* made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018 do not affect:
- (1) a *warning notice* or a *decision notice* under section 57 of the *Act* (Prohibition orders: procedure and right to refer to tribunal); or
- (2) a *prohibition order*;
- which is given or made before the **commencement date**.

## 11.21 Reporting under SUP 15.11

- 11.21.1 R The first notification period under SUP 15.11.13R (Timing and form of notifications: conduct rules staff other than SMF managers):
- (1) starts on the **commencement date**; and

(2) ends on the last day of the following August.

## 11.22 Terms used in SUP TP 11

- 11.22.1 R The terms in the first column of the table in SUP TP 11.22.2R, where they appear in bold in SUP TP 11, have the meanings in the corresponding entry in column 2 for the purposes of SUP TP 11.
- 11.22.2 R Table: glossary of bespoke terms used in SUP TP 11

<b>Part One: General</b>	
<b>Defined term</b>	<b>Meaning</b>
<b>authorisation applicant</b>	an applicant for <i>Part 4A permission</i> , or another <i>person</i> seeking to carry on <i>regulated activities</i> as an <i>authorised person</i> .
<b>authorisation application</b>	the application or other process referred to in the definition of <b>authorisation applicant</b> .
<b>converted approval</b>	(in relation to a <b>pre-implementation approval</b> ) the approval for an <i>FCA-designated senior management function</i> which that <b>pre-implementation approval</b> becomes under SUP TP 11.2.1R.
<b>converted designated senior management function</b>	(in relation to a <b>transitioned SMF manager</b> ) the <i>FCA-designated senior management function</i> for which they are treated as having approval under SUP TP 11.2.1R
<b>corresponding</b>	(in relation to an <i>FCA-designated senior management function</i> and a <b>pre-implementation controlled function</b> ) has the meaning in SUP TP 11.7.2R.
<b>firm specific date</b>	the later of the following:
	(1) the date (if any) on which a <i>firm</i> makes the notification in SUP TP 11.10.1R; or
	(2) (if the <i>firm</i> has updated a notification in (1) under SUP TP 11.6 or SUP TP 11.8.4R) the date that the most recent such updated notification was made to the <i>FCA</i> .
<b>insurance firms commencement SI</b>	The Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018 (SI 2018/990).

<b>management responsibilities map</b>	the <i>document</i> required to be produced under <i>SUP</i> TP 11.12, including under <i>SUP</i> TP 11.12 as applied by <i>SUP</i> TP 11.19.	
<b>non-notifying firm</b>	each of the following types of <b>SMCR insurance firm</b> :	
	(1)	a <i>small non-directive insurer</i> ;
	(2)	a <i>firm</i> in SYSC 23 Annex 1 5.2R (firms in run-off) as set out in the Individual Accountability (Dual-Regulated Firms) Instrument 2018;
	(3)	an <i>insurance special purpose vehicle</i> ;
	(taking account of amendments to be made to the <i>Glossary</i> by the Individual Accountability (Dual-Regulated Firms) Instrument 2018).	
<b>notifying firm</b>	an <b>SMCR insurance firm</b> that is not a <b>non-notifying firm</b> .	
<b>potentially convertible</b>	has the meaning in <i>SUP</i> TP 11.2.3R.	
<b>pre-implementation application</b>	an application made under section 60 of the <i>Act</i> (Applications for approval) if the application is:	
	(1)	for approval for the performance of a <b>pre-implementation controlled function</b> ; and
	(2)	received by the <i>FCA</i> before the <b>commencement date</b> .
<b>pre-implementation approval</b>	a <i>current FCA approved person approval</i> that is given by the <i>FCA</i> before the <b>commencement date</b> in relation to a <b>pre-implementation controlled function</b> . If a <i>person</i> is approved to perform more than one <b>pre-implementation controlled function</b> for a <i>firm</i> , there is a separate <b>pre-implementation approval</b> in relation to each.	
<b>pre-implementation controlled function</b>	(in relation to a <i>firm</i> ) an <i>FCA controlled function</i> that, before the <b>commencement date</b> : (a) the <i>FCA</i> has specified for the purposes of section 59 of the <i>Act</i> (approval for particular arrangements); and (b) applies to the <i>firm</i> (even if the <i>firm</i> has no one approved to perform that function for the time being).	
<b>statement of responsibilities</b>	any of the following:	

	<p>(a) the <i>document</i> corresponding to a <i>statement of responsibilities</i> that a <i>firm</i> must produce under regulation 4 of the <b>insurance firms commencement SI</b>; or</p> <p>(b) a <i>statement of responsibilities</i> that a <i>firm</i> must produce in relation to:</p> <p>(i) a <b>pre-implementation application</b> that has been converted into an application for approval for the performance of an <i>FCA-designated senior management function</i> under <i>SUP TP 11.7</i>;</p> <p>(ii) an application under <i>SUP TP 11.15</i>; or</p> <p>(iii) an application under (b)(i) or (ii) as they apply in relation to <i>SUP TP 11.19</i>.</p>
<b>SMCR banking firm, SMCR firm and SMCR insurance firm</b>	has the meaning set out in the amendments to the <i>Glossary</i> to be made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018). This is subject to <i>SUP TP 11.22.3R</i> .
<b>transitioned SMF manager</b>	AP as defined in <i>SUP TP 11.2.1R</i>

<b>Part Two: Fixed dates</b>	
<b>Defined term</b>	<b>Meaning</b>
<b>final notification date</b>	3 December 2018
<b>commencement date</b>	10 December 2018
Note: If a <i>firm</i> becomes an <b>SMCR insurance firm</b> or a <b>notifying firm</b> between the <b>final notification date</b> and the <b>commencement date</b> , the <b>final notification date</b> for it is the date it becomes an <b>SMCR insurance firm</b> or <b>notifying firm</b> .	

- 11.22.3 R (1) Before the **commencement date**, the question of:
- (a) whether a *firm* is an **SMCR insurance firm** for the purposes of *SUP TP 11*; and
- (b) (if it is) into which category it falls;

is determined in accordance with SYSC 23 (as set out in the Individual Accountability (Dual-Regulated Firms) Instrument 2018) even though that chapter is not in force for other purposes.

- (2) (1) does not apply to an **SMCR banking firm**. An **SMCR banking firm** cannot be an **SMCR insurance firm** for the purposes of SUP TP 11.
- 11.22.4 G (1) The effect of SUP TP 11.22.3R is that if an **SMCR banking firm** changes its *permission* in a way that would turn it into an **SMCR insurance firm**, the conversion arrangements in SUP TP 11 will not apply to it.
- (2) SUP TP 11.15 will however apply and the *firm* can use this to apply for the approvals it needs because of its change of category.
- 11.22.5 G If a *firm* becomes a **non-notifying firm** after it has sent the FCA its Form K, it should notify the FCA as described in SUP 15.6 (Inaccurate, false or misleading information).

## 11.23 Forms

### 11.23.1 R Conversion Notification Form (Form K)

[Insert here the form titled “Conversion Notification Form (Form K) Solvency II and large non-directive firms”. The text of this form is contained in Part One of Annex Y of this instrument.]

## Part 2: Comes into force 1 November 2018

Amend the following forms in SUP 10C Annex 5D (Statement of responsibilities) as shown in Part Two of Annex Y of this instrument:

- (a) UK RAPs Statement of Responsibilities form; and
- (b) Third Country RAPs Statement of Responsibilities form .

## Part 3: Comes into force 10 December 2018

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

### 6 Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements

...

### 6.3 Applications for variation of permission and/or imposition, variation or cancellation of requirements

...

How a variation of permission may affect the firm's approved persons

- 6.3.8 G (1) Where a *firm* is submitting an application for variation of *Part 4A permission* which would lead to a change in the *controlled functions* of its *approved persons*, it should, at the same time and as appropriate:
- (a) make an application for an internal transfer of an *approved person*, Form E (Internal transfer of a person performing a controlled function), or make an application for an individual to perform additional *controlled functions*, the relevant Form A (Application to perform controlled functions); see:
    - (i) *SUP 10A.13.3D to SUP 10A.13.5G* (for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm);
    - (ii) *SUP 10C.10* (for a ~~relevant authorised person~~ an SMCR firm); or
    - (iii) the corresponding *PRA* requirements;
  - (b) notify the ~~appropriate regulator~~ FCA or PRA of any *approved person* who has ceased to perform a *controlled function* specified by that regulator, Form C (~~Ceasing~~ Notice of ceasing to perform controlled functions (including senior management functions)); see:
    - (i) *SUP 10A.14* (for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm);
    - (ii) *SUP 10C.14* (for a ~~relevant authorised person~~ an SMCR firm); or
    - (iii) the corresponding *PRA* requirements; ÷
- (2) If the *firm* intends to recruit new individuals to perform *controlled functions*, it should apply for approval of the individuals as *approved persons* as soon as possible using Form A (Application to perform controlled functions); see:
- (a) *SUP 10A.13* (for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm);

- (b) *SUP* 10C.10 (for a ~~relevant authorised person~~ an SMCR firm); or
- (c) the corresponding *PRA* requirements.

~~Relevant authorised person~~ SMCR firm status

6.3.9 G A variation of a *firm's Part 4A permission* may mean that it becomes a ~~relevant authorised person~~ an SMCR firm or that it changes from one type of SMCR firm to another. This would have a number of significant consequences, which include:

- (1) the application of the special powers in relation to misconduct by *approved persons* (see *DEPP* 6.2.9-AG);
- (2) the *approved persons* regime switches from *SUP* 10A to *SUP* 10C;
- (3) *COCON* applies in place of *APER*; and
- (4) the ~~certification~~ other elements of the regime for *SMCR firms* described in *SYSC* ~~27~~ applies 23.4 (Overview of the senior managers and certification regime) apply (which differ depending on the type of *SMCR firm*). ÷
- (5) ~~the criminal offence in section 36 of the Financial Services (Banking Reform) Act 2013 (Offence relating to a decision causing a financial institution to fail) potentially applies, although that offence does not apply to every relevant authorised person; and [deleted]~~
- (6) ~~*SYSC* 4.5 (Management responsibilities maps for relevant authorised persons), *SYSC* 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities and *SYSC* 4.9 (Handover procedures and material) apply. [deleted]~~

...

6.3.25 G Information which may be required. See *SUP* 6.3.24G

Type of business	Information which may be required
All	...
	3. Organisation charts and details of individuals transferring or being recruited to perform new <i>controlled functions</i> (see <i>SUP</i> 10A and <i>SUP</i> 10C, and the corresponding <i>PRA</i> requirements for details of the

	application or transfer procedures under the <i>approved persons or senior managers</i> regime).
...	...

...

## 6.4 Applications for cancellation of permission

...

### Approved persons

- 6.4.18 G (1) A *firm* which is applying for cancellation of *Part 4A permission* and which is not otherwise *authorised* by, or under, the *Act* should, at the same time:
- (a) comply with:
    - (i) *SUP 10A.14.8R* (for a *firm* that is not a ~~relevant authorised person~~ an SMCR firm);
    - (ii) *SUP 10C.14.5R* (for a ~~relevant authorised person~~ an SMCR firm); or
    - (iii) the corresponding *PRA requirements*; and
  - (b) notify the ~~appropriate regulator~~ the FCA or PRA of *persons* ceasing to perform *controlled functions* specified by that regulator.

...

## 10A FCA Approved Persons

### 10A.1 Application

#### General

- 10A.1.1 R This chapter applies to every:
- (1) *firm* that is not a ~~relevant authorised person~~ an SMCR firm; and
  - (2) ~~relevant authorised person~~ SMCR firm, but only to the extent required by *SUP 10A.1.16BR* (Appointed representatives).
- 10A.1.1A G *SUP 10C* deals with the *approved persons* regime for ~~relevant authorised persons~~ SMCR firms themselves.



- 10A.1.2 G This chapter is also relevant to every *FCA-approved person*:
- (1) of a *firm* that is not ~~a *relevant authorised person* an *SMCR firm*~~; and
  - (2) of any *appointed representative*, including of an *appointed representative of a ~~relevant authorised person~~ an *SMCR firm**.
- ...
- 10A.1.8 G (1) ...
- (2) For example, ~~persons in *Solvency II firms* which are *incoming EEA firms* are not expected to be carrying out *FCA functions* to the extent that the *person* will be regarded as effectively running the *firm* or responsible for a *Solvency II Directive* ‘key function’~~. ~~[deleted]~~
- 10A.1.9 G Notwithstanding *SUP* 10A.1.8G, an *incoming EEA firm* (~~other than an *EEA pure reinsurer*~~) or *incoming Treaty firm* will have had to consider the impact of the *Host State* rules with which it is required to comply when carrying on a *passported activity* or *Treaty activity* through a *branch* in the *United Kingdom*. An *incoming EEA firm* (~~other than an *EEA pure reinsurer*~~) will have been notified of those provisions under Part II of Schedule 3 to the *Act* in the course of satisfying the conditions for *authorisation* in the *United Kingdom*.
- ...
- 10A.1.12 R If an *incoming EEA firm* is an *EEA pure reinsurer*, then *SUP* 10A.1.11R does not apply. Instead, none of the *FCA controlled functions* apply with respect to its *passported activities* carried on from a *branch* in the *United Kingdom*. ~~[deleted]~~
- ...
- 10A.1.16B R *SUP* 10A.1.15R and *SUP* 10A.1.16R apply to the *appointed representative of a ~~relevant authorised person~~ an *SMCR firm**.
- 10A.1.16C G (1) References in this chapter to a *firm* include ~~a *relevant authorised person* an *SMCR firm*~~, but only to the extent required by *SUP* 10A.1.16BR.
- (2) References in *SUP* 10A.1.15R and *SUP* 10A.1.16R to *FCA governing functions* and other *controlled functions* are to *controlled functions* in this chapter, not in *SUP* 10C (*FCA senior management managers* regime for approved persons in *relevant authorised persons SMCR firms*).
- 10A.1.16D G (1) Under section 59(6A) of the *Act*, if the *FCA* is satisfied that, in relation to the carrying on of a *regulated activity* by ~~a *relevant*~~

~~authorised person~~ an SMCR firm, a *controlled function* is a *senior management function*, the *FCA* must designate the function in its *rules* as a *senior management function*.

...

- (4) ~~SUP 10C.1.8G (Approved persons in relation to appointed representatives of relevant authorised persons~~ Appointed representatives) explains that it is unlikely that *SUP 10C* (*FCA* senior ~~management~~ managers regime for approved persons in ~~relevant authorised persons~~ SMCR firms) will apply to *approved persons* working in *appointed representatives* of ~~relevant authorised persons~~ an SMCR firm in addition to this chapter.

...

#### Bidders in emissions auctions

10A.1.21 G ...

This is because the *FCA-approved person* regime specifies a number of functions by incorporation of requirements in *SYSC*; however, a *firm* carrying on *auction regulation bidding* is only subject to *SYSC* to a limited extent in relation to that activity. This means that the *FCA required functions* do not apply to *auction regulation bidding*, except for the *money laundering reporting function*. Similarly, the *significant management function* does not apply in relation to *auction regulation bidding* because, in carrying on that activity, a *firm* is not subject to ~~*SYSC 2.1.1R*~~ or *SYSC 4.1.1R* and is not undertaking *proprietary trading*.

...

#### ~~Swiss general insurers~~

10A.1.26 R ~~For Swiss general insurers, references in this chapter to parts of the PRA Rulebook for ‘Solvency II firms’ are to be read as references to the corresponding parts of the PRA Rulebook applying to non directive insurers. [deleted]~~

10A.1.27 G ~~Swiss general insurers are in the large non directive insurers sector of the PRA Rulebook and the PRA applies to them, in relation to their controlled functions, provisions equivalent to those applying to third country branches in the Solvency II firms sector of the PRA Rulebook. The FCA includes them as third country undertakings of Solvency II firms and so they must follow the requirements for Solvency II firms set out in SUP 10A. [deleted]~~

**10A.2 Purpose**

...

10A.2.2 G ~~SUP 10A does not deal with the PRA's approved persons regime. [deleted]~~

10A.2.3 G ~~The FCA has certain powers in relation to PRA approved persons, such as the requirement to give its consent in certain cases to the PRA granting approval for the performance of a PRA controlled function. SUP 10A does not deal with these. [deleted]~~

...

**10A.4 Specification of functions**

...

10A.4.2 R ~~Part 1 of the table of~~ The table of FCA controlled functions applies in relation to an FCA-*authorised person*. It also applies in relation to an *appointed representative* for the purposes of SUP 10A.1.15R to SUP 10A.1.16BR (Appointed representatives) whether its *principal* is an FCA-*authorised person* or a PRA-*authorised person*. ~~Part 2 applies in relation to a PRA-*authorised person*, except in relation to CBTL *business*.~~

10A.4.2A G ~~For the purposes of SUP 10A (and SYSC, APER, COCON and DEPP) a large non directive insurer is treated as and included in the Glossary definition of a Solvency II firm. For large non directive insurers, references to parts of the PRA Rulebook applicable to Solvency II Firms are to be read as references to the corresponding parts of the PRA Rulebook applying to large non directive insurers. [deleted]~~

...

10A.4.4 R FCA controlled functions

Part 1 (FCA controlled functions for FCA- <i>authorised persons</i> and appointed representatives)		
Type	CF	Description of FCA controlled function
...		

~~Part 2 (FCA controlled functions for PRA-*authorised persons*)~~  
(See Note 1)

Type	CF	Description of FCA controlled function
<i>FCA governing functions*</i>	1	<i>Director function</i> (see Note 2)
	2a	<i>Chair of the nomination committee function</i> (See Note 2 3)
	2b	<i>Chair of the with-profits committee function</i> (See Note 2 3)
	3	<i>Chief executive function</i> (see Note 3A)
	5	<i>Director of an unincorporated association function</i> (See Note 2 3B)
	6	<i>Small friendly society function</i> (see Note 3C)
	10	<i>Compliance oversight function</i>
	10A	<i>CASS operational oversight function</i>
	11	<i>Money laundering reporting function</i>
	51	<i>Actuarial conduct function (third country)</i> (see Note 4)
<i>Systems and controls function*</i>	28	<i>Systems and control function</i> (see Note 5)
<i>Significant management function*</i>	29	<i>Significant management function</i>
<i>Customer-dealing function</i>	30	<i>Customer function</i>
<i>*FCA significant influence functions</i>		
<b>Note 1:</b> Part 2 of this table does not apply to <i>appointed representatives of PRA-authorized persons</i> , Part 1 applies instead. (See SUP 10A.4.2R.)		
<b>Note 2:</b> <i>Solvency II firms (including large non-directive insurers) and small non-directive insurers.</i>		
<b>Note 3:</b> <i>Solvency II firms (including large non-directive insurers) only.</i>		

~~**Note 3A:** *small non-directive insurers only.*~~

~~**Note 3B:** *Solvency II firms (including large non-directive insurers) and small non-directive insurers.*~~

~~**Note 3C:** *small non-directive insurers and large non-directive insurers only.*~~

~~**Note 4:** *Third country insurance or reinsurance undertakings which are Solvency II firms only.*~~

~~**Note 5:** *Only Solvency II firms that are:*~~

~~(a) *third country insurance or reinsurance undertakings; or*~~

~~(b) *ISPVs.*~~

...

## 10A.6 FCA governing functions

### Introduction

- 10A.6.1 G (1) Every *firm* will have one or more *persons* responsible for directing its affairs. These *persons* will be performing the *FCA governing functions* and will be required to be *FCA-approved persons* unless the application provisions in *SUP 10A.1*, or the particular description of an *FCA controlled function*, provide otherwise. For example, each *director* of a *company* incorporated under the Companies Acts will perform an *FCA governing function*. ~~However, if the *firm* is a *PRA authorised person*, the *governing functions* apply in the manner set out in (2) and (3). Note that for the purposes of *SUP 10A* (and *SYSC*, *APER*, *COCON* and *DEPP*) a *large non-directive insurer* is treated as and included in the definition of a *Solvency II firm*.~~
- (2) ~~For a *Solvency II firm*, the *FCA governing functions* CF1, CF2a, CF2b, CF5 and (for *large non-directive insurers* only) CF6 may apply and for a *small non-directive insurer*, the *FCA governing functions* CF1, CF3, CF5 or CF6 may apply. These functions will apply if the *person* carrying out the function is not approved to carry out a *PRA controlled function* or the other conditions in *SUP 10A.11.12R* (minimising overlap with the *PRA approved persons regime*) are not satisfied. [deleted]~~
- (3) ~~For a *Solvency II firm* and a *small non-directive insurer*, if the *person* is approved to carry out a *PRA controlled function* and the conditions in *SUP 10A.11.12R* are satisfied, the relevant *FCA function* is instead absorbed into the *PRA controlled function* that the *person* is approved for (by virtue of its~~

inclusion in *PRA* Rulebook: Solvency II firms: Insurance— Senior Insurance Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms—Senior Insurance Management Functions, 2.6 and Non-Solvency II firms: Large Non-Solvency II firms—Senior Insurance Management Functions, 2.5).  
~~[deleted]~~

...

- 10A.6.2A G (1) ~~As explained in more detail in the rest of this section, a number of *FCA governing functions* do not apply to a *PRA authorised person*.~~
- (2) ~~However, (1) does not apply to an *FCA governing function* under *SUP* 10A.1.15R to *SUP* 10A.1.16BR (Appointed representatives). The *FCA governing functions* continue to apply for *appointed representatives* of a *PRA authorised person*.~~
- (3) ~~For example, the *chief executive function* does not apply to a *PRA authorised person*. A *PRA controlled function* applies instead.~~
- (4) ~~However, the *chief executive function* may apply to someone who is the chief executive of an *appointed representative* of a *PRA authorised person*.~~
- (5) ~~See *SUP* 10A.1.15R to *SUP* 10A.1.16BR and *SUP* 10A.4.2R for the main *rules* that deal with what *controlled functions* apply to *appointed representatives*. ~~[deleted]~~~~

What the FCA governing functions include

- 10A.6.3 R Each of the *FCA governing functions* includes:
- (1) (where apportioned under ~~*SYSC* 2.1.1R or *SYSC* 4.3.1R and *SYSC* 4.4.3R~~ (or, for a *full-scope UK AIFM* apportioned under article 60(1) of the *AIFMD level 2 regulation*))

...

...

...

- 10A.6.11 G (1) ~~The *director function* applies in relation to a *PRA authorised person*, as set out below.~~
- (2) ~~For a *Solvency II firm* or a *small non-directive insurer*, the *FCA director function* may apply if the person carrying out the function is not approved to carry out a *PRA controlled function* or the other conditions in *SUP* 10A.11.12R (minimising overlap~~

- ~~with the PRA approved persons regime) are not satisfied.~~  
~~[deleted]~~
- 10A.6.11A R ~~For the purposes of SUP 10A.6.7R and SUP 10A.6.8R (the director function), ‘director’ includes an executive member of a committee to which the Council of the Society directly delegates authority to carry out the Society’s regulatory functions. [deleted]~~
- ...
- 10A.6.15 G ~~The non-executive director function does not apply in relation to a PRA authorised person. PRA approval is required instead. [deleted]~~
- ~~Chair of the nomination committee (CF2a) and chair of the with profits committee functions (CF2b) (Solvency II firms only)~~
- 10A.6.15A R (1) ~~For a Solvency II firm only, if the firm has a nomination committee, the chair of the nomination committee function is the function of acting in the capacity of a non-executive chairman of that committee.~~
- (2) ~~The chair of the nomination committee function does not apply to a Solvency II firm that is a third-country insurance or reinsurance undertaking. [deleted]~~
- 10A.6.15B R (1) ~~For a Solvency II firm only, if the firm has a with profits committee, the chair of the with profits committee function is the function of acting in the capacity of a non-executive chairman of the committee.~~
- (2) ~~The chair of the with profits committee function does not apply to a Solvency II firm that is a third-country insurance or reinsurance undertaking. [deleted]~~
- 10A.6.15C G (1) ~~For a Solvency II firm, the chair of the nomination committee function and the chair of the with profits committee function may not apply if the person carrying out the function is approved to carry out a PRA controlled function and the conditions in SUP 10A.11.12R (minimising overlap with the PRA approved persons regime) are satisfied.~~
- (2) ~~In that case, the relevant FCA function is instead absorbed into the PRA controlled function that the person is approved for (by virtue of its inclusion in PRA Rulebook: Solvency II firms: Senior Insurance Managers Regime, 2.5). [deleted]~~
- ...
- 10A.6.21 G Note that a *body corporate* may be a *chief executive*. If so, it will need to be approved (if the *firm* in question is an *FCA authorised person*) to perform the *chief executive function*.

- 10A.6.22 G ~~The *chief executive function* does not apply in relation to a *PRA-  
authorised person*. *PRA* approval is required instead. [deleted]~~
- ...
- 10A.6.24 G Any apportionment referred to in *SUP* 10A.6.23R(3)(b) will have taken place under ~~*SYSC* 2.1.1R or *SYSC* 4.3.1R and *SYSC* 4.4.3R~~. The *FCA* may ask to see details of the apportionment but will not require, as a matter of course, a copy of the material which records this (~~see *SYSC* 2.2~~).
- ...
- 10A.6.28 G ~~The *partner function* does not apply in relation to a *PRA-  
authorised person*. *PRA* approval is required instead. [deleted]~~
- Director of unincorporated association function (CF5)
- 10A.6.29 R If a *firm* is an unincorporated association, the *director of unincorporated association function* is the function of acting in the capacity of a *director* of the unincorporated association. ~~In a *Solvency II firm* and a *small non-directive insurer* the function does not include acting in the capacity of a non-executive director.~~
- 10A.6.30 G ~~The *director of unincorporated association function* applies in relation to a *PRA-  
authorised person* as set out in *SUP* 10A.6.1G above. [deleted]~~
- Small friendly society function (CF6)
- 10A.6.31 R (1) If a *firm* is a *non-directive friendly society*, the *small friendly society function* is the function of directing its affairs, either alone or jointly with others. ~~In a *large non-directive insurer* and a *small non-directive insurer* the function does not include acting in the capacity of a non-executive director.~~
- ...
- ...
- 10A.6.34 G In practice, the *FCA* expects that most *non-directive friendly societies* will be *PRA-  
authorised persons*. Where that is the case, this chapter does not apply and so the *small friendly society function* will not apply as set out in *SUP* 10A.6.1G above.

## 10A.7 FCA required functions

Apportionment and oversight function (CF8)



- 10A.7.1 R (1) The *apportionment and oversight function* is the function of acting in the capacity of a *director* or *senior manager* responsible for the apportionment function and/or the oversight function set out in ~~SYSC 2.1.3R~~ or SYSC 4.4.5R.
- (2) ~~The *apportionment and oversight function* does not apply in relation to a *Solvency II firm* or a *small non-directive insurer*. [deleted]~~

- 10A.7.2 G In requiring someone to apportion responsibility, ~~neither a *common platform firm* nor a *Solvency II firm* or *small non-directive insurer*~~ should not apply for that *person* or *persons* to be FCA-approved to perform the *apportionment and oversight function* (see SUP 10A.7.1R; ~~SYSC 2.1.3R~~ and SYSC 1 Annex 1).

...

- 10A.7.4 G Generally, in relation to a UK establishment of an *overseas firm* or a *firm* which is part of an overseas *group*, where an overseas manager's responsibilities in relation to the *United Kingdom* are strategic only, he they will not need to be an *FCA-approved person*. However, where, in accordance with ~~SYSC 3~~ or SYSC 4 to SYSC 10, ~~he~~ is they are responsible for implementing that strategy in the *United Kingdom*, and ~~has~~ have not delegated that responsibility to a *senior manager* in the *United Kingdom*, ~~he~~ is they are likely to be performing an *FCA controlled function* for example, the *chief executive function* ~~or a *PRA controlled function*~~.

- 10A.7.5 A *firm* carrying on *insurance distribution activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance distribution activity* (MIPRU 2.2.1R). ~~MIPRU 2.2.2R(2) provides that the~~ The *firm* may allocate this responsibility to the *person* performing the *apportionment and oversight function*.

...

- 10A.7.7 G ~~As explained in SUP 10A.11 (Minimising overlap with the *PRA approved persons regime*), the application of the *apportionment and oversight function* is sometimes disapplied for a *PRA authorised person*. [deleted]~~

#### Compliance oversight function (CF10)

- 10A.7.8 R The *compliance oversight function* is the function of acting in the capacity of:
- (1) a *director* or *senior manager* who is allocated the function set out in:
- (a) ~~SYSC 3.2.8R; [deleted]~~

...

...

...

- 10A.7.11 G A firm's obligations in respect of its *money laundering reporting officer* are set out elsewhere in the *FCA Handbook* (see ~~SYSC 3.2.61R~~ and SYSC 6.3.9R and for ~~their~~ its scope, see the application provisions in SYSC 1 Annex 1).

...

~~Actuarial conduct function in Solvency II third country insurance or reinsurance undertakings~~

- 10A.7.14 R ~~The *actuarial conduct function (third country)* is that part of the function of acting in the capacity of an actuary appointed (by a *Solvency II firm* which is a third country insurance or reinsurance undertaking) under rule 7.1(2) of the *PRA Rulebook: Solvency II Firms: Third Country Branches* that relates to compliance with *FCA requirements and standards under the regulatory system*. [deleted]~~

## 10A.8 Systems and controls functions

Systems and controls function (CF28)

- 10A.8.1 R The *systems and controls function* is the function of acting in the capacity of an *employee* of the *firm* with responsibility for reporting to the *governing body* of a *firm*, or the audit committee (or its equivalent) in relation to:
- ...
- (2) setting and controlling its risk exposure (see ~~SYSC 3.2.10G~~, SYSC 7.1.6R, article 23(2) of the *MiFID Org Regulation* and article 23(2) of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R)); and
  - (3) adherence to internal systems and controls, procedures and policies (see ~~SYSC 3.2.16G~~, SYSC 6.2, article 24 of the *MiFID Org Regulation* and article 24 of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R)).

- 10A.8.1A R ~~For a *Solvency II* firm which is an *insurance special purpose vehicle* or a third-country insurance or reinsurance undertaking, the *systems and controls function* is modified as follows:~~
- ~~(1) it does not include any of the activities described in any *PRA controlled function* if that *controlled function* applies to the *firm*;~~
  - ~~(2) it does not include activities allocated to and carried on by another *person* who is a *PRA approved person*; and~~
  - ~~(3) it only includes that part of the function that relates to compliance with *FCA* requirements and standards under the *regulatory system*. [deleted]~~

...

- 10A.8.3 G
- ~~(1) The *systems and controls function* does not apply in relation to a *PRA authorised person*. *PRA* approval is required instead.~~
  - ~~(2) The exception is a *Solvency II* firm which is an *insurance special purpose vehicle* or a third-country insurance or reinsurance undertaking. For such *firms*, *FCA* approval may be required but only to the extent that the activities are not already covered by a *PRA controlled function* that applies to the *firm* or are not activities allocated to and carried on by another *person* who is a *PRA approved person*.~~
  - ~~(3) Also, for *firms* in (2), the function is expressly limited to that part of the function that relates to compliance with *FCA* requirements and standards under the *regulatory system*.~~
  - ~~(4) For *firms* in (2), references in *SUP* 10A.8.1R to *SYSC* should also be read as including references to comparable provisions in the *PRA* Rulebook: *Solvency II Firms: Third Country Branches and Solvency II Regulations*, as appropriate. [deleted]~~

## 10A.9 Significant management functions

### Application

- 10A.9.1 R *SUP* 10A.9 applies only to a *firm* which:
- (1) under *SYSC* 2.1.1R, chapters 2, 3 and 5 of the Allocation of Responsibilities parts of the *PRA* Rulebook applicable to *Solvency II* Firms and Non-*Solvency II* firms or *SYSC* 4.1.1R, apportions a significant responsibility, within the description of the *significant management function*, to a *senior manager* of a significant business unit; or

- (2) undertakes *proprietary trading*.
- 10A.9.2 G The *FCA* anticipates that there will be only a few *firms* needing to seek approval for an individual to perform the *significant management function* set out in *SUP* 10A.9.1R(1). In most *firms*, those approved for the *FCA governing functions*, *FCA required functions* and, where appropriate, the *systems and controls function* ~~or the equivalent *PRA controlled functions*~~, are likely to exercise all the significant influence at senior management level.
- ...
- 10A.9.4 G The scale, nature and complexity of the *firm's* business may be such that a *firm* apports, under *SUP* 10A.9.1R(1), a significant responsibility to an individual who is not approved to perform the *FCA governing functions*, *FCA required functions* or, where appropriate, the *systems and controls function* ~~or the equivalent *PRA controlled functions*~~. If so, the *firm* should consider whether the functions of that individual fall within the *significant management function*. For the purposes of the description of the *significant management functions*, the following additional factors about the *firm* should be considered:
- (1) the size and significance of the *firm's* business in the *United Kingdom*; for example, a *firm* carrying on *designated investment business* may have a large number of *approved persons* (for example, in excess of 100 individuals); ~~or a *firm* carrying on general insurance business may have gross written premiums in excess of £100m;~~
- ...
- ...
- Significant management function (CF29)
- 10A.9.9 R The *significant management function* is the function of acting as a *senior manager* with significant responsibility for a significant business unit that:
- ...
- (2) ~~*effects contracts of insurance (other than contractually based investments)*~~; [deleted]
- ...
- ...
- 10A.9.11 R The *significant management function* does not include any of the activities described in any other *FCA controlled function* ~~or *PRA controlled function*~~ if that other *controlled function* applies to the *firm*.

...

- 10A.9.14 G A firm carrying on *insurance distribution activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance distribution activity* (MIPRU 2.2.1R). ~~MIPRU 2.2.2R(3) provides that the~~ The firm may allocate this responsibility to the *person* performing the *significant management function*.

...

## 10A.10 Customer-dealing functions

...

- 10A.10.5 R ...
- 10A.10.5A R In SUP 10A.10.5R, customer, in relation to a firm, means a person who is using, or who is or may be contemplating using, any of the services provided by the firm.
- 10A.10.6 G The FCA interprets the phrase “dealing with” as including having contact with ~~customers~~ customers and extending beyond “dealing” as used in the phrase “dealing in investments”. “Dealing in” is used in Schedule 2 to the Act to describe in general terms the *regulated activities* which are specified in Part II of the *Regulated Activities Order*.

...

## 10A.11 Minimising overlap with the PRA approved persons regime [deleted]

### Introduction

- ~~10A.11.1~~ G ~~SUP 10A.11 deals with how the FCA's approved persons regime applies to PRA authorised persons. SUP 10A.11 therefore only applies if the firm in question is a PRA authorised person.~~
- 10A.11.2 G Both the FCA and the PRA may specify a function as a *controlled function* in relation to a *PRA authorised person*. However, only the FCA has power to specify a *customer-dealing function* as a *controlled function*.
- 10A.11.3 G Therefore, if a *person's* job for a *firm* involves:
- (1) an *FCA controlled function*, the *firm* should apply to the FCA for approval;
  - (2) a *PRA controlled function*, the *firm* should apply to the PRA for approval
  - (3) both an *FCA controlled function* and a *PRA controlled function*, the *firm* should apply to both the FCA and the PRA for approval

(the purpose of SUP 10A.11 is to cut down the need for this sort of dual approval):

10A.11.4 G ~~The PRA cannot give its approval for the performance of a PRA controlled function without the consent of the FCA. The firm does not need to apply to the FCA for that consent. The PRA must as soon as practicable notify the FCA of the receipt or withdrawal of an application to the PRA.~~

10A.11.5 G Under section 59B of the Act (Role of FCA in relation to PRA decisions) the FCA may arrange with the PRA that in agreed cases the PRA may give approval without obtaining the consent of the FCA. No such arrangements are currently in force.

10A.11.6 G ~~The FCA and PRA have coordinated their approved persons regime to reduce the amount of overlap. These arrangements do not relate to the customer dealing functions.~~

10A.11.7 G [deleted]

Guidance on how SUP 10A.11 works

10A.11.8 G (2) ~~For a Solvency II firm and a small non-directive insurer only, SUP 10A.11.12R disapplies the FCA governing functions for a person who is approved to perform a PRA controlled function, subject to the conditions in SUP 10A.11.12R.~~

(3) ~~The FCA functions disapplied in accordance with the FCA governing functions overlap rule for Solvency II firms and small non-directive insurers (SUP 10A.11.12R) are absorbed into the relevant PRA controlled function by virtue of their inclusion in PRA Rulebook: Insurance – Solvency II firms: Senior Insurance Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms – Senior Insurance Management Functions, 2.6, and Non-Solvency II firms: Large Non-Solvency II firms – Senior Insurance Management Functions, 2.5).~~

10A.11.9 G [deleted]

10A.11.10 G [deleted]

The main rule

10A.11.11 R [deleted]

10A.11.12 R ~~A person (referred to as “A” in this rule) is not performing an FCA governing function (referred to as the ‘particular’ FCA governing function in this rule) in relation to a Solvency II firm or a small non-directive insurer (referred to as “B” in this rule), at a particular time, if:~~

- (1) ~~A has been approved by the PRA to perform any PRA controlled function in relation to B;~~
- (2) ~~throughout the whole of the period between the time of the PRA approval in (1) and the time in question, A has been the subject of a current PRA approved person approval to perform a PRA controlled function in relation to B;~~
- (3) ~~at the time of the PRA approval in (1), A was not subject to a current FCA approved person approval to perform the particular FCA controlled function in relation to B;~~
- (4) ~~as part of the application for the PRA approval in (1), B notified the PRA that A would start to perform what would otherwise have been the particular FCA governing function (referred to as the “potential” FCA governing function in this rule) at or around the time of the PRA approval in (1); and~~
- (5) ~~A started to perform the potential FCA governing function at or around the time of the PRA approval in (1) and has continued to perform it up to the time in question.~~

## 10A.12 Procedures relating to FCA-approved persons

...

### 10A.12.2 G Table: FCA-approved persons forms

Form		Purpose	Handbook requirement
...			
Form B	<del>SUP 10A Annex 5R</del> <u>SUP 10C Annex 4R</u>	Notice to withdraw an application to perform controlled functions under the approved persons regime	SUP 10A.13.19R
Form C	<del>SUP 10A Annex 6R</del> <u>SUP 10C Annex 5R</u>	Notice of ceasing to perform controlled functions	SUP 10A.14.8R

Form D	<del>SUP 10A Annex 7R</del> <u>SUP 10C Annex 6R</u>	Notification of changes in personal information or application details	SUP 10A.14.15R
...			
<p>Note (1): The form in the <i>SUP</i> annex shown is to be used by <i>credit unions</i> a <i>firm</i> whose <i>Part 4A permission</i> covers only <i>credit-related regulated activities</i>, and by other <i>firms</i> only in the event of a failure of the information technology systems used by the <i>FCA</i>. See the relevant “Handbook requirement”.</p>			
<p>Note (2): Where <i>SUP 10A.1.16BR</i> (appointed representative of an <i>SMCR firm</i>) applies, the version of the form to be used is the one required by <i>SUP 10C</i> (<i>FCA senior managers regime</i> for approved persons in <i>SMCR firms</i>).</p>			

...

### 10A.13 Application for approval and withdrawing an application for approval

...

How to apply for approval

10A.13.3 D ...

10A.13.3A D If a firm must make an application using Form A, it must use Form A (shortened form) if:

(1) the candidate:

(a) has current approved person approval to perform:

... (i) an FCA controlled function that is a significant influence function; or

(ii) an FCA-designated senior management function; or

(iii) a PRA controlled function; or

(b) has had current approved person approval of the type described in (a) within the previous six months; and

(2) there have been no matters arising in relation to the fitness and propriety of the person to whom the application relates which mean that the information provided to the FCA or the PRA regarding fitness and propriety in connection with the current



approved person approval in (1)(a) or (b) may have changed since the application for that current approved person approval was made.

10A.13.3B

D A firm must not use Form A (shortened form) if:

- (1) the firm is a MiFID investment firm (except a credit institution); and
- (2) SUP 10A.14.4BD applies to that application.

...

Who should make the application?

10A.13.5

G ... ..

- (2) Usually this will be the *firm* that is employing the *FCA candidate* to perform the *FCA controlled function*. Where a *firm* has outsourced the performance of an *FCA controlled function*, the details of the outsourcing determine where responsibility lies and whom the *FCA* anticipates will submit *FCA-approved persons* application forms. *SUP 10A.13.6G* describes some common situations. The *firm* which is outsourcing is referred to as “A” and the *person* to whom the performance of the *FCA controlled function* has been outsourced, or which makes the arrangement for the *FCA controlled function* to be performed, is referred to as “B”. In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the *Act*, no *person* performs an *FCA controlled function* under an arrangement entered into by its contractor in relation to the carrying on by A of a *regulated activity*, without approval from the *FCA*. See also ~~*SYSC 3.2.4G*~~ and *SYSC 8.1.1R*, and ~~*SYSC 13.9*~~ for *insurers*.

10A.13.6

G Outsourcing arrangements

Outsourcing arrangements		Submitting form
...		
(i) A to B, where B is a non- authorised person not part of the same group as A  (ii) A to B, where A is a <i>branch</i> of an <i>overseas firm</i> in the <i>United Kingdom</i> , and B is an <i>overseas undertaking</i> of the same <i>group</i>	Responsibility for (as opposed to the performance of) any activity outsourced to B will remain with A. See <del><i>SYSC 3.2.4G</i></del> and <i>SYSC 8</i>	A ensures that an individual approved by the <del><i>FCA</i></del> or the <del><i>PRA</i></del> under a controlled function that is a <i>significant-</i>

(iii) A to B, where A is a UK authorised subsidiary of an overseas <i>firm</i> and B is an overseas undertaking of the same group		<i>influence function</i> has responsibility for the outsourced arrangement and A submits a form in relation to that individual
---	--	---

...

#### Withdrawing an application for approval

- 10A.13.19 R A *firm* notifying the *FCA* of its withdrawal of an application for approval must notify the *FCA*, using Form B, ~~in the form set out in SUP 10A Annex 5R~~ (SUP 10C Annex 4R).

...

#### 10A.14 Changes to an FCA-approved person's details

##### Moving within a firm

- 10A.14.1 G An *FCA-approved person's* job may change from time to time as a result, for instance, of a change in personal job responsibilities or a *firm's regulated activities*. Where the changes will involve the *person* performing one or more *FCA controlled functions* different from those for which approval has already been granted, then an application must be made to the *FCA* for approval for the *person* to perform those *FCA controlled functions*. The *firm* must take reasonable care to ensure that an individual does not begin performing an *FCA controlled function* until the *FCA* has granted *FCA-approved person* status to that individual in respect of that *FCA controlled function*. ~~Similarly, a *firm* must get the *FCA's* approval if a *person* is to start performing an *FCA controlled function* in relation to that *firm* when he already has the *PRA's* approval to perform a *PRA controlled function* in relation to that *firm*.~~
- 10A.14.2 G If an *FCA-approved person* or a *PRA-approved person* is ceasing to perform *FCA controlled functions* or a *PRA controlled function*, as well as applying for approval in respect of *FCA controlled functions* within the same *firm* or group, ~~SUP 10A.14.4D~~ the *firm* should generally apply use Form E. Further details can be found in ~~SUP 10A Annex 2~~ SUP 10A.14.4D.
- 10A.14.3 G If a *person* is to perform an *FCA controlled function* for a *firm* for which he they already ~~performs~~ perform a ~~*PRA controlled function*~~ or

~~an FCA controlled function as an approved person but he is they are~~ not at the same time ceasing to perform an *FCA controlled function* or *PRA controlled function* for the *firm* or a *firm in the same group*, a *firm* should use Form A. ~~It is not mandatory to complete all parts of the form.~~ See the notes relevant to each form SUP 10A.13.3D and SUP 10A.13.3AD for ~~full~~ further details.

- 10A.14.4 D ...
- (2) ...
- (c) any of the following apply (where applicable):
- (i) a notification referred to in *SUP 10C.10.9D(4)(b)* or (c) (notification obligations under the *Act* applying to ~~relevant authorised persons~~ *SMCR firms*) has been made or should be made; or
- (ii) ...
- in relation to any:
- (iii) ...
- (iv) ~~any~~ *controlled function* that they are continuing to perform for that *firm* or a *firm in the same group*.
- (3) ...
- (b) *SUP 10C.14.18R* (the corresponding requirement for ~~relevant authorised persons~~ *SMCR firms*); or
- ...
- 10A.14.4A G (1) The ~~MiFID II ITS~~ *MiFID authorisation and management body change notification ITS* requires that *MiFID investment firms* (except *credit institutions*) submit the Annex III information on the ESMA template available at <https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx> ('Annex III template') where there is a change to a member of the *management body* or a *person* who effectively directs the business.
- (2) *MiFID investment firms* (except *credit institutions*) need to submit this Annex III template within ten *business days* of the change in the *online notification and application system* (also known as Connect).
- (3) ~~In summary, where there is a change to a member of the management body or a person who effectively directs the~~

~~business of a *MiFID investment firm* (except a *credit institution*) then the *firm* is required SUP 10A.14.4BD explains how this requirement fits in with the requirement to submit the following forms (in addition to the relevant a Form A, C, or Form E, about a *candidate*):~~

~~(a) Where a new member of the *management body* or a *person* who effectively directs the business is appointed:~~

~~(i) The Annex III template; and~~

~~(ii) MiFID Article 4 APER Information Form.~~

~~(b) Where a person ceases being a member of the *management body* or a person who effectively directs the business, the Annex III template (in addition to the relevant Form E).~~

~~(4) Where the Annex III template requires the *firm* to provide information which is also contained in Form A and/or E, the *firm* may, instead of duplicating the information, cross refer to the information in the relevant Form A or E and annex those forms to the Annex III template (see SUP 10A.14.4C). [deleted]~~

10C.14.4AA    G    (1)    The MiFID authorisation and management body change notification ITS requires that a *person* applying to be a *MiFID investment firm* (except a *credit institution*) notify the appropriate regulator of information about members of its *management body* by filling in the template set out in Annex II of the MiFID authorisation and management body change notification ITS.

(2)    This applies whether:

(a)    the *person* is applying for *authorisation*; or

(b)    the *person* is a *firm* applying for a variation of its *permission* that would turn it into a *MiFID investment firm*.

(3)    The requirement in SUP 10A.14.4BD to fill in the MiFID Article 4 SMR Information Form along with a Form A or Form E does not apply.

10A.14.4B    D    Where :

(1)    there is a change to a member of the *management body* or *person* who directs the business; of a *MiFID investment firms firm* (except a *credit institutions institution*) that the *firm* must notify to the appropriate regulator under Annex III of the

MiFID authorisation and management body change notification ITS; and

- (2) that change also requires the firm to apply for approval for that member or person to perform an FCA controlled function;

the firm must submit to the FCA the completed form found in SUP 10A Annex 10D (MiFID Article 4 APER Information Form) at the same time as submitting the Form A and/or or Form E about a the candidate.

[Editor's note: This is in accordance with the information required in article 4 of the Commission Delegated Regulation of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms.]

10A.14.4C G ~~Therefore,~~ *MiFID investment firms* (except credit institutions) who submit:

(a) Form A and/or E; and

(1)

(b) the MiFID Article 4 APER Information Form

(2)

about a *candidate* can complete the Annex III template outlined in SUP 10A.14.4AG(1) by cross-referring to ~~the~~ any information required by the template that has been included in the relevant Form A and/or or Form E. ~~The template should where it has already been provided by the firm, and this would then~~ be annexed to the relevant Form A ~~and/or or~~ Form E.

...

10A.14.7 G ~~In certain circumstances, when the FCA already has the information it would usually require, a shortened version of the relevant Form A may be completed. See the notes relevant to each form for full details.~~  
[deleted]

Ceasing to perform an FCA controlled function

10A.14.8 R (1) *A firm* must submit to the FCA a completed Form C, ~~in the form set out in SUP 10A Annex 6R,~~ (SUP 10C Annex 5R) no later than ten business days after an *FCA-approved person* ceases to perform an *FCA controlled function*.

...

...

- 10A.14.9A G (1) The MiFID authorisation and management body change notification ITS requires that a MiFID investment firm (except a credit institution) submit the information in Annex III of the MiFID authorisation and management body change notification ITS on the ESMA template where there is a change to a member of the management body or a person who effectively directs the business.
- (2) This means that a MiFID investment firm required to notify the FCA under (1) may also need to submit the Annex III information along with the Form C or Form E.
- (3) See SUP 10A.14.4AG to SUP 10A.14.4CG for more about these notification requirements in a case in which the firm is applying for approval under section 59 of the Act (Approval for particular arrangements).

...

## Changes to an approved person's personal details

- 10A.14.15 R If an *FCA-approved person's* title, name or national insurance number changes, the *firm* for which the *person* performs an *FCA controlled function* must notify the *FCA* on Form D, ~~in the form set out in SUP 10A Annex 7R,~~ (SUP 10C Annex 6R) of that change within seven *business days* of the *firm* becoming aware of the matter.

...

- 10A.14.21 G (1) If, in relation to a *firm* which has completed the relevant Form A (SUP 10A Annex 4D), any of the details relating to arrangements and *FCA controlled functions* are to change, the *firm* must notify the *FCA* on Form D (~~SUP 10A Annex 7R~~) (SUP 10C Annex 6R).

...

...

**10A.15 References and accurate information**

## References

- 10A.15.1 G ...
- (2) This applies even if A is a *firm* to which SUP 10C (FCA senior ~~management managers~~ regime for approved persons in ~~relevant authorised persons~~ SMCR firms) applies rather than this chapter.

- (3) ~~SYSC 22 also requires certain *insurers* to get a reference before applying to have someone approved as an *approved person*. [deleted]~~
- ...
- 10A.16 How to apply for approval and give notifications**
- 10A.16.1 D ...
- (2) Subject to (2A), an application by a *firm* ~~other than a *credit union*~~ must be made by submitting the Form online at fca.org.uk using the form specified on the *FCA's* and *PRA's* *online notification and application system*.
- ...
- (3) ~~An application by a *credit union* must be made using the form in *SUP 10A Annex 4D* or *SUP 10A Annex 8D* and must be submitted in the way set out in *SUP 15.7.4R* to *SUP 15.7.9G* (Form and method of notification). [deleted]~~
- ...
- (5) An application by a *firm* in relation to a *controlled function* to which *SUP 10A.1.16BR* (*appointed representative of an SMCR firm*) applies must be made in accordance with *SUP 10C.15* (Forms and other documents and how to submit them to the FCA) and not this section.
- 10A.16.2 R ...
- (2) A notification must be made in accordance with *SUP 10A.16.1D*, except that the annexes ~~to *SUP 10A*~~ in which the forms are to be found are ~~*SUP 10A Annex 6R*~~ *SUP 10C Annex 5R* or ~~*SUP 10A Annex 7*~~ *SUP 10C Annex 6R*, rather than the Annexes mentioned in *SUP 10A.16.1D*.
- (3) A notification by a *firm* in relation to a *controlled function* to which *SUP 10A.1.16BR* (*appointed representative of an SMCR firm*) applies must be made in accordance with *SUP 10C.15* (Forms and other documents and how to submit them to the FCA) and not this section.
- 10A.16.2A R *SUP 10A.16.2R*(3) also applies to Form B in relation to a *controlled function* to which *SUP 10A.1.16BR* (*appointed representative of an SMCR firm*) applies.
- ...

**10A Annex**    **Frequently asked questions**  
**1G**

	Question	Answer
	<b>Type of firm</b>	
-1	Does this chapter apply to all types of <i>firm</i> ? If not, where can I find the equivalent material?	No, <i>SUP</i> 10A does not apply to <i>relevant authorised persons SMCR firms</i> (broadly speaking, <i>banks, credit unions, building societies, insurance firms</i> and investment firms that are <i>PRA-authorised persons</i> ). The requirements for these <i>firms</i> can be found in <i>SUP</i> 10C. However, this chapter does cover <i>approved persons</i> in <i>appointed representatives</i> of such <i>firms</i> .
	<b>Requirements of the regime</b>	
...		
7	Do Lloyd's underwriting agents still require registration with Lloyd's? [deleted]	Yes. Approval for a <i>controlled function</i> is not sufficient.
...		

**10A Annex**    **Approved person regime: summary of forms and their use for applications for approval to perform an FCA-controlled function**  
**2G**

Function	Form	Submission
...		
<i>Person remaining with the same firm group but giving up a PRA controlled function and taking up an FCA controlled function.</i>	E	Submitted by <i>firm</i> to the <i>FCA</i> before changes take place.
<i>Person remaining with the same firm in the circumstances described in Example 6 in the table in SUP 10A.11.10G (giving up a PRA controlled function triggering need for FCA approval).</i>	E	Submitted by <i>firm</i> to the <i>FCA</i> in hard copy in advance of giving up the <i>PRA governing function</i> .
<i>Person remaining with the same firm group but giving up an FCA significant-influence</i>	E	Submitted by <i>firm</i> to the <i>PRA</i> before changes take place (see



<i>function and taking up a PRA controlled function.</i>		the <del>PRA's Handbook</del> <u>PRA Handbook</u> ).
--	--	--

...

Delete the following Annexes. The deleted text is not shown but [deleted] tags are added to the section headings as shown below.

**10A Annex 5R**      **Form B: Notice to withdraw an application to perform controlled functions (including senior management functions) [deleted]**

**10A Annex 6R**      **Form C: Notice of ceasing to perform controlled functions (including senior management functions) [deleted]**

**10A Annex 7R**      **Form D: Notification of changes in personal information or application details and conduct breaches/disciplinary action related to conduct [deleted]**

Delete the following the following forms from the following Annexes. The deleted text is not shown.

Annex where form to be found	Name of form to be deleted
SUP 10A Annex 4D (Form A: Application to perform controlled functions under the approved person regime)	Long Form A – Solvency II firms only
	Short Form A - Solvency II firms only
	Long Form A – Large non-directive insurers only
	Short Form A – Large non-directive insurers only
	Long Form A – Small non-directive insurers only
	Short Form A – Small non-directive insurers only
	Solvency II Firms: Scope of Responsibilities
	Large non-directive insurers: Scope of Responsibilities
	Small non-directive insurers: Scope of Responsibilities

	Long Form A – UK Firms (Relevant Authorised Persons only)
SUP 10A Annex 8D (Form E: Internal transfer of an approved person)	<p>Form E Internal transfer of an approved person (for Solvency II firms only)</p> <p>Form E Internal transfer of an approved person (small non-directive insurers only)</p> <p>Form E Internal transfer of an approved person (for large non-directive insurers only)</p>

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

**10C** **FCA senior ~~management managers~~ regime for approved persons in ~~relevant authorised persons~~ SMCR firms**

**10C.1** **Application**

General

10C.1.1 R This chapter applies to every ~~relevant authorised person~~ SMCR firm.

10C.1.2 G This chapter is also relevant to *FCA-approved SMF managers* of a ~~relevant authorised person~~ an SMCR firm.

10C.1.2A G SUP 10C Annex 1 (What functions apply to what type of firm) sets out:

(1) how this chapter applies to different types of SMCR firm; and

(2) the SMCR firms to which this chapter does not apply.

~~Non-UK relevant authorised persons~~ Overseas firms: UK services

10C.1.3 R This chapter does not apply to a ~~non-UK relevant authorised person~~ an overseas SMCR firm ~~in relation to regulated activities which are carried on in the United Kingdom~~, other than in relation to an establishment maintained by it or its *appointed representative* in the *United Kingdom*.

~~EEA relevant authorised persons~~ firms: general application

10C.1.4 R This chapter does not apply to an *EEA relevant authorised person* SMCR firm if and in so far as the question of whether a *person* is fit and proper to perform a particular function in relation to that *firm* is

reserved to an authority in a country or territory outside the *United Kingdom* under:

- (1) the *Single Market Directives*;
- (2) the *Treaty*;
- (3) the *auction regulation*;
- (4) the *benchmarks regulation*.

- 10C.1.5 G (1) *SUP 10C.1.4R* reflects the provisions of section 59(8) of the *Act* and, where relevant, the *Treaty*.
- (2) It preserves the principle of *Home State* prudential regulation.
- (3) For an *EEA ~~relevant authorised person~~ SMCR firm*, the effect is to reserve to the *Home State regulator* the assessment of fitness and propriety of a *person* performing a function in the exercise of an *EEA right*. A member of the *governing body*, or the notified *UK branch manager*, of an *EEA ~~relevant authorised person~~ SMCR firm*, acting in that capacity, will not, therefore, have to be approved by the *FCA* under the *Act*.
- (3A) For example, persons in Solvency II firms which are incoming EEA firms are not expected to be carrying out FCA functions to the extent that the person will be regarded as effectively running the firm or responsible for a Solvency II Directive ‘key function’.
- (4) Aside from (1) to ~~(3)~~ (3A) an *EEA ~~relevant authorised person~~ SMCR firm* should have:
- (a) considered the impact of the *Host State* rules with which it is required to comply when carrying on a *passported activity* or a *Treaty activity* through a *branch* in the *United Kingdom*;
  - (b) been notified of those provisions under Part II of Schedule 3 to the *Act* in the course of satisfying the conditions for *authorisation* in the *United Kingdom*; and
  - (c) considered, for example, the position of a *branch manager* based in the *United Kingdom* who may also be performing a function in relation to the carrying on of a *regulated activity* not covered by the *EEA right* of the *firm*. In so far as the function is within the description of an *FCA controlled function*, the *firm* will need to seek approval for that *person* to perform that *FCA controlled function*.

## Overseas firms: general

- 10C.1.5A G (1) Generally, where an overseas manager of ~~a non-UK relevant authorised person~~ an overseas SMCR firm has responsibilities in relation to its *branch* in the *United Kingdom* that are strategic only, they will not need to be an *FCA-approved SMF manager*.
- (2) However, where an overseas manager is responsible for implementing that strategy for its *branch* in the *United Kingdom*, and has not delegated that responsibility to an *SMF manager* in the *United Kingdom*, they will potentially be performing an *FCA controlled function* if the detailed conditions in this chapter defining the relevant *FCA controlled function* are met.

## UK firm with overseas branches or providing services on a cross-border basis

- 10C.1.6 G There are no territorial limitations to *SUP 10C* for:
- (1) overseas branches of *UK firms*; or
- (2) *UK firms* providing services into or out of the *United Kingdom* on a cross-border basis.

## Appointed representatives

- 10C.1.7 R This chapter does not deal with an *approved person* who is approved under *SUP 10A.1.16BR* (Appointed representatives).
- 10C.1.8 G (1) *SUP 10A.1.15R* to *SUP 10A.1.16DG* (Appointed representatives) deal with the *approved persons* regime for *appointed representatives* of ~~relevant authorised persons~~ *SMCR firms*.
- (2) In general this chapter does not apply to *appointed representatives* of ~~relevant authorised persons~~ *SMCR firms*. *SUP 10A* applies instead.
- (3) In theory, a *person* employed by an *appointed representative* of ~~a relevant authorised person~~ an *SMCR firm* could come within one of the *controlled functions* in this chapter. If so, that person will be performing a *senior management function* and this chapter would apply. However, the *FCA* thinks that such a situation should rarely, ~~if ever~~, arise unless the person is seconded to the firm.
- (4) If a *person* is an *approved person* under this chapter and under *SUP 10A* for the same *firm*, this chapter applies to *FCA-designated senior management functions* under this chapter and *SUP 10A* applies to *controlled functions* under *SUP 10A*. It is

unlikely that such a scenario would ~~ever~~ normally arise in practice.

#### Insolvency practitioners

- 10C.1.9 R This chapter does not apply to a function performed by a *person* acting as:
- (1) an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986;
  - (2) a nominee in relation to a voluntary arrangement under Parts I (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency Act 1986;
  - (3) an insolvency practitioner within the meaning of article 3 of the Insolvency (Northern Ireland) Order 1989; or
  - (4) a nominee in relation to a voluntary arrangement under Parts II (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

#### Swiss general insurers

10C.1.10 R For *Swiss general insurers*, references in this chapter to parts of the *PRA Rulebook* for ‘Solvency II firms’ are to be read as references to the corresponding parts of the *PRA Rulebook* applying to *large non-directive insurers*.

10C.1.11 G *Swiss general insurers* are in the *large non-directive insurers* sector of the *PRA Rulebook* and the *PRA* applies to them, in relation to their *controlled functions*, provisions equivalent to those applying to third country branches in the *Solvency II firms* sector of the *PRA Rulebook*. The *FCA* includes them as third country undertakings of *Solvency II firms* and so they must follow the requirements for *Solvency II firms* set out in this chapter.

#### Insurance and mortgage credit mediation

10C.1.12 G See *MIPRU 2.2* (Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity) for how the *FCA*’s senior managers regime for *SMCR firms* is adjusted for a *firm* carrying on *insurance distribution activity* or *MCD credit intermediation activity*.

## 10C.2 Purpose

10C.2.1 G The purpose of *SUP 10C* is:

- (1) to specify, under section 59 of the *Act*, descriptions of the *FCA-designated senior management functions* for ~~relevant authorised persons~~ SMCR firms, which are listed in SUP 10C.4.3R; and
- (2) to specify the manner in which a *firm* must apply for the *FCA's* approval under section 59 of the *Act* and other procedures for *FCA-approved SMF managers*; ~~and~~
- (3) ~~describe the FCA's senior management managers regime for SMF managers in relevant authorised persons.~~
- 10C.2.2 G ~~SUP 10C does not deal with the PRA's senior management regime for relevant authorised persons. The key parts of its regime can be found in the parts of the PRA's rulebook called Senior Management Functions<sup>2</sup> and 'Allocation of Responsibilities'. [deleted]~~
- 10C.2.3 G (1) The *FCA* has certain powers in relation to *PRA-approved persons*, such as the requirement for *FCA* consent to the *PRA* granting approval for the performance of a *PRA controlled function*. SUP 10C does not deal with these.
- (2) However, SUP 10C.12.1G has material about the *FCA's* policy on giving its consent to applications made to the *PRA* about conditional and time-limited approvals for SMF managers in PRA-authorised persons.
- 10C.2.4 G SUP 10C.14 (Changes to an approved person's details) applies, in certain cases, to *PRA-approved persons*. Where this is the case, it says so.

### 10C.3 General material about the definition of controlled functions

#### Purpose

- 10C.3.1 G This section has general provisions that apply to the definition of all *controlled functions*.

#### Types of controlled function

- 10C.3.2 G There are two types of *FCA controlled function* under the *Act*:
- (1) an *FCA-designated senior management function*; and
- (2) an *FCA controlled function* that is not a *designated senior management function*.

- 10C.3.3 G All the *controlled functions* that the *FCA* has specified in this chapter are *designated senior management functions*. The *FCA* has not, in this

chapter, used its power to specify *controlled functions* that are not *designated senior management functions*.

- 10C.3.4 G The *FCA* has (in *SUP* 10A) specified *controlled functions* for ~~relevant authorised persons~~ *SMCR firms* that are not *designated senior management functions*. (See *SUP* 10C.1.7R to *SUP* 10C.1.8G (Appointed representatives)).
- 10C.3.5 G (1) Except as described in *SUP* 10C.3.4G, in this chapter, *FCA controlled function* and *FCA-designated senior management function* cover the same functions.
- (2) Therefore, a function is only covered by *SUP* 10C.4.3R (Table of *FCA-designated senior management functions* for ~~relevant authorised persons~~) if that function meets both the following sets of requirements:
- (a) the requirements of *SUP* 10C.3.6R (Definition of *FCA controlled function: arrangements*); and
- (b) the requirements of *SUP* 10C.3.10R (Definition of *FCA-designated senior management function*).

#### Definition of *FCA controlled function: arrangements*

- 10C.3.6 R In accordance with section 59 of the *Act* (Approval for particular arrangements), a function specified in this chapter is an *FCA controlled function* only to the extent that it is performed under an *arrangement* entered into by:
- (1) a *firm*; or
- (2) a contractor of the *firm*;
- in relation to the carrying on by the *firm* of a *regulated activity*.
- 10C.3.7 G Section 59(1) and (2) of the *Act* provide that approval is necessary for an *FCA controlled function* which is performed under an *arrangement* entered into by a *firm*, or its contractor (typically an *appointed representative*), in relation to a *regulated activity*.
- 10C.3.8 G (1) *Arrangement* is defined in section 59(10) of the *Act* as any kind of arrangement for the performance of a function which is entered into by a *firm* or any of its contractors with another *person*.
- (2) *Arrangement* includes the appointment of a *person* to an office, a *person* becoming a *partner*, or a *person's* employment (whether under a contract of service or otherwise).

- (3) An *arrangement* need not be a written contract but could arise by conduct, custom and practice.
- 10C.3.9 G If a *firm* is a member of a group, a *person* employed elsewhere in the *group* (for example, by the *holding company*) who carries out a function in relation to the *firm* will only perform an *FCA controlled function*:
- (1) if the function is performed under an *arrangement* entered into by the *firm* (under section 59(1)); or
- (2) if:
- (a) there is a contract (under section 59(2)) between the *firm* and the relevant *group* member permitting this; and
- (b) the function is performed under an *arrangement* entered into by the contractor.

#### Definition of FCA-designated senior management function

- 10C.3.10 R Each *FCA-designated senior management function* is one which comes within the definition of a *senior management function*.
- 10C.3.11 G Section 59ZA(2) of the *Act* says that a function is a ‘senior management function’, in relation to the carrying on of a *regulated activity* by a *firm*, if:
- (1) the function will require the *person* performing it to be responsible for managing one or more aspects of the *firm’s* affairs, so far as relating to the activity; and
- (2) those aspects involve, or might involve, a risk of serious consequences:
- (a) for the *firm*; or
- (b) for business or other interests in the *United Kingdom*.

- 10C.3.12 G Section 59ZA(3) of the *Act* says that ‘managing’ includes, for these purposes, taking decisions, or participating in the taking of decisions, about how one or more aspects of the *firm’s* affairs should be carried on.

#### The 12-week rule

- 10C.3.13 R If:
- (1) a *firm* appoints an individual to perform a function which, but for this *rule*, would be an *FCA-designated senior management function*;



- (2) the appointment is to provide cover for an *SMF manager* whose absence is:
- (a) temporary; or
  - (b) reasonably unforeseen; and
- (3) the appointment is for less than 12 weeks in a consecutive 12-month period;
- the description of the relevant *FCA-designated senior management function* does not relate to those activities of that individual.
- 10C.3.14 G *SUP* 10C.3.13R enables cover to be given for (as an example) holidays and emergencies and avoids the need for the precautionary approval of, for example, a deputy. However, as soon as it becomes apparent that a *person* will be performing an *FCA-designated senior management function* for more than 12 weeks, the *firm* should apply for approval.
- 10C.3.15 G See *SUP* 10C.12.7G to *SUP* 10C.12.14G (time-limited approvals) for procedures for temporary appointments longer than 12 weeks.
- 10C.3.16 G (1) A *firm* to which SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies may have allocated responsibilities under that chapter to an *SMF manager* who is absent under *SUP* 10C.3.13R.
- (2) *SYSC* 26.4.6R (Exclusion where the 12-week rule applies) deals with how those responsibilities may be reallocated during the *SMF manager's* absence.
- (3) *SYSC* 26.4.8G explains that *SYSC* 26.4.6R and *SUP* 10C.3.13R apply to a person performing the *other overall responsibility function* or the *other local responsibility function* as well as to other *designated senior management functions*.
- 10C.3.17 G (1) If:
- (a) a *firm* allocates any *FCA-prescribed senior management responsibilities* to an *SMF manager*; and
  - (b) the *SMF manager* later becomes absent;
- the *firm* should reallocate them to another *SMF manager*.
- (2) The *firm* may not allocate the absent manager's *FCA-prescribed senior management responsibilities* to the *person* providing cover for that manager unless the *person* providing cover is also an *SMF manager* of the *firm*.

**10C.4 Specification of functions**

- 10C.4.1 R (1) Each function described in *SUP 10C.4.3R* is an *FCA controlled function*.
- (2) In accordance with section 59(6A) of the *Act* (Approval for particular arrangements), the *FCA* designates each function in (1) as a *senior management function*.
- 10C.4.2 R (1) ~~Part 1 of the table in *SUP 10C.4.3R* applies to *UK relevant authorised persons*. *SUP 10C Annex 1 (What functions apply to what type of firm)* sets out which of the functions in *SUP 10C.4.3R* apply to which kind of *firm*.~~
- (2) ~~Part 2 of the table in *SUP 10C.4.3R* applies to *EEA relevant authorised persons*.~~
- (3) ~~Part 3 of the table in *SUP 10C.4.3R* applies to *third-country relevant authorised persons*.~~
- 10C.4.3 R Table of FCA-designated senior management functions for ~~relevant authorised persons~~ SMCR firms

Delete the table in *SUP 10.4.3R* and replace it with the following. The deleted text is not shown and the new text is not shown underlined.

Type	SMF	Description of FCA controlled function
<i>FCA governing functions</i>	SMF 3	<i>Executive director function</i>
	SMF 13	<i>Chair of the nomination committee function</i>
	SMF 15	<i>Chair of the with-profits committee function</i>
	SMF 27	<i>Partner function</i>
<i>FCA required functions</i>	SMF 16	<i>Compliance oversight function</i>
	SMF 17	<i>Money laundering reporting function</i>
	SMF 18	<i>Other overall responsibility function</i>
	SMF22	<i>Other local responsibility function</i>
	SMF 23b	<i>Conduct risk oversight (Lloyd's) function</i>

Other high-level management functions	SMF 21	<i>EEA branch senior manager function</i>
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Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

- 10C.4.4 G As described in *SUP 10C.1.7R* to *SUP 10C.1.8G* (Appointed representatives), *SUP 10A* specifies certain other *controlled functions* for ~~*relevant authorised persons*~~ *SMCR firms*.

**10C.4A** **FCA governing functions: General**

PRA-authorised persons

- 10C.4A.1 G *SUP 10C.9* (Minimising overlap with the PRA approved persons regime) explains that in many cases a *person* performing one of the functions set out in *SUP 10C.5* or *SUP 10C.5A* for a *PRA-authorised person* will not in fact require approval from the *FCA* to perform the function and will just require *PRA* approval.

**10C.5** **FCA governing functions: Executive**

Executive director function (SMF3): General

- 10C.5.1 R (1) For a ~~*UK relevant authorised person*~~ *SMCR firm*, the ~~executive~~ *executive director function* is the function of acting in the capacity of a *director* (other than a *non-executive director*) of the *firm*.
- (2) For a ~~*third-country relevant authorised person*~~ *an overseas SMCR firm*, the ~~executive~~ *executive director function* is the function of acting in the capacity of a *director* (other than a *non-executive director*) in relation to its *branch* in the *United Kingdom* where the *person* performing that function has responsibility for managing one or more aspects of the *firm's* affairs so far as relating to the activities of the *branch*.
- (3) Paragraph (2) includes a *person* who is a member (other than a non-executive member) of the *branch's governing body*.
- (4) The *executive director function* does not apply to a *UK SMCR firm* that is:

(a) a partnership; or

(b) a limited liability partnership.

Chairman of the nomination committee function (SMF13)

10C.5.2 R [deleted] [Editor's note: The text of this provision has been moved to SUP 10C.5A.3R]

10C.5.3 G [deleted] [Editor's note: The text of this provision has been moved to SUP 10C.5A.4G]

10C.5.4 G Please note that the *chair of the nomination committee function* still applies if the *firm* is not a *CRR firm*. [deleted]

10C.5.5 G In some *firms*, the chairman of the nomination committee is also the chairman of the *governing body*. As being chairman of the *governing body* is a *PRA controlled function*, the chairman may not need approval to perform the *chair of the nomination committee function* but instead just need *PRA* approval for being chairman of the *governing body*. [deleted]

(See SUP 10C.9 (Minimising overlap with the *PRA* approved persons regime) for an explanation of when *PRA* approval means that *FCA* approval is not needed.)

Non-executive directors

10C.5.6 G [deleted] [Editor's note: The text of this provision has been moved to SUP 10C.5A.1G]

Insurance distribution

10C.5.7 G See MIPRU 2.2 for how the *FCA's* senior management regime for *relevant authorised persons* is adjusted for a *firm* carrying on *insurance distribution activity*. [deleted]

Executive director function: Extension of definition for Lloyd's

10C.5.8 R In the case of the *Society*, the *executive director function* also includes the function of acting in the capacity of an executive member of a committee to which the Council of the *Society* directly delegates authority to carry out the *Society's* regulatory functions.

Executive director function: Adjustment of definition for non-directive friendly societies

10C.5.9 R (1) This rule applies to a *non-directive friendly society*.

- (2) The *executive director function* is the function of directing the affairs of the *firm*, either alone or jointly with others. Each such *person* is referred to in this rule as a “director”.
- (3) The *executive director function* includes the function of being or acting in the capacity of a member of the *firm’s governing body*. The term director also includes each such a *person*.
- (4) If the principal purpose of the *firm* is to carry on *regulated activities*, each director performs the *FCA controlled function*.
- (5) If the principal purpose of the *firm* is other than to carry on *regulated activities*, a director performs the *FCA controlled function* only to the extent that they have responsibility for a *regulated activity*.
- (6) Each *person* on the *firm’s governing body* will be taken to have responsibility for its *regulated activities*, unless the *firm* has apportioned this responsibility to one particular *person* to whom it is reasonable to give this responsibility.
- (7) The “particular” *person* referred to in (6) need not be a member of the *firm’s governing body*.
- (8) The *executive director function* does not include acting in the capacity of a *non-executive director*.
- (9) This rule applies in place of SUP 10C.5.1R.
- 10C.5.10     G     (1) Typically a *non-directive friendly society* will appoint a “committee of management” to direct its affairs.
- (2) However, the governing arrangements may be informal and flexible. If this is the case, the *FCA* would expect the society to resolve to give responsibility for the carrying on of *regulated activities* to one individual who is appropriate in all the circumstances.
- (3) The individual in (2) may, for example, have the title of chief executive or similar.
- 10C.5.11     G     In practice, the *executive director function* will often not apply (see SUP 10C.4A.1G).
- Executive director function: Addition for small non-directive insurers
- 10C.5.12     R     (1) This rule applies to a *small non-directive insurer*.
- (2) The *executive director function* includes being a *chief executive* of the *firm*.

- 10C.5.13      G      SUP 10C.5.12R means:
- (1)      that being the *chief executive* of a *small non-directive insurer* is an *FCA controlled function* (subject to (4));
  - (2)      but being *chief executive* is not an *FCA controlled function* in its own right but is rolled up into the *executive director function*;
  - (3)      that being promoted from executive director to *chief executive* does not require a new approval from the *FCA*;
  - (4)      that being the *chief executive* is not an *FCA controlled function* where *SUP 10C.4A.1G* applies; and
  - (5)      *SUP 10C.5.9R(4)* to *SUP 10C.5.9R(7)* do not apply to the *chief executive*.

Partner function (SMF27): Partnerships and limited liability partnerships

- 10C.5.14      R      (1)      This rule applies to a *UK SMCR firm* that is a *partnership*.
- (2)      The *partner function* is the function of being or occupying the position of a *partner* in that *firm*.
- (3)      The *partner function* also includes:
- (a)      the function of being or occupying the position of a partner in that *firm* (by whatever name called); and
  - (b)      acting as a member of the *firm's governing body*.
- 10C.5.15      G      (1)      The purpose of *SUP 10C.5.14R(3)* is to make sure that every partner and everyone else performing a function in *SUP 10C.5.14R(3)* is potentially included in the *partner function* even if the *Glossary* definition of *partner* is not wide enough to cover them all.
- (2)      Therefore, for example, the *partner function* applies to every partner in a *firm* unless *SUP 10C.5.18G* applies.
- (3)      In practice most functions in *SUP 10C.5.14R(3)* will also fall within *SUP 10C.5.14R(2)*.
- 10C.5.16      R      (1)      This rule applies to a *UK SMCR firm* that is a *limited liability partnership*.
- (2)      The *partner function* is the function of being or acting in the capacity of:

- (a) a member in that firm or a person occupying the position of a member (by whatever name called);
- (b) a person appointed to direct the firm's affairs;
- (c) a member of the firm's governing body; or
- (d) a person in accordance with whose directions or instructions (not being advice given in a professional capacity) the members or directors are accustomed to act.

Partner function: Limited partnerships

- 10C.5.17 R If a partnership is registered under the Limited Partnership Act 1907, the partner function does not extend to any function performed by a limited partner.

Partner function: Partners without influence

- 10C.5.18 G (1) SUP 10C.5.14R to SUP 10C.5.17R (Partner function) are drafted to cover all partners and members.
- (2) However, the partner function (as are all FCA-designated senior management functions) is subject to SUP 10C.3.10R (Definition of FCA-designated senior management function).
- (3) The effect is that unless the function performed by the partner or member in question comes within the definition of a senior management function, the function does not come within the partner function. Therefore partners or members who play no part in the management of the firm are unlikely to be performing the partner function.

**10C.5A** **FCA governing functions: Oversight**

Non-executive directors

- 10C.5A.1 G (1) As explained in SUP 10C.7.4G, the FCA does not expect a non-executive director ever to perform the other overall responsibility function.
- 10C.5.6 (2) Therefore, a non-executive director will not need to be approved to perform any FCA-designated senior management function unless they perform ~~the chair of the nomination committee function~~ one of the FCA-designated senior management functions set out in this section.

No requirement to set up committees

- 10C.5A.2      G      (1)      This section says that being the chair of certain committees is an *FCA-designated senior management function*.
- (2)      If a *firm* is not otherwise required to have one of the committees described in this section but chooses to set one up anyway:
- (a)      being the chair of that committee is still an *FCA-designated senior management function*; and
- (b)      this is the case even if the *firm* is not subject to any requirements of the *regulatory system* about the matters dealt with by the committee.
- (3)      So for example being the chair of the *firm*'s nomination committee is an *FCA-designated senior management function* even if the *firm*:
- (a)      is not required to have a nomination committee by *SYSC 4.3A.8R* or some other requirement of the *regulatory system*; and
- (b)      is not subject to any requirements of the *regulatory system* dealing with nominations to the *firm*'s governing body or the other matters covered by *SYSC 4.3A.9R*.
- (4)      However, nothing in *SUP 10C* requires a *firm* to set up one of the committees mentioned in this section if the *firm* is not required to have that committee by a *rule* elsewhere in the *FCA Handbook* or by some other requirement of the *regulatory system*.
- (5)      So for example if a *firm* is not otherwise required to have a nomination committee nothing in this section requires it to set one up.
- (6)      If a *firm*:
- (a)      is not otherwise required to have one of the committees described in this section;
- (b)      chooses to set it up anyway; and
- (c)      gets approval for the chair of the committee to perform the applicable *FCA-designated senior management function*;
- then:
- (d)      the *firm* is free to scrap that committee later; and



- (e) if it does so, the chair will cease to perform that FCA-designated senior management function.

~~Chairman~~ Chair of the nomination committee function (SMF13)

- 10C.5A.3 R If the *firm* has a nomination committee, the *chair of the nomination committee function* is the function of acting in the capacity of the ~~chairman~~ chair of that committee.
- ~~10C.5.2~~
- 10C.5A.4 G See SYSC 4.3A (Management body and nomination committee) for material about nomination committees.
- ~~10C.5.3~~

Chair of the with-profits committee function (SMF15)

- 10C.5A.5 R If the *firm* has a *with-profits committee*, the *chair of the with-profits committee function* is the function of acting in the capacity of a non-executive chair of the committee.
- 10C.5A.6 R If the *firm* has a *with-profits advisory arrangement*, the *chair of the with-profits committee function* is the function of being whichever of the following applies to the *firm*:
- (1) the independent person referred to in paragraph (a) of the definition of *with-profits advisory arrangement*; or
  - (2) the *non-executive directors* referred to in paragraph (b) of that definition.

**10C.6 FCA-required functions**

Compliance oversight function (SMF16)

- 10C.6.1 R The *compliance oversight function* is the function of acting in the capacity of a ~~director or senior manager~~ person who is allocated the function in:
- (1) SYSC 6.1.4R(2); ~~or~~
  - (2) article 22(3) of the *MiFID Org Regulation*; ~~or~~
  - (3) article 22(3) of the *MiFID Org Regulation* (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R);
  - (4) SYSC 6.1.4CR; or
  - (5) SYSC 3.2.8R.

## Money laundering reporting function (SMF17)

- 10C.6.2 R The *money laundering reporting function* is the function of acting in the capacity of the *money laundering reporting officer* of a *firm*.
- 10C.6.3 G ~~A *firm's* obligations in respect of its *money laundering reporting officer* are set out elsewhere in the *Handbook* (see SYSC 6.3.9R and, for their scope, see the application provisions in SYSC 1 Annex 1). [deleted]~~

Conduct risk oversight (Lloyd's) function (SMF23b)

- 10C.6.4 R The *conduct risk oversight (Lloyd's) function* is the function of acting in the capacity of a *person* who is allocated the function in SYSC 3.2.9AR.

**10C.7 Other overall responsibility function (SMF18)**Application

- 10C.7.1-2 R This section applies to a *firm*:
- (1) to which SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies; and
  - (2) that is a *UK SMCR firm*.
- 10C.7.1-1 G The effect of SUP 10C.7.1-2R is that this section only applies to one of the following types of *UK SMCR firm*:
- (1) an *SMCR banking firm*; and
  - (2) a *Solvency II firm* (including a *large non-directive insurer*) but excluding an *insurance special purpose vehicle* and certain *firms in run-off*.

## Definition

- 10C.7.1 R A *person* performs the *other overall responsibility function* in relation to a *firm* if that *person*:
- (1) is performing:
    - (a) a function allocated to that *person* under ~~SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~ SYSC 26.3.1R (Main rules) in relation to the *firm*; or
    - (b) *FCA-prescribed senior management responsibility number* ~~(11)~~ (z) in the table in SYSC 24.2.6R (functions in relation to CASS) allocated to that *person* under ~~SYSC~~

4.7.5R (Allocation of FCA-prescribed senior management responsibilities) SYSC 24.2 (Allocation of FCA-prescribed senior management responsibilities: Main allocation rules); and

- (2) does not have an approval to perform any other *designated senior management function* in relation to the *firm*.

~~Other~~ The other overall responsibility function does not apply if approved for another function

10C.7.2 G The table in *SUP* 10C.7.3G gives examples of how *SUP* 10C.7.1R(2) works.

10C.7.3 G Table: Examples of how the other overall responsibility function applies

Example	Comments
(1) 'A' is appointed to perform the <del>executive</del> <u>executive</u> <i>executive director function</i> and to perform a potential <i>other overall responsibility function</i> for the same <i>firm</i> .	A only needs approval to perform the <del>executive</del> <u>executive</u> <i>executive director function</i> .
(2) 'A' is approved to perform the <i>other overall responsibility function</i> . Later, A is appointed to perform the <del>executive</del> <u>executive</u> <i>executive director function</i> for the same <i>firm</i> .	A requires approval for the <i>other overall responsibility function</i> when A is first appointed. When A is later approved to perform the <del>executive</del> <u>executive</u> <i>executive director function</i> , A stops performing the <i>other overall responsibility function</i> . The <i>firm</i> should use Form E to apply for approval for A to perform the <del>executive</del> <u>executive</u> <i>executive director function</i> and to notify the <i>FCA</i> that A is no longer performing the <i>other overall responsibility function</i> .
(3) 'A' is appointed to perform the <i>PRA's Head of Key Business Area designated senior management function</i> for <u>Firm X</u> and to perform a potential <i>other overall responsibility function</i> for	A only needs approval to perform the <i>PRA's Head of Key Business Area designated senior management function</i> . It does not make any difference whether the potential <i>other overall responsibility function</i> that A performs is connected to the <i>PRA's Head of Key Business Area</i>

<p>the same <i>firm</i>. <u>Firm X is an SMCR banking firm.</u></p>	<p><i>designated senior management function.</i></p>
<p>(4) ‘A’ is approved to perform the <i>other overall responsibility function</i> for <u>Firm X. Firm X is an SMCR banking firm.</u> Later, A is appointed to perform the PRA’s Head of Key Business Area <i>designated senior management function</i> for the same <i>firm</i>.</p>	<p>A requires approval for the <i>other overall responsibility function</i> when A is first appointed. When A is later approved to perform the PRA’s Head of Key Business Area <i>designated senior management function</i>, A stops performing the <i>other overall responsibility function</i>.</p>
<p>(5) ‘A’ is appointed to perform:</p> <p>(a) the <i>compliance oversight function</i> for one <i>firm</i> (Firm X) in a group (which may or may not be a <del>relevant authorised person</del> <u>an SMCR firm to which the <i>other overall responsibility function</i> applies</u>); and</p> <p>(b) a function coming within the scope of the <i>other overall responsibility function</i> for another <i>firm</i> (which is a <del>relevant authorised person</del> <u>an SMCR firm to which the <i>other overall responsibility function</i> applies</u>) in the same group (Firm Y).</p>	<p>A needs approval to perform the <i>compliance oversight function</i> for Firm X and the <i>other overall responsibility function</i> for Firm Y.</p>
<p>(6) ‘A’ is appointed to be head of sales for <u>Firm X</u> and to report directly to the <i>firm’s governing body</i> about this. This function also comes within the PRA’s Head of Key Business Area <i>designated senior management function</i>. <u>Firm X is an SMCR banking firm.</u></p>	<p>A only needs approval to perform the PRA’s Head of Key Business Area <i>designated senior management function</i>.</p>
<p>(7) ‘A’ is appointed to take on some functions that come within the <i>other overall responsibility function</i>.</p>	<p>On A’s first appointment, A will need to be approved to perform the <i>other overall responsibility function</i>.</p>

<p>Later, A is appointed as chief risk officer.</p> <p><u>The firm is one of those for which being chief risk officer is a PRA-designated senior management function.</u></p>	<p>On being appointed as chief risk officer, <del>the answer for example (4) applies because being chief risk officer is a PRA-designated senior management function.</del> A will stop performing the <i>other overall responsibility function</i>.</p>
<p>(8) ‘A’ is appointed to a role for Firm X that comes within the <i>other overall responsibility function</i>. Firm X is an SMCR banking firm. Later, the firm reorganises and A’s role comes within the PRA’s Head of Key Business Area <i>designated senior management function</i>. A’s role does not otherwise change.</p>	<p><del>The answer for example (7) applies.</del></p> <p><u>On A’s first appointment, A will need to be approved to perform the other overall responsibility function.</u></p> <p><u>When A is later approved to perform the PRA’s Head of Key Business Area designated senior management function, A stops performing the other overall responsibility function.</u></p>
<p>(9) ‘A’ is appointed to a role for Firm X that comes within the PRA’s Head of Key Business Area <i>designated senior management function</i>. It is also a potential <i>other overall responsibility function</i>. Later, the firm reorganises—A’s role stays the same but now it falls outside the PRA’s Head of Key Business Area <i>designated senior management function</i>.</p>	<p>On A’s first appointment, A only needs approval to perform the PRA’s Head of Key Business Area <i>designated senior management function</i>. Following the reorganisation, the firm has three months to get approval for A to perform the <i>other overall responsibility function</i>. This three-month period applies because the relevant PRA rules keep the PRA’s Head of Key Business Area <i>designated senior management function</i> in place, which means that the <i>other overall responsibility function</i> does not apply during that period.</p> <p>The relevant PRA rules can be found in Chapter 2 of the part of the PRA <del>rulebook</del> <i>Rulebook</i> titled ‘Senior Management Functions’.</p> <p><u>This example only applies if Firm X is an SMCR banking firm. If Firm X is an insurer it will need to obtain FCA approval before the reorganisation takes effect as the relevant PRA insurance rules are</u></p>

	different from the ones for <i>SMCR banking firms</i> .
(10) 'A' is appointed to a role for <i>Firm X</i> that comes within the <i>PRA's</i> Head of Key Business Area <i>designated senior management function</i> . A also performs a potential <i>other overall responsibility function</i> . <u>Later</u> , A gives up the <i>PRA</i> role but carries on with the potential <i>other overall responsibility function</i> .	The answer to example (9) applies.
(11) 'A' is appointed as an executive director. A then resigns and takes up a job with the same <i>firm</i> coming within the <i>other overall responsibility function</i> .	On A's first appointment, A will need to be approved to perform the <del>executive</del> <i>executive director function</i> . A will need to get approval to perform the <i>other overall responsibility function</i> before A <del>gives up being a director</del> <u>takes up their new responsibilities</u> .
Note (1): A potential <i>other overall responsibility function</i> means a function that would have come within the <i>other overall responsibility function</i> but is excluded by <i>SUP 10C.7.1R(2)</i> .	
Note (2): A potential <i>other overall responsibility function</i> should be recorded in A's <i>statement of responsibilities</i> and in the <i>firm's management responsibilities map</i> .	

## Non-executive directors

- 10C.7.4 G For the reasons described in ~~SYSC 4.7.18G~~ SYSC 26.4.5G, the *FCA* does not expect that a *non-executive director* will ever perform the *other overall responsibility function*.

Temporary absences

- 10C.7.5 R A person does not perform the *other overall responsibility function* in relation to a *firm* by performing a function allocated to that *person* under *SYSC 26.4.6R* (Exclusion where the 12-week rule applies) in relation to the *firm*.

**10C.8 The other local responsibility function (SMF22) and ~~EEA branch senior manager functions (SMF21)~~**

Application

- 10C.8.-2 R This section:
- (1) applies to an overseas SMCR firm to which SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies; and
  - (2) does not apply to an EEA SMCR firm.
- 10C.8.-1 G The other local responsibility function only applies to one of the following types of overseas SMCR firm:
- (1) an SMCR banking firm; and
  - (2) a Solvency II firm (including a large non-directive insurer) but excluding certain firms in run-off;
- but does not apply to any EEA SMCR firm.
- Other local responsibility function (SMF22)
- 10C.8.1 R A person performs the other local responsibility function in relation to a branch maintained in the United Kingdom by ~~a third-country relevant authorised person~~ an overseas SMCR firm if that person:
- (1) is performing:
    - (a) a function allocated to that person under ~~SYSC 4.8.10R (Local responsibility for a firm's activities, business areas and management functions)~~ SYSC 26.3.1R (Main rules) in relation to the firm; or
    - (b) ~~FCA-prescribed senior management responsibility number (8) (z)~~ in the table in ~~SYSC 4.8.9R SYSC 24.2.6R~~ (functions in relation to CASS) allocated to that person under ~~SYSC 4.8.6R (FCA prescribed senior management responsibilities)~~ SYSC 24.2 (Allocation of FCA-prescribed senior management responsibilities: Main allocation rules); and
  - (2) does not have an approval to perform any other *designated senior management function* in relation to the branch.
- 10C.8.2 G The table in SUP 10C.8.3G gives:
- (1) examples of how SUP 10C.8.1R(2) works; and

- (2) other examples of how the *other local responsibility function* works.

10C.8.3 G Table: Examples of how the other local responsibility function applies

Example	Comments
<p>(1) 'A' is allocated local responsibility for one of a <i>branch's</i> main business lines. A is also appointed to perform a <i>PRA-designated senior management function</i> for the same <i>branch</i>.</p>	<p>A only needs approval to perform the <i>PRA-designated senior management function</i>.</p>
<p>(2) 'A' is outside the <i>branch's</i> management structure and A's responsibilities for the <i>branch</i> are limited to setting overall strategy for the <i>branch</i>. A does not have responsibility for implementing that strategy.</p>	<p>A is not performing the <i>other local responsibility function</i>. The reason for this is explained in SYSC 26.8.3G. SUP 10C.8.1R(2) is irrelevant to this example.</p>
<p>(3) A small branch undertakes two business lines (wholesale lending and corporate investments). 'A' is head of wholesale lending and is also an executive director of the branch. 'B' is head of corporate investments and does not sit on the branch management committee but reports to it on corporate investments. The branch allocates local responsibility for these functions to A and B. Neither A nor B performs any other <del>PRA or FCA-</del> <i>designated senior management functions function or PRA-designated senior management function</i>.</p>	<p>A only needs approval to perform the <del>executive</del> <i>executive director function</i>. B needs approval to perform the <i>other local responsibility function</i>.</p>
<p>(4) A <i>branch</i> does not have a Head of Internal Audit. 'P' is</p>	<p>P needs approval to perform the <i>other local responsibility function</i>.</p>



<p>allocated local responsibility for internal audit in relation to that <i>branch</i>.</p>	<p>However, if P has already been approved to perform another <del>PRA</del> or <i>FCA-designated senior management function</i> or <i>PRA-designated senior management function</i> for that <i>firm</i>, then P will not be performing the <i>other local responsibility function</i>.</p>
<p>(5) 'A' is appointed to perform the <del>executive</del> <i>executive director function</i>. The same branch also allocates local responsibility for some branch functions to A.</p>	<p>A only needs approval to perform the <del>executive</del> <i>executive director function</i>.</p>
<p>(6) 'A' is approved to perform the <i>other local responsibility function</i>. Later, A is appointed to perform the <del>executive</del> <i>executive director function</i> for the same <i>firm</i>.</p>	<p>A requires approval for the <i>other local responsibility function</i> when A is first appointed. When A is later approved to perform the <del>executive</del> <i>executive director function</i>, A stops performing the <i>other local responsibility function</i>. The <i>firm</i> should use Form E to apply for approval for A to perform the <del>executive</del> <i>executive director function</i> and to notify the <i>FCA</i> that A is <u>no longer performing the <i>other local responsibility function</i></u>.</p>
<p>(7) 'A' is appointed to perform:</p> <p>(a) the <i>compliance oversight function</i> for one <i>firm</i> (Firm X) in a group (which may or may not be a <del>relevant authorised person</del> <u>an SMCR firm to which the <i>other local responsibility function</i> applies</u>); and</p> <p>(b) a function coming within the scope of the <i>other local responsibility function</i> for the <u>United Kingdom branch of another firm</u> (which is a <del>third country relevant authorised person</del> <u>an overseas SMCR firm to which the <i>other local</i></u></p>	<p>A needs approval to perform the <i>compliance oversight function</i> for Firm X and the <i>other local responsibility function</i> for Firm Y.</p>

<p><i>responsibility function applies) in the same group (Firm Y).</i></p>	
<p>(8) ‘A’ is appointed to take on some functions that come within the <i>other local responsibility function</i>. Later, A is appointed as chief risk officer. <u>A is a type of firm for which being chief risk officer is a PRA designated senior management function.</u></p>	<p>On A’s first appointment, A will need to be approved to perform the <i>other local responsibility function</i>.  On being approved as chief risk officer, A stops performing the <i>other local responsibility function</i> as <del>being chief risk officer</del> is a <i>PRA designated senior management function</i>.</p>
<p>(9) ‘A’ is appointed as an executive director. A then resigns and takes up a job with the same <i>firm</i> coming within the <del><i>other overall local</i></del> <i>responsibility function</i>.</p>	<p>On A’s first appointment, A will need to be approved to perform the <del>executive</del> <i>executive director function</i>. A will need to get approval to perform the <del><i>other overall local</i></del> <i>responsibility function</i> before A <del>gives up being a director</del> <u>takes up their new responsibilities.</u></p>
<p>Note: Local responsibility is explained in <del>SYSC 4.8.10R (Third-country relevant authorised persons: Allocation of responsibilities)</del> <u>SYSC 26 (Senior managers and certification regime: Overall and local responsibility).</u></p>	

10C.8.4 R [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.2R]

10C.8.5 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.3G]

10C.8.6 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.4G]

10C.8.7 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.5A.3G]

#### Temporary absences

10C.8.8 R A person does not perform the *other local responsibility function* in relation to a *firm* by performing a function allocated to that *person* under SYSC 26.4.6R (Exclusion where the 12-week rule applies) in relation to the *firm*.

**10C.8A EEA branch senior manager function (SMF21)**

10C.8A.1 R This section applies to an *EEA SMCR firm*.

10C.8A.2 R (1) A *person* performs the *EEA branch senior manager function* in relation to the *branch* in the *United Kingdom* of an *EEA*  
~~10C.8.4~~ *relevant authorised person SMCR firm* if that *person* has significant responsibility for one or more significant business units of the *branch* that carry on any of the activities listed in (2).

(2) The activities listed in this paragraph are:

(a) *designated investment business* other than *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order*;

(b) processing confirmations, payments, settlements, insurance claims, client money and similar matters, in so far as this relates to *designated investment business*;

(c) the activity of *accepting deposits* from *banking customers* and activities substantially connected to that activity to the extent that it does not fall within (a) or (b), above; and

(d) activities that are subject to CASS.

(3) In considering whether a *person* performs the functions in (2), only activities carried on from the *branch* are relevant.

(4) Paragraph (2)(d) only applies in relation to the activities of a *firm* for which it has a *top-up permission*.

10C.8A.3 G (1) The definition of the *EEA branch senior manager function* (SMF21) is similar to that of the significant management ~~FCA-specified significant harm~~ *FCA certification function* under SYSC 27.8.4R. However, only the former is an *FCA-designated senior management function*.  
~~10C.8.5~~

(2) The main differences are:

(a) ~~SUP 10C.8.4R(2)(d)~~ *SUP 10C.8A.2R(2)* is not included in the significant management ~~FCA-specified significant harm~~ *FCA certification function*; and

(b) the overriding requirements in *SUP 10C.3* (General material about the definition of controlled functions) do not apply to the significant management ~~FCA-specified significant harm~~ *FCA certification function*.

- 10C.8A.4 G A person performing the *EEA branch senior manager function* could, for example, be:
- 10C.8.6 (1) the head of a significant business unit carrying on the activities in ~~*SUP 10C.8.4R(2)*~~ *SUP 10C.8A.2R(2)*; or
- (2) a member of a committee (that is, a person who, together with others, has authority to commit the *branch*) making decisions about those activities.

EEA branch senior manager function (SMF21): ~~meaning~~ Meaning of “significance”

- 10C.8A.5 G When considering whether a business unit is significant for the purposes of *SUP 10C.8A.2R*, the *firm* should take into account all relevant factors in the light of the *firm*’s current circumstances and its plans for the future, including:
- 10C.8.7 (1) the risk profile of that unit;
- (2) its use or commitment of the *firm*’s capital;
- (3) its contribution to the profit and loss account;
- (4) the number of *employees* or *approved persons* working in the business unit;
- (5) the number of customers; and
- (6) any other factor which makes the unit significant to the conduct of the *branch*’s affairs.

## 10C.9 Minimising overlap with the PRA approved persons regime

### Introduction

- 10C.9.1 G *SUP 10C.9* deals with how the *FCA*’s senior ~~management~~ managers regime for ~~*relevant authorised persons*~~ *SMCR firms* interacts with the *PRA*’s one.
- 10C.9.2 G Both the *FCA* and the *PRA* may specify a function as a *designated senior management function* in relation to a *PRA-authorised person*.
- 10C.9.3 G If a *person*’s job for a *firm* involves performing:
- (1) an *FCA-designated senior management function*, the *firm* should apply to the *FCA* for approval;
- (2) a *PRA-designated senior management function*, the *firm* should apply to the *PRA* for approval;

- (3) both an *FCA-designated senior management function* and a *PRA-designated senior management function*, the firm should apply to both the *FCA* and the *PRA* for approval (the purpose of *SUP 10C.9* is to cut down the need for this sort of dual approval).

FCA controlled functions absorbed into PRA controlled functions

- 10C.9.4 G The *FCA* is under a duty, under section 59A of the *Act* (Specifying functions as controlled functions: supplementary), to exercise the power to specify any *senior management function* as an *FCA controlled function* in a way that it considers will minimise the likelihood that approvals need to be given by both the *FCA* and the *PRA* for the performance by a *person* of *senior management functions* in relation to the same *PRA-authorised person*.
- 10C.9.5 G The *FCA* and *PRA* have coordinated their *approved person* regimes to reduce the amount of overlap.
- 10C.9.6 G (1) *SUP 10C.9.8R* applies when a *firm* is seeking approval from the *PRA* for a *candidate* to perform a *PRA controlled function* and the intention is that the *candidate* will also perform what would otherwise be an *FCA governing function* once the *PRA* gives its approval. *SUP 10C.9.8R* works by disapplying that *FCA governing function*.
- (2) Where (1) applies, the activities within that *FCA governing function* are included in the *PRA controlled function* for which the *person* has approval. The following parts of the *PRA Rulebook* deal with this:
- (a) Chapter ~~Two~~ 2 of the part of the *PRA's rulebook* *PRA Rulebook* titled 'Senior Management Functions' deals with this ;
- (b) Chapter 2 of the part of the *PRA Rulebook* titled 'Insurance - Senior Management Functions';
- (c) Chapter 2 of the part of the *PRA Rulebook* titled 'Large Non-Solvency II Firms – Senior Management Functions';
- (d) Chapter 2 of the part of the *PRA Rulebook* titled 'Non-Solvency II Firms - Senior Management Functions';
- (e) Chapter 6 of the part of the *PRA Rulebook* titled 'Insurance - Senior Managers Regime – Transitional Provisions'; and

(f) Chapter 6 of the part of the *PRA Rulebook* titled ‘Large Non-Solvency II Firms – Senior Managers Regime – Transitional Provisions’.

- 10C.9.7 G (1) *SUP* 10C.9.9G gives some examples of how *SUP* 10C.9.8R works.
- (2) The examples do not cover the *other overall responsibility function* because that function does not apply if the *person* holds any other *designated senior management function* for the same *firm*. See the table in *SUP* 10C.7.3G for examples of how this works.

The main rule

- 10C.9.8 R A *person* (referred to as ‘A’ in this *rule*) is not performing an *FCA governing function* (referred to as the ‘particular’ *FCA governing function* in this *rule*) in relation to a *PRA-authorised person* (referred to as ‘B’ in this *rule*), at a particular time, if:
- (1) A has been approved by the *PRA* to perform any *PRA-designated senior management function* in relation to B;
  - (2) throughout the whole of the period between the time of the *PRA* approval in (1) and the time in question, A has been the subject of a *current PRA approved person approval* to perform a *PRA-designated senior management function* in relation to B;
  - (3) at the time of the *PRA* approval referred to in (1), A was not subject to a *current FCA approved person approval* to perform the particular *FCA governing function* in relation to B;
  - (4) as part of the application for the *PRA* approval referred to in (1), B notified the *PRA* that A would start to perform what would otherwise have been the particular *FCA governing function* (referred to as the ‘potential’ *FCA governing function* in this *rule*) at or around the time of the *PRA* approval in (1); and
  - (5) A started to perform the potential *FCA governing function* at, or around the time of, the *PRA* approval in (1) and has continued to perform it up to the time in question.
- 10C.9.9 G Table: Examples of how the need for dual FCA and PRA approval in relation to PRA-authorised persons is reduced

Example	Whether FCA approval required	Whether PRA approval required	Comments
(1) A is appointed as chief risk officer and an executive director.	No. <del>He</del> <u>A</u> is not treated as performing the <del>executive</del> <u>executive director</u> function.	Yes	Chief risk officer is a <i>PRA-designated senior management function</i> . A's functions as a director will be included in the <i>PRA-designated senior management function</i> . To avoid the need for <i>FCA</i> approval, A's appointment as director should not take effect before <i>PRA</i> approval for the chief risk officer role.
(2) Same as example (1), except that A will take up the role as an executive director slightly later because <del>the</del> approval is needed from the <i>firm's</i> shareholders or <i>governing body</i> .	No	Yes	The answer for (1) applies. The arrangements in this section apply if the application to the <i>PRA</i> says that A will start to perform the potential <i>FCA governing function</i> around the time of the <i>PRA</i> approval as well as at that time.
(3) Same as example (1) but the application to the <i>PRA</i> does not mention that it is also intended that A is to be an executive director.	Yes, to perform the <del>executive</del> <u>executive director</u> function.	Yes	<i>SUP 10C.9.8R</i> does not apply if the application for <i>PRA</i> approval does not say that A will also be performing what would otherwise be an <i>FCA governing function</i> .

Example	Whether FCA approval required	Whether PRA approval required	Comments
(4) A is to be appointed as chief executive and an executive director.	No. A is not treated as performing the <u>executive director function</u> .	Yes	Being a chief executive is a <i>PRA-designated senior management function</i> . A's functions as a director will be included in the <i>PRA controlled function</i> .
(5) A is appointed as chief risk officer. Later, A is appointed as an executive director while carrying on as chief risk officer.	Yes, when A takes up the director role. The <u>executive director function</u> applies.	Yes, when A takes up the chief risk officer role.	<i>SUP 10C.9.8R</i> does not apply because, when the <i>firm</i> applied for approval for A to perform the <i>PRA</i> chief risk officer <i>designated senior management function</i> , there was no plan for A also to perform the <u>executive director function</u> .
(6) A is appointed as an executive director. Later, A takes on the chief risk officer function and remains as an executive director.	Yes, when A is appointed as director. The <u>executive director function</u> applies.	Yes, when A takes up the chief risk officer role.	When A is appointed as chief risk officer, A is still treated as carrying on the <u>executive director function</u> . A retains the status of an <i>FCA-approved person</i> .
(7) A is appointed as chief risk officer. A then stops performing that role and for a while does not perform any <i>controlled</i>	Yes, when A is appointed as an executive director. The <u>executive director function</u> applies.	Yes, when A takes up the chief risk officer role.	<i>SUP 10C.9.8R</i> does not apply because there is no current <i>PRA</i> approval when A is being appointed as a director.



Example	Whether FCA approval required	Whether PRA approval required	Comments
<p><i>function</i> for that <i>firm</i>. Later, A is appointed as an executive director with the same <i>firm</i>.</p>			
<p>(8) A is appointed as an executive director and chief risk officer at the same time. Later, A gives up the role as chief risk officer but remains as an executive director.</p>	<p>No, on A's first appointment (see example (1)). But when A gives up the role as chief risk officer, <i>FCA</i> approval is needed to perform the <u>executive executive director function</u>.</p> <p>Form E should be used. The application should state that it is being made as a result of A ceasing to perform a <i>PRA-designated senior management function</i>.</p> <p>Form A should be used if there have been</p>	<p>Yes, on A's first appointment.</p>	<p>When A stops being a chief risk officer, A stops performing a <i>PRA-designated senior management function</i>. However, being an executive director requires <i>FCA</i> approval. A does not have that approval because A did not need it when A was first appointed.</p> <p>The combined effect of <i>SUP</i> 10C.9.8R and the relevant <i>PRA</i> rules is that the <i>firm</i> has three months to secure approval by the <i>FCA</i>. During that interim period, A keeps the status of a <i>PRA approved person</i> performing the director element of the <i>PRA</i> chief risk <i>designated senior management function</i> - which is included in that function under relevant <i>PRA</i> rules. The relevant <i>PRA</i> rules say</p>

Example	Whether FCA approval required	Whether PRA approval required	Comments
	changes in A's fitness ( <i>SUP</i> 10C.10.9D(4) )		that, during this transitional period, A is still treated as performing the <i>PRA</i> chief risk <i>designated senior management function</i> and <i>SUP</i> 10C.9.8R says that, for as long as A is performing a <i>PRA-designated senior management function</i> , A does not perform the <del>executive</del> <i>executive director function</i> .
(9) A is appointed as the chief finance officer and an executive director at the same time. Later, A switches to being chief risk officer while remaining as an executive director.	No	Yes	The arrangements in <i>SUP</i> 10C.9.8R continue to apply, even though A switches between <i>PRA-designated senior management function functions</i> after the <i>PRA's</i> first approval.
(10) A is appointed chief risk officer and an executive director. A goes on temporary sick leave. A takes up <del>his</del> <u>their</u> old job	No, neither on A's first appointment nor when A comes back from sick leave.	Yes	<i>SUP</i> 10C.9.8R still applies on A's return because A does not stop performing either the <i>PRA's</i> chief risk function or what would otherwise have been the <del>executive</del> <i>executive director function</i> just because A goes on temporary sick leave.

Example	Whether FCA approval required	Whether PRA approval required	Comments
when he <u>A</u> comes back.			
(11) A is appointed to be <del>chairman</del> <u>chair</u> of the <i>governing body</i> and <del>chairman</del> <u>chair</u> of the nomination committee at the same time.	No. A does not need approval to perform the <i>chair of the nomination committee function</i> .	Yes, on first appointment.	Being <del>chairman</del> <u>chair</u> of the <i>governing body</i> is a <i>PRA-designated senior management function</i> . Therefore, the answer for example (1) applies.
(12) 'A' is to be appointed to perform the Head of Overseas Branch <i>PRA-designated senior management function</i> (SMF19) for <del>a third-country relevant authorised person</del> <u>an overseas SMCR firm that is not an EEA SMCR firm</u> . A is also an executive director of that <i>firm's UK branch</i> .	No. A is not treated as performing the <del>executive</del> <u>executive director function</u> .	Yes	A's functions as a director will be included in the <i>PRA controlled function</i> .

Example	Whether FCA approval required	Whether PRA approval required	Comments
<p>Note 1: The relevant <i>PRA</i> rules can be found in <del>Chapter 2</del> of the <del>part parts</del> of the <i>PRA</i> rulebook called ‘<del>Senior Management Functions</del>’ <i>Rulebook</i> listed in <i>SUP</i> 10C.9.6G.</p>			
<p>Note 2: Where one of the examples in this table includes someone being <u>chief risk or finance officer or chair of the governing body</u>, the example assumes that the <i>firm</i> is of a type for which that function is a <i>PRA-designated senior management function</i>.</p>			

- 10C.9.10 G (1) The potential *FCA governing functions* should be recorded in *A*’s *statement of responsibilities* and in the *firm*’s *management responsibilities map*.
- (2) A potential *FCA governing function* means a function that would have been an *FCA governing function* but which is not an *FCA governing function* because of *SUP* 10C.9.8R.

Further guidance on the arrangements between the FCA and PRA about approvals

- 10C.9.11 G The *PRA* cannot give its approval for the performance of a *PRA-designated senior management function* without the consent of the *FCA*. The *firm* does not need to apply to the *FCA* for that consent.
- 10C.9.12 G Under section 59B of the *Act* (Role of FCA in relation to PRA decisions), the *FCA* may arrange with the *PRA* that, in agreed cases, the *PRA* may give approval without obtaining the consent of the *FCA*. No such arrangements are currently in force.

## 10C.10 Application for approval and withdrawing an application for approval

Purpose

- 10C.10.1 G This section explains how a *firm* should apply for approval for a *person* to perform an *FCA-designated senior management function*.
- 10C.10.2 G  
R Unless the context otherwise requires, in *SUP* 10C.10 (Application for approval and withdrawing an application for approval) to *SUP* 10C.15 (Forms and other documents and how to submit them to the FCA), where reference is made to a *firm*, this includes an applicant for *Part 4A permission* and other *persons* seeking to carry on *regulated activities* as ~~a relevant authorised person~~ an SMCR firm.

10C.10.2A     D     SUP 10C.10.2R applies to every direction in SUP 10C.10 to SUP 10C.15.

When to apply for approval

- 10C.10.3     G     (1)     Section 59 of the *Act* (Approval for particular arrangements) says that a *firm* must take reasonable care to ensure that no one performs an *FCA controlled function* (including an *FCA-designated senior management function*) unless that *person* is acting in accordance with an approval given by the *FCA*.
- (2)     That means that where a *candidate* will be performing one or more *FCA-designated senior management functions*, a *firm* must take reasonable care to ensure that the *candidate* does not perform these functions unless they have prior approval from the *FCA*.

Failure to apply for approval

- 10C.10.4     G     (1)     If a *person* performs an *FCA controlled function* (including an *FCA-designated senior management function*) without approval, it is not only the *firm* that is accountable. Under section 63A of the *Act* (Power to impose penalties), if the *FCA* is satisfied that:
- (a)     a *person* ('P') has at any time performed an *FCA controlled function* without approval; and
- (b)     at that time P knew, or could reasonably be expected to have known, that P was performing an *FCA controlled function* without approval;
- it may impose a penalty on P of such amount as it considers appropriate.
- (2)     A *person* performs a *controlled function* without approval for these purposes if that *person* is not acting in accordance with an approval given under section 59 (Approval for particular arrangements).

Who should make the application?

- 10C.10.5     G     In accordance with section 60 of the *Act* (Applications for approval), applications must be submitted by, or on behalf of, the *firm* itself, not by:
- (1)     the *FCA candidate*; or
- (2)     (where the *FCA candidate* works for the *firm's parent undertaking* or *holding company*) by the *firm's parent undertaking* or *holding company*.

- 10C.10.6 G (1) The *firm* that is employing the *FCA candidate* to perform the *FCA-designated senior management function* will usually make the submission itself.
- (*SUP* 10C.10.7G describes some common situations.)
- (2) Where a *firm* has outsourced the performance of an *FCA-designated senior management function*, the details of the outsourcing determines whom the *FCA* anticipates will submit the *FCA-approved persons* application forms.
- (3) The *firm* which is outsourcing is referred to as ‘A’ and the *person* to whom the performance of the *FCA-designated senior management function* has been outsourced, or which makes the arrangement for the *FCA-designated senior management function* to be performed, is referred to as ‘B’. In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the Act, no *person* performs an *FCA-designated senior management function* under an arrangement entered into by its contractor in relation to the carrying on by A of a *regulated activity*, without approval from the *FCA*.

10C.10.7 G Outsourcing arrangements

Outsourcing arrangements	Explanation	Submitting form
<i>Firm A to firm B</i>	The <i>FCA</i> will consider A to have taken reasonable care if it enters into a contract with B under which B is responsible for ensuring that the relevant <i>FCA-designated senior management functions</i> are performed by <i>FCA-approved SMF managers</i> , and that it is reasonable for A to rely on this.	<i>Firm B</i> submits <i>FCA-approved persons</i> forms on behalf of <i>firm A</i> .
Outsourcing by A to B (both being a member of the same <i>United Kingdom group</i> and each having	See <i>SUP</i> 10C.3.9G	Either A or B may submit <i>FCA-approved persons</i> forms on behalf of <i>firms</i> in the

its registered office in the <i>United Kingdom</i> )		group (see <i>SUP</i> 15.7.8G).
<p>(i) A to B, where B:</p> <p>(a) is not an <i>authorised person</i>; and</p> <p>(b) is not part of the same <i>group</i> as A; or</p> <p>(ii) A to B, where A is a <i>branch</i> of an <i>overseas firm</i> in the <i>United Kingdom</i>, and B is an <i>overseas undertaking</i> of the same <i>group</i>; or</p> <p>(iii) A to B, where A is a <i>UK authorised subsidiary</i> of an <i>overseas firm</i> and B is an <i>overseas undertaking</i> of the same <i>group</i>.</p>	Responsibility for (as opposed to the performance of) any activity <i>outsourced</i> to B will remain with A. See <i>SYSC</i> 8.	A ensures that an individual approved by the <i>FCA</i> or the <i>PRA</i> to perform a <i>designated senior management function</i> has responsibility for the <i>outsourced arrangement</i> and A submits a form in relation to that individual.

## How to apply for approval

- 10C.10.8 D (1) An application by a *firm* for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* must be made by completing Form A (~~*SUP* 10C Annex 2D~~ *SUP* 10C Annex 3D), except where *SUP* 10C.10.9D requires Form E.
- (2) If a *firm* must make an application using Form A, it must use Form A (shortened form) ~~if:~~ in the circumstances described in *SUP* 10C.10.8AD.
- (a) ~~the person has current approved person approval to perform:~~

- (i) ~~an FCA controlled function that is a significant influence function; or~~
  - (ii) ~~an FCA designated senior management function; or~~
  - (iii) ~~a PRA controlled function; and~~
- (b) ~~there have been no matters arising in relation to the fitness and propriety of the person to whom the application relates which mean that the information provided to the FCA or the PRA regarding fitness and propriety in connection with the current approved person approval may have changed since the application for the current approved person approval was made.~~

10C.10.8A     D     If a firm must make an application using Form A, it must use Form A (shortened form) if:

- (1) the candidate:
  - (a) has current approved person approval to perform:
    - (i) an FCA controlled function that is a significant influence function; or
    - (ii) an FCA-designated senior management function; or
    - (iii) a PRA controlled function; or
  - (b) has had current approved person approval of the type described in (a) within the previous six months; and
- (2) there have been no matters arising in relation to the fitness and propriety of the person to whom the application relates which mean that the information provided to the FCA or the PRA regarding fitness and propriety in connection with the current approved person approval in (1)(a) or (b) may have changed since the application for that current approved person approval was made.

10C.10.8B     D     A firm must not use Form A (shortened form) if:

- (1) the firm is a MiFID investment firm (except a credit institution); and
- (2) SUP 10C.10.9BD applies to that application.



- 10C.10.9 D (1) ~~A firm must use Form E (SUP 10C Annex 3D)~~ SUP 10C Annex 7D where an *approved person*:
- (a) is both ceasing to perform one or more *controlled functions*; and
  - (b) needs to be approved in relation to one or more *FCA-designated senior management function*;
- within the same *firm* or *group*.
- (2) A *firm* must not use Form E if the *approved person* has never before been approved to perform for any *firm*:
- (a) an *FCA controlled function* that is a *significant influence function*;
  - (b) an *FCA-designated senior management function*; or
  - (c) a *PRA controlled function*.
- (3) A *firm* must not use Form E if the *approved person* has not been subject to a *current approved person approval* from the *FCA* or *PRA* to perform for any *firm* for more than six months:
- (a) an *FCA controlled function* that is a *significant influence function*;
  - (b) an *FCA-designated senior management function*; or
  - (c) a *PRA controlled function*.
- (4) A *firm* must not use Form E if:
- (a) a notification has been made or should be made:
    - (i) to the *FCA* under *SUP 10C.14.18R* (Changes in fitness to be notified under Form D); or
    - (ii) to the *PRA* under any equivalent *PRA* rule; or
    - (iii) to the *FCA* under *SUP 10A.14.17R* (the equivalent to (i) ~~for firms that are not relevant authorised persons~~) ~~; or~~ in SUP 10A;
    - (iv) ~~the PRA requirements corresponding to (iii)~~;
 (whichever is applicable);
  - (b) a notification has been made or should be made to the *FCA* or *PRA* under any of the following:

- (i) section 63(2A) of the *Act* (Duty to notify regulator of grounds for withdrawal of approval); or
  - (ii) [deleted]
  - (iii) section 64C of the *Act* (Requirement for relevant authorised persons to notify regulator of disciplinary action); or
- (c) a notification has been made or should be made to the *PRA* under any provision of ~~Chapter 11 of the part of the *PRA* rulebook~~ *Rulebook* titled “Notifications” (~~Conduct Rules: Notifications~~) corresponding to the requirements in (b); or
- (d) any of the circumstances in *SUP* 10C.14.7R (qualified Form C) apply;

in relation to any:

- (e) *controlled functions* which that *person* is ceasing to perform (as referred to in (1)); or
- (f) any *controlled function* that they are continuing to perform for that *firm* or a *firm* in the same *group*.

- 10C.10.9A G (1) The ~~*MiFID II ITS*~~ *MiFID authorisation and management body change notification ITS* requires that *MiFID investment firms* (except *credit institutions*) submit the Annex III information on the ESMA template available at <https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.doc> (‘Annex III template’) where there is a change to a member of the *management body* or a *person* who effectively directs the business.
- (2) *MiFID investment firms* (except *credit institutions*) need to submit this Annex III template within ten *business days* of the change in the *online notification and application system* (also known as Connect).
- (3) ~~In summary, where there is a change to a member of the *management body* or a *person* who effectively directs the business of a *MiFID investment firm* (except a *credit institution*) then the *firm* is required~~ *SUP* 10C.10.9BD explains how this requirement fits in with the requirement to submit the following forms (in addition to the relevant a Form A, C, or Form E, about a candidate):
- (a) ~~Where a new member of the *management body* or a *person* who effectively directs the business is appointed:~~

- (i) ~~the Annex III template; and~~
- (ii) ~~MiFID Article 4 SMR Information Form.~~
- (b) ~~Where a person ceases being a member of the *management body* or a person who effectively directs the business, then the firm must submit the Annex III template (in addition to the relevant Form E).~~
- (4) ~~Where the Annex III template requires the *firm* to provide information which is also contained in Form A and/or E, the firm may, instead of duplicating the information, cross refer to the information in the relevant Form A or E and annex those forms to the Annex III template (see SUP 10C.10.9C). [deleted]~~
- 10C.10.9AA    G    (1)    The *MiFID authorisation and management body change notification ITS* requires that a *person* applying to be a *MiFID investment firm* (except a *credit institution*) should notify the *appropriate regulator* of information about members of its *management body* by filling in the template set out in Annex II of the *MiFID authorisation and management body change notification ITS*.
- (2)    This applies whether:
- (a)    the *person* is applying for *authorisation*; or
- (b)    the *person* is a *firm* applying for a variation of its *permission* that would turn it into a *MiFID investment firm*.
- (3)    There is no requirement to fill in the MiFID Article 4 SMR Information Form referred to in SUP 10C.10.9BD along with a Form A or Form E.
- 10C.10.9B    D    Where:
- (1)    there is a change to a member of the *management body* or *person* who directs the business; ~~of a *MiFID investment firms firm* (except a *credit institutions institution*)~~ that the *firm* must notify to the *appropriate regulator* under Annex III of the *MiFID authorisation and management body change notification ITS*; and
- (2)    that change also requires the *firm* to apply for approval for that member or *person* to perform an *FCA-designated senior management function*;
- the *firm* must submit to the FCA the completed form found in SUP 10C Annex ~~7D~~ 11D (MiFID Article 4 SMR Information Form) at the same time as submitting the Form A ~~and/or~~ or Form E about a *candidate*.

~~[Editor's note: This is in accordance with the information required in article 4 of the Commission Delegated Regulation of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms.]~~

- 10C.10.9C G *MiFID investment firms* (except *credit institutions*) who submit:
- (a) Form A ~~and/or~~ or Form E; and
    - (1)
  - (b) the MiFID Article 4 SMR Information Form;
    - (2)
- about a *candidate* can complete the Annex III template outlined in SUP 10C.10.9AG by cross-referring to ~~the~~ any information required by the template that has been included in the relevant Form A and/or or Form E . The template should where it has already been provided by the firm, and this would then be annexed to the relevant Form A ~~and/or or~~ or Form E.
- 10C.10.10 G SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how applications should be submitted.
- Statements of responsibilities
- 10C.10.11 G An application by a *firm* for the *FCA* 's approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* should be accompanied by a *statement of responsibilities* about the candidate.
- 10C.10.12 G SUP 10C.11 (Statements of responsibilities) contains more material about *statements of responsibilities*, including (in particular) about a *statement of responsibilities* submitted under an application under SUP 10C.10.
- Other material to be included in an application
- 10C.10.13 G A firm to which SYSC 25.9 (Handover procedures and material) applies should include in an application a reasonable summary of:
- (1) any handover certificate; and
  - (2) any other handover material;
- referred to in SYSC 25.9 ~~(Handover procedures and material)~~ that relates to the responsibilities that the *candidate* is to perform.
- 10C.10.13A D A firm to which SYSC 25.2 (Management responsibilities maps: Main rules) applies must include in an application for the *FCA* 's approval

under section 59 of the Act (Approval for particular arrangements) for the performance of an FCA-designated senior management function the latest version of the firm's management responsibilities map.

#### Vetting of candidates by the firm

10C.10.14 G Under section 60A of the Act, before a firm makes an application for approval, it should be satisfied that the candidate is a fit and proper person to perform the function to which the application relates. In deciding that question, the firm should have particular regard to whether the candidate, or any person who may perform a function on the candidate's behalf:

- (1) has obtained a qualification;
- (2) has undergone, or is undergoing, training;
- (3) possesses a level of competence; or
- (4) has the personal characteristics;

required by FCA rules in relation to persons performing functions of the kind to which the application relates.

10C.10.15 G For guidance on criteria that a firm should use for assessing whether an FCA candidate is fit and proper (including the FCA rules referred to in SUP 10C.10.14G), see FIT.

#### Criminal records checks and verifying fitness and properness

10C.10.16 R (1) This rule applies to an application by a firm for the FCA's approval under section 59 of the Act (Approval for particular arrangements) for the performance of an FCA-designated senior management function.

- (2) A firm must (as part of its assessment of whether a candidate is a fit and proper person to perform an FCA-designated senior management function and to verify the information contained in the application to carry out the FCA-designated senior management function) obtain the fullest information that it is lawfully able to obtain about the candidate under Part V of the Police Act 1997 (Certificates of Criminal ~~records~~ Records, ~~etc~~ &c) and related subordinated legislation of the UK or any part of the UK before making the application.

10C.10.17 G (1) In England and Wales a firm should get an application form from the Disclosure and Barring Service (DBS) or an umbrella body (a registered body that gives access to DBS checks).

- (2) The *firm* should ask the *candidate* to fill in and return the form to the *firm*. The *firm* should then send the completed application form to the DBS or the *firm*'s umbrella body.
- (3) The *firm* should then ask the *candidate* to show the *firm* the certificate when the *candidate* receives it from the DBS.
- (4) There is an equivalent procedure in Scotland (involving Disclosure Scotland) and Northern Ireland (involving AccessNI).
- 10C.10.18 G ~~Subject to SUP 10C.10.18A, the~~ The *firm* should not send a copy of the certificate to the *FCA* unless required to do so under SUP 10C.10.18AG or SUP 10C.10.28G (requests for additional information).
- 10C.10.18A G *MiFID investment firms* (except *credit institutions*) should provide a copy of the certificate to the FCA in cases where they disclose, in accordance with the MiFID authorisation and management body change notification ITS, the existence of a criminal conviction in response to the questions in: ÷
- (a) Long Form A; ~~and~~ or
- (b) ~~The~~ the MiFID Article 4 SMR Information Form ~~accompanied by Form E.~~
- 10C.10.19 G If the *candidate* is employed by a contractor, the *firm* may ask the contractor to obtain the certificate.
- 10C.10.20 G A *firm* should also check the *Financial Services Register* as part of its assessment of whether a *candidate* is fit and proper and to verify the information contained in the application for approval.
- 10C.10.21 G If appropriate, a *firm* should:
- (1) carry out a criminal record check; and
- (2) check any equivalent of the *Financial Services Register*;
- in a jurisdiction outside the *UK*. This may be appropriate if the *candidate* has spent time working or living in that jurisdiction.
- 10C.10.22 G A *firm* should consider whether it should take additional steps to verify any information contained in an application to carry out an *FCA-designated senior management function* or that it takes into account in its assessment of whether a *candidate* is a fit and proper person.
- 10C.10.23 G Please see *SYSC 22* (Regulatory references) about the requirement for a *firm* to ask for references from previous employers.
- 10C.10.23A G (1) SUP 10C.10.16R (Criminal records checks) does not require a firm to carry out a criminal records check for the purposes of its

annual assessment of the fitness and propriety of its *SMF* managers under section 63(2A) of the *Act*.

- (2) The requirement in section 63(2A) of the *Act* is summarised in SUP 10C.14.24G (Table: Explanation of the sections of the *Act* mentioned in SUP 10C.14.22R).

#### Processing an application

- 10C.10.24 G The *Act* sets out the time that the *FCA* has to consider an application and come to a decision.
- 10C.10.25 G In any case, where the application for approval is made by a *person* applying for a *Part 4A permission*, the *FCA* has until the end of whichever of the following periods ends last:
- (1) the period within which an application for that *permission* must be determined; and
  - (2) the period of three months from the time it receives a properly completed application.
- 10C.10.26 G In any other case, it is the period of three months from the time it receives a properly completed application.
- 10C.10.27 G The *FCA* will deal with cases more quickly than this whenever circumstances allow and will try to meet the standard response times published on the website and in its Annual Report. However, the processing time will be longer than the published standard response times if:
- (1) an application is incomplete when received; or
  - (2) the *FCA* has knowledge that, or reason to believe that, the information is incomplete.
- 10C.10.28 G Before making a decision to grant the application or give a *warning notice*, the *FCA* may ask the *firm* for more information about the *FCA candidate*. If it does this, the three-month period in which the *FCA* must determine a completed application:
- (1) will stop on the day the *FCA* requests the information; and
  - (2) will start running again on the day on which the *FCA* finally receives all the requested information.
- 10C.10.29 G If there is a delay in processing the application within the standard response time, the *FCA* will tell the *firm* making the application as soon as this becomes apparent.

- 10C.10.30 G (1) Application forms must always be completed fully and honestly. Further notes on how to complete the form are contained in each form.
- (2) If forms are not completed fully and honestly, applications will be subject to investigation and the *FCA candidate's* suitability to be approved to undertake an *FCA controlled function* will be called into question.
- (3) A *person* who provides information to the *FCA* that is false or misleading may commit a criminal offence and could face prosecution under section 398 of the *Act*, regardless of the status of their application.

10C.10.31 G The *FCA* may grant an application only if it is satisfied that the *FCA candidate* is a fit and proper *person* to perform the *FCA-designated senior management function* stated in the application form. Responsibility lies with the *firm* making the application to satisfy the *FCA* that the *FCA candidate* is fit and proper to perform the *FCA-designated senior management function* applied for.

10C.10.32 G For further *guidance* on criteria for assessing whether an *FCA candidate* is fit and proper for the purposes of *SUP* 10C.10.31G, see *FIT*.

#### Decisions on applications

- 10C.10.33 G The *FCA* must:
- (1) grant the application;
- (2) grant the application subject to conditions or limitations (see *SUP* 10C.12 for more information); or
- (3) refuse the application.

10C.10.34 G Whenever it grants an application, the *FCA* will confirm this in writing to all *interested parties*.

10C.10.35 G If the *FCA* proposes to take the steps in *SUP* 10C.10.33G(2) or *SUP* 10C.10.33G(3) in relation to one or more *FCA-designated senior management functions*, it must follow the procedures for issuing *warning* and *decision notices* to all *interested parties*. The requirements relating to *warning* and *decision notices* are in *DEPP* 2.

#### Withdrawing an application for approval

10C.10.36 R A *firm* notifying the *FCA* of its withdrawal of an application for approval must use Form B (~~*SUP* 10A Annex 5R~~ *SUP* 10C Annex 4R).



- 10C.10.37 G Under section 61(5) of the *Act* (Determination of applications), the *firm* may withdraw an application only if it also has the consent of:
- (1) the *candidate*; and
  - (2) the *person* by whom the *candidate* is or would have been employed, if this is not the *firm* making the application.
- 10C.10.38 G *SUP* 10C.15 (Forms and other documents and how to submit them to the FCA) explains how a notice of withdrawal should be submitted.

## 10C.11 Statements of responsibilities

What a statement of responsibilities is

- 10C.11.1 G (1) Section 60(2A) of the *Act* (Applications for approval) says that, if a *firm* is applying for approval from the *FCA* or the *PRA* for a *person* to perform a *designated senior management function*, the regulator to which the application is being made must require the application to contain, or be accompanied by, a statement setting out the aspects of the affairs of the *firm* which it is intended that the *person* will be responsible for managing in performing the function.
- (2) That statement is a *statement of responsibilities*.
  - (3) A *statement of responsibilities* includes a statement amended under section 62A of the *Act* (see *SUP* 10C.11.5G).

What this section covers

- 10C.11.2 G (1) This section is about the *FCA*'s requirements for *statements of responsibilities*.
- (2) However, where applications and notifications relate both to *FCA-designated senior management functions* and to *PRA* ones, the regulators' requirements are consistent with each other.
  - (3) The general material in this section (~~*SUP* 10C.11.13G~~ *SUP* 10C.11.13D to *SUP* 10C.11.35G) applies to *statements of responsibilities* submitted in all the cases covered by this section. It covers *statements of responsibilities* submitted as part of an application for approval or variation and revised *statements of responsibilities*.

Applications for approval

- 10C.11.3 D An application by a *firm* for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* must be accompanied by

a *statement of responsibilities* (~~SUP 10C Annex 5D~~) (SUP 10C Annex 10D).

- 10C.11.4 G (1) SUP 10C.10 (Application for approval and withdrawing an application for approval) explains the procedures for applying for approval.
- (2) SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how applications for approval should be submitted.
- (3) See the table in SUP 10C.11.19G for examples of how the requirements of this section about including *statements of responsibilities* in applications for approval apply in different situations.

Revised statements of responsibilities: Introduction

- 10C.11.5 G Under section 62A of the *Act*, a *firm* must provide the *FCA* with a revised *statement of responsibilities* if there has been any significant change in the responsibilities of an *FCA-approved SMF manager*. More precisely:
- (1) if a *firm* has made an application (which was granted) to the *FCA* for approval for a *person* to perform an *FCA-designated senior management function*;
- (2) the application contained, or was accompanied by, a *statement of responsibilities*; and
- (3) since the granting of the application, there has been any significant change in the aspects of the *firm's* affairs which the *FCA-approved SMF manager* is responsible for managing in performing the function;
- the *firm* should provide the *FCA* with a revised *statement of responsibilities*.

Revised statements of responsibilities: Meaning of significant change

- 10C.11.6 G (1) This paragraph sets out non-exhaustive examples of potential changes which, in the *FCA's* view, may be significant and thus require the submission of a revised *statement of responsibilities*.
- (2) A variation of the *FCA-approved SMF manager's* approval, either at the *firm's* request or at the *FCA's* or *PRA's* initiative, resulting in the imposition, variation or removal of a condition or time limit, may involve a significant change.
- (3) Fulfilling or failing to fulfil a condition on approval may involve a significant change.

- (4) The addition, re-allocation or removal of any of the following (or part of one):
- (a) an *FCA-prescribed senior management responsibility*;
  - (b) a *PRA-prescribed senior management responsibility* ~~or a *PRA-prescribed UK branch senior management responsibility*~~; or
  - (c) responsibility for a function under ~~*SYSC 4.7.8R*~~ (~~Allocation of overall responsibility for a firm's activities, business areas and management functions~~) *SYSC 26 (Senior managers and certification regime: Overall and local responsibility)* ;

may involve a significant change.

- (5) The sharing or dividing of ~~a function in (4)~~ *an FCA-prescribed senior management responsibility* or a *PRA-prescribed senior management responsibility* that was originally performed by one *person* between two or more *persons* may involve a significant change.
- (6) Ceasing to share ~~a function in (4)~~ *an FCA-prescribed senior management responsibility* or a *PRA-prescribed senior management responsibility* that was originally shared with another, or others, may involve a significant change.
- (6A) Beginning or ceasing to share responsibility for a function under *SYSC 26 (Senior managers and certification regime: Overall and local responsibility)* may involve a significant change.
- (7) A change is likely to be significant if it reflects a significant change to the job that the *person* is doing for the *firm*. Some factors relevant here include:
- (a) the importance to the *firm* of the functions being given up or taken on;
  - (b) whether the *FCA-approved SMF manager's* seniority in the *firm's* management changes;
  - (c) whether there are changes to the identity, number or seniority of those whom the *FCA-approved SMF manager* manages; and
  - (d) whether there are changes to the skills, experience or knowledge needed by the *FCA-approved SMF manager* for the job.

## Revised statements of responsibilities: Procedure

- 10C.11.7 D (1) A *firm* must provide a revised *statement of responsibilities* under section 62A of the Act (SUP 10C Annex 10D) under cover of Form J (~~SUP 10C Annex 5D~~) (SUP 10C Annex 9D).
- (2) A *firm* must not use Form J where the revisions are to be made as part of arrangements involving an application:
- (a) for approval for the *FCA-approved SMF manager* concerned to perform another *designated senior management function* for the same *firm*; or
- (b) to vary (under section 63ZA of the Act (Variation of senior manager's approval at request of relevant authorised person)) an approval for the *FCA-approved SMF manager* concerned to perform a *designated senior management function* for the same *firm*.
- (3) Where the change to be notified to the FCA under section 62A of the Act is part of an arrangement under which:
- (a) the *firm* is also required to make an application or notification about the FCA-approved SMF manager to the PRA which involves sending a statement of responsibilities for that FCA-approved SMF manager in relation to the same *firm* to the PRA; but
- (b) the *firm* is not required to send any other application or notice about the FCA-approved SMF manager under this chapter directly to the FCA;
- the *firm* must provide the revised *statement of responsibilities* to the FCA by including it with the application or notice to the PRA.
- 10C.11.8 G Broadly, the intention of SUP 10C.11.7D(2) is that there is no need for Form J if the revised *statement of responsibilities* is being submitted together with Form A, Form E, the MiFID Article 4 SMR Information Form or Form I for the same *firm*.
- 10C.11.9 G (1) SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how revised *statements of responsibilities* should be submitted.
- (2) See the table in SUP 10C.11.19G for examples of how the requirements of this section about submitting revised *statements of responsibilities* apply in different situations.
- (3) In particular, the table in SUP 10C.11.19G gives examples of how SUP 10C.11.7D(2) and (3) ~~works work~~.

## Variation of approval

- 10C.11.10 D An application by a *firm* to the *FCA* for the variation of an existing approval under section 63ZA of the *Act* (Variation of a senior manager's approval at request of ~~relevant~~ authorised person) must be accompanied by a *statement of responsibilities*.
- 10C.11.11 G (1) See *SUP* 10C.13 (Variation of conditional and time-limited approvals) for more details about applications to vary an approval.
- (2) *SUP* 10C.15 (Forms and other documents and how to submit them to the *FCA*) explains how applications to vary an approval should be submitted.
- (3) See the table in *SUP* 10C.11.19G for examples of how the requirements of this section about submitting *statements of responsibilities* with applications to vary an approval apply in different situations.

## Ceasing to carry on some functions

- 10C.11.12 R (1) If:
- (a) an *FCA*-approved *SMF* manager ceases to perform a *designated senior management function* for a *firm*; but
- (b) continues to perform an *FCA*-designated senior management function for that *firm*;
- the *firm* must (under Form J) submit a *statement of responsibilities* for the remaining ~~functions~~ *FCA*-designated senior management functions complying with the requirements of this section (including *SUP* 10C.11.13D).
- (2) Where the change to be notified to the *FCA* meets the conditions in *SUP* 10C.11.7D(3)(a) and (b), the *firm* must provide the revised *statement of responsibilities* to the *FCA* by including it with the application or notice to the *PRA*.

One document for each *SMF* manager for each firm

- 10C.11.13 D (1) A *firm* must prepare *statements of responsibilities* (including revised ones) for one of its *FCA*-approved *SMF* managers as a single document covering every *designated senior management function* for which:
- (a) that *FCA*-approved *SMF* manager has approval; or
- (b) for which an application for approval is being made;

- for that *firm*.
- (2) The statement must be up to date for each *designated senior management function*.
- 10C.11.14 G (1) *SUP* 10C.11.13D means that, at any time, a *firm* should have a single document for an FCA-approved SMF manager that:
- (a) contains *statements of responsibilities* for all *designated senior management functions* for which that *SMF manager* has approval; and
- (b) where relevant, contains *statements of responsibilities* for all *designated senior management functions* for which the *firm* is applying for approval.
- (2) The document in (1) should cover *PRA-designated senior management functions* as well as *FCA-designated senior management functions*.
- (3) The document should be updated:
- (a) under section 62A of the *Act* (see *SUP* 10C.11.5G); and
- (b) whenever the *firm* has to submit *statements of responsibilities* under this section.
- (4) The *FCA* and the *PRA* have coordinated their arrangements so that a *firm* can prepare a single document that will meet the requirements of both regulators about *statements of responsibilities*.
- (5) The table in *SUP* 10C.11.19G gives examples of how these requirements work.
- 10C.11.15 G If a *person* is an *SMF manager* for several *firms* in a group that are ~~*relevant authorised persons*~~ *SMCR firms*, there should be a separate document for each *firm*.
- 10C.11.16 G There should be a separate document for each *SMF manager* in a *firm*. A *firm* should not combine *statements of responsibilities* for several *SMF managers*.
- 10C.11.17 G The requirement for a single document does not prevent the document having an attachment sheet for additional information where ~~*SUP* 10C Annex 5D~~ *SUP* 10C Annex 10D (the *FCA*'s template for *statements of responsibilities*) allows this.

Submitting statements of responsibilities: examples of how the requirements work

- 10C.11.18 G The table in *SUP* 10C.11.19G gives examples of how the requirements in this section for submitting *statements of responsibilities* (combined with the corresponding *PRA* requirements) work in different cases.
- 10C.11.19 G Table: ~~examples~~ Examples of how the requirements for submitting statements of responsibilities work

Example	Comments
<p>(1) A <i>firm</i> applies for approval for A to perform the <del>executive</del> <u><i>executive director function</i></u> and the <u><i>money laundering reporting function</i></u>.</p>	<p>There should be a single <i>statement of responsibilities</i> document that covers the two functions.</p> <p>The combined document should be included with the application for approval.</p>
<p>(2) Firm X applies for approval for A to perform the <del>executive</del> <u><i>executive director function</i></u>. Firm Y applies for approval for A to perform the <u><i>money laundering reporting function</i></u>. Both <i>firms</i> are <del>relevant authorised persons</del> <u><i>SMCR firms</i></u>.</p>	<p>There should be separate <i>statements of responsibilities</i> for each <i>firm</i>.</p> <p>This is the case even if Firm X and Firm Y are in the same group.</p>
<p>(3) A <i>firm</i> applies for approval for A to perform an <i>FCA-designated senior management function</i> and a <i>PRA-designated senior management function</i>.</p> <p>The arrangements in <i>SUP</i> 10C.9 for <i>FCA</i> functions to be absorbed into <i>PRA</i> ones do not apply and so there are separate applications to the <i>FCA</i> and <i>PRA</i>.</p>	<p>The single <i>statement of responsibilities</i> document should cover both the <i>FCA</i> and the <i>PRA</i> functions.</p>
<p>(4) A has approval to perform the <del>executive</del> <u><i>executive director function</i></u>. Later, A is to be appointed to perform the <u><i>money laundering reporting function</i></u> for the same <i>firm</i>. This will also result in substantial changes to A's duties as an executive director.</p>	<p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to perform</p>

Example	Comments
	<p>the <i>money laundering reporting function</i>.</p> <p>The single <i>statement of responsibilities</i> document should cover both functions. The part relating to A's duties as an executive director should be updated.</p>
<p>(5) A has approval to perform the <del>executive</del> <i>executive director function</i>. Later, A is to be appointed to perform the PRA's chief risk officer <i>designated senior management function</i> for the same <i>firm</i>. This will also result in substantial changes to A's duties as an executive director.</p>	<p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to perform the PRA function.</p> <p>The <i>firm</i> should not submit the revised single <i>statement of responsibilities</i> document separately to the FCA. Instead, it should include it as part of the application to the PRA.</p> <p>The single <i>statement of responsibilities</i> document should cover both the FCA and the PRA functions. The part relating to A's duties as an executive director should be updated.</p>
<p>(6) A has approval to perform the <i>money laundering reporting function</i>. The approval to perform the <i>money laundering reporting function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition.</p>	<p>The <i>firm</i> should include a revised <i>statement of responsibilities</i> with the application.</p> <p>The <i>firm</i> should not use Form J. It should submit a revised <i>statement of</i></p>



Example	Comments
	<i>responsibilities</i> along with the application to vary the approval.
<p>(7) A has approval to perform the <del>executive</del> <i>executive director function</i> and the <i>money laundering reporting function</i> for the same <i>firm</i>. The approval to perform the <i>money laundering reporting function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A's job as an executive director.</p>	<p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to vary the approval for the <i>money laundering reporting function</i>.</p> <p>The single <i>statement of responsibilities</i> document should be updated and should cover both functions.</p>
<p>(8) A has approval to perform the <del>executive</del> <i>executive director function</i> and the <i>PRA's chief risk officer designated senior management function</i> for the same <i>firm</i>. The arrangements in SUP 10C.9 for <i>FCA</i> functions to be absorbed into <i>PRA</i> ones do not apply and so there are separate <i>FCA</i> and <i>PRA</i> approvals.</p> <p>The approval to perform the <i>PRA's chief risk officer designated senior management function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A's job as an executive director.</p>	<p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to vary the <i>PRA</i> function.</p> <p>The <i>firm</i> should not submit the revised document separately to the <i>FCA</i>. Instead it should include it as part of the application to the <i>PRA</i>.</p> <p>The single <i>statement of responsibilities</i> document should cover both the <i>FCA</i> and the</p>

Example	Comments
	<i>PRA</i> functions and should be updated.
<p>(9) A has approval to perform the <del>executive</del> <i>executive director function</i> and the <i>money laundering reporting function</i> for the same firm.</p> <p>Sometime later, A is to give up the <i>money laundering reporting function</i> and take up the <i>PRA's chief risk officer designated senior management function</i>. This will involve major changes to A's role as executive director.</p>	<p>The answer to example (5) applies.</p> <p>The application to the <i>PRA</i> to perform the <i>PRA</i> function should be accompanied by a single document that:</p> <p>(1) contains the <i>statement of responsibilities</i> for the new function;</p> <p>(2) contains the revised <i>statement of responsibilities</i> for the <del>executive</del> <i>executive director function</i>; and</p> <p>(3) reflects the fact that A is no longer performing the <i>money laundering reporting function</i>.</p>
<p>(10) A firm has approval for A to perform the <del>executive</del> <i>executive director function</i> and the <i>money laundering reporting function</i>.</p> <p>A then ceases to perform the <i>money laundering reporting function</i> but continues to perform the <del>executive</del> <i>executive director function</i>.</p>	<p>The firm must submit:</p> <p>(a) Form C for the <i>money laundering reporting function</i>;</p> <p>(b) Form J; and</p> <p>(c) a single updated <i>statement of responsibilities</i> document that covers the <del>executive</del> <i>executive director function</i> and <u>reflects the fact that A is no longer performing the <i>money laundering reporting function</i></u>.</p>
<p>(11) A has approval to perform the <del>executive</del> <i>executive director function</i> and the <i>PRA's chief risk officer designated senior management function</i> for the same firm.</p>	<p>The firm must submit:</p> <p>(a) Form C for the <i>PRA</i> function;</p>

Example	Comments
<p>Later, A gives up his role as chief risk officer.</p>	<p>(b) Form J; and</p> <p>(c) a single updated <i>statement of responsibilities</i> document that covers the <del>executive</del> <i>executive director function</i>.</p> <p>The <i>firm</i> should not submit the revised single <i>statement of responsibilities</i> document separately to the <i>FCA</i>. Instead, it should include it as part of the notification to the <i>PRA</i>.</p>
<p>(12) A has approval to perform the <del>executive</del> <i>executive director function</i>. Later, A is to be appointed to perform the <i>money laundering reporting function</i> for the same <i>firm</i>.</p> <p>The application is rejected.</p>	<p>The single <i>statement of responsibilities</i> document submitted as part of the application will no longer be correct as it reflects the proposed new approval.</p> <p>If the only changes to the single document in the version sent with the application are ones ; clearly and exclusively tied to the new function, the <i>firm</i> will not need to amend the document as the changes will automatically fall away.</p> <p>In any other case (for instance if the application is approved conditionally), it is likely that the <i>firm</i> will need to update it using Form J.</p> <p>In any case, the <i>FCA</i> may contact the <i>firm</i> to agree a revised single <i>statement of</i></p>

Example	Comments
	<i>responsibilities</i> document.
<p>(13) A has approval to perform the <del>executive director</del> <u>money laundering reporting function</u>. Later, A is to be appointed to <del>perform the money laundering function as an executive director</del> <u>for the same firm</u>.</p> <p>This will not result in any <u>significant</u> changes to A's duties as <del>an executive director</del> <u>in the money laundering reporting function</u>. However, there have been some insignificant changes to A's role as <del>an executive director</del> <u>in the money laundering reporting function</u> since the firm submitted the most recent single <i>statement of responsibilities</i> document. The changes are not connected to A's appointment to <del>perform the money laundering function as executive director</del>.</p>	<p>The answer for example (4) applies.</p> <p>The single <i>statement of responsibilities</i> document should be updated to cover the changes to A's duties as <del>executive director</del>, <u>as well as covering A's new in the money laundering role as well as covering A's appointment to perform the executive director function</u>. It does not matter that the changes to A's <u>money laundering</u> role as <del>an executive director</del> are not significant.</p>
<p>(14) A has approval to perform the <del>executive</del> <u>executive director function</u>. Later, A's business unit grows in size and so the firm needs to apply for A to be approved to perform the PRA's Head of Key Business Area <u>designated senior management function</u>. However, A's responsibilities do not change.</p>	<p>The firm should submit a revised single <i>statement of responsibilities</i> document along with the application to perform the PRA function.</p> <p>The firm should submit a single <i>statement of responsibilities</i> document that covers both the FCA and the PRA functions.</p> <p>It should not submit the revised single <i>statement of responsibilities</i> document separately to the FCA. Instead, it should include it as part of the application to the PRA.</p>

Example	Comments
<p>(15) Firm X has a <i>branch</i> in the <i>United Kingdom</i>. Firm Y is a <i>UK authorised subsidiary</i> of firm X.</p> <p>Firm X is a <del><i>third-country relevant authorised person</i></del> <u><i>an overseas SMCR firm</i></u> that is not an <u><i>EEA SMCR firm</i></u> and firm Y is a <i>UK relevant authorised person</i> <u><i>SMCR firm</i></u>.</p> <p>Both <i>firms</i> apply for approval for the same individual (P) to perform the <del><i>executive</i></del> <u><i>executive director function</i></u>.</p>	<p>There should be separate <i>statement of responsibilities</i> for P for each <i>firm</i>.</p>
<p><u>Note:</u> The single <i>statement of responsibilities</i> document means the single document described in SUP 10C.11.13D.</p>	

Need for a complete set of current statements of responsibilities

- 10C.11.20 R A *firm* must, at all times, have a complete set of current *statement of responsibilities* for all its *SMF managers*.
- 10C.11.21 G (1) A complete set of current *statement of responsibilities* means all *statements of responsibilities* that the *firm* has provided to the *FCA* or *PRA* as revised under section 62A of the *Act* and this chapter.
- (2) A *statement of responsibilities* is not current if the *person* in question no longer performs any of the *controlled function functions* to which it relates.

Past versions

- 10C.11.22 (1) A *firm* should consider past versions of its *statements of responsibilities* as an important part of its records and as an important resource for the *FCA* in supervising the *firm*.
- (2) Past versions of a *firm's statements of responsibilities* form part of its records under ~~*SYSC 9.1 (General rules on record keeping)*~~ *the regulatory system*.
- 10C.11.22A R (1) This rule applies to an *SMCR firm* that is a *Solvency II firm* (including a *large non-directive insurer*).
- (2) A *firm* must retain each version of a *statement of responsibilities* for:

(a) (in the case of a large non-directive insurer) six years;  
or

(b) (in any other case) ten years;

from the date on which it was superseded by a more up-to-date version.

(3) A firm must be in a position to provide each version to the FCA on request for as long as the firm is required to retain it.

What statements of responsibilities should contain: ~~general~~ General

- 10C.11.23 G A *statement of responsibilities* should:
- (1) show clearly how the responsibilities that the *SMF manager* performs as part of their *FCA-designated senior management function* fit in with the *firm's* overall governance and management arrangements; ~~and~~
  - (1A) be consistent with the *statement of responsibilities for the firm's other SMF managers*; and
  - (2) be consistent with the *firm's management responsibilities map (if the firm is required to have one)*.
- (See ~~SYSC 4.5.9G, SYSC 4.6.12G and SYSC 4.6.27G~~ SYSC 25.4.1G and SYSC 25.4.2G for more about this.)
- 10C.11.24 G (1) A *statement of responsibilities* (including its attachment sheet for additional information) should:
- (a) be complete by itself;
  - (b) not refer to documents not forming part of it; and
  - (c) only contain material about the matters that this chapter, the corresponding *PRA* requirements and the *Act* say should be included in it.
- (2) For example, if it is necessary to include relevant material from the *firm's* report and accounts, the *statement of responsibilities* should not attach the whole of the report and accounts or cross refer to them. Instead it should include a summary of the relevant part only.
- 10C.11.25 G A *statement of responsibilities* should be:
- (1) practical and useable by the *FCA*;
  - (2) without unnecessary detail; and

- (3) succinct and clear.
- 10C.11.26 G (1) *SYSC* or another part of the *regulatory system* will generally impose requirements (referred to as ‘prescribed requirements’ in this paragraph) that relate to a particular post or set of responsibilities.
- (2) For instance, these include:
- (a) the responsibilities that go with the *FCA required functions*; and
- (b) the *FCA-prescribed senior management responsibilities*, and the *PRA-prescribed senior management responsibilities* ~~and the *PRA-prescribed UK branch senior management responsibilities*~~.
- (3) The allocation of responsibilities under a *statement of responsibilities* should not reduce or alter the scope of any applicable prescribed requirements.
- (4) If:
- (a) the responsibilities that the *SMF manager* carries out as described in the *statement of responsibilities* go beyond the prescribed requirements; or
- (b) the *firm* includes additional information about any prescribed requirements;
- the additional responsibilities or additional information should not:
- (c) reduce or alter the scope of the prescribed requirements; or
- (d) dilute or undermine the prescribed requirements.
- 10C.11.27 G (1) ~~A~~ An example of the requirement that a *firm*’s *statements of responsibilities* for its *SMF managers* should be consistent (see *SUP* 10C.11.23G) is that they should together demonstrate that there are no gaps in the allocation of responsibilities among ~~it’s~~ the *firm*’s *SMF managers*.
- (2) A *firm*’s *statements of responsibilities* should be interpreted, where possible, so as to avoid any gaps in the allocation of responsibility for its activities among its *SMF managers*.
- (3) Paragraphs (1) and (2) ~~are not relevant to *EEA-relevant authorised persons*~~ apply to a *firm* to which *SYSC* 26 (Senior

managers and certification regime: Overall and local responsibility) applies.

- 10C.11.28 G (1) A statement of responsibilities of an *SMF manager* should include details about any:
- (a) *FCA-prescribed senior management responsibilities* ~~and~~ *PRA-prescribed senior management responsibilities* ~~and PRA-prescribed UK branch senior management responsibilities~~ allocated to the *SMF manager*;
  - (b) functions that are included in a *PRA controlled function* under the arrangements described in SUP 10C.9 (Minimising overlap with the PRA approved persons regime); and
  - (c) responsibility for a function allocated to the *SMF manager* under ~~SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~ or ~~SYSC 4.8.10R (Local responsibility for a branch's activities, business areas and management functions)~~; SYSC 26 (Senior managers and certification regime: Overall and local responsibility) if that chapter applies to the *firm*; and
  - (d) responsibilities allocated under MIPRU 2.2 (Responsibility for insurance distribution activity or MCD credit intermediation activity).
- (2) Paragraph (1)(c) applies even if the responsibility is excluded from the *other overall responsibility function* under SUP 10C.7.1R(2) (~~Exclusion~~ exclusion for approved person with approval to perform other *controlled functions*) or from the *other local responsibility function* under SUP 10C.8.1R(2) (~~Exclusion~~ exclusion for approved person with approval to perform other *controlled functions*).
- 10C.11.29 G (1) The definition of every *FCA-designated senior management function* contains a responsibility which is inherent, inseparable from and intrinsically built into the specific role.
- (2) In many ways, this inherent responsibility is the most important responsibility of any given *SMF manager*, as it provides a rationale as to why that specific function is subject to pre-approval by the *FCA* in the first place.
  - (3) Even where an *SMF manager* has not been allocated any other responsibilities by the *firm*, the responsibility inherent in the definition of their *FCA-designated senior management function* means that they will be accountable for that aspect of the *firm's* activities.



- (4) For instance, even if a person approved to perform the *compliance oversight function* has no other responsibilities allocated to them, they will be accountable for the *Handbook* requirements for the *compliance oversight function*.
- 10C.11.30 G (1) The *FCA* may request a *firm* to include specific responsibility for a regulatory outcome in the *statement of responsibilities* of the relevant *SMF managers*.
- (2) For example, where the *FCA* asks a *firm* to take remediation action following an internal or supervisory review or a report under section 166 of the *Act* (Reports by skilled persons) and considers it appropriate for an *SMF manager* to take responsibility for that action, it may ask the *firm* to add an additional, customised, explicit responsibility to the relevant *SMF manager's statement of responsibilities*.

What statements of responsibilities should contain: Dividing and splitting responsibilities

- 10C.11.31 G (1) Where a responsibility or function is shared or divided between an *SMF manager* and others, the *statements of responsibilities* for each *SMF manager* concerned should make this clear.
- (2) Where a responsibility or function is divided between an *SMF manager* and others, the *statements of responsibilities* for each *SMF manager* concerned should make it clear for what part of which responsibility or function that *SMF manager* has responsibility.
- (3) Together, the *statements of responsibilities* should show which responsibility or function is shared or divided between which *SMF managers* and, if applicable, between which *SMF managers* and other persons. It should be clear which responsibility or function and which *SMF managers* or other *persons* are involved.
- 10C.11.32 G (1) Where:
- (a) an *FCA-prescribed senior management responsibility* is divided or shared between several *SMF managers*; or
- (b) any function allocated under ~~SYSC 4.7.8R (Allocation of overall responsibility for a firm's activities, business areas and management functions)~~ or ~~SYSC 4.8.10R (Local responsibility for a branch's activities, business areas and management functions)~~ *SYSC 26 (Senior managers and certification regime: Overall and local responsibility)* is shared between several *SMF managers* (if that chapter applies to the *firm*);

~~is divided or shared between several *SMF managers*, the *statement of responsibilities* for each *SMF manager* should:~~

- (c) explain why this has been done; and
  - (d) give full details of the arrangements, including the names of the other *persons* and their *FCA/PRA Individual Reference Numbers (IRN)* (if known).
- (2) Where a responsibility or function is shared between several *SMF managers*, this should be recorded in the same way in the *statements of responsibilities* of each of them. This should also be consistent with the *firm's management responsibilities map*.
- 10C.11.33 G (1) Where two or more *SMF managers* share a responsibility, each will be individually responsible for everything included in that responsibility, including anything inherent in that responsibility (see *SUP 10C.11.29G* for inherent responsibilities).
- (2) Where:
- (a) a responsibility is divided between several *SMF managers*; but
  - (b) some part of the responsibility has not clearly been allocated to any of them;
- it should be assumed that that part is the joint responsibility of all of them.

What statements of responsibilities should contain: Non-executive directors

- 10C.11.34 G In general, the *FCA* expects the *statement of responsibilities* of a *non-executive director* who is an *SMF manager* to be less extensive than those of an executive *SMF manager*.
- 10C.11.35 G The *FCA* does not require any of the general duties of a *non-executive director* described in section 2 of *COCON 1 Annex 1* (The general role of a *NED*) to be included in the *non-executive director's statement of responsibilities*.

## 10C.12 Conditional and time-limited approvals

Purpose

- 10C.12.1 G (1) *SUP 10C.12* describes the regime for conditional and time-limited approvals.
- (2) In particular, *SUP 10C.12* sets out the *FCA's* policies on giving approval under section 59 subject to conditions or for a limited

period only, as required by section 63ZD of the *Act* (Statement of policy relating to conditional approval and variation).

- (3) The policies described in *SUP* 10C.12 also apply when the *FCA* is considering whether to give its consent to an application made to the *PRA* for approval.
- (4) Material on variations of conditional and time-limited approvals can be found in *SUP* 10C.13 (Variation of conditional and time-limited approvals).
- 10C.12.2 G (1) The power to grant an approval subject to conditions or for a limited period only applies to *senior management functions*.
- (2) As all *FCA controlled functions* specified in this chapter are *senior management functions*, this means that this power applies to all *FCA controlled functions* specified in this chapter.
- (3) The *FCA* has (in *SUP* 10A) specified *controlled functions* for ~~relevant authorised persons~~ SMCR firms that are not *designated senior management functions*. See *SUP* 10C.1.7R to *SUP* 10C.1.8G (Appointed representatives) for more about this.
- (4) The power to grant an approval subject to conditions or for a limited period does not apply to the *controlled functions* in (3).

#### Introduction

- 10C.12.3 G The ~~FCA~~ FCA may:
- (1) grant an application for approval subject to any conditions that the *FCA* considers appropriate; and
- (2) grant the application to give approval only for a limited period.
- 10C.12.4 G The *FCA* may use this power only if it appears to the *FCA* that it is desirable to do so to advance one or more of its *operational objectives*.
- 10C.12.5 G Factors that the *FCA* will take into account include:
- (1) those relating to the *firm* at the time of the application, such as:
- (a) its size, scale and complexity; and
- (b) its plans and prospects; and
- (2) those relating to the *candidate* and, in particular, the *candidate's* fitness and properness.
- 10C.12.6 G The *FCA* expects that the most common use of the power to give qualified approvals would be:

- (1) time-limited approvals;
- (2) a time limitation in relation to an ongoing or prospective enforcement investigation;
- (3) a competency-related condition; and
- (4) a role-limited condition.

#### Time-limited approval

- 10C.12.7 G An example of a time-limited approval is where a *firm* needs to appoint the *candidate* on an interim basis while the *firm* seeks to appoint a permanent *candidate*. The *FCA* may approve the interim appointee on a time-limited basis.
- 10C.12.8 G The *FCA* would not generally impose a time limitation in these circumstances for a period of less than 12 weeks. The *FCA* would expect the *firm* to use the 12-week rule in *SUP* 10C.3.13R.
- 10C.12.9 G An example of when the *FCA* may approve an individual on a time-limited basis is where, following a sudden or unexpected departure:
- (1) a *firm* needs to fill an *FCA-designated senior management function* vacancy immediately; but
  - (2) it is likely to take longer than 12 weeks to recruit a permanent replacement; and
  - (3) there is an individual at the *firm* not currently approved to perform the relevant *FCA-designated senior management function* whom the *firm* and the *FCA* think capable of fulfilling the role on an interim, provisional basis but not necessarily on a permanent basis.
- 10C.12.10 G Generally, the *FCA* would not impose a time limitation of this type for longer than 12 to 18 months.
- 10C.12.11 G The *FCA* would consider using this power for a person who is in the running for the long-term appointment.
- 10C.12.12 G
- (1) An example of how the *FCA* could deal with a *person* who is in the running for the long-term appointment is outlined below.
  - (2) The head of compliance resigns unexpectedly from a *firm*. The *firm* wishes to appoint one of the deputies. The *FCA* and the *firm* believe the deputy to be capable of running the *firm's* compliance function on a day-to-day 'business as usual basis' but the deputy has no experience developing a long-term, firm-wide strategy. The *firm* estimates that it could take up to a year to recruit a permanent head of compliance. It also believes that

the deputy could be the ideal candidate if the deputy could outline a viable compliance strategy for the *firm*.

- (3) In this situation, it may be appropriate to approve the deputy as head of compliance subject to a 12-month time limit.
  - (4) Before the end of that period, the deputy would have to prepare a new compliance strategy and the deputy's ability to do so would be taken into account when deciding whether to approve the deputy on a permanent basis.
- 10C.12.13 G In deciding whether a *candidate* is fit and proper, the *FCA* will take into account the role that the *candidate* is going to perform. The standard for a *person* who is appointed on a temporary basis may be different from a *person* appointed on a permanent basis when the *person* with a temporary appointment has a more limited role.
- 10C.12.14 G The *FCA* may impose a condition on the approval, as well as time limitation. As in the example in *SUP* 10C.12.12G, the *FCA* may impose a condition prohibiting the *candidate* from significantly amending the management structure of the department.
- 10C.12.15 G The other main examples of a time-limited approval are:
- (1) an enforcement action time-limited approval (see *SUP* 10C.12.16G);
  - (2) a time limitation used in conjunction with a competence condition (see *SUP* 10C.12.26G); and
  - (3) a time limitation in relation to the scale of a role (see *SUP* 10C.12.35G).

#### Enforcement action: Time limitation

- 10C.12.16 G An enforcement action time-limited approval relates to a case in which there is an enforcement investigation ongoing, or in prospect, the results of which may call into question the *candidate's* fitness and propriety, but at the time of application there are no or insufficient grounds to refuse approval. The *candidate* may or may not be a subject of that investigation.
- 10C.12.17 G The *FCA* will generally limit an enforcement action time-limited approval for a period long enough to allow the investigation to be completed so far as relevant to the *candidate*. Imposing a time limitation on approval would allow the *FCA* to look at the situation in more detail after approval, with the benefit of all the facts arising from the investigation.
- 10C.12.18 G The policy on the length of time-limited approvals in *SUP* 10C.12.8G does not apply to time limitations of this type.

## Competence and related conditions

- 10C.12.19 G The *FCA* may take the view that a *candidate* would meet the fit and proper requirement with an approval subject to either, or both, of the following:
- (1) one or more conditions; and/or
  - (2) a time limitation;
- who would not have met that requirement without the qualification.
- 10C.12.20 G *Firms* should not see the power to give approval on this basis as an opportunity to put forward sub-standard *candidates* in the knowledge that they are unlikely to gain unconditional approval but may scrape through by way of a qualified approval.
- 10C.12.21 G
- (1) The *FCA* is likely only to give a qualified approval on the basis described in *SUP* 10C.12.19G in limited circumstances.
  - (2) Generally, the *FCA* would only use this power in place of rejection where the deficiency is in only a relatively small proportion of the required job competencies.
  - (3) Lack of technical knowledge is more likely to be easier to remedy than a problem with personal characteristics.
  - (4) The *FCA* is only likely to give its approval on this basis when the *candidate* has fallen short of the required standard by a reasonably small margin (a ‘near miss’).
- 10C.12.22 G One example of a conditional approval based on the competence of the *candidate* would be where the *candidate* would have met the fitness and properness standard but for a shortfall in the *candidate*’s technical knowledge and the shortfall is in a relatively narrow and specific area.
- 10C.12.23 G The *FCA* does not see this as being a probationary or standalone measure. The competency-related limitation would be time specific and linked to something that the *FCA* would wish to re-examine after the period has expired.
- 10C.12.24 G
- (1) When the *FCA* is imposing a competence-related condition where there is a shortfall, approval will only be granted on the condition that the *candidate* is required to undertake training or receive mentoring to eliminate the shortfall.
  - (2) See *SUP* 10C.12.39G (role-limited approval) for an example of a shortfall in competence that is not dealt with by trying to remove it.

- 10C.12.25 G (1) An example of where a qualified approval based on competence may be used is for a *candidate* with proven management skills who is new to the role or the industry and requires some new technical knowledge for the new role.
- (2) For instance, a *candidate* for the role of a senior manager may have a proven track record as a senior manager but may lack detailed knowledge of a specific area, such as money laundering or of the technical details of prudential capital requirements.
- (3) A competence condition would require the *candidate* to undertake training in the area of shortfall after appointment.
- 10C.12.26 G (1) A competency-related approval is likely to be linked with a time-limited approval.
- (2) Under an approval of this kind, the *candidate* will be required to undertake the necessary training or other remedial measures.
- (3) The time for which the approval will last would be set to give the *firm* and the *candidate* a reasonable time to complete the measures.
- (4) At the end of the period, the *firm* would need to apply to the *FCA* to appoint the *candidate* on a permanent basis.
- 10C.12.27 G The *FCA* would only be likely to consider a qualified approval based on competence if it was sure that the *candidate* could achieve the required level of competence within a specified period, which is unlikely to be more than 12 to 18 months.
- 10C.12.28 G (1) The *FCA* may give a conditional approval instead of rejection in cases where the condition does not relate to the *candidate's* abilities.
- (2) For example, the *FCA* may consider that the *candidate* is suitable only if the *candidate* refrains from, or ceases undertaking, certain actions and makes the approval conditional on that basis.
- (3) The *FCA* may require the *candidate* to go beyond the regulatory requirements in a given area.
- 10C.12.29 G (1) An example of *SUP* 10C.12.28G is where a *firm* wishes to appoint someone as an executive director who has a number of non-executive directorships.
- (2) The *FCA* may be concerned about the potential impact of these other commitments on that individual's ability to devote sufficient time to the proposed role with the *firm*.

- (3) In this situation, it might be appropriate to attach a condition to the individual's approval requiring that person to resign from some of their non-executive directorships.

#### Role-limited

- 10C.12.30 G A role-limited approval means:
- (1) a time-limited approval; or
  - (2) a condition;
- relating to the nature or scope of the *candidate's* role.
- 10C.12.31 G One example of a role-limited approval relates to the fact that the size, nature, scope and complexity of a *firm's* activities can change over time. An individual may be fit and proper to perform a *senior management function* at a certain *firm* at a point in time but the *FCA* may wish to re-assess that individual if the *firm's* situation changes.
- 10C.12.32 G It is not *FCA* policy to impose role-limited approvals routinely for all *firms* or for a certain category of *firm*. For example, there is no blanket policy that approval of a *candidate* for a post in a small *firm* would be subject to a qualification based on the *firm* remaining small.
- 10C.12.33 G Where a *firm* is expanding or transforming its business model or its risk profile and there are identifiable upcoming milestones, the *FCA* may wish to link the duration of a *candidate's* approval to these milestones.
- 10C.12.34 G If the change is likely to occur in the near future and the details are clear, the *FCA* may consider its approval of the application in the light of this proposed change.
- 10C.12.35 G
- (1) Very often it will be uncertain whether a change in circumstances will happen at all, the details may not yet be known or the timing may be uncertain.
  - (2) In that case, the *FCA* may, subject to (3), make its judgement based on the *candidate's* proposed role, without taking into account the possible change. This reflects the fact that the judgement of whether a *candidate* is fit and proper takes into account the role that they are actually going to play.
  - (3) However, to reflect the possible change, the *FCA* would give a time-limited approval that would come to an end on the occurrence of the milestone.
  - (4) The *firm* could then apply for a new and possibly unqualified approval.
- 10C.12.36 G An example under *SUP* 10C.12.35G is as follows.



- (1) In this example:
- (a) an individual is to perform an *FCA-designated senior management function* in an unlisted *firm* which currently operates only in the *UK*; and
  - (b) the *firm* is planning a listing and a string of acquisitions which are projected to treble the size of its balance sheet and give it a global footprint over the next three years, but the *candidate* has never worked for an institution as large or as complex.
- (2) In this situation:
- (a) it may be appropriate to limit the *candidate's* approval to a specified period. If the projected time for completing the transactions is three years, the approval would be for three years; or
  - (b) it may be appropriate to draft the time limitation by reference to the milestone. For example, the approval might be expressed to come to an end at the point at which the *firm's* balance sheet exceeds a certain size.
- 10C.12.37 G The policy on the length of time-limited approvals in *SUP* 10C.12.8G does not apply to time limitations of this type.
- 10C.12.38 G Another way of dealing with a *firm* that plans to reorganise itself but has not made a firm decision to do so or worked out the details, is to make the approval subject to the condition that the nature or scope of the *candidate's* role should not change. The *firm* could apply for the condition to be removed once the plans are ready to be carried out.
- 10C.12.39 G (1) Another example of a limited-role approval is where:
- (a) a *candidate* is not competent to carry out all the functions that are capable of falling within the *FCA-designated senior management function* for which approval is sought; but
  - (b) the *candidate* will be fit to carry out most of them; and
  - (c) the *firm* has adequate arrangements to deal with the other aspects.
- (2) In such circumstances, the condition would be that the *candidate* does not get involved in the aspects of the role for which that *candidate* is not competent, as specified in the condition.

Condition not based on fitness

- 10C.12.40 G The power to impose a conditional or time-limited approval:
- (1) does not depend on the *candidate* being unfit without that condition or limit; and
  - (2) need not be related to the *candidate*'s ability to do the job properly (see *SUP* 10C.12.28G).
- 10C.12.41 G One example of a conditional approval when the *candidate* is fit and proper and able to do the job is to support supervisory action in relation to the *firm*. So, if a *firm* is running a remedial programme, it may be a condition of the *candidate*'s approval that the *candidate* takes responsibility for aspects of that programme.
- 10C.12.42 G Although it is not general *FCA* policy to use the power to give qualified approval as a probationary measure, there may be circumstances where a *firm* wants to appoint a *candidate* to perform an *FCA-designated senior management function* who, although fit and proper, may, in the role, be responsible for the *firm*'s approach to dealing with particularly unusual or severe challenges in the near future. In this situation, it might be appropriate to approve the *candidate* subject to a time limit with a view to reassessing that *candidate* for a permanent position in due course.
- 10C.12.43 G In this scenario, the time-limited approval may be accompanied by a condition requiring the *candidate* to:
- (1) complete an action or deliverable on or before the end of the time limit, eg a requirement on the acting Head of Sales to produce a revised strategy for treating customers fairly within the next six months; and
  - (2) refrain from taking specific actions or decisions associated with the role until that person receives permanent approval, eg a requirement not to introduce a new sales channel until they receive permanent approval.

#### Effects of a breach of condition

- 10C.12.44 G The provisions in:
- (1) section 59 of the *Act* that say a *firm* should take reasonable care to ensure that no *person* performs a *controlled function* without approval (see *SUP* 10C.10.3G); and
  - (2) section 63A of the *Act*, under which a *person* performing a *controlled function* without approval may be subject to a penalty (see *SUP* 10C.10.4G);

apply not only to the performance of an *FCA-designated senior management function* by someone who has not been approved to

perform that function but also to the performance of an *FCA-designated senior management function* for which the person has been approved in breach of a condition or time limitation.

- 10C.12.45 G Sections 59 and 63A of the *Act* show that failure to observe a condition does not in itself necessarily invalidate an approval. Instead, both the *firm* and the *SMF manager* may be subject to a penalty for breach of the *Act*. Such a failure may also:
- (1) involve a breach of *FCA rules* by the *firm* and a breach by the *SMF manager* of *COCON*; and
  - (2) call into question the fitness of the *SMF manager*.
- 10C.12.46 G For example, if an *SMF manager* is subject to a role-limited condition under which the *SMF manager* is not allowed to carry out certain specified aspects of the *FCA-designated senior management function* but the *SMF manager* goes ahead and carries out those aspects, the *SMF manager's* approval does not automatically come to an end. Instead, both the *firm* and the *SMF manager* may be subject to a financial penalty.
- 10C.12.47 G However the *Act* does allow a condition to be drafted in such a way that the approval ends if the condition is not met or is no longer met.

### 10C.13 Variation of conditional and time-limited approvals

#### Purpose

- 10C.13.1 G This section deals with variation of a conditional approval at the:
- (1) request of the *firm*; and
  - (2) initiative of the *FCA*.
- 10C.13.2 G (1) In particular, this section sets out the *FCA's* policies about varying conditional approvals at the request of a *firm*, as required by section 63ZD of the *Act* (Statement of policy relating to conditional approval and variation).
- (2) This section does not deal with the *FCA's* policies on varying a condition on its own initiative. *DEPP 8* deals with that. However this section gives a short description of the *FCA's* powers to impose such variations.

#### Variation of a conditional approval at the request of the firm: general description

- 10C.13.3 G A *firm* may apply to the *FCA* to change a conditional or time-limited approval. The changes for which a *firm* may apply are:

- (1) a variation of the condition;
  - (2) removal of the condition;
  - (3) the imposition of a new condition; or
  - (4) where the approval is time-limited:
    - (a) varying the time limit; or
    - (b) removing the time limit.
- 10C.13.4 G (1) There are requirements about whether the *firm* applying for a change described in SUP 10C.13.3G should apply to the *FCA* or the *PRA*. Paragraphs (2) to (3) summarise these requirements.
- (2) If the *firm* is applying for the imposition of a new condition, the *firm* should apply to the *FCA* if the approval to which the application relates was given by the *FCA*.
- (2A) If a *firm* is applying for a change of the type described in SUP 10C.13.3G(1) or SUP 10C.13.3G(2), the *firm* should (subject to (2C)) apply to the *FCA* if the *FCA* imposed that condition, even if the approval was given by the *PRA*.
- (2B) If a *firm* is applying for a change of the type described in SUP 10C.13.3G(4), the *firm* should subject to (2C)) apply to the *FCA* if the *FCA* imposed that time limit, even if the approval was given by the *PRA*.
- (2C) Where the time limit or condition has been varied before and the *FCA* was the last to vary it, the *firm* should apply to the *FCA*. This applies whether the variation was made on the application of the *firm* or on the initiative of the *FCA* or the *PRA*.
- (3) In other cases, the application should be to the *PRA*.
- 10C.13.5 G The right to apply for a variation does not include the right to apply for a time limitation where the current approval has effect for an unlimited period.
- 10C.13.5A G The procedures described in this section for the variation of an approval at the request of a *firm* do not apply where the condition or time limit has effect by virtue of section 66 of the *Act* (Disciplinary powers).
- Variation of a conditional approval at the request of the firm: process
- 10C.13.6 D An application by a *firm* to the *FCA* under section 63ZA of the *Act* (Variation of senior manager's approval at request of ~~relevant~~

- authorised persons) must be made by using Form I (~~SUP 10C Annex 4D~~) (SUP 10C Annex 8D).
- 10C.13.7 G (1) An application under *SUP 10C.13.6D* should be accompanied by a *statement of responsibilities* for the *approved person* concerned.
- (2) See *SUP 10C.11* (Statements of responsibilities) for more details.
- 10C.13.8 G *SUP 10C.15* (Forms and other documents and how to submit them to the FCA) explains how applications to vary a conditional approval should be submitted.
- 10C.13.9 G The *FCA* has until the end of the period of three months from the time it receives a properly completed application to consider the application and come to a decision.
- 10C.13.10 G The *FCA* must either grant the application or, if it proposes not to grant an application, issue a *warning notice* (see *DEPP 2*).
- 10C.13.11 G The *FCA* may refuse an application if it appears to the *FCA* that it is desirable to do so to advance one or more of its *operational objectives*.
- 10C.13.12 G Before making a decision to grant the application or give a *warning notice*, the *FCA* may ask the *firm* for more information. If it does this, the three-month period in which the *FCA* must determine a completed application:
- (1) will stop on the day the *FCA* requests the information; and
- (2) will start running again on the day on which the *FCA* finally receives all the requested information.
- 10C.13.13 G Whenever it grants an application, the *FCA* will confirm this in writing to all *interested parties*.
- 10C.13.14 G If the *FCA* proposes to refuse an application, it must follow the procedures for issuing *warning notices* and *decision notices* to all *interested parties*. The requirements relating to warning and decision notices are in *DEPP 2*.
- 10C.13.15 R A *firm* notifying the *FCA* of its withdrawal of an application for variation of an approval must use Form B (~~SUP 10A Annex 5R~~) (SUP 10C Annex 4R).
- 10C.13.16 G *SUP 10C.15* (Forms and other documents and how to submit them to the FCA) explains how notifications of withdrawal of an application should be submitted.
- 10C.13.17 G Under section 61(5) of the *Act* (Determination of applications), as applied by section 63ZA(8) of the *Act* (Variation of senior manager's

approval at request of relevant authorised person), the *firm* may withdraw an application only if it also has the consent of:

- (1) the *approved person*; and
- (2) the person by whom the *approved person* is employed if this is not the *firm* making the application.

Variation of a conditional approval at the request of the firm: policy

- 10C.13.18 G The *FCA*'s policy on approving or refusing a request for a variation is the same as it is for imposing conditions on approval (see *SUP* 10C.12 (Conditional and time-limited approvals)).
- 10C.13.19 G (1) An example of a situation in which the *FCA* would consider varying a condition would be a competency-related condition which required a training course to be completed (see, in particular, *SUP* 10C.12.24G for this type of condition).
- (2) If the *firm* later concludes that a different course would be better, the *firm* may apply for a variation of the condition.
- 10C.13.20 G Another example of a situation in which the *FCA* would consider varying a condition would be a condition relating to a remedial programme (see *SUP* 10C.12.41G). If the remedial programme is changed, it may be appropriate to change the condition.
- 10C.13.21 G (1) Other examples of where the *FCA* may agree to removing a condition are where:
- (a) the *approved person*'s role has changed so that the reason for the condition originally being imposed no longer applies; or
  - (b) new information has come to light that removes any doubt about the *approved person*'s competence so a condition is no longer necessary.
- (2) For example, the *FCA* may agree to removing a condition about the scope of the *approved person*'s role of the type described in *SUP* 10C.12.39G.
- 10C.13.22 G See *SUP* 10C.12.38G for another example of a case where the *FCA* may agree to removing a condition (condition imposed pending reorganisation).

Variation of a conditional approval: action at the initiative of the FCA

- 10C.13.23 G Under section 63ZB of the *Act* (Variation of senior manager's approval on initiative of regulator), the *FCA* may vary an approval given by the *FCA* or the *PRA* for the performance of a *designated senior*

*management function* if the *FCA* considers that it is desirable to do so to advance one or more of its *operational objectives*.

- 10C.13.24 G The *FCA* may vary an approval by:
- (1) imposing a condition;
  - (2) varying a condition;
  - (3) removing a condition;
  - (4) limiting the period for which the approval is to have effect; or
  - (5) removing or varying a time limit on an approval.
- 10C.13.25 G More information about the *FCA*'s powers to vary a condition on its own initiative, including its policy on using these powers, can be found in *DEPP* 8.

## 10C.14 Changes to an FCA-approved person's details

### Moving within a firm

- 10C.14.1 G
- (1) An *FCA-approved SMF manager*'s job may change from time to time as a result, for instance, of a change in personal job responsibilities or a *firm's regulated activities*.
  - (2) Where the changes will involve the *SMF manager* performing one or more *FCA-designated senior management functions* different from those for which approval has already been granted, an application must be made to the *FCA* for approval for the *SMF manager* to perform those *FCA-designated senior management functions*.
  - (3) The *firm* must take reasonable care to ensure that an individual does not begin performing an *FCA-designated senior management function* until the *FCA* has granted *FCA-approved SMF manager* status to that individual for that *FCA-designated senior management function*.
  - (4) Similarly, a *firm* must get the *FCA*'s approval if an individual is to start performing an *FCA-designated senior management function* in relation to that *firm* when they already have the *PRA*'s approval to perform a *PRA-designated senior management function* in relation to that *firm*.
- 10C.14.2 G
- (1) A *firm* should generally use Form E where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *FCA-designated senior management functions* within the same *firm* or *group*.

- (2) In certain cases, a *firm* should use Form A.
- (2A) When a *MiFID investment firm* (except a *credit institution*) notifies the *FCA* of a change using Form A or Form E, ~~they~~ must it may also have to submit the MiFID Article 4 SMR Information Form (see *SUP 10C.10.9BD*).
- (3) The details can be found in *SUP 10C.10.8D* to *SUP 10C.10.9CG*.

#### Moving between firms

- 10C.14.3 G If it is proposed that an *FCA-approved SMF manager*:
- (1) will no longer be performing an *FCA-designated senior management function* under an *arrangement* entered into by one *firm* or one of its contractors; but
  - (2) will be performing the same or a different *FCA-designated senior management function* under an *arrangement* entered into by a new *firm* or one of its contractors (whether or not the new *firm* is in the same *group* as the old *firm*);

the new *firm* will be required to make a fresh application for the performance of the *FCA-designated senior management function* by that *person* (see *SUP 10C.10 (Application for approval and withdrawing an application for approval)* for details).

- 10C.14.4 G In certain circumstances, when the *FCA* already has the information it would usually require, a shortened version of the relevant Form A may be completed. See ~~the notes relevant to each form~~ *SUP 10C.10.8D* to *SUP 10C.10.8BD* for full details.

#### Ceasing to perform an FCA-designated senior management function

- 10C.14.5 R
- (1) A *firm* must notify the *FCA* no later than ten *business days* after an *FCA-approved SMF manager* ceases to perform an *FCA-designated senior management function*.
  - (2) It must make that notification by submitting to the *FCA* a completed Form C (~~*SUP 10A Annex 6R*~~ *SUP 10C Annex 5R*).
  - (3) If:
    - (a) the *firm* is also making an application for approval for that *approved person* to perform a *controlled function* within the same *firm* or *group*; and
    - (b) ceasing to perform the *FCA-designated senior management function* in (1) has triggered a requirement to make that application for approval:



- (i) to the *FCA* using Form E (rather than a Form A) under *SUP* 10C.10.9D; or
- (ii) to the *FCA* using Form E (rather than a Form A) under *SUP* 10A; or
- (iii) to the *PRA* using the *PRA*'s Form E in accordance with the corresponding *PRA* requirements;

it must make the notification under (1) using that Form E.

- 10C.14.6 G *SUP* 10C.15 (Forms and other documents and how to submit them to the *FCA*) explains how notifications should be submitted.
- 10C.14.6A G (1) The *MiFID* authorisation and management body change notification ITS requires that a *MiFID* investment firm (except a *credit institution*) submit the information in Annex III of the *MiFID* authorisation and management body change notification ITS on the *ESMA* template where there is a change to a member of the *management body* or a person who effectively directs the business.
- (2) This means that a *MiFID* investment firm required to notify the *FCA* under (1) may also need to submit the Annex III information along with the Form C or Form E.
- (3) See *SUP* 10C.10.9AAG to *SUP* 10C.10.9CG for more about these notification requirements in a case in which the *firm* is applying for approval under section 59 of the *Act* (Approval for particular arrangements).
- 10C.14.7 R (1) A *firm* must notify the *FCA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C for an *FCA*-approved *SMF* manager.
- (2) Form C is qualified if the information it contains:
- (a) relates to the fact that the *firm* has dismissed, or suspended, the *FCA*-approved *SMF* manager from its employment;
  - (b) relates to the resignation by the *FCA*-approved *SMF* manager while under investigation by the *firm*, the *FCA* or any other *regulatory body*;
  - (c) otherwise reasonably suggests that it may affect the *FCA*'s assessment of the *FCA*-approved *SMF* manager's fitness and propriety; or

- (d) includes a notification about the *FCA-approved SMF manager* under one of the provisions of the *Act* listed in *SUP 10C.14.22R* (notification of grounds for withdrawal of approval and disciplinary action).
- 10C.14.8 G (1) Notification under *SUP 10C.14.7R* may be made by telephone, email or fax and should be made, where possible, within one *business day* of the *firm* becoming aware of the information.
- (2) Oral notifications should be given directly to the *firm's* usual supervisory contact at the *FCA*. An oral notification left with another *person* or left on a voicemail, or other automatic messaging service, is unlikely to have been given appropriately.
- 10C.14.9 G A *firm* is responsible for notifying the *FCA* if any *FCA-approved SMF manager* has ceased to perform an *FCA-designated senior management function* under an arrangement entered into by its contractor.
- 10C.14.10 G (1) A *firm* can submit Form C or Form E (and ~~the~~ any MiFID Article 4 SMR Information Form required by SUP 10C.10.9BD) to the *FCA* in advance of the cessation date.
- (2) If the actual cessation date turns out to be different from the one notified in advance, the *firm* should notify the *FCA*.
- (3) If the *firm*:
- (a) does not submit Form C (including a qualified one), the MiFID Article 4 SMR Information Form, or Form E, following notification under SUP 10C.14.7R; or
- (b) submits a form in advance under (1) but it turns out that there is no requirement to have done so (because for example the *approved person* is staying in post);
- it should inform the *FCA* in due course of the reason. This could be done using Form D, if appropriate.
- 10C.14.11 G (1) When a *person* ceases the arrangement under which they perform an *FCA-designated senior management function*, they will automatically cease to be an *FCA-approved SMF manager* in relation to that *FCA-designated senior management function*.
- (2) A *person* can only be an *FCA-approved SMF manager* in relation to a specific *FCA-designated senior management function*. Therefore, a *person* is not an *FCA-approved SMF manager* during any period between ceasing to perform one *FCA-designated senior management function* (when they are performing no other *FCA-designated senior management function*) and being approved for another *FCA-designated senior management function*.

- 10C.14.12 G Sending forms promptly will help to ensure that any fresh application can be processed within the standard response times.

Changes to an approved person's personal details

- 10C.14.13 R If an *FCA-approved SMF manager's* title, name or national insurance number changes, the *firm* for which the *person* performs an *FCA-designated senior management function* must notify the *FCA* on Form D (~~*SUP 10A Annex 7R*~~ *SUP 10C Annex 6R*), of that change within seven *business days* of the ~~*firm*~~ *firm* becoming aware of the matter.

- 10C.14.14 G The duty to notify in *SUP 10C.14.13R* does not apply to changes to an *FCA-approved SMF manager's* private address.

Changes to arrangements

- 10C.14.15 R (1) If any of the details relating to:
- (a) the arrangements in relation to any of a *firm's FCA-approved SMF managers*; or
  - (b) any *FCA-designated senior management functions* of one of its *FCA-approved SMF managers*;
- are to change, the *firm* must notify the *FCA* on Form D (~~*SUP 10A Annex 7R*~~ *SUP 10C Annex 6R*).
- (2) The notification under (1) must be made as soon as reasonably practicable after the *firm* becomes aware of the proposed change.
- (3) This *rule* does not apply to anything required to be notified under section 62A of the *Act* (Changes in responsibilities of senior managers) or *SUP 10C.11* (Statements of responsibilities).

- 10C.14.16 G *SUP 10C.15* (Forms and other documents and how to submit them to the *FCA*) explains how notifications should be submitted.

Revised statements of responsibilities

- 10C.14.17 G (1) Under section 62A of the *Act*, a *firm* should provide the *FCA* with a revised *statement of responsibilities* if there has been any significant change in the responsibilities of an *FCA-approved SMF manager*.
- (2) Details can be found in *SUP 10C.11* (Statements of responsibilities).

Notifications about fitness, disciplinary action and breaches of COCON

- 10C.14.18 R (1) If a *firm* becomes aware of information which would reasonably be material to the assessment of the fitness and propriety of an *FCA-approved SMF manager*, or of a *candidate* to be one (see *FIT*), it must inform the *FCA* either:
- (a) on Form D; or
  - (b) if it is more practical to do so and with the prior agreement of the *FCA*, by email or fax;
- as soon as practicable and, in any case, within seven *business days*.
- (2) This *rule* does not apply to anything required to be notified under *SUP* 10C.14.7R (Qualified Form C).
- 10C.14.19 G *SUP* 10C.15 (Forms and other documents and how to submit them to the *FCA*) applies to the submission of Form D.
- 10C.14.20 G Failing to disclose relevant information to the *FCA* may be a criminal offence under section 398 of the *Act*.
- 10C.14.21 G The duty to notify in *SUP* 10C.14.18R extends to any circumstances that would normally be declared when giving the information required for section 5 of Form A or matters considered in *FIT* 2.
- 10C.14.22 R If a *firm* is required to notify the *FCA* about an *FCA-approved SMF manager* under any of the following:
- (1) section 63(2A) of the *Act* (Duty to notify regulator of grounds for withdrawal of approval); or
  - (2) [deleted]
  - (3) section 64C of the *Act* (Requirement for ~~relevant~~ authorised persons to notify regulator of disciplinary action);
- it must give that notification:
- (4) under *SUP* 10C.14.5R (Form C) if that *rule* applies;
  - (5) under *SUP* 10C.14.7R (Qualified Form C) if that *rule* applies; or
  - (6) (in any other case) in accordance with *SUP* 10C.14.18R (Form D);
- and in accordance with the requirements of this chapter ~~(or if applicable the requirements of *SUP* 10A or of the *PRA*)~~ about submission of those forms.

- 10C.14.23 G The table in ~~SUP 10C.12.24G~~ SUP 10C.14.24G summarises what the relevant parts of the sections of the *Act* listed in ~~SUP 10C.12.22G~~ SUP 10C.14.22R say.
- 10C.14.24 G Table: Explanation of the sections of the *Act* mentioned in ~~SUP 10C.12.22G~~ SUP 10C.14.22R

Section	Summary of relevant parts	Other Handbook material	Comments
Section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval)	<p>At least once a year, each <i>firm</i> must, in relation to every <i>SMF manager</i> for whom an approval has been given on the application of that <i>firm</i>:</p> <p>(a) consider whether there are any grounds on which the <i>FCA</i> could withdraw the approval; and</p> <p>(b) if the <i>firm</i> is of the opinion that there are such grounds, notify the <i>FCA</i> of those grounds.</p>		<i>FIT</i> sets out <i>guidance</i> on the factors a <i>firm</i> should take into account when assessing the fitness and propriety of an <i>approved person</i> .
Section 64C of the <i>Act</i> (Requirement for relevant authorised persons to notify regulator of disciplinary action)	<p>If:</p> <p>(a) a <i>firm</i> takes disciplinary action in relation to an <i>SMF manager</i>; and</p> <p>(b) the reason, or one of the reasons, for taking that action is a</p>	<i>SUP</i> 15.11 (Notification of COCON breaches and disciplinary action)	An example of when a notification should be made using Form C rather than Form D is when a <i>firm</i> is required to notify the <i>FCA</i> under section 64C of the <i>Act</i> that it has

	<p>reason specified in <i>SUP</i> 15.11.6R;</p> <p>the <i>firm</i> should notify the <i>FCA</i> of that fact.</p>		<p>dismissed an <i>SMF manager</i>.</p>
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- 10C.14.25 G (1) When considering how to notify the *FCA* under *SUP* 10C.14.18R or *SUP* 10C.14.22R, a *firm* should have regard to the urgency and significance of a matter. If appropriate, the *firm* should also notify its usual supervisory contact at the *FCA* by telephone or by other prompt means of communication, before submitting a written notification.
- (2) Oral notifications should be given directly to the *firm's* usual supervisory contact at the *FCA*. An oral notification left with another *person* or left on a voicemail, or other automatic messaging service, is unlikely to have been given appropriately.

The need for complete and accurate information

- 10C.14.26 G (1) The obligations to supply information to the *FCA* under:
- (a) *SUP* 10C; or
  - (b) the sections of the *Act* listed in *SUP* 10C.14.22R;
- apply notwithstanding any agreement (for example, a ‘COT 3’ Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a *firm* and an *employee* upon termination of the *employee's* employment.
- (2) A *firm* should not enter into any such arrangements or agreements that could conflict with its obligations under this section or the *Act*.

- 10C.14.27 G Failing to disclose relevant information to the *FCA* may be a criminal offence under section 398 of the *Act*.

Application of this section to PRA-approved persons

- 10C.14.28 R This section also applies to a notification to the *FCA* about a *PRA-approved SMF manager* who is not an *FCA-approved SMF manager* required by any of the provisions of the *Act* listed in *SUP* 10C.14.22R.
- 10C.14.29 R The *PRA's rules* determine how a notification under *SUP* 10C.14.28R is to be made.

- 10C.14.30 G If a *firm* is required to notify the *FCA* about a *PRA-approved SMF manager* who is not an *FCA-approved SMF manager* under one of the sections of the *Act* referred to in *SUP 10C.14.28R*, it should make a single notification under the *PRA*'s requirements. There is no need for a separate notification to the *FCA*.

## 10C.15 Forms and other documents and how to submit them to the FCA

### Purpose

- 10C.15.1 G The purpose of this section is to:
- (1) summarise the main forms and other documents used in this chapter; and
  - (2) explain how they should be submitted to the *FCA*.

### Forms and documents

- 10C.15.2 G The main forms and other documents used in this chapter are listed in *SUP 10C.15.3G*.
- 10C.15.3 G Table: FCA approved persons forms and other documents

Form or other document		Purpose	Handbook requirement
<del>the</del> The relevant Form A	<del><i>SUP 10C Annex 2D</i></del> <u><i>SUP 10C Annex 3D</i></u>	Application to perform <i>designated senior management functions under the approved persons regime</i>	<i>SUP 10C.10.8D</i>
Form B	<del><i>SUP 10A Annex 5R</i></del> <u><i>SUP 10C Annex 4R</i></u>	Notice to withdraw an application to perform <i>controlled functions under the approved</i>	<i>SUP 10C.10.36R</i>

		<i>persons</i> regime	
		Notice to withdraw an application to vary an approval under the senior <u>management managers</u> regime for <del>SMF</del> <i>managers</i>	<i>SUP</i> 10C.13.15R
Form C	<del><i>SUP</i> 10A Annex 6R</del> <u><i>SUP</i> 10C Annex 5R</u>	Notice of ceasing to perform <i>controlled functions</i>	<i>SUP</i> 10C.14.5R
Form D	<del><i>SUP</i> 10A Annex 7R</del> <u><i>SUP</i> 10C Annex 6R</u>	Notification of changes in personal information or application details or functions	<i>SUP</i> 10C.14.13R
			<i>SUP</i> 10C.14.15R
		Notification about fitness or of breach of conduct rules	<i>SUP</i> 10C.14.18R
			<i>SUP</i> 10C.14.22R



Form E	<del>SUP 10C Annex 3D</del> <u>SUP 10C Annex 7D</u>	Internal transfer of an <i>approved person</i>	<i>SUP 10C.10.9D</i>
Form I	<del>SUP 10C Annex 4D</del> <u>SUP 10C Annex 8D</u>	Application to vary a conditional approval under the senior management regime for <i>SMF managers</i>	<i>SUP 10C.13.6D</i>
Form J	<del>SUP 10C Annex 6D</del> <u>SUP 10C Annex 9D</u>	Notification of significant change to a <i>statement of responsibilities</i>	<i>SUP 10C.11</i>
Relevant <i>statement of responsibilities</i>	<del>SUP 10C Annex 5D</del> <u>SUP 10C Annex 10D</u>		<i>SUP 10C.11</i>
MiFID Article 4 SMR Information Form	<del>SUP 10C Annex 7D</del> <u>SUP 10C Annex 11D</u>		<del>SUP 10C.11</del> <u>SUP 10C.10.9BD</u>
Annex III template	<a href="https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx">https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx</a>	As required by <del>MiFID II ITS</del> the <u>MiFID authorisation and management body change notification ITS</u>	<del>SUP 10C.10.9B</del> <u>SUP 10C.10.9AG and SUP 10C.14.6AG</u>
<p>Note: Some of the forms are also used in <i>SUP 10A</i>, which deals with the <i>approved persons</i> regime for firms that are not <i>relevant authorised persons</i>.</p> <p>Therefore:</p> <p>(1) where column three refers to the <i>approved persons</i> regime, that includes the senior management regime for <i>SMF managers</i> in this chapter, as well as the regime in <i>SUP 10A</i> for <i>approved persons</i> in firms that are not <i>relevant authorised persons</i>;</p>			

(2) where column three refers to *approved persons*, that includes *SMF managers* in this chapter as well as other *approved persons* in *SUP 10A*

- 10C.15.4 G *SUP 10C Annex 1G 2G* gives examples of the circumstances in which the documents in *SUP 10C.15.3G* should be used.
- 10C.15.5 G Copies of the forms in *SUP 10C.15.3G* and of the *statement of responsibilities* may be obtained from the *FCA* website. *Credit unions* can obtain copies from the *FCA*'s Firm Contact Centre.
- 10C.15.6 G To contact the ~~FCA's~~ *FCA's* Customer Contact Centre for *approved persons* enquiries:
- (1) telephone: 0300 500 0597;
  - (2) email: [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk); or
  - (3) ~~fax: 020 7066 0017;~~ or [deleted]
  - (4) write to:
 

Customer Contact Centre

The Financial Conduct Authority

12 Endeavour Square

London

E20 1JN.

#### How to make applications and give notifications

- 10C.15.7 D (1) *A firm* other than a *credit union* must submit a document in column 1 of the table in *SUP 10C.15.10R*, in accordance with the corresponding requirement in column two of that table.
- (2) *A credit union* must submit a document in column 1 of the table in *SUP 10C.15.10R*, in accordance with the corresponding requirement in column three of that table.
- (3) This direction applies to the forms and other documents listed in the table in *SUP 10C.15.10R* that are submitted under a direction.
- 10C.15.8 R *SUP 10C.15.7D* also applies to the forms and other documents listed in the table in *SUP 10C.15.10R* that are submitted under a *rule*.
- 10C.15.9 G It is up to the *credit union* concerned to decide which of the methods of submission available to it under *SUP 10C.15.10R* it is going to use.

## 10C.15.10 R Table: Method of submission

Form or other document	Firms that are not credit unions	Credit unions
The relevant Form A	SUP 10C.15.11R	SUP 10C.15.11R or SUP 10C.15.14R
Form B	SUP 10C.15.14R	SUP 10C.15.14R
Form C	SUP 10C.15.11R	SUP 10C.15.11R or SUP 10C.15.14R
Form D	SUP 10C.15.11R	SUP 10C.15.11R or SUP 10C.15.14R
Form E	SUP 10C.15.11R	SUP 10C.15.11R or SUP 10C.15.14R
Form I	SUP 10C.15.11R	SUP 10C.15.11R or SUP 10C.15.14R
Form J	SUP 10C.15.11R	SUP 10C.15.11R or SUP 10C.15.14R
Relevant <i>statement of responsibilities</i>	In accordance with the requirements for the form with which it is submitted	In accordance with the requirements for the form with which it is submitted
MiFID Article 4 SMR Information Form	Submit at the same time as Form A and/or E	Not applicable
Annex <u>II</u> or III template	Submit at the same time as Form A, C and/or E	Not applicable

Method of submission: electronic submission

- 10C.15.11 R (1) An application or submission by a *firm* made under this *rule* must be made by submitting the form or document online at [fca.org.uk](http://fca.org.uk) using the *FCA's* and *PRA's* ~~Connect system~~ online notification and application system.
- (2) A *firm* must use the version of the form or document made available on the electronic system referred to in (1), ~~which~~ . If the form or document is included in an Annex to this chapter, that electronic version is based on the version found in the

applicable Annex to this chapter ~~or to SUP 10A~~ (which are listed in SUP 10C.15.3G).

- (3) If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, SUP 10C.15.14R applies until such time as facilities for online submission are restored.
- 10C.15.12 G If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that:
- (1) online submission is unavailable; and
  - (2) the alternative methods of submission in SUP 10C.15.14R applies.
- 10C.15.13 G Where SUP 10C.15.11R(3) applies to a *firm*, GEN 1.3.2R (Emergency) does not apply.

Method of submission: other forms of submission

- 10C.15.14 R (1) An application or submission by a *firm* made under this rule must be made in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- (2) ~~A~~ If the form or document is included in an Annex to this chapter, a *firm* must use the version of the form or document found in the applicable Annex to this chapter ~~or to SUP 10A~~ (which are listed in SUP 10C.15.3G).

## 10C.16 References and accurate information

### References

- 10C.16.1 G (1) SYSC 22 (Regulatory references) says that if a *firm* (A):
- (a) is considering appointing a *person* (P) to perform any *controlled function* or certain other functions;
  - (b) requests a reference from a *firm* (B) that is P's current or former *employer*; and
  - (c) indicates to B the purpose of the request;
- B should, as soon as reasonably practicable, give a reference to A.
- (2) This applies even if A is a *firm* to which SUP 10A (FCA Approved Persons) applies rather than this chapter.

- 10C.16.2 G SYSC 22 also requires *firms* to get a reference before applying to have someone approved as an *approved person*.
- 10C.16.3 G [deleted]
- 10C.16.4 G [deleted]
- The need for complete and accurate information
- 10C.16.5 G (1) The obligations to supply information to:
- (a) the *FCA* under this chapter;
  - (b) [deleted]
- apply notwithstanding any:
- (c) agreement (for example a ‘COT 3’ Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)); or
  - (d) any other arrangements entered into by a *firm* and an *employee* upon termination of the *employee’s* employment.
- (2) A *firm* should not enter into any such arrangements or agreements that could conflict with its obligations under this chapter.
- 10C.16.6 G Failing to disclose relevant information to the *FCA* may be a criminal offence under section 398 of the *Act*.

Delete the existing SUP 10C Annex 1G (Summary of forms and their use in the senior management regime for SMF managers) and replace it with the following new annex. The text is not underlined.

## **10C Annex 1**         **What functions apply to what type of firm**

### Part One: Introduction

- 1.1        R       This annex sets out which *FCA controlled function* applies to which type of *SMCR firm*.
- 1.2        G       If an *FCA controlled function* is not included in a table for a particular class of *firm*, that *FCA controlled function* does not apply to any *firm* in that class.
- 1.3        G       (1)        If one of the tables in this annex shows that an *FCA controlled function* applies to a type of *firm*, that function does not necessarily apply to every *firm* in that class.
- (2)        That may be because of limitations in the description of the function itself. For example, the *partner function* only applies to partnerships.
- (3)        Another reason would be if the *rules* defining the *FCA controlled function* refer to a *rule* elsewhere in the *FCA Handbook* and the latter only applies to certain types of *firm*.
- (4)        The exclusions in *SUP 10C.1* are also relevant.
- 1.4        R       In the tables in this annex:
- (1)        ✓ means that the *FCA controlled function* applies; and
- (2)        × means that the *FCA controlled function* does not apply.

### Part Two

[This part has been left blank deliberately]

### Part Three: Functions applying to banking sector firms

- 3.1        R       (1)        The table in *SUP 10C Annex 1 3.2R* sets out which *FCA controlled function* applies to which type of *SMCR banking firm*.
- (2)        *SMCR firms* in (1) are divided into the following categories for the purposes in (1):

- (a) a UK SMCR banking firm;  
 (b) an EEA SMCR banking firm; and  
 (c) a third-country SMCR banking firm.

3.2 R Table: Controlled functions applying to banking firms

(1) Brief description of function	(2) Function number	(3) UK firm	(4) EEA firm	(5) Third-country firm
Governing functions				
<i>Executive director function</i>	SMF 3	✓	×	✓
<i>Chair of the nomination committee function</i>	SMF 13	✓	×	×
<i>Partner function</i>	SMF 27	✓	×	×
Required functions				
<i>Compliance oversight function</i>	SMF 16	✓	×	✓
<i>Money laundering reporting function</i>	SMF 17	✓	✓	✓
<i>Other overall responsibility function</i>	SMF 18	✓	×	×
<i>Other local responsibility function</i>	SMF 22	×	×	✓
Other high-level management functions				
<i>EEA branch senior manager function</i>	SMF 21	×	✓	×
<p>Note: The categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> in SUP 10C Annex 1 3.1R. Therefore:</p> <p>(1) column three (UK firm) refers to SUP 10C Annex 1 3.1R(2)(a);            (2) column four (EEA firm) refers to SUP 10C Annex 1 3.1R(2)(b); and            (3) column five (Third-country firm) refers to SUP 10C Annex 1 3.1R(2)(c).</p>				

## Part Four: Functions applying to insurance sector firms

- 4.1 R (1) The table in *SUP 10C Annex 1 4.2R* sets out which *FCA controlled function* applies to which type of *SMCR insurance firm*.
- (2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):
- (a) a *Solvency II firm* not within any other paragraph of this rule;
- (b) a *Solvency II firm* within paragraph (c) of the *Glossary* definition of *Solvency II firm* (EEA branch);
- (c) a *Solvency II firm* within paragraph (b) of the *Glossary* definition of *Solvency II firm* (third country branch);
- (d) a *small non-directive insurer*;
- (e) a *firm* in *SYSC 23 Annex 1 5.2R* (*firms* in run-off); and
- (f) an *insurance special purpose vehicle*.
- (3) An *insurance special purpose vehicle* only falls into paragraph (2)(f). Subject to that, a *firm* in (2)(e) does not fall into any other paragraph.
- 4.2 G References to a *Solvency II firm* include a *large non-directive insurer*.
- 4.3 R Table: Controlled functions applying to insurance sector firms

(1) Brief description of function	(2) Function number	(3) Solvency II and large NDF	(4) EEA branches	(5) Third country branches	(6) Small NDF and other	(7) ISPV
Governing functions						
<i>Executive director function</i>	SMF 3	✓	×	✓	✓	✓
<i>Chair of the nomination committee function</i>	SMF 13	✓	×	×	×	×
<i>Chair of the with-profits committee function</i>	SMF 15	✓	×	✓	×	×



<i>Partner function</i>	SMF 27	✓	×	×	✓	×
Required functions						
<i>Compliance oversight function</i>	SMF 16	✓	×	✓	✓	✓
<i>Money laundering reporting function</i>	SMF 17	✓	✓	✓	✓	×
<i>Other overall responsibility function</i>	SMF 18	✓	×	×	×	×
<i>Other local responsibility function</i>	SMF 22	×	×	✓	×	×
<i>Conduct risk oversight (Lloyd's) function</i> See Note 2	SMF 23b	✓	×	×	×	×
Other high-level management functions						
<i>EEA branch senior manager function</i>	SMF 21	×	✓	×	×	×
<p>Note 1: The categories of <i>firm</i> in the column headings of this table are to be interpreted in accordance with the classification of <i>firms</i> at SUP 10C Annex 1 4.1R. Therefore:</p> <p>(a) column three (Solvency II and large NDF) refers to SUP 10C Annex 1 4.1R(2)(a);</p> <p>(b) column four (EEA branches) refers to SUP 10C Annex 1 4.1R(2)(b);</p> <p>(c) column five (Third country branches) refers to SUP 10C Annex 1 4.1R(2)(c);</p> <p>(d) column six (Small NDF and other) refers to SUP 10C Annex 1 4.1R(2)(d) and (e); and</p> <p>(e) column seven (ISPV) refers to SUP 10C Annex 1 4.1R(2)(f).</p>						
Note 2: The <i>conduct risk oversight (Lloyd's) function</i> only applies to the <i>Society</i> .						

Delete the existing SUP 10C Annex 2D (Form A: Application to perform senior management functions) and replace it with a new annex. The text of the deleted annex is not shown. The text of the new annex is the same as what was SUP 10C Annex 1G (Summary of forms and their use in the senior management regime for SMF managers) before the insertion of a new SUP 10C Annex 1 by this instrument but is amended as shown.

**10C**            **Summary of forms and their use in the senior management managers**  
**Annex**        **regime for ~~SMF~~ managers**  
**2G**

Function	Form	Submission
(1) <i>Person</i> about to perform an <i>FCA-designated senior management function</i> if <del>he has</del> <u>they have</u> never been approved by the <i>FCA</i> or <i>PRA</i> before.	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
(2) The <i>candidate</i> is to perform an <i>FCA-designated senior management function</i> and either:  (a) has current approval to perform an <i>FCA controlled function</i> that is a <i>significant influence function</i> , an <i>FCA-designated senior management function</i> , or a <i>PRA controlled function</i> ; or  (b) has had such an approval within the previous six <i>months</i> .	Shortened Form A (if <u>the other conditions are met</u> )	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
(3) <i>Candidate</i> ceased to be an <i>approved person</i> more than six <del>months</del> <u>months</u> ago.	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
(4) Either:  (a) <i>candidate</i> is seeking to perform an <i>FCA-designated senior management function</i> for the first time and has never been approved to perform an <i>FCA controlled function</i> that is a <i>significant influence function</i> or a <i>PRA controlled function</i> before; or  (b) <i>candidate</i> ceased to have approval from the <i>FCA</i> or <i>PRA</i> to perform an <i>FCA controlled function</i> that is a <i>significant influence function</i> , an <i>FCA-designated senior management function</i> or a <i>PRA controlled function</i> more than six <i>months</i> ago.	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
(5) <i>Firm</i> withdrawing an outstanding application to perform an <i>FCA-designated senior management function</i> .	B	Submitted by the <i>firm</i> : signed by all <i>interested parties</i> .
(6) <i>Person</i> ceasing to perform an <i>FCA-designated senior management function</i> .	C (unless it should be notified)	Submitted by the <i>firm</i> within seven <i>business days</i> of <i>approved</i>

	under Form E)	<i>person</i> ceasing to perform <i>controlled function(s)</i> .
(7) Either:  (a) an <i>FCA-approved SMF manager's</i> title, name or national insurance number changes; or  (b) there is information which may be material to the continuing assessment of an <i>FCA-approved SMF manager's</i> fitness and propriety.	D  Form C to be used instead where the <i>person</i> is ceasing to perform a <i>controlled function</i> .	Submitted by <i>firm</i> within seven <i>business days</i> of the firm becoming aware of the matter.
(8) <i>Firm</i> obliged to notify the <i>FCA</i> <u>about an SMF manager</u> under:  (a) section 63(2A) of the <i>Act</i> (Duty to notify regulator of grounds for withdrawal of approval); or  (b) [deleted]  (c) section 64C of the <i>Act</i> (Requirement for relevant authorised persons to notify regulator of disciplinary action).	Form D.  Form C to be used instead where the <i>person</i> is ceasing to perform a <i>controlled function</i> .	Submitted by <i>firm</i> within seven <i>business days</i> of the <i>firm</i> becoming aware of the matter.  <i>A firm</i> should not use Form H as that form only applies to notifications relating to breaches by those who are not <i>SMF managers</i> .
(9) <i>Person</i> remaining with the same <i>firm</i> but changing <i>FCA-designated senior management functions</i> .	E	Submitted by <i>firm</i> to the <i>FCA</i> before changes take place.
(10) <i>Person</i> remaining with the same <i>firm</i> but giving up a <i>PRA controlled function</i> and taking up an <i>FCA-designated senior management function</i> .	E	Submitted by <i>firm</i> to the <i>FCA</i> before changes take place.
(11) <i>Person</i> remaining with the same <i>firm</i> but giving up an <i>FCA-designated senior management function</i> and taking up a <i>PRA-designated senior management function</i> .	E	Submitted by <i>firm</i> to the <i>PRA</i> before changes take place (see the <i>PRA's</i> requirements).
(12) <i>Person</i> remaining with the same <i>firm</i> in the circumstances described in example 9 in the table in <i>SUP 10C.7.3G</i> (ceasing to perform a <i>PRA controlled function</i> triggering need for <i>FCA</i> approval to perform the <i>other overall responsibility function</i> ).	E	Submitted by <i>firm</i> to the <i>FCA</i> in advance of giving up the <i>PRA controlled function</i> .

(13) <i>Person</i> with approval to perform the <i>other overall responsibility function</i> remaining with the same <i>firm</i> but ceasing to require approval to perform that function because of being approved to perform another <i>controlled function</i> (see the table in SUP 10C.7.3G for examples).	E	Submitted by <i>firm</i> to:  (a) the <i>PRA</i> (if the new function is a <i>PRA controlled function</i> ); or  (b) the <i>FCA</i> (if the new function is an <i>FCA controlled function</i> ).
(14) <i>Person</i> remaining with the same <i>firm</i> in the circumstances described in example 8 in the table in SUP 10C.9.9G (giving up a <i>PRA controlled function</i> triggering need for <i>FCA</i> approval).	E	Submitted by <i>firm</i> to the <i>FCA</i> in advance of giving up the <i>PRA controlled function</i> .
(15) <i>Firm</i> applying for the variation of a conditional approval.	Form I	
(16) <i>Firm</i> withdrawing an outstanding application to vary a conditional approval.	Form B	Submitted by the <i>firm</i> : signed by all <i>interested parties</i> .
(17) Significant change to an <i>approved person's</i> responsibilities.	Form J  Form J should not be used if the <i>firm</i> is also submitting a Form A, E or I for the same <i>SMF manager</i> .	The revised <i>statement of responsibilities</i> should be included. A <i>statement of responsibilities</i> must be submitted in the format prescribed by the <i>FCA</i> ( <del>SUP 10C Annex 5D</del> ) ( <u>SUP 10C Annex 10D</u> ).
<u>(18) <i>Person</i> (P) has approval to perform a governing function under SUP 10A for an appointed representative of an SMCR firm (F). P then takes up an FCA-designated senior management function position with F itself and gives up their role with the appointed representative.</u>	<u>E</u>	<u>Submitted by F to the FCA before changes take place.</u>  <u>F should use a Form E because P is treated as performing an FCA-designated senior management function for the same firm (F).</u>

Delete the following annexes to SUP 10C. The deleted text is not shown

SUP 10C Annex 3D: Form E: Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

SUP 10C Annex 4D: Form I: Application for the variation of a conditional approval for performance of a senior management function

SUP 10C Annex 5D: Statement of responsibilities

SUP 10C Annex 6D: Form J: Notification of significant change to a statement of responsibilities

SUP 10C Annex 7D: MiFID Article 4 SMR Information Form

Insert the following annexes in the appropriate position. The text (which consists of forms) is included in Part Three of Annex Y of this instrument. The text in ordinary type underneath the Annex number and title is the title of the form to be included and is to be included in the Handbook as a sub-heading or heading as shown. Underlined text is to be included in the Handbook as a heading with the underlining included.

**10C Annex 3D Form A: Application to perform senior management functions**

Long Form A

Long Form A – Dual-regulated firms (including EEA and third country firms)

Long Form A – UK and overseas firms (not incoming EEA) for MiFID authorisation applications

Short Form A

Short Form A – Dual-regulated firms (including EEA and third country firms)

**10C Annex 4R Form B: Notice to withdraw an application to perform controlled functions (including senior management functions)**

Form B – Notice to withdraw an application to perform controlled functions (including senior management functions)

**10C Annex 5R Form C: Notice of ceasing to perform controlled functions including senior management functions**

Form C – Notice of ceasing to perform controlled functions including senior management functions

**10C Annex 6R Form D: Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct**

Form D – Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

**10C Annex 7D Form E: Internal transfer of a person performing a controlled function**

Form E – Internal transfer of a person performing a controlled function for dual-regulated firms

**10C Annex 8D Form I: Application to add, vary or remove a conditional approval for the performance of a senior management function**

Form I – Application to add, vary or remove a conditional approval for the performance of a senior management function

**10C Annex 9D Form J: Notification of significant changes in responsibilities of a person performing a senior management function**

Form J – Notification of significant changes in responsibilities of a person performing a senior management function

**10C Annex 10D Statement of responsibilities**

Statement of responsibilities for dual-regulated SMCR firms

**10C Annex 11D MiFID Article 4 SMR Information Form**

MiFID Article 4 SMR Information Form

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

...

**12 Appointed representatives**

...

**12.4 What must a firm do when it appoints an appointed representative or an EEA tied agent?**

...

Appointment of an appointed representative (other than an introducer appointed representative)

...

12.4.2B G (1) *A firm to which SUP 12.4.2AR applies should also have regard to SYSC 5.1 (Skills, knowledge and expertise). The requirements of the Training and Competence sourcebook (TC)*

and *guidance* in the Fit and Proper Test for ~~Approved Persons and specified significant harm functions~~ Employees and Senior Personnel (*FIT*) may also be relevant.

...

...

12.4.4 G In assessing, under *SUP* 12.4.2R(2)(b), whether an *appointed representative* or prospective *appointed representative* is otherwise suitable to act for the *firm* in that capacity, a *firm* should consider:

...

- (2) the fitness and propriety (including good character and competence) and financial standing of the *controllers, directors, partners, proprietors and managers* of the *person; firms* seeking *guidance* on the information which they should take reasonable steps to obtain and verify should refer to *FIT* and the questions in the relevant Form A (Application to perform controlled functions under the approved person regime) in *SUP* 10A Annex 4 ~~or in the *PRA's* rulebook.~~

...

## 12.6 Continuing obligations of firms with appointed representatives or EEA tied agents

...

Obligations of firms under the approved persons and senior managers regime

12.6.8 G ...

- (4) The *approved persons* regime for ~~*relevant authorised persons SMCR firms*~~ is in *SUP* 10C (FCA senior ~~management managers~~ regime for approved persons in ~~*relevant authorised persons SMCR firms*~~), rather than *SUP* 10A. However, *SUP* 10A still applies to *approved persons* of *appointed representatives* of ~~*relevant authorised persons SMCR firms*~~ (see *SUP* 10A.1.16BR to *SUP* 10A.1.16DG and *SUP* 10C.1.8G for more about this).

...

The certification regime

12.6.16 G *SYSC* 27.4.2G explains the application of the certification regime in *SYSC* 27 to *appointed representatives* of ~~*relevant authorised persons SMCR firms*~~. The certification regime does not apply to *firms* that are not ~~*relevant authorised persons SMCR firms*~~.

...

**13A Qualifying for authorisation under the Act**

...

**13A.6 Which rules will an incoming EEA firm be subject to?**

...

**13A.6.3 G ...**

- (2) ~~An EEA SMCR firm or Treaty firm which is an EEA relevant authorised person~~ should also refer to SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms).

...

**13A Annex 1G Application of the Handbook to Incoming EEA Firms**

...

(1) Module of Handbook	(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of a firm (or its appointed representative) in the United Kingdom	(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom
...	...	...
SYSC	<p>...</p> <p>SYSC 19A, 19B, 19C and 19D do not apply.</p> <p>...</p> <p><u>SYSC 23 to 27 apply with the modifications described in those chapters.</u></p>	<p>...</p> <p><u>SYSC 23 to 27 do not apply.</u></p>
COCON	COCON applies to employees of <i>firms</i> which are <i>relevant</i>	Does not apply.



	<i>authorised persons SMCR firms</i> . See <i>COCON</i> 1.1 for detailed rules on the application of <i>COCON</i> .	
...	...	...
<i>APER</i>	<i>APER</i> applies to <i>approved persons</i> <del>other than relevant authorised persons of firms other than SMCR firms</del> ( <i>APER</i> 1.1A.1G). See below under <i>SUP</i> 10A as to whether <i>controlled functions</i> are performed, and approval therefore required.	Not relevant because <i>SUP</i> 10A does not apply.
...	...	...
<i>SUP</i>	...	...
	<b>SUP 10A (Approved persons)</b> Applies to an <i>EEA firm</i> that is not an <i>SMCR firm</i> , but the applicable <i>controlled functions</i> are limited. See <i>SUP</i> 10A.1 (Application) for more detailed <i>guidance</i> . <i>SUP</i> 10A applies in a limited way in relation to an <i>incoming EEA firm</i> that is a <i>Solvency II firm</i> (see <i>SUP</i> 10A.1.8G).	<b>SUP 10A (Approved persons)</b> Does not apply ( <i>SUP</i> 10A.1.6R).
	...	...
	<b>SUP 10C (FCA senior management regime for approved persons in relevant authorised persons) (FCA senior managers regime for approved persons in SMCR firms)</b>	Applies to <i>EEA incoming firms</i> which are <i>EEA relevant authorised persons</i> , but the applicable <i>controlled functions</i> are limited. See <i>SUP</i> 10C.1 (Application) for more detailed <i>guidance</i> . <u>Does not apply.</u>

	<p><u>Applies to EEA SMCR firms, but the applicable controlled functions are limited. See SUP 10C.1 (Application) and SUP 10C Annex 1 (What functions apply to what type of firm) for more details of what functions apply.</u></p>	
...	...	...

...

**15 Notifications to the FCA**

**15.1 Application**

~~Relevant authorised persons~~ SMCR firms

15.1.7 R The following apply only to ~~relevant authorised persons~~ SMCR firms:

...

...

**15.2 Purpose**

...

15.2.5 G *SUP 15.11 (Notification of COCON breaches and disciplinary action) provides rules and guidance on notifications to the FCA by a ~~relevant authorised person~~ an SMCR firm where the ~~relevant authorised person~~ SMCR firm takes disciplinary action in relation to any *conduct rules staff* and the reason for taking that action is a reason specified in *rules* made by the FCA. This is a requirement imposed under section 64C of the Act.*

...

**15.3 General notification requirements**

...

15.3.14A G ...

- (4) *SUP* 10C.14 only applies to ~~relevant authorised persons~~ SMCR firms. *SUP* 10A.14 applies similar, but less extensive, obligations to firms that are not ~~relevant authorised persons~~ SMCR firms. Paragraphs (2) and (3) apply to those notifications as well. Such notifications should however be made under *SUP* 10A.14.

...

## 15.6 Inaccurate, false or misleading information

...

- 15.6.6A G *SUP* 15.11.13R(4) adjusts the time when, and how, ~~a relevant authorised person~~ an SMCR firm should make updates under *SUP* 15.6.4R about notifications under section 64C of the Act (Notification of disciplinary action against certain employees).

...

## 15.11 Notification of COCON breaches and disciplinary action

Reasons for making a notification to the FCA

- 15.11.1 G Under section 64A of the Act, the FCA may make *rules* about the conduct of *approved persons* and certain other *persons* who work for a *firm*.
- 15.11.2 G *COCON* sets out *rules* under section 64A of the Act and *guidance* on those *rules* for ~~relevant authorised person and insurers~~ SMCR firms.
- 15.11.3 G [deleted]
- 15.11.4 G Under section 64C of the Act, a *firm* must notify the FCA if it takes disciplinary action against certain people working for ~~a relevant authorised person~~ an SMCR firm and the reason for this action is a reason specified in *rules* made by the FCA (those *rules* are set out in *SUP* 15.11.6R).
- 15.11.5 G Disciplinary action against a *person* is defined in section 64C of the Act as the issuing of a formal written warning, the suspension or dismissal of that *person* or the reduction or recovery of any of such *person's* remuneration.
- 15.11.6 R If a reason for taking ~~the~~ disciplinary action as referred to in section 64C of the Act (Requirement for authorised persons to notify regulator of disciplinary action) is any action, failure to act or circumstance that amounts to a breach of *COCON*, then the ~~relevant authorised person~~ SMCR firm is required to notify the FCA of the disciplinary action.

- 15.11.6A G The effect of section 64C of the *Act* and SUP 15.11.6R is that the reporting obligation in section 64C of the *Act* and in this section:
- (a) only applies to ~~relevant authorised persons~~ SMCR firms; and
  - (1)
  - (b) only covers *persons* who are subject to COCON (who are called *conduct rules staff* in the *FCA Handbook*) rather than to the whole workforce of ~~a relevant authorised person~~ an SMCR firm.
  - (2)
- 15.11.7 G A *firm* should make a separate notification about a *person* under section 64C of the *Act* where:
- (1) it has made a notification to the *FCA* about ~~a~~ the person pursuant to SUP 15.3.11R(1)(a) because of a breach of COCON; and
  - (2) it subsequently takes disciplinary action against the *person* for the action, failure to act, or circumstance, that amounted to a breach of COCON.
- 15.11.8 G If, after a *firm* has made a notification for a *person* (A) pursuant to section 64C of the *Act*, it becomes aware of facts or matters which cause it to change its view that A has breached COCON, or cause it to determine that A has breached a provision of COCON other than the provision to which the notification related, the *firm* should inform the *FCA* of those facts and matters and its revised conclusion in line with a *firm's* obligation to comply with Principle 11, SUP 15.6.4R and, if applicable, SUP 10C or SUP 15.11.13R(4).
- 15.11.9 G
- (1) If a *firm* takes disciplinary action as a result of a conduct breach (see SUP 15.11.6R) against an *employee* but the *employee* has appealed or plans to appeal, the *firm* should still report the disciplinary action under section 64C of the *Act* but should include the appeal in the notification.
  - (2) The *firm* should update the *FCA* on the outcome of any appeal.
- 15.11.10 G [deleted]
- 15.11.11 G In relation to any *conduct rules staff*, the *FCA* does not expect a *firm* to notify it pursuant to section 64C of the *Act* if the breach of COCON occurred before the application of COCON to that *firm*.
- Timing and form of notifications: SMF managers
- 15.11.12 G Where a *firm* is required to notify the *FCA* pursuant to section 64C of the *Act* and that notification relates to an *SMF manager*, SUP 10C sets

out how and when the notification must be made, and the relevant *notification rules* in SUP 10C apply.

Timing and form of notifications: conduct rules staff other than SMF managers

- 15.11.13 R (1) A *firm* must make any notifications required pursuant to section 64C of the *Act* relating to *conduct rules staff* other than *SMF managers* in accordance with SUP 15.11.13R to SUP 15.11.15R.
- (2) That notification must be made annually.
- (3) Each notification must:
- (a) cover the 12 *month* period ending on the last day of August; and
- (b) be submitted to the *FCA*:
- (i) within two months of the end of the reporting period; or
- (ii) (if the end of the reporting submission period in (b)(i) falls on a *day* which is not a *business day*) so as to be received no later than the first *business day* after the end of that submission period.
- (4) SUP 15.6.4R and SUP 15.6.5R (updates to a notification that is or has become incorrect) apply to a notification under this *rule* but the *firm* must include the update or correction in the next notification it is due to make under this *rule* rather than in the time and manner otherwise required for notifications under those *rules*.
- (5) If a *firm* (other than a *credit union*) has nothing to report under section 64C of the *Act* and nothing to report under SUP 15.11.13R(4) for a particular reporting period, it must notify the *FCA* of that fact in accordance with SUP 15.11.13R to SUP 15.11.14R.
- 15.11.13A G SUP 15.11.8G gives and SUP 15.11.9G(2) give examples of when a notification should be updated under SUP 15.11.13R(4).
- 15.11.14 R (1) A *firm* other than a *credit union* must make each notification pursuant to SUP 15.11.13R (notifications about section 64C of the *Act* relating to *conduct rules staff* other than *SMF managers*) by submitting it online through the *FCA*'s website using the electronic system made available by the *FCA* for this purpose.

- (2) A *firm* must use the version of Form H (named REP008 – Notification of Disciplinary Action) made available on the electronic system referred to in (1), which is based on the version found in *SUP* 15 Annex 7R.
- (3) If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, *SUP* 15.11.15R applies until such time as the facilities for online submission are restored.
- 15.11.14A G (1) If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, the *FCA* will endeavour to publish a notice on its website confirming that:
- (a) online submission is unavailable; and
- (b) the alternative methods of submission in *SUP* 15.11.15R apply.
- (2) Where *SUP* 15.11.14R(3) applies to a firm, *GEN* 1.3.2R (Emergency) does not apply.
- 15.11.15 R A *credit union* must make each notification pursuant to *SUP* 15.11.13R (notifications about section 64C of the *Act* relating to *conduct rules staff* other than *SMF managers*) in accordance with the *rules* and *guidance* in *SUP* 15.7, using Form H as set out in *SUP* 15 Annex 7R.
- 15.11.15A R (1) If a *firm* to which *SUP* 15.11.14R applies fails to submit a completed notification under *SUP* 15.11.13R by the date on which it is due, in accordance with *SUP* 15.11.13R, the *firm* must pay an administrative fee of £250.
- (2) The administrative fee in (1) does not apply if the *firm* is unable to submit a report in electronic format within the time required because of a systems failure of the kind described in *SUP* 15.11.14R(3).
- General guidance on notifications of rule breaches and disciplinary action
- 15.11.17 G The obligation to notify pursuant to section 64C of the *Act* or to update or correct a notification under *SUP* 15.11.13R(4) does not replace or limit a *firm's* obligation to comply with *Principle* 11.
- 15.11.18 G When considering whether to make a notification pursuant to section 64C of the *Act*, a *firm* should also consider whether a notification should be made under any *notification rules*, including, without limitation, any *notification rules* that require a notification to be made to the *PRA*.

- 15.11.19 G The obligations to make a notification pursuant to section 64C of the *Act* apply notwithstanding any agreement (for example a 'COT 3' Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a *firm* and an *employee* upon termination of the *employee's* employment. A *firm* should not enter into any such arrangements or agreements that could conflict with its obligations under this section.
- 15.11.20 G Failing to disclose relevant information to the *FCA* may be a criminal offence under section 398 of the *Act*.

...

**15 Annex 7R Form H: Form for the notification of disciplinary action relating to conduct rules staff (other than SMF managers) in ~~relevant authorised persons~~ SMCR firms**

Delete the form in SUP 15 Annex 7R and replace it with the new form titled “Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms” as set out in Part Three of Annex Y of this instrument. The deleted text is not shown.

Amend the following as shown.

...

**TP 6 Financial Services (Banking Reform) Act 2013: Approved persons**

Note to the reader

- 6.1.1-2 G (1) SUP TP 6 has not been amended to reflect changes in the *FCA Handbook* and *Glossary* since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then.
- (2) A small number of provisions may have effect beyond that date. To help the reader, the table in SUP TP 6.1.1-1G explains how superseded *Glossary* terms in SYSC TP 5 should be interpreted.
- 6.1.1-1 G Table: Meaning of superseded *Glossary* terms

<u>Term in SYSC TP 5</u>	<u>Term that has replaced it</u>
<u>EEA relevant authorised person</u>	<u>EEA SMCR banking firm</u>

<u>non-UK relevant authorised person</u>	<i>an EEA SMCR banking firm or a third-country SMCR banking firm</i>
<u>relevant authorised person</u>	<i>SMCR banking firm</i>
<u>third-country relevant authorised person</u>	<i>third-country SMCR banking firm</i>
<u>UK relevant authorised person</u>	<i>UK SMCR banking firm</i>

...



## Annex P

## Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

## 6 Penalties

...

### 6.2 Deciding whether to take action

...

Action against individuals under section 66 of the Act

...

6.2.7 G The *FCA* will not discipline individuals on the basis of vicarious liability (that is, holding them responsible for the acts of others), provided appropriate delegation and supervision has taken place (see *APER* 4.6.13G, *APER* 4.6.14G, *COCON* 4.1.8G and *COCON* 4.2.17G to *COCON* 4.2.24G). In particular, disciplinary action will not be taken against an *approved person* performing a *significant influence function* or a *senior conduct rules staff member* simply because a regulatory failure has occurred in an area of business for which they are responsible. The *FCA* will consider that an *approved person* performing a *significant influence function* may have breached *Statements of Principle* 5 to 7, or that a *senior conduct rules staff member* may have breached *rules* ~~SC1/SI1~~ to ~~SC4/SI4~~ in *COCON* 2.2, only if their conduct was below the standard which would be reasonable in all the circumstances at the time of the conduct concerned (see also *APER* 3.1.8AG and *COCON* 3.1.6G, as applicable).

...

6.2.9-E G When determining under section 66A(5)(d) of the *Act* whether or not an *SMF manager* has taken such steps as a person in their position could reasonably be expected to take to avoid the contravention of a relevant requirement by the *firm* occurring (or continuing), additional considerations to which the *FCA* would expect to have regard include, but are not limited to:

(1) the role and responsibilities of the *SMF manager* (for example, such steps as an *SMF manager* in a non-executive role could reasonably be expected to take may differ, depending on the circumstances, from those reasonably expected of an *SMF manager* in an executive role: see, for example, the *guidance* on the role and responsibilities

of non-executive directors for ~~relevant authorised persons~~ SMCR firms in COCON 1 Annex 1G);

...

...

## 6.5B The five steps for penalties imposed on individuals in non-market abuse cases

...

Step 2 – the seriousness of the breach

6.5B.2 G ...

- (3) This approach reflects the *FCA*'s view that an individual receives remuneration commensurate with his responsibilities, and so it is reasonable to base the amount of penalty for failure to discharge his duties properly on his remuneration. The *FCA* also believes that the extent of the financial benefit earned by an individual is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. The *FCA* recognises that in some cases an individual may be approved for only a small part of the work he carries out on a day-to-day basis. However, in these circumstances the *FCA* still considers it appropriate to base the relevant income figure on all of the benefit that an individual gains from the relevant employment, even if ~~his~~ their employment is not totally related to a ~~controlled function~~ controlled function.

...

...

## 8 Variation of SMF managers' approval on the FCA's own initiative

### 8.1 Introduction

8.1.1 G *DEPP* 8 sets out the *FCA*'s statement of policy on the exercise of its power under section 63ZB of the *Act* to vary, on its own initiative, an approval given by the *FCA* or the *PRA* for the performance of a *designated senior management function* in relation to the carrying on of a *regulated activity* by ~~a relevant authorised person~~ an SMCR firm. The *FCA* is required to publish this statement of policy by section 63ZD of the *Act*.

[**Note:** the *FCA*'s statement of policy on the exercise of its power under section 63ZA of the ~~Act~~ Act to vary an approval at the request of ~~a relevant authorised person~~ an SMCR firm is set out in *SUP* 10C.]

...

## Annex Q

### Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

#### 1 Treating complainants fairly

...

#### 1.3 Complaints handling rules

...

- 1.3.7 R (1) *A firm must appoint an individual at the firm, or in the same group as the firm, to have responsibility for oversight of the firm's compliance with DISP 1.*
- (2) *The individual appointed must be carrying out a FCA governing function at the firm or in the same group as the firm.*
- (3) *If there are no individuals at the firm or in the same group as the firm within (2), the firm must appoint an individual of appropriate seniority.*
- (4) *A person approved to perform the apportionment and oversight function for the firm or for a firm in the same group as the firm satisfies the condition in (3).*

...

#### 1.10 Complaints reporting rules

...

- 1.10.2A R ...
- (3) For the purposes of DISP 1 Annex 1CR retail investment adviser information must be reported by:
- (a) the *employee's* Individual Reference Number (IRN); or
- (b) in the case of an *employee* of ~~a relevant authorised person~~ an SMCR firm who is performing an ~~FCA specified significant-harm~~ FCA certification function and has no IRN:

...

## Annex R

### Amendments to the Credit Unions sourcebook (CREDS)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

## 2 Senior management arrangements, systems and controls

...

### 2.1 Application and purpose

...

- 2.1.3 G (1) ...
- (2) ~~SYSC 4 to SYSC 10 (other than SYSC 4.5 to SYSC 4.9 and SYSC 4 Annex 1)~~ and SYSC 14 do not apply to a *firm* (including a *credit union*) in relation to its carrying on *benchmark activities* (see SYSC 1 Annex 1 for the detailed *rules* on the application of SYSC 4 to SYSC 10).

...

...

### 2.2 General provisions

...

Governance and senior manager arrangements: general

- 2.2.65 G (1) ~~SYSC 4.5, SYSC 4.7 and SYSC 4.9~~ SYSC 23 to SYSC 27 have a number of requirements about the governance and senior management arrangements of *relevant authorised persons* SMCR firms.
- (2) A *credit union* is a type of ~~relevant authorised person~~ SMCR firm.
- (3) ~~SYSC 4.5, SYSC 4.7 and SYSC 4.9~~ SYSC 23 to SYSC 27 are summarised in *CREDS* 2.2.66G to *CREDS* 2.2.70G.
- (4) The *PRA*'s requirements about the subjects dealt with in ~~SYSC 4.5, SYSC 4.7 and SYSC 4.9~~ SYSC 23 to SYSC 27 are set out in its Rulebook. *CREDS* does not summarise them.

Governance and senior management arrangements: responsibilities maps

- 2.2.66 G (1) ~~SYSC 25 says that a *relevant authorised person*~~ certain *SMCR firms*, including a *credit union*, should, at all times, have a comprehensive and up-to-date document that describes ~~its~~ their management and governance arrangements. This is called the *management responsibilities map*.
- (2) ~~SYSC 4.5.13G~~ SYSC 25.4.14G has *guidance* on *management responsibilities maps* for small *firms*, which is likely to be of particular relevance to *credit unions*.

Governance and senior management arrangements: allocation of senior management responsibilities

- 2.2.67 G ~~SYSC 4.7 says that a *relevant authorised person*, including a *credit union*, should:~~
- (1) SYSC 24 says that certain *SMCR firms*, including a *credit union*, should allocate a number of specified management responsibilities (called *FCA-prescribed senior management responsibilities*) to one or more of ~~its~~ their *SMF managers*; ~~and~~
- (2) SYSC 26 says that certain *SMCR firms*, including a *credit union*, should ensure that, at all times, one or more of ~~its~~ their *SMF managers* have overall responsibility for each of the activities, business areas and management functions of the *firm*.

...

- 2.2.69 G (1) The list of *FCA-prescribed senior management responsibilities* that a *credit union* should allocate is simpler than for most other ~~*relevant authorised persons*~~ *SMCR firms*.

...

...

Certification regime

- 2.2.71 G Under section 63E(1) of the *Act*, ~~a *relevant authorised person*~~ an *SMCR firm* (including a *credit union*) should take reasonable care to ensure that no employee of the *firm* performs an ~~*FCA-specified significant-harm FCA certification function*~~ under an arrangement entered into by the *firm* in relation to the carrying on by that *firm* of a *regulated activity*, unless the employee has a valid certificate issued by that *firm* to perform the function to which the certificate relates. The definition of employee for these purposes goes beyond a conventional employee and is explained in more detail in SYSC 27.4.1G. It includes volunteers or unpaid staff.
- 2.2.72 G SYSC 27 gives details about the certification requirement described in CREDS 2.2.71G and sets out *rules* and *guidance* about it, including a list of ~~*FCA-specified significant-harm FCA certification functions*~~.

...

## 8 Supervision

...

### 8.3 Approved persons

...

- 8.3.4 G (1) The regime for *approved persons* differs between ~~relevant authorised persons~~ SMCR firms and other types of *firm*.
- (2) A *credit union* is a type of ~~relevant authorised person~~ SMCR firm.
- (3) SUP 10C deals with the *approved persons* requirements for *credit unions* and other ~~relevant authorised persons~~ SMCR firms.
- 8.3.5 G (1) The *controlled functions* specified by the FCA for *credit unions* and other ~~relevant authorised persons~~ SMCR firms can be found in the table in SUP 10C.4.3R. The table in SUP 10C Annex 1 3.2R sets out which of them apply to credit unions.
- (2) The *controlled functions* specified by the PRA for *credit unions* and other ~~relevant authorised persons~~ SMCR firms can be found in the PRA's Rulebook. They are not summarised in the *Handbook*.
- ...
- 8.3.8 G ...
- (3) *Designated senior management functions* only apply to ~~relevant authorised persons~~ SMCR firms, including *credit unions*.
- ...
- 8.3.9 G As well as listing the FCA's *designated senior management functions* for *credit unions* and other ~~relevant authorised persons~~ SMCR firms, SUP 10C has other requirements about *SMF managers*:
- ...

...

## 10 Application of other parts of the Handbook to credit unions

### 10.1 Application and purpose

...

Application of other parts of the Handbook and of Regulatory Guides to Credit Unions

10.1.3

G

Module	Relevance to Credit Unions
...	...
Senior Management Arrangements, Systems and Controls (SYSC)	<p><i>SYSC 1, SYSC 4 to 10 and SYSC 21 apply to all credit unions in respect of the carrying on of their regulated activities and unregulated activities in a prudential context. <del>SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material), SYSC 5.2 (Certification regime)</del> SYSC 23 (Senior managers and certification regime: Introduction and classification), SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities), SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material), SYSC 26 (Senior managers and certification regime: Overall and local responsibility), SYSC 27 (Senior managers and certification regime: Certification regime) and SYSC 18 apply to all credit unions in respect of both their regulated activities and their unregulated activities.</i></p>
...	...
<p><del>The Fit and Proper test for Approved Persons</del> <u>Fit and Proper test for Employees and Senior Personnel (FIT)</u></p>	<p>The purpose of <i>FIT</i> is to set out and describe the criteria that a <i>firm</i> should consider when assessing the fitness and propriety of a person (1) in respect of whom an application is being made for approval to undertake a <i>controlled function</i> under the <del>approved persons</del> <u>senior managers</u> regime, (2) who has already been approved, (3) who is a <i>certification employee</i> or (4) whom a <i>firm</i> is considering appointing to be a <i>certification employee</i>.</p> <p>It also sets out and describes criteria that the <i>FCA</i> will consider when assessing the fitness and propriety of a <i>candidate</i> for a <i>controlled function</i> position and that it may consider when assessing the continuing fitness and propriety of <i>approved persons</i>.</p>
...	...
Supervision manual (SUP)	The following provisions of <i>SUP</i> are relevant to <i>credit unions</i> : <i>SUP 1A</i> (The <i>FCA</i> 's approach to supervision),

	<p><i>SUP 2</i> (Information gathering by the FCA or PRA on its own initiative), <i>SUP 3.1 to SUP 3.8</i> (Auditors), <i>SUP 5</i> (Skilled persons), <i>SUP 6</i> (Applications to vary or cancel Part 4A permission), <i>SUP 7</i> (Individual requirements), <i>SUP 8</i> (Waiver and modification of rules), <i>SUP 9</i> (Individual guidance), <i>SUP 10C</i> (FCA senior <del>management</del> <u>managers</u> regime for approved persons in <del>relevant authorised persons</del> <u>SMCR firms</u>), <i>SUP 11</i> (Controllers and Close links), <i>SUP 15</i> (Notifications to the FCA or PRA ) and <i>SUP 16</i> (Reporting Requirements).</p> <p>...</p>
<p>...</p>	<p>...</p>

...



## Annex S

### Amendments to the Consumer Credit sourcebook (CONC)

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

## 12 Requirements for firms with interim permission for credit-related regulated activities

### 12.1 Application and purpose

...

#### 12.1.4 R Table: Disapplied or modified modules or provisions of the Handbook

Module	Disapplication or modification
...	...
Supervision manual ( <i>SUP</i> )	<p><i>SUP</i> 3 (Auditors), <i>SUP</i> 10A (FCA Approved persons), <i>SUP</i> 10C (FCA senior <del>management</del> <u>managers</u> regime for approved persons in <del>relevant authorised persons</del> <u>SMCR firms</u>) and <i>SUP</i> 12 (Appointed representatives) (see Note 2) do not apply:</p> <p>(1) to a <i>firm</i> with only an <i>interim permission</i>; or</p> <p>(2) with respect to a <i>credit-related regulated activity</i> or <i>operating an electronic system in relation to lending</i> for which a <i>firm</i> has an <i>interim permission</i> that is treated as a variation of permission,</p> <p>except that <i>SUP</i> 3.10 and <i>SUP</i> 3.11 apply to a <i>firm</i> in relation to its <i>designated investment business</i> that comprises <i>operating an electronic system in relation to lending</i>.</p>
...	...

...

## Annex T

## Amendments to the Energy Market Participants guide (EMPS)

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

**1 Special guide for energy market participants**

...

**1.2 Parts of the Handbook applicable to energy market participants**

...

**1.2.3 G Applicability of parts of Handbook to energy market participants**

This table belongs to *EMPS* 1.2.1G

	<b>Part of Handbook</b>	<b>Applicability to energy market participants</b>
<b>High Level Standards</b>	...	...
	Senior management arrangements, Systems and Controls ( <i>SYSC</i> )	...
	<u>Code of Conduct</u> ( <i>COCON</i> )	<u>This does not apply.</u>
	...	...
	Statements of Principle and Code of Practice for Approved Persons ( <i>APER</i> )	...

	<p>The <u>Fit and Proper test for Approved Persons</u> and <u>Fit and Proper test for Employees and Senior Personnel</u> (<i>FIT</i>)</p>	...
...	...	...

## Annex U

**Amendments to the Oil Market Participants guide (OMPS)**

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

**1 Special guide for oil market participants**

...

**1.2 Parts of the Handbook applicable to oil market participants**

...

**1.2.2 G Parts of the Handbook applicable to oil market participants**

This table belongs to *OMPS 1.2.1G*

	<b>Part of Handbook</b>	<b>Applicability to oil market participants</b>
<b>High Level Standards</b>	...	...
	Senior management arrangements, Systems and Controls ( <i>SYSC</i> )	...
	<u>Code of Conduct</u> ( <i>COCOM</i> )	<u>This does not apply.</u>
	...	...
	Statements of Principle and Code of Practice for Approved Persons ( <i>APER</i> )	...
	The <del>Fit and Proper</del> test for <del>Approved</del>	...

	<u>Persons Fit and Proper test for Employees and Senior Personnel (FIT)</u>	
...	...	...

## Annex V

## Amendments to the Service companies guide (SERV)

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

**1 Handbook requirements for service companies**

...

**1.2 Parts of the Handbook applicable to service companies**

...

**1.2.2 G Parts of the Handbook applicable to service companies**

This table belongs to *SERV* 1.2.1G

	<b>Part of Handbook</b>	<b>Applicability to service companies</b>
<b>High Level Standards</b>	...	...
	Senior management arrangements, Systems and Controls ( <i>SYSC</i> )	...
	<u>Code of Conduct</u> ( <i>COCON</i> )	<u>This does not apply.</u>
	...	
	Statements of Principle and Code of Practice for Approved Persons ( <i>APER</i> )	...
	<del>The Fit and Proper test for Approved Persons</del> <u>Fit and</u>	...

	<u>Proper test for Employees and Senior Personnel (FIT)</u>	
...	...	...

## Annex W

**Amendments to General guidance on Benchmark Administration, Contribution and Use (BENCH)**

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

...

**2 Parts of the Handbook applicable to regulated benchmark administrators and benchmark contributors**

**2.1 Parts of the Handbook applicable to regulated benchmark administrators**

...

**2.1.2 G** Parts of the *Handbook* applicable to the *regulated activity of administering a benchmark*.

	Part of the Handbook	Applicability to the <i>regulated activity of administering a benchmark</i>
High Level Standards	...	
	Statements of Principle and Code of Practice for Approved Persons (APER)	This applies to an <i>approved person</i> of a <i>firm</i> that is not a <del>relevant authorised person</del> <u>an SMCR firm</u>
	Code of Conduct sourcebook (COCON)	This applies to <i>conduct rules staff</i> of <del>relevant authorised persons</del> <u>SMCR firms</u> .
	The Fit and Proper test for <del>Approved Persons and specified significant-harm functions</del> <u>Employees and Senior</u>	...



	<u>Personnel</u> (FIT)	
	...	
...		
Regulatory Processes	Supervision Manual (SUP)	This applies subject to the following qualifications:  (a) ...  (b) SUP 10A only applies to a <i>regulated benchmark administrator</i> which is not a <del>relevant authorised person</del> <u>an SMCR firm</u> (but not all <i>controlled functions</i> apply to a <i>firm</i> which only has <i>permission</i> to carry on the <i>regulated activity</i> of <i>administering a benchmark</i> ).  (c) SUP 10C only applies to a <i>regulated benchmark administrator</i> which is a <del>relevant authorised person</del> <u>an SMCR firm</u> .
	...	
...		

## Annex X

### Amendments to the Enforcement Guide (EG)

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

#### 9 Prohibition Orders and withdrawal of approval

...

#### 9.3 Prohibition Order and withdrawal of approval - approved persons

...

9.3.2 When the *FCA* decides whether to make a *prohibition order* against an *approved person* and/or withdraw their approval, the *FCA* will consider all the relevant circumstances of the case. These may include, but are not limited to those set out below.

...

(3) Whether, and to what extent, the *approved person* has:

- (a) failed to comply with the *Statements of Principle* or *COCON*, as applicable, issued by the *FCA* with respect to the conduct of *approved persons*; or

...

...

...

9.3.5 The following are examples of types of behaviour which have previously resulted in the *FCA* the deciding to issue a *prohibition order* or withdraw the approval of an *approved person*:

...

- (5) Serious breaches of ~~the~~ *Statements of Principle* *APER* or *COCON*, for *approved persons*, such as failing to make terms of business regarding fees clear or actively misleading clients about fees; acting without regard to instructions; providing misleading information to clients; consumers or third parties; giving clients poor or inaccurate advice; using intimidating or threatening behaviour towards clients and former clients; failing to remedy breaches of the general prohibition or to ensure that a *firm* acted within the scope of its permissions.

...

## 15 Disqualification of auditors and actuaries

...

### 15.2 Disqualification of auditors and actuaries under its powers contained in section 345, section 249 and section 261K of the Act: the FCA's general approach

...

15.2.2 *Actuaries appointed by firms under rule 4.3.1 of the FCA's Supervision Manual are approved persons and as such will be subject to the FCA's ~~Statements of Principle and Code of Practice for Approved Persons APER or COCON~~, as applicable. When deciding whether to exercise its power to disqualify an actuary who is an approved person, the FCA will consider whether the particular breach of duty can be adequately addressed by the exercise of its disciplinary powers in relation to approved persons.*

...

### App 3 Appendix 3 – Appendix to the guidelines on investigation of cases of interest or concern to the financial conduct authority and other prosecuting and investigating agencies

#### App 3.1 The FCA

...

3.1.4 The FCA has the power to take the following enforcement action:  
discipline authorised firms under Part XIV of the 2000 Act and approved persons and other individuals under s.66 of the 2000 Act;  
impose penalties on persons that perform ~~controlled functions~~ *controlled functions* without approval under s.63A of the 2000 Act;

...

...

## **Annex Y**

### **Handbook forms**

All the text in this Annex is new and so it is not underlined. The forms are to be inserted in the place specified in paragraph H of the cover sheet of this instrument.

**Part 1: Comes into force 28 September 2018**

Application number  
(for FCA use only)

## Form K - Conversion Notification Form

### Solvency II<sup>1</sup> and large non-directive firms<sup>2</sup>

FCA Handbook Reference: SUP TP 10.23.1R

If a *firm* intends that any *individual* will not perform any *controlled function* that they would be eligible to take up through conversion (including those functions where information is not required to be submitted in this form), it should submit a Form C (notice of ceasing to perform *controlled functions*) accordingly.

Name of *firm*

Firm Reference Number (FRN)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom

Telephone +44 (0) 300 500 0597

E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)

Website <http://www.fca.org.uk>

Registered as a Limited Company in England  
and Wales No 1920623. Registered Office as  
above

---

<sup>1</sup> Including EEA and Third Country branches but excluding *Insurance Special Purpose Vehicles*

<sup>2</sup> Please see the *FCA Handbook Glossary* for the definitions of *large non-directive insurer* and *small non-directive insurer*.

**1.01 Contact for this notification**

1.01 Title	
1.02 First name	
1.03 Surname	
1.04 Job title	
1.05 Business address	
1.06 Postcode	
1.07 Phone number	
1.08 Email address	
1.09 Mobile number	

**2.01** The table below provides a breakdown of possible applicable *senior management functions*. Please tick all of the *senior management functions* which have been allocated in this conversion notification. Only those *senior management functions* potentially applicable to the *firm* types below are listed.

Function	Description of a <i>Senior Management Function</i>	Allocated
SMF 3	Executive Director	<input type="checkbox"/>
SMF13	Chairman of the Nomination Committee	<input type="checkbox"/>
SMF15	Chairman of With Profits Committee	<input type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>
SMF18	Other overall responsibility function	<input type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)	<input type="checkbox"/>
SMF22	Other local responsibility function	<input type="checkbox"/>
SMF23b	Conduct Risk Oversight Function (Lloyd's)	<input type="checkbox"/>

**2.02** Provide details of each currently approved person who will perform a *senior management function* following the commencement date, in accordance with the Bank of England and Financial Services Act 2016 and SYSC 25 and SUP 10C of the *FCA Handbook*, and provide details of which *senior management functions* are to be carried out by each such *approved person*. **If this is an update to a previous conversion notification please complete Section 3.**

Function	Description of a <i>senior management function</i>	Name of <i>person to whom allocation of senior management function is proposed</i>	Current <i>controlled function(s)</i> held	IRN
SMF 3	Executive Director			

<b>Function</b>	<b>Description of a <i>senior management function</i></b>	<b>Name of person to whom allocation of <i>senior management function</i> is proposed</b>	<b>Current controlled function(s) held</b>	<b>IRN</b>
SMF13	Chairman of the Nomination Committee			
SMF15	Chairman of With Profits Committee			
SMF16	Compliance Oversight			
SMF17	Money Laundering Reporting Officer (MLRO)			
SMF18	Other overall responsibility function			
SMF23b	Conduct Risk Oversight Function (Lloyd's)			

**2.03** If you have submitted any applications for approval of *individuals* to perform one or more *significant influence functions* that are currently subject to determination by the *FCA* and any of these *individuals* will perform a *senior management function* following commencement date in accordance with the Bank of England and Financial Services Act 2016, and the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018, provide details below of which *senior management functions* are to be carried out by each such *approved person*.

<b>Function</b>	<b>Description of a <i>Senior Management Function</i></b>	<b>Name of person to whom allocation of senior management function is proposed</b>	<b>Controlled functions applied for</b>	<b>IRN or application reference</b>
SMF 3	Executive Director			
SMF13	Chairman of the Nomination Committee			
SMF15	Chairman of With Profits Committee			
SMF16	Compliance Oversight			
SMF17	Money Laundering Reporting Officer (MLRO)			
SMF18	Other overall responsibility function			
SMF23b	Conduct Risk Oversight Function (Lloyd's)			



**3.01** If you need to update a previous conversion notification, please provide details of updates to the *firm's* Conversion Notification Form below.

IRN	Name of <i>individual</i>
<i>Controlled Function</i>	<i>Proposed Senior Management Function(s)</i>
Details of change and reasons for such change.	

IRN	Name of <i>individual</i>
<i>Controlled Function</i>	<i>Proposed Senior Management Function(s)</i>
Details of change and reasons for such change.	

**Statements of Responsibilities and Management Responsibilities Map** **Section 4**

**4.01** Please attach a *statement of responsibilities* for each *individual* identified in this form as being converted to perform one or more *senior management functions*.  
Please also attach the *firm's management responsibilities map*

**4.02** How many additional sheets are being submitted?

**Declaration**

In this declaration, the *firm* making the notification in relation to each *individual* is referred to as the “**applicant**”.

The applicant must ensure that it has the authority of each *individual* in relation to whom it is making a notification for conversion to a *senior management function* to cause the information contained in this form relating to such *individual* to be submitted, and that it has made each such individual aware of their prospective regulatory responsibilities as set out in the *FCA*'s Code of Conduct (*COCOM*).

It is a criminal offence, knowingly or recklessly, to give the *FCA* information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

The applicant must notify the *FCA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the *firm* and/or *individuals*.

For the purposes of complying with data protection legislation, please read the *FCA*'s privacy notice at <https://www.fca.org.uk/data-protection>. This notice will tell you what to expect when the *FCA* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The *person* signing on behalf of the applicant confirms that:

- they have read this declaration in full;
- they have confirmed that the information supplied is accurate and complete to the best of their knowledge, and that each *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant *individual* will be responsible for managing in performing their proposed *senior management functions*.

**Name of the applicant****Name of person signing on behalf of the applicant****Position****Signature****Date**

**Part 2: Comes into force 1 November 2018**



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



FINANCIAL  
CONDUCT  
AUTHORITY

Application number or IRN  
(for FCA/PRA use only)

# Senior Management Regime: Statement of Responsibilities (Third Country Relevant Authorised Persons only)

This form applies to third country relevant authorised persons. It does not apply to UK relevant authorised persons, EEA relevant authorised persons, or appointed representatives of any relevant authorised person.

A statement provided under section 60(2A) of the *Act* (Applications for approval), including a statement revised under section 62A of the *Act* (Changes in responsibilities of senior managers).

For candidates for approval, this form **must** be submitted as an attachment to a Form A: application or a Form E application.

For significant changes to an existing *statement of responsibilities*, this form **must** be submitted as an attachment to a Form J notification or a Form I application or variation.

*FCA Handbook* Reference: SUP 10C, SYSC 4.6, SYSC 4.8

*PRA Rulebook* Reference: Senior Managers Regime - Applications and Notifications

1 November 2018

Name of *individual*  
(to be completed by *firm*)

Name of *firm*  
(as entered in 2.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom

Telephone +44 (0) 300 500 0597

E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)

Website <http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom

Telephone +44 (0) 203 461 7000

Email [PRA-ApprovedPersons@bankofengland.co.uk](mailto:PRA-ApprovedPersons@bankofengland.co.uk)

Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA Rulebook*.

**Personal identification details****Section 1**

1.01 Individual Reference Number (IRN)

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

**Firm identification details****Section 2**2.01 Name of *firm*2.02 *Firm* Reference Number (FRN)2.03 a Who should the *FCA/PRA* contact at the *firm* in relation  
to this *statement of responsibilities*?

b Position

c Telephone

d Fax

e E-mail

I have supplied further information  
related to this page in Section 4YES  NO

A *statement of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* or senior manager is to perform as part of their *controlled function* and how they fit in with the *firm's* overall governance and management arrangements. A *statement of responsibilities* should also be consistent with the *firm's management responsibilities map*.

A *statement of responsibilities* should be drafted in such a way as to be practical and useable by regulators. The FCA and the PRA consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form. However, the PRA and FCA would not usually expect the description of each responsibility to exceed 300 words.

A *statement of responsibilities* must be a self-contained document. There should be one statement per senior manager per firm. Where an individual performs a senior management function on behalf of more than one firm within a group, one *statement of responsibilities* is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A statement of responsibilities must not cross-refer to or include other documents, attachments or links.

A *statement of responsibilities* should include responsibilities held in relation to FCA controlled functions that are included in a *PRA controlled function* under SUP 10C.9 (Minimising overlap with the *PRA* approved persons regime). (SUP 10C.11)

If the appropriate regulator considers that the *statement of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers those responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having local responsibility for each of the business areas, activities, management functions and risks of the firm.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* senior management function(s) role.

### 3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this *statement of responsibilities*:

Please note that where this is a revised *statement of responsibilities*, i.e. since the granting of the application, there has been a significant change in the aspects of the firm's affairs which the individual is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior management function), then this *statement of responsibilities* supersedes any previous versions.

3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

SMF	Description	Tick SMF applied for or held	Effective Date
SMF2	Chief Finance function	<input type="checkbox"/>	
SMF3	Executive Director	<input type="checkbox"/>	
SMF4	Chief Risk function	<input type="checkbox"/>	
SMF5	Head of Internal Audit	<input type="checkbox"/>	
SMF7	Group Entity Senior Manager	<input type="checkbox"/>	
SMF16	Compliance Oversight	<input type="checkbox"/>	
SMF17	Money Laundering Reporting	<input type="checkbox"/>	
SMF19	Head of Overseas Branch	<input type="checkbox"/>	
SMF22	Other local responsibility function	<input type="checkbox"/>	

This *statement of responsibilities* is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions (for example, the Money Laundering Reporting function). Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.1.3 Please indicate those FCA functions that are included in a PRA controlled function under SUP 10C.9 (Minimising overlap with the PRA approved persons regime).

SMF	Description	Yes?
SMF3	Executive Director	<input type="checkbox"/>

## 3.2 Prescribed Responsibilities

This section deals with those responsibilities to be allocated to one or more senior managers. The allocation of responsibilities under a statement of responsibilities should not reduce or alter the scope of any applicable prescribed responsibilities.

If the responsibilities that the candidate or senior manager is to carry out as described in

the statement of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(FCA SUP 10C.11/PRA: Allocation of Responsibilities)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

**The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the PRA Rulebook.**



Ref	Prescribed Responsibility (Applicable to all firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
za	Responsibility for the branch's performance of its obligations under the senior management regime	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zb	Responsibility for the branch's performance of its obligations under the employee certification regime	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
b-1	Responsibility for the firm's obligations for conduct rules training and conduct rules reporting	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zc	Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zd	Responsibility for management of the UK branch's risk management processes in the UK	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
ze	Responsibility for the branch's compliance with the UK regulatory system applicable to the branch	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zf	Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the branch to the governing body and/or the management body of the firm or, where appropriate, of the parent undertaking or holding company of the firm's group	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zg	Local responsibility for the branch's policies and procedures for countering the risk that the branch might be used to further financial crime	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zh	Local responsibility for the branch's compliance with CASS	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zi	Responsibility for management of the branch's systems and controls in the UK	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zj	Responsibility for the allocation of all UK branch prescribed responsibilities	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zk	Responsibility for the management of the branch's liquidity or, where a liquidity waiver is in place, the submission of information to the PRA on the firm's liquidity position	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zl	Responsibility for the production and integrity of the branch's financial information and its regulatory reporting in respect of its regulated activities	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the PRA Rulebook.

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and
- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA* Rulebook.

### 3.3 Local Responsibility

This section deals with having local responsibility for each of the business areas, activities and management functions of the firm.

Local responsibility is explained in SYSC 4.8. In summary, by local responsibility we mean:

- a) for a *person* who is allocated local responsibility under SYSC 4.8.10R(1), ultimate responsibility (under the *governing body* of the *branch*) for managing or supervising that function and primary and direct responsibility for briefing and reporting about that function to the branch's governing body or equivalent and for putting matters for decision about that function to the *branch's governing body* or equivalent. SYSC 4.8 states that, in general, the FCA expects that a *person* to whom overall responsibility for a function is allocated under SYSC 4.8.10R(1), will be the most senior employee or officer responsible for managing or supervising that function under the management of the *branch's governing body*;
- b) for a *person* who is allocated local responsibility under SYSC 4.8.10R(2), a *person* who is directly involved in the management of the relevant activity, business area or management function. SYSC 4.8 states that, the FCA expects that a *firm* appointing someone to have local responsibility for a function under SYSC 4.8.10R(2) will appoint the most senior employee or officer of the *firm* with responsibility for that activity, business area or management function.

(SYSC 4.8)

- 3.3.1 If the individual has local responsibility for any or part of the activities, business areas or management functions of a branch, please provide details of each in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the individual does not have local responsibility for an activity, business area or management function of the branch, please skip this section.

A *firm* may wish to refer to SYSC 4 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate local responsibility for a particular activity of the firm. Please note that the FCA does not require firms to organise themselves by the functions in SYSC 4 Annex 1G, and that the Annex is not comprehensive. It is important that a firm does not fail to allocate local responsibility for business areas, activities and management functions, in line with SYSC 4.8.10R.

Please provide a title for this local responsibility	Please provide further details of this local responsibility	Is this local responsibility shared? If 'Yes' please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA* Rulebook.

### **3.4 Other Responsibilities**

- 3.4.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) role. For example, responsibilities outside the normal course of business such as those linked to high profile projects or initiatives.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Please provide a title for this other responsibility	Please provide further details of this other responsibility	Is this other responsibility shared? If 'Yes' please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA* Rulebook.

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES

NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

## ANNEX A

SYSC 4  
Annex 1G

## The main business activities and functions of a relevant authorised person

Business areas and management functions	Explanation
(1) Payment services	This means:  (1) <i>payment services</i> ;  (2) issuing and administering other means of payment (for example, cheques and bankers' drafts);  (3) issuing <i>electronic money</i> ; and  (4) current accounts.
(2) Settlement	This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9).  It also includes clearing and settlement of any transactions described in row (10).
(3) Investment management	This has the same meaning as <i>managing investments</i> with the following adjustments:  (a) it covers all types of assets; and  (b) the exclusions in the <i>Regulated Activities Order</i> do not apply.  It also covers fund management.
(4) Financial or investment advice	This includes <i>advising on investments</i> .
(5) Mortgage advice	This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.
(6) Corporate investments	This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.
(7) Wholesale sales	This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i> .  It does not include the activities in (1).
(8) Retail sales	This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i> .  It includes savings accounts. It does not include the activities in (1).
(9) Trading for clients	This means <i>dealing in investments as agent and execution of orders on behalf of clients</i> but the list of products includes money market instruments and foreign

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA* Rulebook.



Business areas and management functions	Explanation
	exchange.
(10) Market making	This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1(8)).
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	<p>Origination and syndication include:</p> <p>(1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;</p> <p>(2) sub-participation; and</p> <p>(3) any transaction described in the <i>Glossary</i> definition of <i>originator</i>.</p> <p>Underwriting includes underwriting that is not on a firm commitment basis.</p> <p>A commitment or <i>investment</i> includes an economic interest in some or all of it.</p> <p>This activity also includes the provision of services relating to such transactions.</p>
(13) Retail lending decisions	<p>Deciding whether, and on what terms, to lend to <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(14) Wholesale lending decisions	<p>Deciding whether, and on what terms, to lend to <i>persons</i> who are not <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(15) Design and manufacturing of products intended for wholesale customers	Wholesale customers mean <i>persons</i> who are not <i>retail customers</i>
(16) Design and manufacture of products intended for <i>retail customers</i>	
(17) Production and distribution of marketing materials and communications	This includes <i>financial promotions</i>
(18) Customer service	This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests
(19) Customer complaints handling	<p>This includes the <i>firm's</i> compliance with <i>DISP</i>.</p> <p>It also includes:</p> <p>(1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman</i></p>

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime – Applications and Notifications' in the *PRA* Rulebook.

Business areas and management functions	Explanation
	<i>Service</i> ;  (2) activities that take place outside the <i>UK</i> ; and  (3) activities that are not subject to any ombudsman service.
(20) Collection and recovering amounts owed to a <i>firm</i> by its customers  Dealing with customers in arrears	“Customer” means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA’s Handbook</i> . The definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i> .
(21) Middle office	This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i>
(22) The <i>firm’s</i> information technology	
(23) Business continuity planning	This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R
(24) Human resources	This includes recruitment, training and competence and performance monitoring
(25) Incentive schemes for the <i>firm’s</i> staff	This is not limited to schemes based on sales.
(26) <i>Providing information in relation to a specified benchmark</i>	
(27) <i>Administering a specified benchmark</i>	
Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for relevant authorised persons) and SYSC 4.7.37G.	
Note (2): A <i>firm</i> does not have to use the split of activities in this annex for the purposes in Note (1). If a <i>firm</i> does decide to use it, it may adapt it to suit its management arrangements better.  For example, a <i>firm</i> may find the split of activities into <i>retail</i> and wholesale activities unsuitable. If so, the <i>firm</i> might:  (a) treat <i>retail</i> and wholesale activities together; or  (b) use its own definition of retail and wholesale activities.	

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BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



FINANCIAL  
CONDUCT  
AUTHORITY

Application number or IRN  
(for FCA/PRA use only)

# Senior Management Regime: Statement of Responsibilities

This form applies to UK relevant authorised persons. It does not apply to incoming EEA relevant authorised persons, third country relevant authorised persons, or appointed representatives of any relevant authorised person.

A statement provided under section 60(2A) of the *Act* (Applications for approval), including a statement revised under section 62A of the *Act* (Changes in responsibilities of senior managers).

For candidates for approval, this form **must** be submitted as an attachment to a Form A application or a Form E application

For significant changes to an existing *statement of responsibilities*, this form **must** be submitted as an attachment to a Form J notification or a Form I application or variation.

*FCA Handbook* Reference: SUP 10C, SYSC 4.5, SYSC 4.7

*PRA Rulebook* Reference: Senior Managers Regime - Applications and Notifications

1 November 2018

Name of *individual*  
(to be completed by *firm*)

Name of *firm*  
(as entered in 2.01)

Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email [PRA-ApprovedPersons@bankofengland.co.uk](mailto:PRA-ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA Rulebook*

Senior Management Regime: Statement of Responsibilities

## Personal identifications details

## Section 1

1.01 Individual Reference Number (IRN)

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

## Firm identification details

## Section 2

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this *statement of responsibilities*?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information related to this page in Section 4 YES  NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

A *statement of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* or senior manager is to perform as part of their *controlled function* and how they fit in with the *firm's* overall governance and management arrangements. A *statement of responsibilities* should also be consistent with the *firm's management responsibilities map*.

A *statement of responsibilities* should be drafted in such a way as to be practical and useable by regulators. The *FCA* and the *PRA* consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the *PRA* and *FCA* would not usually expect the description of each responsibility to exceed 300 words.

A *statement of responsibilities* must be a self-contained document. There should be one statement per senior manager per firm. Where an individual performs a senior management function on behalf of more than one firm within a group, one *statement of responsibilities* is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A statement of responsibilities must not cross refer to other documents, attachments or links.

A *statement of responsibilities* should include responsibilities held in relation to *FCA* controlled functions that are included in a *PRA controlled function* under SUP 10C.9 (Minimising overlap with the *PRA* approved persons regime).

(SUP 10C.11)

If the appropriate regulator considers that the *statement of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers prescribed responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, and management functions of the firm.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* senior management function(s) role.

### 3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this *statement of responsibilities*:

Please note that where this is a revised *statement of responsibilities*, i.e. since the granting of the application, there has been a significant change in the aspects of the firm's affairs which the individual is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior management function), then this *statement of responsibilities* supersedes any previous versions.

3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

<b>SMF</b>	<b>Description</b>	<b>Tick SMF applied for or held</b>	<b>Effective Date</b>
SMF1	Chief Executive function		
SMF2	Chief Finance function		
SMF3	Executive Director		
SMF4	Chief Risk function		
SMF5	Head of Internal Audit		
SMF6	Head of Key Business Area		
SMF7	Group Entity Senior Manager		
SMF8	Credit Union SMF (small Credit Unions only)		
SMF9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Other Overall Responsibility function		

This *statement of responsibilities* is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.1.3 Please indicate those FCA functions that are included in a PRA controlled function under SUP 10C.9 (Minimising overlap with the PRA approved persons regime).

<b>SMF</b>	<b>Description</b>	<b>Yes?</b>
SMF3	Executive Director	
SMF13	Chair of the Nominations Committee	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

**Senior Management Regime: Statement of Responsibilities**

## 3.2 Prescribed Responsibilities

This section deals with those responsibilities to be allocated to one or more senior managers. The allocation of responsibilities under a statement of responsibilities should not reduce or alter the scope of any applicable prescribed requirements.

If the responsibilities that the candidate or senior manager is to carry out as described in the statement of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(*FCA SUP 10C.11/PRA: Allocation of Responsibilities*)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

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Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to all firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
a	Responsibility for the <i>firm's</i> performance of its obligations under the senior management regime	Yes / No	Yes / No
b	Responsibility for the firm's performance of its obligations under the employee certification regime	Yes / No	Yes / No
b-1	Responsibility for the firm's obligations for conduct rules training and conduct rules reporting	Yes / No	Yes / No
c	Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map	Yes / No	Yes / No
d	Overall responsibility for the firm's policies and procedures for countering the risk that the firm might be used to further financial crime	Yes / No	Yes / No
e	Responsibility for the allocation of all prescribed responsibilities	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
f	Responsibility for: (a) leading the development of; and (b) monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the <i>firm's governing body</i> .	Yes / No	Yes / No
g	Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing <i>designated senior management functions</i> on behalf of the <i>firm</i> other than members of the <i>governing body</i> .	Yes / No	Yes / No

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Senior Management Regime: Statement of Responsibilities



Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
h	Responsibility for overseeing the adoption of the <i>firm's</i> culture in the day-to-day management of the <i>firm</i> .	Yes / No	Yes / No
i	Responsibility for leading the development of the firm's culture by the governing body as a whole.	Yes / No	Yes / No
j	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of: the internal audit function in accordance with SYSC 6.2 (Internal Audit)	Yes / No	Yes / No
k	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the compliance function in accordance with SYSC 6.1(Compliance)	Yes / No	Yes / No
l	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the risk function in accordance with SYSC 7.1.21R and SYSC7.1.22R (Risk control)	Yes / No	Yes / No
m	Responsibility for overseeing the development of, and implementation of the firm's remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)	Yes / No	Yes / No
n	Responsibility for the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing, including the procedures for protection of staff who raise concerns from detrimental treatment	Yes / No	Yes / No
o	Management of the allocation and maintenance of capital, funding and liquidity	Yes / No	Yes / No
p	The firm's treasury management functions	Yes / No	Yes / No

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Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
q	The production and integrity of the firm's financial information and its regulatory reporting in respect of its regulated activities	Yes / No	Yes / No
r	The firm's recovery plan and resolution pack and overseeing the internal processes regarding their governance	Yes / No	Yes / No
s	Responsibility for managing the firm's internal stress-tests and ensuring the accuracy and timeliness of information provided to the PRA and other regulatory bodies for the purposes of stress-testing;	Yes / No	Yes / No
t	Responsibility for the development and maintenance of the firm's business model by the governing body;	Yes / No	Yes / No
u	Responsibility for the firm's performance of its obligations under <i>Fitness and Propriety</i> (in the PRA Rulebook) in respect of its notified non-executive directors	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to specific types of firm)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
v	If the firm carries out proprietary trading, responsibility for the firm's proprietary trading activities;	Yes / No	Yes / No
w	If the firm does not have an individual performing the Chief Risk function, overseeing and demonstrating that the risk management policies and procedures which the firm has adopted in accordance with SYSC 7.1.2 R to SYSC 7.1.5 R satisfy the requirements of those rules and are consistently effective in accordance with SYSC 4.1.1R.	Yes / No	Yes / No
x	If the firm outsources its internal audit function taking reasonable steps to ensure that every person involved in the performance of the service is independent from the persons who	Yes / No	Yes / No

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Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to specific types of firm)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
	perform external audit, including (a) Supervision and management of the work of outsourced internal auditors and (b) Management of potential conflicts of interest between the provision of external audit and internal audit services		
y	If the firm is a ring-fenced body, responsibility for ensuring that those aspects of the firm's affairs for which a person is responsible for managing are in compliance with the ring-fencing requirements.	Yes / No	Yes / No
z	Overall responsibility for the firm's compliance with CASS	Yes / No	Yes / No

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Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to small firms only <sup>1</sup> )	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
aa	Responsibility for implementing and management of the firm's risk management policies and procedures	Yes / No	Yes / No
bb	Responsibility for managing the systems and controls of the firm	Yes / No	Yes / No
cc	Responsibility for managing the firm's financial resources.	Yes / No	Yes / No
dd	Responsibility for ensuring the governing body is informed of its legal and regulatory obligations	Yes / No	Yes / No

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<sup>1</sup> Small firms are firms with gross total assets of £250 million or less (determined on the basis of the annual average amount calculated across a rolling period of 5 years (calculated by reference to the firm's annual accounting date)).

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Senior Management Regime: Statement of Responsibilities

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and
- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

### 3.3 Overall Responsibility

This section deals with having overall responsibility for any of the business areas, activities, or management functions of the firm.

By overall responsibility we mean the ultimate responsibility (under the governing body) for managing or supervising that function, and primary and direct responsibility for briefing and reporting to the governing body about that function and putting matters for decision about that function to the governing body of the firm.

(SYSC 4.7)

3.3.1 If the individual has overall responsibility for any or part of the business areas, activities, or management functions of a firm, please provide details of each in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the individual does not have overall responsibility for a business area, activity or management function of the firm, please go to section 3.4

A *firm* may wish to refer to SYSC 4 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate overall responsibility for a particular activity of the firm. Please note that the *FCA* does not require firms to organise themselves by the functions in SYSC 4 Annex 1G, and that the Annex is not comprehensive. It is important that a firm does not fail to allocate overall responsibility for business areas, activities and management functions, in line with SYSC 4.7.8R.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

Please provide a title for this overall responsibility	Please provide further details of this overall responsibility.	Is this overall responsibility shared? If 'Yes' please provide, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

NO

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Senior Management Regime: Statement of Responsibilities

**3.4 Other Responsibilities**

3.4.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) role. For example, responsibilities outside the normal course of business such as those linked to high profile projects of initiatives.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Please provide a title for this other responsibility	Please provide further details of this other responsibility	Is this other responsibility shared? If 'Yes' please provide ,the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook



4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES  NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

**SYSC 4      The main business activities and functions of a relevant authorised person**  
**Annex 1G**

Business areas and management functions	Explanation
(1) Payment services	<p>This means:</p> <p>(1) <i>payment services</i>;</p> <p>(2) issuing and administering other means of payment (for example, cheques and bankers' drafts);</p> <p>(3) issuing <i>electronic money</i>; and</p> <p>(4) current accounts.</p>
(2) Settlement	<p>This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9). It also includes clearing and settlement of any transactions described in row (10).</p>
(3) Investment management	<p>This has the same meaning as <i>managing investments</i> with the following adjustments:</p> <p>(a) it covers all types of assets; and</p> <p>(b) the exclusions in the <i>Regulated Activities Order</i> do not apply.</p> <p>It also covers fund management.</p>
(4) Financial or investment advice	<p>This includes <i>advising on investments</i>.</p>
(5) Mortgage advice	<p>This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.</p>
(6) Corporate investments	<p>This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.</p>
(7) Wholesale sales	<p>This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i>.</p> <p>It does not include the activities in (1).</p>

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Business areas and management functions	Explanation
(8) Retail sales	This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i> . It includes savings accounts. It does not include the activities in (1).
(9) Trading for clients	This means <i>dealing in investments as agent</i> and <i>execution of orders on behalf of clients</i> but the list of products includes money market instruments and foreign exchange.
(10) Market making	This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1(8)).
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	Origination and syndication include:  (1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;  (2) sub-participation; and  (3) any transaction described in the <i>Glossary</i> definition of <i>originator</i> .  Underwriting includes underwriting that is not on a firm commitment basis.  A commitment or <i>investment</i> includes an economic interest in some or all of it.  This activity also includes the provision of services relating to such transactions.
(13) Retail lending decisions	Deciding whether, and on what terms, to lend to <i>retail customers</i> .  Lending includes granting credit, leasing and hire (including finance leasing).
(14) Wholesale lending decisions	Deciding whether, and on what terms, to lend to <i>persons who are not retail customers</i> .  Lending includes granting credit, leasing and hire (including finance leasing).
(15) Design and manufacturing of products intended for wholesale customers	Wholesale customers mean <i>persons who are not retail customers</i>
(16) Design and manufacture of products intended for <i>retail</i>	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

Business areas and management functions	Explanation
<i>customers</i>	
(17) Production and distribution of marketing materials and communications	This includes <i>financial promotions</i>
(18) Customer service	This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests
(19) Customer complaints handling	This includes the <i>firm's</i> compliance with <i>DISP</i> .  It also includes:  (1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman Service</i> ;  (2) activities that take place outside the <i>UK</i> ; and  (3) activities that are not subject to any ombudsman service.
(20) Collection and recovering amounts owed to a <i>firm</i> by its customers  Dealing with customers in arrears	"Customer" means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA's Handbook</i> . The definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i> .
(21) Middle office	This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i>
(22) The <i>firm's</i> information technology	
(23) Business continuity planning	This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R
(24) Human resources	This includes recruitment, training and competence and performance monitoring
(25) Incentive schemes for the <i>firm's</i> staff	This is not limited to schemes based on sales.
(26) <i>Providing information in relation to a specified benchmark</i>	
(27) <i>Administering a specified benchmark</i>	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA Rulebook*

Senior Management Regime: Statement of Responsibilities

Business areas and management functions	Explanation
<p>Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for relevant authorised persons) and SYSC 4.7.37G.</p>	
<p>Note (2): A <i>firm</i> does not have to use the split of activities in this annex for the purposes in Note (1). If a <i>firm</i> does decide to use it, it may adapt it to suit its management arrangements better.</p> <p>For example, a <i>firm</i> may find the split of activities into <i>retail</i> and wholesale activities unsuitable. If so, the <i>firm</i> might:</p> <ul style="list-style-type: none"> <li>(a) treat <i>retail</i> and wholesale activities together; or</li> <li>(b) use its own definition of retail and wholesale activities.</li> </ul>	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities

**Part 3: Comes into force 10 December 2018**



Application number  
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on both the FCA and PRA websites at: <https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

## Long Form A – Dual-regulated firms (including EEA and third country firms)

### Application to perform *controlled functions* including *senior management functions*

FCA Handbook Reference: SUP 10C Annex 3D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications<sup>1</sup>

10 December 2018

Name of *candidate*  
(to be completed by applicant *firm*)

Name of applicant *firm*  
(as entered in 2.01)

*Firm* reference number  
(as entered in 2.02)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>1</sup> The relevant section of the PRA Rulebook should be referred to depending on which *firm* is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

<b>1.01 a</b>	<i>Candidate</i> Individual Reference Number (IRN)	
<b>b</b>	OR name of previous <i>regulatory body</i>	
<b>c</b>	AND previous reference number (if applicable)	
<b>1.02</b>	Title (e.g. Mr, Mrs, Ms)	
<b>1.03</b>	Surname	
<b>1.04</b>	ALL forenames	
<b>1.05</b>	Name commonly known by	
<b>1.06</b>	Date of birth (dd/mm/yyyy)	
<b>1.07</b>	National Insurance number	
<b>1.08</b>	Previous name	
<b>1.09</b>	Date of name change	
<b>1.10 a</b>	Nationality	
<b>b</b>	Passport number (if National Insurance number not available)	
<b>1.11</b>	Place of birth	
<b>1.12</b>	Phone number	
<b>1.13</b>	Email address	



I have supplied further information related to this page in Section 6

YES

NO



1.14 a Private address

[Redacted address field]

b

Postcode

c

Dates resident at this address (dd/mm/yyyy)

From

[Redacted date field]

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

[Redacted address field]

b

Postcode

c

Dates resident at this address (dd/mm/yyyy)

From

[Redacted date field]

To

[Redacted date field]

1.16 a Previous address 2

[Redacted address field]

b

Postcode

c

Dates resident at this address (dd/mm/yyyy)

From

[Redacted date field]

To

[Redacted date field]



I have supplied further information related to this page in Section 6

YES

NO

2.01	Name of <i>firm</i> making the application	<input type="text"/>
2.02	<i>Firm</i> Reference Number (FRN)	<input type="text"/>
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	<input type="text"/>
b	Position	<input type="text"/>
c	Phone number	<input type="text"/>
d	E-mail	<input type="text"/>

Please note that the contact at the *firm* cannot be the same person as the *candidate*



I have supplied further information related to this page in Section 6

YES

NO

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative*, then please complete Section 3B.

**3A.01** Nature of the arrangement between the candidate and the applicant firm

a Employee

---

b Group employee

Name of group

---

c Contract for services

---

d Partner

---

e Other

Give details

Proposed date of appointment

Length of appointment (if applicable)

**3A.02** For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please leave the boxes below blank and go to question **3A.04**

The table below sets out the full list of *senior management functions* (SMFs). Please refer to the *PRA Rulebook* and *FCA Handbook* for the mandatory SMFs for your *firm*.

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the Governing Body	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>
SMF23	Chief Underwriting Officer					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

\*UK Banks' refers to UK banks, building societies and PRA designated investment firms

3A.03 Job title

**Insurance distribution**

Will the *candidate* be responsible for insurance distribution at the *firm*? YES  NO

(Note: Yes can only be selected if the individual is applying for a governing function (other than a *non-executive director* function))

**Mortgage Credit Directive**

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the *firm*? YES  NO

**➔** I have supplied further information related to this page in Section 6 YES  NO

**3A.04**

**Complete this section only if the application is on behalf of more than one *firm*.**

List all *firms* within the *group* (including the *firm* entered in **2.01**) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.

	<b><i>Firm Reference Number</i></b>	<b><i>Name of firm</i></b>	<b><i>Senior Management Function</i></b>	<b><i>Job title</i></b>	<b><i>Responsible for insurance distribution?</i></b>	<b><i>Responsible for mortgage credit intermediation?</i></b>	<b><i>Effective date</i></b>
<b>a</b>							
<b>b</b>							
<b>c</b>							
<b>d</b>							
<b>e</b>							



I have supplied further information related to this page in Section 6

YES

NO

## Arrangements and controlled functions – Appointed Representatives Section 3B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function*, then please complete Section 3A.

For *limited permission consumer credit firms* that are also *appointed representatives*, only the *customer function* is relevant in this section. For these firms, relevant *senior management functions* apply instead of the *governing functions* (ie CF1 (AR), CF3 (AR), CF4 (AR) and CF5 (AR)). We do not expect this to apply to many *firms*.

**3B.01** Nature of the arrangement between the candidate and the applicant.

---

a Appointed representative/tied agent – customer function

AR firm name and reference number

---

b Appointed representative/tied agent – governing function

AR firm name and reference number

---

c Other

Give details

**3B.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3B.05**.

a **Significant influence functions**

CF 1 (AR) <i>Director function</i>	<input type="checkbox"/>
CF 3 (AR) <i>Chief executive function</i>	<input type="checkbox"/>
CF 4 (AR) <i>Partner function</i>	<input type="checkbox"/>
CF 5 (AR) <i>Director of an unincorporated association function</i>	<input type="checkbox"/>

---

b **Senior Management Functions**

*(This section is only applicable for limited permission consumer credit firms that are ARs for other business)*

SMF1 (AR) <i>Chief Executive function</i>	<input type="checkbox"/>
SMF3 (AR) <i>Executive Director function</i>	<input type="checkbox"/>
SMF4 (AR) <i>Partner function</i>	<input type="checkbox"/>

---

c **Customer function**

CF 30 (AR) <i>Customer function</i>	<input type="checkbox"/>
-------------------------------------	--------------------------

**3B.03** Effective date of *controlled functions* indicated above

**3B.04** Job title

Please refer to notes on the requirements for submitting a CV.

➔ I have supplied further information related to this page in Section 6 YES  NO

**3B.05**

**Complete this section only if the application is on behalf of more than one *firm*.**

List all *firms* within the *group* (including the *firm* entered in **2.01**) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b>	<b>Effective date</b>
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					



I have supplied further information related to this page in Section 6

YES

NO



N.B.: ALL gaps must be accounted for

## 4.01 Employment details (1)

<b>a</b>	Period (dd/mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>
<b>b</b>	Nature of employment	<i>a</i>	Employed	<input type="checkbox"/>	
		<i>b</i>	Self-employed	<input type="checkbox"/>	
		<i>c</i>	Not employed	<input type="checkbox"/>	
		<i>d</i>	Full-time education	<input type="checkbox"/>	
	If <i>c</i> or <i>d</i> is ticked, please give details		<input type="text"/>		
<b>c</b>	Name of employer	<input type="text"/>			
<b>d</b>	Nature of business	<input type="text"/>			
<b>e</b>	Previous / other names of employer	<input type="text"/>			
<b>f</b>	Last known address of employer	<input type="text"/>			
<b>g</b>	Is/was employer regulated by a <i>regulatory body</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of <i>regulatory body</i>	
				<input type="text"/>	
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?	
				<input type="text"/>	
<b>i</b>	Position held	<input type="text"/>			
<b>j</b>	Responsibilities	<input type="text"/>			
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation	<input type="checkbox"/>	
		<i>b</i>	Redundancy	<input type="checkbox"/>	
		<i>c</i>	Retirement	<input type="checkbox"/>	
		<i>d</i>	Termination/dismissal	<input type="checkbox"/>	
		<i>e</i>	End of contract	<input type="checkbox"/>	
		<i>f</i>	Other	<input type="checkbox"/>	
	If 'other', please specify		<input type="text"/>		

**4.02 Employment details (2)**

**a** Period (dd/mm/yyyy) From  To

**b** Nature of employment

<i>a</i>	Employed	<input type="checkbox"/>
<i>b</i>	Self-employed	<input type="checkbox"/>
<i>c</i>	Not employed	<input type="checkbox"/>
<i>d</i>	Full-time education	<input type="checkbox"/>

If *c* or *d* is ticked, please give details

**c** Name of employer

**d** Nature of business

**e** Previous / other names of employer

**f** Last known address of employer

**g** Is/was employer regulated by a *regulatory body*? YES  NO  Name of *regulatory body*

**h** Is/was employer an *appointed representative/tied agent*? YES  NO  If yes, of which *firm*?

**i** Position held

**j** Responsibilities

**k** Reason for leaving:

<i>a</i>	Resignation	<input type="checkbox"/>
<i>b</i>	Redundancy	<input type="checkbox"/>
<i>c</i>	Retirement	<input type="checkbox"/>
<i>d</i>	Termination/dismissal	<input type="checkbox"/>
<i>e</i>	End of contract	<input type="checkbox"/>
<i>f</i>	Other	<input type="checkbox"/>

If 'other', please specify



I have supplied further information related to this page in Section 6

YES

NO

**5.01 Criminal Proceedings**

When answering the questions in this section the *candidate* should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *candidate* is subject to the law of England and Wales, the *candidate* must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the *candidate* is subject to the law of Scotland or Northern Ireland, the *candidate* must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

**If any question has been answered ‘yes’ in Section 5, further details should be provided in Section 6.**

If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included in Section 6.

<p><b>5.01.1a</b></p> <p>Has the <i>candidate</i> <b>ever</b> been convicted of any criminal offence (whether spent or not and whether or not in the <i>United Kingdom</i>):</p> <p style="margin-left: 20px;">i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</p> <p style="margin-left: 20px;">ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</i></p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>b</b></p> <p>Is the <i>candidate</i> currently the subject of any criminal proceedings, whether in the UK or elsewhere?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>c</b></p> <p>Has the <i>candidate</i> <b>ever</b> been given a caution in relation to any criminal offence?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.01.2</b></p> <p>Has the <i>candidate</i> any convictions for any offences other than those in <b>5.01.1</b> above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.01.3</b></p> <p>Is the <i>candidate</i> the subject of any ongoing criminal investigation?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.01.4</b></p> <p>Has the <i>candidate</i> been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?</p> <p>In answering question <b>5.01.4</b>, you should include all matters even where the <i>candidate</i> was not the subject of the investigation.</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>



I have supplied further information related to this page in Section 6 YES  NO

**5.01.5** Has any *firm* at which the *candidate* holds or has held a position of influence ever:

(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

- |          |  |                              |                             |
|----------|--|------------------------------|-----------------------------|
| <b>a</b> | Been convicted of any criminal offence?  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | Been the subject of any criminal proceeding which has not resulted in a conviction?  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

In answering question **5.01.5**, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of **5.01.5d**, even where the *firm* was not the subject of the investigation. However, *firms* are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information related to this page in Section 6 YES  NO

## 5.02 Civil Proceedings

<b>5.02.1</b>	Has the <i>candidate</i> , <b>ever</b> been the subject of a judgement debt or award against the <i>candidate</i> (whether satisfied or not)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	Please give a full explanation of the events in question, <i>The candidate</i> should include all County Court Judgement(s) (CCJs) made against the <i>candidate</i> , whether satisfied or not); and i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and ii) the total number of all judgement debts, awards or CCJs ordered.		
<b>5.02.2</b>	Has the <i>candidate</i> ever been party to any civil proceedings which resulted in any order against the <i>candidate</i> (other than a judgement debt or award referred to in <b>5.02.1</b> above)? (the <i>candidate</i> should include, for example, injunctions and employment tribunal proceedings.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.3</b>	Is the <i>candidate</i> aware of:		
<b>a</b>	Any proceedings that have begun, or anyone's intention to begin proceedings against the <i>candidate</i> , for a CCJ or another judgement debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.4</b>	Does the <i>candidate</i> have any <b>current</b> judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.5</b>	Has the <i>candidate</i> <b>ever</b> failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES  NO

<b>5.02.6</b>	Has the <i>candidate</i> ever:		
<b>a</b>	Filed for the <i>candidate</i> 's own bankruptcy or had a bankruptcy petition served on the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Been adjudged bankrupt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	Made any arrangements with the <i>candidate</i> 's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>e</b>	Had assets sequestrated?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>f</b>	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <i>candidate</i> or result in any kind of agreement with the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.7</b>	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past (whether or not in the UK or overseas)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.8</b>	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.9</b>	Is the <i>candidate</i> currently:		
<b>a</b>	Party to any civil proceedings (including those covered in <b>5.02.7</b> above)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Aware of anybody's intention to begin civil proceedings against the <i>candidate</i> ? ( <i>Candidate</i> should include any ongoing disputes whether or not such dispute is likely to result in any order against the <i>candidate</i> .)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.10</b>	During the period over which the <i>candidate</i> has held a position of influence and/or in the 10 years after this, has any <i>firm</i> at which the <i>candidate</i> holds or has held a position of influence <b>ever</b> been:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>a</b>	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	The subject of a judgement debt or award against the <i>firm</i> ? ( <i>Candidate</i> should include all CCJs made against the <i>firm</i> , whether satisfied or not.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Party to any other civil proceedings which resulted in an order against the <i>firm</i> other than in relation to matters covered in <b>5.02.10a</b> and <b>5.02.10b</b> above?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES  NO

**5.02.11** Is any *firm* at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

**a** a party to civil proceedings; and/or

YES  NO

**b** aware of anyone's intention to begin civil proceedings against them?

YES  NO

**5.02.12** Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the UK or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES  NO



I have supplied further information related to this page in Section 6

YES  NO

### 5.03 Business and Employment Matters

5.03.1 Has the *candidate* ever been:

a Disqualified from acting as a director or similar position (one where the *candidate* acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

YES  NO

b The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *candidate*)?

YES  NO

c The subject of any investigation which has led or might lead to disciplinary proceedings?

YES  NO

d Notified of any potential proceedings of a disciplinary nature against the *candidate*?

YES  NO

e The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised *firm*, as well as investigation by a *regulatory body*, at any time.)

YES  NO

5.03.2 Has the *candidate* ever been refused entry to, or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

YES  NO

5.03.3 Does the *candidate* have any material written complaints made against the *candidate* by the *candidate*'s clients or former clients in the last five years which the *candidate* has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

YES  NO

5.03.4 Has the *candidate* ever participated in arbitration proceedings? (This question only applies where the applicant *firm* is a Solvency II insurance *firm*).

YES  NO



I have supplied further information related to this page in Section 6

YES  NO



## 5.04 Regulatory Matters

### 5.04.1

In relation to activities regulated by the *FCA* and/or *PRA* or any other *regulatory body*, has:

- the *candidate*, or
- any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, **ever** –

<b>a</b>	Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	Been the subject of an investigation by any <i>regulatory body</i> , whether or not such an investigation resulted in a finding against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>e</b>	Been required or requested to produce documents or any other information to any <i>regulatory body</i> in connection with such an investigation (whether against the <i>firm</i> or otherwise)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>f</b>	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>g</b>	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any <i>regulatory body</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>h</b>	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>i</b>	Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>j</b>	Provided payment services or distributed or redeemed e-money on behalf of a regulated <i>firm</i> or itself under any contractual agreement where that agreement was terminated by the regulated <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>k</b>	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other <i>regulatory body</i> (other than as indicated in this group of questions)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>l</b>	Been on a board of directors in an operating undertaking that has not been granted a release from liability? (This question only applies where the applicant <i>firm</i> is a Solvency II insurance <i>firm</i> ).	YES <input type="checkbox"/>	NO <input type="checkbox"/>



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YES  NO

**5.04.2** In relation to activities regulated by the *FCA/PRA* or any other *regulatory body*, has the *candidate* or any *firm* at which the *candidate* holds or has held a position of influence at any time during and within one year of the *candidate's* association with the *firm ever*:

- |          |  |                              |                             |
|----------|--|------------------------------|-----------------------------|
| <b>a</b> | Been found to have carried on activities for which authorisation or registration by the <i>FCA/PRA</i> or any other <i>regulatory body</i> is required without the requisite authorisations?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | Been investigated for the possible carrying on of activities requiring authorisation or registration by the <i>FCA/PRA</i> or any other <i>regulatory body</i> without the requisite authorisation whether or not such investigation resulted in a finding against the <i>candidate</i> ?  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | Been found to have performed a <i>senior management function</i> or other <i>controlled function</i> (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other <i>regulatory body</i> ) without the requisite approval?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | Been investigated for the possible performance of a <i>senior management function</i> or other <i>controlled function</i> (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other <i>regulatory body</i> ) without the requisite approval, whether or not such investigation resulted in a finding against the <i>candidate</i> ? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>e</b> | Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the <i>FCA/PRA</i> of the identity of a person acting in a position of influence over its electronic money or payment services business?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>f</b> | Been the subject of a prohibition order under section 56 of the Financial Services and Markets Act 2000, or received a warning notice proposing that such a direction or order be made, or received a private warning?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |



I have supplied further information related to this page in Section 6 YES  NO

**5.05 Other Matters**

**5.05.1** Is the *candidate*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the *senior management functions* for which approval is now being sought?

YES  NO

**5.05.2** **Question 5.05.2 should only be answered if the applicant firm is a Solvency II Insurer.**

Does the *candidate* have, or know of any:

**a** Qualifying ownership<sup>2</sup> or any other form of substantial influence in the *firm* or *group*, or any other companies

YES  NO

If yes, please provide:

1. Company name and registration number
2. Nature and scope of the operations
3. The registered office of the company
4. Possession in percentage

**b** Close relatives with any other financial relations in the *firm* or *group*

YES  NO

**c** Any other commitments that may give rise to a conflict of interest

YES  NO

If the response is 'yes' to any of the above, please provide, in Section 6, explanations of the circumstances and how the *candidate* intends to mitigate this.

**5.05.3** Is the *candidate* or the *firm* aware of any other information relevant to this notification that the *FCA/PRA* might reasonably expect from the *candidate*?

YES  NO

**5.05.4** Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* or *PRA*?

Please note that a *firm* is required, under *PRA* rules, to request and under *FCA* rules, to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application (*SUP* 10C.10 and *PRA* Rulebook: Fitness and Propriety).<sup>3</sup>

YES  NO

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

*Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in Section 6*

**5.05.5** Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA* or *PRA*?

If no, please provide details why the reference or references has/have not been obtained.

YES  NO

<sup>2</sup> As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is 'direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking'.

<sup>3</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.



I have supplied further information  
related to this page in Section 6

YES

NO

*Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety 2 in the PRA Rulebook). "Employer" has an extended meaning for these purposes.*

**6.01 Please provide full details of:**

- a) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- b) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
- d) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and
- e) if the *candidate* currently holds more than one directorship, please provide a breakdown on the *candidate's* time commitment to each directorship.

**6.02 If there is any additional information indicated in previous sections or any other information the candidate or the firm considers being relevant to this application it must be included here. (Please also provide full details of any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in Section 4 or if any question has been answered 'yes' in Section 5)**

Question	Information

*Note: If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.*

**6.03 Firms must also provide the following supporting documents required with this form (please tick)**

*It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.*

- Statement of responsibilities**
- Candidate's Curriculum Vitae (C.V)**
- Role(s) description**
- A copy of the firm's management responsibilities map (SYSC 25 and Allocation of Responsibilities in the PRA Rulebook).<sup>4</sup> This requirement does not apply to all firms.**
- A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10 and senior management functions in the PRA Rulebook).<sup>5</sup> This requirement does not apply to all firms.**

<sup>4</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying

<sup>5</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.

	<b>A description or copy of the <i>candidate's</i> Skills Gap Analysis.</b>
	<b>A description or copy of the <i>candidate's</i> Induction programme</b>
	<b>A description or copy of the <i>candidate's</i> Learning and Development plan (including the name of the individual responsible for monitoring the <i>candidate's</i> progress against the development points and the time frame for completion)</b>
	<b>A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).</b>

**Declaration of *Candidate***

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000 –‘FSMA’). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of their knowledge and that they have read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this *statement of responsibilities*.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom (as defined in the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the *candidate*.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA*'s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The *candidate* confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s *COCON* or *APER* and/or the *PRA Rulebook*: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards, and Large Non-Solvency II Firms – Conduct Standards.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms* and *candidates/approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

Tick here to confirm you have read and understood this declaration:

**7.01** Name of *candidate*

**7.02** Signature

Date

## Declaration of *Firm*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers under FSMA (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms* and *candidates/ approved persons* have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 and any related subordinate legislation of the *UK* or any part of the *UK*, and (where available) has given due consideration to that information in determining that *candidate* to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in *FIT* in the *FCA Handbook* and/or the Fitness and Propriety part of the *PRA Rulebook* that the *candidate* is a fit and proper person to perform the *controlled function(s)* listed in Section 3.

The Applicant also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s). Note: For *EEA firms*, this would only apply to those *firms* undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the *candidate* to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's COCON or APER* and/or the *PRA Rulebook*: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

The Applicant confirms that the *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

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Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

In signing this form on behalf of the Applicant *firm*:

**I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.**

I confirm that I have authority to make this application and provide the declarations given by the Applicant, and sign this form, on behalf of the *firm* identified in Section 2.01 and/or each *firm* identified in Section 3.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those firms at the same time as submitting the form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application



**7.04** Name of *person* signing on behalf of the  
*Applicant firm*

**7.05** Job title

**7.06** Signature

Date

Application number  
(for FCA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the Handbook website at:

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA as having taken these notes into consideration when completing their answers to the questions in this form.

## Long Form A – UK and Overseas Firms (not Incoming EEA) for MiFID authorisation applications\*

### Application to perform *senior management functions*

FCA Handbook Reference: SUP 10C Annex 3D

10 December 2018

Name of *candidate*<sup>†</sup>  
(to be completed by applicant *firm*)

Name of applicant *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

\*This Form should only be used when an unauthorised firm applies for permission to carry out MiFID activities and where an authorised firm which does not have permission to carry out MiFID activities applies for permission to carry out those activities.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

1.01	a	<i>Candidate</i> Individual Reference Number (IRN) †	
	b	OR name of <i>previous regulatory body</i> †	
	c	AND previous reference number (if applicable) †	
1.02		Title (e.g. Mr, Mrs, Ms, etc) †	
1.03		Surname †	
1.04		ALL forenames †	
1.05		Name commonly known by †	
1.06		Date of birth (dd/mm/yyyy) †	
1.07		National Insurance number †	
1.08		Previous name †	
1.09		Date of name change †	
1.10	a	Nationality †	
	b	Passport number (if National Insurance number not available) †	
1.11		Place of birth †	
1.12		Phone number	
1.13		Email address	


**I have supplied further information related to this page in Section 6 †**
 YES  NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

1.14 a Private address<sup>†</sup>

[Redacted address field]

b Postcode<sup>†</sup>

c Dates resident at this address (dd/mm/yyyy)<sup>†</sup> From [Redacted] To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1<sup>†</sup>

[Redacted address field]

b Postcode<sup>†</sup>

c Dates resident at this address (dd/mm/yyyy)<sup>†</sup> From [Redacted] To [Redacted]

1.16 a Previous address 2<sup>†</sup>

[Redacted address field]

b Postcode<sup>†</sup>

c Dates resident at this address (dd/mm/yyyy)<sup>†</sup> From [Redacted] To [Redacted]



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

2.01	Name of <i>firm</i> making the application	
2.02	<i>Firm</i> Reference Number (FRN)	
2.03 a	Who should the <i>FCA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Phone number	
d	Fax	
e	E-mail	



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.01**

Nature of the arrangement between the candidate and the applicant.

a Employee

---

b Group employee

Name of group

---

c Contract for services

---

d Partner/Sole trader

---

e Other

Give details

Proposed date of appointment

Length of appointment (if applicable)

**3.02**

For applications from a single firm, please tick the boxes that correspond to the senior management functions to be performed. If the senior management functions are to be performed for more than one firm, please go to question 3.05

Function	Description of Senior Management Function	Tick (if applicable)			
		Core firms			Enhanced scope SMCR firms
		Limited scope SMCR firms	UK core SMCR firms	Third country branches	
SMF 1	Chief Executive		<input type="checkbox"/>		<input type="checkbox"/>
SMF 2	Chief Finance				<input type="checkbox"/>
SMF 3	Executive Director		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk Officer				<input type="checkbox"/>
SMF 5	Head of Internal Audit				<input type="checkbox"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

SMF 7	Group Entity Senior Manager				<input type="checkbox"/>
SMF 9	Chair of the governing body		<input type="checkbox"/>		<input type="checkbox"/>
SMF10	Chair of the Risk Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF11	Chair of the Audit Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF13	Chair of the Nomination Committee		<input type="checkbox"/>		<input type="checkbox"/>
SMF14	Senior Independent Director		<input type="checkbox"/>		<input type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF17	Money Laundering Reporting Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF18	Other overall responsibility function				<input type="checkbox"/>
SMF19	Head of Third Country Branch			<input type="checkbox"/>	
SMF24	Chief Operations				<input type="checkbox"/>
SMF27	Partner		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF29	Limited scope function ( <i>limited scope SMCR firms only</i> )	<input type="checkbox"/>			

### 3.03

Job title<sup>†</sup>

Please refer to notes on the requirements for submitting a CV

#### Insurance distribution

Will the *candidate* be responsible for Insurance distribution at the *firm*?

(Note: Yes can only be selected if the *individual* is applying for (SMF1, SMF3, SMF27 or SMF29))

YES  NO

#### Mortgage Credit Directive

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the *firm*?

(Note: Yes can only be selected if the *individual* is applying for (SMF1, SMF 3, SMF 27 or SMF 29.)

YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



I have supplied further information  
related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



**3.04**

**Complete this section only if the application is on behalf of more than one *firm*.**

List all *firms* within the *group* (including the *firm* entered in **2.01**) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.<sup>†</sup>

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Senior management function</b>	<b>Job title</b>	<b>Responsible for insurance distribution?</b>	<b>Responsible for MCD credit intermediation?</b>	<b>Effective date</b>
<b>a</b>							
<b>b</b>							
<b>c</b>							
<b>d</b>							
<b>e</b>							



I have supplied further information related to this page in Section 6<sup>†</sup>

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

N.B.: ALL gaps must be accounted for

## 4.01 Employment details (1) †

<b>a</b>	Period (dd/mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>
<b>b</b>	Nature of employment	<i>a</i>	Employed	<input type="checkbox"/>	
		<i>b</i>	Self-employed	<input type="checkbox"/>	
		<i>c</i>	Not employed	<input type="checkbox"/>	
		<i>d</i>	Full-time education	<input type="checkbox"/>	
	If <i>c</i> or <i>d</i> is ticked, please give details		<input type="text"/>		
<b>c</b>	Name of employer	<input type="text"/>			
<b>d</b>	Nature of business	<input type="text"/>			
<b>e</b>	Previous / other names of employer	<input type="text"/>			
<b>f</b>	Last known address of employer	<input type="text"/>			
<b>g</b>	Is/was employer regulated by a <i>regulatory body</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of <i>regulatory body</i>	
		<input type="text"/>			
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?	
		<input type="text"/>			
<b>i</b>	Position held	<input type="text"/>			
<b>j</b>	Responsibilities	<input type="text"/>			
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation	<input type="checkbox"/>	
		<i>b</i>	Redundancy	<input type="checkbox"/>	
		<i>c</i>	Retirement	<input type="checkbox"/>	
		<i>d</i>	Termination/dismissal	<input type="checkbox"/>	
		<i>e</i>	End of contract	<input type="checkbox"/>	
		<i>f</i>	Other	<input type="checkbox"/>	
	Specify	<input type="text"/>			

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.02 Employment details (2) †**

<b>a</b>	Period (dd/mm/yyyy)	From	<input type="text"/>	To	<input type="text"/>
<b>b</b>	Nature of employment	<i>a</i>	Employed	<input type="checkbox"/>	
		<i>b</i>	Self-employed	<input type="checkbox"/>	
		<i>c</i>	Not employed	<input type="checkbox"/>	
		<i>d</i>	Full-time education	<input type="checkbox"/>	
	If <i>c</i> or <i>d</i> is ticked, please give details				
<b>c</b>	Name of employer	<input type="text"/>			
<b>d</b>	Nature of business	<input type="text"/>			
<b>e</b>	Previous / other names of employer	<input type="text"/>			
<b>f</b>	Last known address of employer	<input type="text"/>			
<b>g</b>	Is/was employer regulated by a <i>regulatory body</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of <i>regulatory body</i>	
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?	
<b>i</b>	Position held	<input type="text"/>			
<b>j</b>	Responsibilities	<input type="text"/>			
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation	<input type="checkbox"/>	
		<i>b</i>	Redundancy	<input type="checkbox"/>	
		<i>c</i>	Retirement	<input type="checkbox"/>	
		<i>d</i>	Termination/dismissal	<input type="checkbox"/>	
		<i>e</i>	End of contract	<input type="checkbox"/>	
		<i>f</i>	Other	<input type="checkbox"/>	
	Specify	<input type="text"/>			



I have supplied further information related to this page in Section 6† YES  NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**5.01 Criminal Proceedings**

When answering the questions in this section the *candidate* should include any matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *candidate* is subject to the law of England and Wales, the *candidate* must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the *candidate* is subject to the law of Scotland or Northern Ireland, you must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

**5.01.1a** Has the *candidate* **ever** been convicted of any criminal offence (whether spent or not and whether or not in the *United Kingdom*):

- i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty: or
- ii. relating to *companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?*

YES  NO

**b** Is the *candidate* currently the subject of any criminal proceedings, whether in the UK or elsewhere?

YES  NO

**c** Has the *candidate* **ever** been given a caution in relation to any criminal offence?

YES  NO

**5.01.2** Has the *candidate* any convictions for any offences other than those in **5.01.1** above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?

YES  NO

If the answer to questions **5.01.1a** or **5.01.2** is “yes”, please provide an official certificate of conviction or equivalent document if and so far as it is available from the UK or, where applicable, another country. Please attach a copy of this form as an Additional Supporting Document.

**5.01.3** Is the *candidate* the subject of any ongoing criminal investigation?

YES  NO

**5.01.4** Has the *candidate* been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

YES  NO

In answering question **5.01.4**, you should include all matters even where the candidate was not the subject of the investigation.

➔ I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**5.01.5** Has any *firm* at which the *candidate* holds or has held a position of influence ever:

- |          |  |                              |                             |
|----------|--|------------------------------|-----------------------------|
| <b>a</b> | Been convicted of any criminal offence?<br>(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | Been the subject of any criminal proceeding which has not resulted in a conviction?  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

In answering question **5.01.5**, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of **5.01.5d**, even where the *firm* was not the subject of the investigation. However, *firms* are not required to disclose details of any specific *individuals* who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 5.02 Civil Proceedings

<b>5.02.1</b>	Has the <i>candidate</i> , <b>ever</b> been the subject of a judgment debt or award against the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	<p>Please give a full explanation of the events in questions, ensuring that it adheres to the Disclosure Note at the beginning of this form.</p> <p>You should include all County Court Judgment(s) (CCJs) made against the <i>candidate</i>, whether satisfied or not); and</p> <p>i) the sum and date of all judgment debts, awards or CCJs (whether satisfied or not); and</p> <p>ii) the total number of all judgment debts, awards or CCJs ordered.</p>		
<b>5.02.2</b>	Has the <i>candidate</i> ever been party to any civil proceedings which resulted in any order against the <i>candidate</i> (other than a judgment debt or award referred to in <b>5.02.1</b> above)? (You should include, for example, injunctions and employment tribunal proceedings.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.3</b>	Is the <i>candidate</i> aware of:		
<b>a</b>	Any proceedings that have begun or anyone's intention to begin proceedings against the <i>candidate</i> , for a CCJ or another judgment debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgment debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
		YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.4</b>	Does the <i>candidate</i> have any <b>current</b> judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.5</b>	Has the <i>candidate</i> <b>ever</b> failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<b>5.02.6</b>	Has the <i>candidate</i> ever:		
<b>a</b>	Filed for the <i>candidate</i> 's own bankruptcy or had a bankruptcy petition served on the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Been adjudged bankrupt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	Made any arrangements with the <i>candidate</i> 's creditors, for example a deed of arrangement or an <i>individual</i> voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>e</b>	Had assets sequestrated?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>f</b>	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <i>candidate</i> or result in any kind of agreement with the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.7</b>	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past (whether or not in the UK or overseas)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.8</b>	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.9</b>	Is the <i>candidate</i> currently:		
<b>a</b>	Party to any civil proceedings (including those covered in <b>5.02.7</b> above)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Aware of anybody's intention to begin civil proceedings against the <i>candidate</i> ? (You should include any ongoing disputes whether or not such dispute is likely to result in any order against the <i>candidate</i> .)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.10</b>	During the period over which the <i>candidate</i> has held a position of influence and/or in the 10 years after this, has any <i>firm</i> at which the <i>candidate</i> holds or has held a position of influence ever been:		
<b>a</b>	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	The subject of a judgment debt or award against the <i>firm</i> ? (You should include all CCJs made against the <i>firm</i> , whether satisfied or not.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Party to any other civil proceedings which resulted in an order against the <i>firm</i> other than in relation to matters covered in <b>5.02.10a</b> and <b>5.02.10b</b> above?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6† YES  NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**5.02.11** Is any *firm* at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

**a** a party to civil proceedings?

YES  NO

**b** aware of anyone's intention to begin civil proceedings against them?

YES  NO

**5.02.12** Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the United Kingdom or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES  NO

### 5.03 Business and Employment Matters

**5.03.1** Has the *candidate* ever been:

**a** Disqualified from acting as a director or similar position (one where the *candidate* acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

YES  NO

**b** The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *candidate*)?

YES  NO

**c** The subject of any investigation which has led or might lead to disciplinary proceedings?

YES  NO

**d** Notified of any potential proceedings of a disciplinary nature against the *candidate*?

YES  NO

**e** The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised *firm*, as well as investigation by a regulatory body, at any time.)

YES  NO

**5.03.2** Has the *candidate* ever been refused entry to, or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment or from any fiduciary office or position of trust whether or not remunerated?

YES  NO

**5.03.3** Does the *candidate* have any material written complaints made against the *candidate* by the *candidate*'s clients or former clients in the last five years which the *candidate* has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

YES  NO



I have supplied further information related to this page in Section 6†

YES  NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



## 5.04 Regulatory Matters

### 5.04.1

In relation to activities regulated by the *FCA* or any other regulatory body (see Section 5 guidance notes), has:

- The *candidate*, or
- Any company, partnership or unincorporated associate of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, ever –

<b>a</b>	Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	Been the subject of an investigation by any <i>regulatory body</i> , whether or not such an investigation resulted in a finding against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>e</b>	Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the <i>firm</i> or otherwise)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>f</b>	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>g</b>	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any <i>regulatory body</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>h</b>	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>i</b>	Been the subject of any civil action related to any <i>regulated activity</i> which has resulted in a finding by a court?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>j</b>	Provided payment services or distributed or redeemed e-money on behalf of a regulated <i>firm</i> or itself under any contractual agreement where that agreement was terminated by the regulated <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>k</b>	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other <i>regulatory body</i> (other than as indicated in this group of questions).	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**5.04.2** In relation to activities regulated by the *FCA* or any other regulatory body, has the *candidate* or any *firm* at which the *candidate* holds or has held a position of influence at any time during and within one year of the *candidate's* association with the *firm* ever:

- |          |   |                              |                             |
|----------|---|------------------------------|-----------------------------|
| <b>a</b> | Been found to have carried on activities for which authorisation or registration by the <i>FCA</i> or any other <i>regulatory body</i> is required without the requisite authorisations?  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | Been investigated for the possible carrying on of activities requiring authorisation or registration by the <i>FCA</i> or any other <i>regulatory body</i> without the requisite authorisation whether or not such investigation resulted in a finding against the <i>candidate</i> ?                       | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | Been found to have performed a <i>controlled function</i> (or an equivalent function requiring approval by the <i>FCA/PRA</i> or any other <i>regulatory body</i> ) without the requisite approval?   | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | Been investigated for the possible performance of a <i>controlled function</i> (or an equivalent function requiring approval by the <i>FCA</i> or any other <i>regulatory body</i> ) without the requisite approval, whether or not such investigation resulted in a finding against the <i>candidate</i> ? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>e</b> | Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the <i>FCA</i> of the identity of a person acting in a position of influence over its electronic money or payment services business?                      | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>f</b> | Been the subject of a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning?  | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

**5.05 Other Matters**

**5.05.1** Is the *candidate*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the controlled functions for which approval is now being sought? Please include details of any financial or non-financial interests or relationships of the *candidate* and their close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders? For the purposes of this question "management body" has the meaning in Directive 2014/65/EU.

YES  NO

**5.05.2** Is the *candidate* or the *firm* aware of any other information relevant to this notification that we might reasonably expect from the *candidate*?

YES  NO

Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA*?

Please note that a *firm* is required to request the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (*SUP* 10C.10)

YES  NO

If yes, please enter date the check was undertaken  
Date (dd/mm/yy):

*Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section Section 6*

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

**5.05.4**

Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA*?  
If no, please provide details why the reference or references has/have not been obtained.

*Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22) "Employer" has an extended meaning for these purposes.*

YES

NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

6.00 Please provide full details of:

- a) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- b) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
- d) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and
- e) the minimum time that will be devoted to the performance of the *candidate's* functions within the *firm* (please provide an indication of the time spent per month and per annum);
- f) the human and financial resources devoted to the induction and training of the *candidate* (please provide an indication of the time spent per annum);
- g) details of any previous assessments of the *candidate's* fitness and propriety as a controller or director which have been undertaken by any other *regulatory body* (if known) (please include the date of the assessment, the name of the regulatory body and details of the outcome);

If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here. (Please also provide full details of any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in Section 4 or if any question has been answered 'yes' in Section 5)

6.01

- h)

Question	Information

6.03

**Firms must also provide the following supporting documents required with this form (please tick)**

	<b>Statement of responsibilities</b>
	<p><b>Candidate's Curriculum Vitae (C.V)</b>                      The <i>candidate's</i> C.V. should include the names of all organisations for whom the <i>candidate</i> has worked during the past ten years, details of the nature and duration of the functions performed at those organisations and details of any activities at those organisations which are related to the role for which approval is being sought. The C.V. should also include details of all delegated powers and internal decision-making powers and details of the areas of operations for which the <i>candidate</i> was responsible whilst working at the organisations above. The information above does not need to be included in the C.V. if it has been provided in Section 4 of this form.</p>
	<p><b>References in relation to the <i>candidate's</i> reputation and experience (including contact details of the referees).</b></p>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

	Role(s) description
	Organisational chart
	A description or copy of the <i>candidate's</i> Skills Gap Analysis.
	A description or copy of the <i>candidate's</i> Induction programme
	A description or copy of the <i>candidate's</i> Learning and Development plan (including the name of the <i>individual</i> responsible for monitoring the <i>candidate's</i> progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).

6.04

In addition, enhanced scope *SMCR firms* must also provide:-

	A copy of the firm's <i>management responsibilities map</i> (SYSC 25 and SUP 10C.9)
	A summary of any handover material (SYSC 25.9 and SUP 10C.10)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Declaration of Candidate**

Knowingly or recklessly giving the *FCA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the *FCA* merely because it is in the public domain or has previously been disclosed to the *FCA* or another regulatory body.

For the purposes of complying with *data protection legislation*, please read our privacy notices:

*FCA*'s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

In signing the form below:

**a) I authorise the *FCA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual *candidates* may be required to apply to the Disclosure and Barring Service for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the *firm* submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Code of Conduct for staff sourcebook (*COCON*)**

(<https://www.handbook.fca.org.uk/handbook/COCON/1/?view=chapter>)

Tick here to confirm you have read and understood this declaration:

**7.01** Candidate's full name<sup>†</sup>

**7.02** Signature\*

Date<sup>†</sup>

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

## Declaration of Firm

Knowingly or recklessly giving the *FCA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6 requires an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and to notify the *FCA* immediately if materially inaccurate information has been provided.

*COCON* 4.2 provides that, where an *approved person* is responsible for reporting matters to the *FCA*, failure to inform the *FCA* of materially significant information of which he is aware is a breach of *Senior Conduct Rule 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the *FCA*. It should not be assumed that information is known to the *FCA* merely because it is in the public domain or has previously been disclosed to the *FCA* or another *regulatory body*.

In making this application the *firm* believes on the basis of due and diligent enquiry that the *candidate* is a fit and proper person to perform the controlled function(s) listed in Section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s).

In signing this form on behalf of the *firm*:

- a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.
- b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in Section 3.05. I also confirm that a copy of this Form, as submitting to the *FCA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA*.
- c) I confirm the *candidate* has been made aware of the regulatory responsibilities of the proposed role as set out in the Code of Conduct for Staff Sourcebook (*COCON*)

(<https://www.handbook.fca.org.uk/handbook/COCON/1/?view=chapter>)

For the purposes of complying with *data protection legislation*, please read our privacy notices:

*FCA*'s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

7.03	Name of the <i>firm</i> submitting the application†	<input type="text"/>
7.04	Name of <i>person</i> signing on behalf of the <i>firm</i> †	<input type="text"/>
7.05	Job title †	<input type="text"/>
7.06	Signature *	<input type="text"/>
	Date †	<input type="text"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7



Application number  
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at:  
<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

## Short Form A – Dual-regulated firms (including EEA and third country firms)

### Application to perform *controlled functions* including *senior management functions*

*FCA Handbook* Reference: SUP 10C Annex 3D

*PRA Rulebook* Reference: Senior Managers Regime - Applications and Notifications<sup>1</sup>

10 December 2018

Name of *candidate*  
(to be completed by applicant *firm*)

Name of applicant *firm*  
(as entered in 2.01)

*Firm* reference number  
(as entered in 2.02)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>1</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications



1.01	a	<i>Candidate</i> Individual Reference Number (IRN)	
	b	OR name of previous <i>regulatory body</i>	
	c	AND previous reference number (if applicable)	
1.02		Title (e.g. Mr, Mrs, Ms,)	
1.03		Surname	
1.04		ALL forenames	
1.05		Name commonly known by	
1.06		Date of birth (dd/mm/yyyy)	
1.07		National Insurance number	
1.08		Previous name	
1.09		Date of name change	
1.10	a	Nationality	
	b	Passport number (if National Insurance number not available)	
1.11		Place of birth	
1.12		Phone number	
1.13		Email address	



**I have supplied further information related to this page in Section 6**

YES

NO

1.14 a Private address

[Redacted address field]

b

Postcode

c

Dates resident at this address (dd/mm/yyyy)

From

[Redacted date field]

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

[Redacted address field]

b

Postcode

c

Dates resident at this address (dd/mm/yyyy)

From

[Redacted date field]

To

[Redacted date field]

1.16 a Previous address 2

[Redacted address field]

b

Postcode

c

Dates resident at this address (dd/mm/yyyy)

From

[Redacted date field]

To

[Redacted date field]



I have supplied further information related to this page in Section 6

YES

NO

2.01	Name of <i>firm</i> making the application	
2.02	<i>Firm</i> Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Phone number	
d	E-mail	

Please note that the contact at the *firm* cannot be the same person as the *candidate*



I have supplied further information related to this page in Section 6 YES  NO

Complete this section if the application is for a *senior management function*. If you are submitting an application for a *controlled function* at an *appointed representative*, then please complete Section 3B.

**3A.01** Nature of the arrangement between the candidate and the applicant firm.

a Employee

---

b Group employee

Name of group

---

c Contract for services

---

d Partner

---

e Other

Give details

---

Proposed date of appointment

---

Length of appointment (if applicable)

**3A.02** For applications from a single firm, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one firm, please leave blank and go to question **3A.04**

The table below sets out the full list of *senior management functions* (SMFs). Please refer to the *PRA Rulebook* and *FCA Handbook* for the mandatory SMFs for your firm.

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the Governing Body	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>
SMF23	Chief Underwriting Officer					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

\*UK Banks' refers to UK banks, building societies and PRA designated investment firms

3A.03 Job title

**Insurance distribution**

Will the *candidate* be responsible for Insurance distribution at the *firm*? YES  NO

(Note: Yes can only be selected if the *candidate* is applying for a governing function (other than a *non-executive director* function))

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the *firm*? YES  NO



I have supplied further information related to this page in Section 6 YES  NO

**3A.04 Complete this section only if the application is on behalf of more than one firm.**

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested senior management function for that firm. †

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Senior Management Function</b>	<b>Job title</b>	<b>Responsible for insurance distribution?</b>	<b>Responsible for mortgage credit intermediation?</b>	<b>Effective date</b>
<b>a</b>							
<b>b</b>							
<b>c</b>							
<b>d</b>							
<b>e</b>							



I have supplied further information related to this page in Section 6

YES

NO

# Arrangements and controlled functions – Appointed Representatives

## Section 3B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function*, then please complete Section 3A.

For *limited permission* consumer credit firms that are also *appointed representatives*, only the *customer function* is relevant in this section. For these *firms*, relevant *senior management functions* apply instead of the *governing functions* (ie CF1 (AR), CF3 (AR), CF4 (AR) and CF5 (AR)). We do not expect this to apply to many *firms*.

**3B.01** Nature of the arrangement between the candidate and the applicant

<b>a</b>	Appointed representative/tied agent – customer function	<input type="checkbox"/>
	AR firm name and reference number	
<b>b</b>	Appointed representative/tied agent – governing function	<input type="checkbox"/>
	AR firm name and reference number	
<b>c</b>	Other	<input type="checkbox"/>
	Give details	

**3B.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3B.05**.

<b>a</b>	<b>Significant influence functions</b>	CF 1 (AR) Director function <input type="checkbox"/> CF 3 (AR) Chief executive function <input type="checkbox"/> CF 4 (AR) Partner function <input type="checkbox"/> CF 5 (AR) Director of an unincorporated association function <input type="checkbox"/>
<b>b</b>	<b>Senior Management Functions</b> <i>(This section is only applicable for limited permission consumer credit firms that are ARs for other business)</i>	SMF1 (AR) Chief Executive function <input type="checkbox"/> SMF3 (AR) Executive Director function <input type="checkbox"/> SMF4 (AR) Partner function <input type="checkbox"/>
<b>c</b>	<b>Customer function</b>	CF 30 (AR) Customer function <input type="checkbox"/>

**3B.03** Effective date of *controlled functions* indicated above

**3B.04** Job title  
Please refer to notes on the requirements for submitting a CV.





I have supplied further information  
related to this page in Section 6†

YES

NO

**3B.05**

**Complete this section only if the application is on behalf of more than one *firm*.**

List all *firms* within the *group* (including the *firm* entered in **2.01**) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b>	<b>Effective date</b>
<b>a</b>					
<b>b</b>					
<b>c</b>					
<b>d</b>					
<b>e</b>					



I have supplied further information related to this page in Section 6

YES

NO

If there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

If there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

**5.1** Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* or *PRA*?

Please note that a *firm* is required, under *PRA* rules, to request and, under *FCA* rules, to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc.) and related subordinated legislation of the *UK* or any part of the *UK* before making the application (*SUP* 10C.10 and *PRA* Rulebook: Fitness and Propriety).<sup>2</sup>

YES  NO

If yes, please enter date the check was undertaken.

Date (dd/mm/yy):

*Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details in Section 6.*

**5.2** Has/Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA* or *PRA*.

If no, please provide details why the reference or references has/have not been obtained.

YES  NO

*Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety in the PRA Rulebook.<sup>3</sup> "Employer" has an extended meaning for these purposes.*



I have supplied further information related to this page in Section 6

YES  NO

<sup>2</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.

<sup>3</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.  
Short Form A – Dual-regulated firms (including EEA and third country firms)

**6.01 Please provide full details of:**

- a) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- b) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- c) how the appointment was agreed including details of any discussions at *governing body* level (where applicable);
- d) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and
- e) if the *candidate* currently holds more than one directorship, please provide a breakdown on the *candidate's* time commitment to each directorship.

**6.02** **If there is any additional information indicated in previous sections or any other information the *candidate* or the *firm* considers being relevant to this application it must be included here.** (Please also provide full details of any issues that could affect the *Fitness and Propriety* of the individual that arose when leaving an employer or if any question has been answered 'yes' in Section 5)

Question	Information

*Note: If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.*

**6.03 Firms must also provide the following supporting documents required with this form (please tick)**

*It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.*

- Statement of responsibilities**
- Candidate's Curriculum Vitae (C.V)**
- Role(s) description**
- A copy of the *firm's* management responsibilities map (SYSC 25 and Allocation of Responsibilities in the *PRA Rulebook*).<sup>4</sup> This requirement does not apply to all *firms*.**
- A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10 and *senior management functions*<sup>5</sup> in the *PRA Rulebook*). This requirement does not apply to all *firms*.**

<sup>4</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying

<sup>5</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying  
Short Form A – Dual-regulated firms (including EEA and third country firms)

	<b>A description or copy of the <i>candidate's</i> Skills Gap Analysis</b>
	<b>A description or copy of the <i>candidate's</i> Induction programme</b>
	<b>A description or copy of the <i>candidate's</i> Learning and Development plan (including the name of the <i>individual</i> responsible for monitoring the <i>candidate's</i> progress against the development points and the time frame for completion)</b>
	<b>A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).</b>

## Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000 – ‘FSMA’). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

The *candidate* confirms that the information provided in this application is accurate and complete to the best of their knowledge and that they have read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The *candidate* confirms that the attached *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in this *statement of responsibilities*.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this form as the proper address for service in the United Kingdom (as defined in the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the *candidate*.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA*'s privacy notice <https://www.fca.org.uk/data-protection>

*Bank of England*'s privacy notice: <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The *candidate* confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s *COCON* or *APER* and/or the *PRA Rulebook*: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, *firms*, and *candidates/ approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

Tick here to confirm you have read and understood this declaration:

**7.01** Name of *candidate*

**7.02** Signature

Date

## Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act – ‘FSMA’). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the *candidate* and/or lead to the *FCA* and/or *PRA* exercising their powers under FSMA (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* are reasonably likely to consider the information material).

In addition to other regulatory responsibilities, *firms*, and *candidates/ approved persons* have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the Applicant and/or the *candidate*.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

For the purposes of complying with *data protection legislation*, please read our privacy notices:

*FCA*’s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England’s privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 and any related subordinate legislation of the *UK* or any part of the *UK*, and (where available) has given due consideration to that information in determining that *candidate* to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in *FIT* in the *FCA Handbook* and/or the Fitness and Propriety sections in the *PRA Rulebook* that the *candidate* is a fit and proper *person* to perform the *controlled function(s)* listed in Section 3.

The Applicant also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s). Note: For *EEA firms*, this would only apply to those *firms* undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the *candidate* to perform the function(s) applied for.

The Applicant confirms that it has made the *candidate* aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA*’s *COCON* or *APER* and/or the *PRA Rulebook*: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

The Applicant confirms that the *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the Applicant *firm*:

**I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.**

I confirm that I have authority to make this application and provide the declarations given by the Applicant, and sign this form, on behalf of the *firm* identified in Section 2.01 and/or each *firm* identified in Section 3.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the form to the *FCA* and/or *PRA*.

**7.03** Name of the *firm* submitting the application

**7.04** Name of *person* signing on behalf of the *firm*



**7.05** Job title

**7.06** Signature

Date



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Application number  
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at <https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex4.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

## Form B - Notice to withdraw an application to perform *controlled functions* (including *senior management functions*)

**This form is also to be used for notice to withdraw an application to add, vary or remove a conditional approval**

*FCA Handbook* Reference: SUP 10C Annex 4R

*PRA Rulebook* Reference: Senior Managers Regime - Applications and Notifications<sup>1</sup>

10 December 2018

Name of *candidate / approved person*  
(as applicable)  
(to be completed by applicant *firm*)

Name of applicant *firm*  
(as entered in 2.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>1</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying. For example: *CRR firms*: Senior Managers Regime - Applications and Notifications; Non – *CRR firms*: Senior Managers Regime - Applications and Notifications; *Solvency II firms*: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-*Solvency II firms*: Insurance - Senior Managers Regime – Applications and Notifications; Non-*Solvency II firms*: Insurance - Senior Managers Regime – Applications and Notifications

## Personal identification details

## Section 1

**1.01** *Candidate/Approved Person* Individual Reference Number (IRN)

**1.02** Title  
(e.g. Mr, Mrs, Ms)

**1.03** Surname

**1.04** ALL forenames

**1.05** Date of birth

**1.06** National Insurance number

**1.07** *Candidate/Approved Person's* private address

**1.08** Phone number

**1.09** Email address



I have supplied further information related to this page in Section 4

YES

NO

**2.01** Name of applicant *firm*

**2.02** *Firm* Reference Number (FRN)

**2.03 a** Who should the *FCA/PRA* contact at the applicant *firm* in relation to this notice?

**b** Position

**c** Phone number

**d** E-mail

Please note that the contact at the applicant *firm* cannot be the same *person* as the *candidate*

**2.04** *Firms* included on application form (including applicant *firm*)

	FRN	Name of <i>firm</i>	Controlled function or Senior Management Function
<b>a</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>b</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>c</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>d</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<b>e</b>	<input type="text"/>	<input type="text"/>	<input type="text"/>

If this is notice to withdraw an application to perform *controlled functions* (including *senior management functions*), please complete Sections 3, 5, and 6.

If this is notice to withdraw an application to vary a conditional approval for the performance of a *senior management function*, please complete Sections 4, 5 and 6.

**3.01** Indicate the reason for withdrawal of application to perform *controlled functions* including *senior management functions*

<i>a</i>	Internal movement of staff	<input type="checkbox"/>
<i>b</i>	Dismissal/Termination of employment or contract	<input type="checkbox"/>
<i>c</i>	Resignation	<input type="checkbox"/>
<i>d</i>	Redundancy	<input type="checkbox"/>
<i>e</i>	Withdrawal of offer of employment	<input type="checkbox"/>
<i>f</i>	End of contract	<input type="checkbox"/>
<i>g</i>	Suspension	<input type="checkbox"/>
<i>h</i>	Other	<input type="checkbox"/>
<b>Give details in Section 5</b>		



I have supplied further information related to this page in Section 5

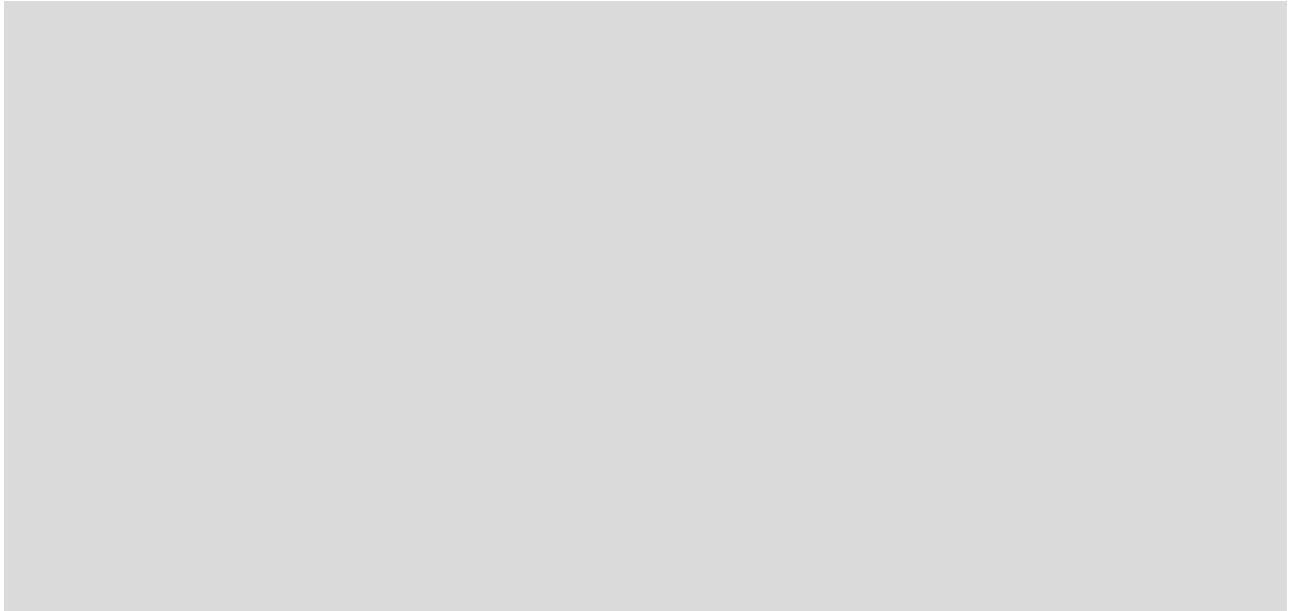
YES

NO

4.01

**Only complete this section if this is notice to withdraw an application to vary a conditional approval for the performance of a *senior management function*.**

Indicate the reason(s) for withdrawal of an application to vary a conditional approval for the performance of a *senior management function* (including reference number of prior application).



I have supplied further information  
related to this page in Section 5

YES

NO

**5.01** Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly to which question supplementary information relates.

Question	Information

**5.02** How many additional sheets are being submitted?

**DECLARATION OF CANDIDATE/APPROVED PERSON**

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000 – ‘FSMA’). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another *regulatory body*. If there is any doubt about the relevance of information, it should be included.

**Data Protection**

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA’s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England’s privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights

**I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.**

**6.01** Candidate/approved person’s full name

**6.02** Signature

Date

**DECLARATION BY APPOINTED REPRESENTATIVE OR OTHER FIRM (if applicable)**

**We concur that the application to perform *controlled functions (including senior management functions)* made in respect of the above *candidate* should be withdrawn with immediate effect.**

**6.03** Name of *appointed representative* or other *firm*

**6.04** Name of *person* signing on behalf of the *appointed representative* or other *firm*

**6.05** Job title

**6.06** Signature

Date



## DECLARATION BY APPLICANT FIRM

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of FSMA). *SUP 15.6 (FCA)* and Notifications in the *PRA Rulebook (PRA)*<sup>2</sup> require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided. In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *appropriate regulator* matters of which it would reasonably expect to be notified. Failure to notify the *appropriate regulator* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals. It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another *regulatory body*. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with data protection legislation,, please read our privacy notices:

*FCA*'s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

**I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.**

**6.07** Name of applicant *firm*

**6.08** Name of *person* signing on behalf of the applicant *firm*

**6.09** Job title

**6.10** Signature

Date

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<sup>2</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Application number  
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *approved person* in answering the questions in this form. Please read these notes, which are available on the FCA website at <https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex5.html>

Both the applicant *firm* and the *approved person* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

## Form C - Notice of ceasing to perform *controlled functions* including *senior management functions*

*FCA Handbook* Reference: SUP 10C Annex 5R (Notifications)

*PRA Rulebook* Reference: Notifications and Senior Managers Regime - Applications and Notifications<sup>1</sup>

10 December 2018

Name of *approved person*

Name of *firm* (as entered in 2.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

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<sup>1</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying. For example: *CRR firms*: Senior Managers Regime - Applications and Notifications; Non – *CRR firms*: Senior Managers Regime - Applications and Notifications; *Solvency II firms*: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-*Solvency II firms*: Insurance - Senior Managers Regime – Applications and Notifications

<b>1.01</b>	Individual Reference Number (IRN)	
<b>1.02</b>	Title (e.g. Mr, Mrs, Ms)	
<b>1.03</b>	Surname	
<b>1.04</b>	ALL forenames	
<b>1.05</b>	Date of birth	
<b>1.06</b>	National Insurance number	
<b>1.07</b>	<i>Approved person's private address</i>	
<b>1.08</b>	Phone number	
<b>1.09</b>	Email address	

<b>2.01</b>	Name of applicant <i>firm</i>	[Redacted]
<b>2.02</b>	<i>Firm</i> Reference Number (FRN)	[Redacted]
<b>2.03 a</b>	Who should the <i>FCA/PRA</i> contact at the applicant <i>firm</i> in relation to this notice?	[Redacted]
<b>b</b>	Business address	[Redacted]
<b>c</b>	Position	[Redacted]
<b>d</b>	Phone number	[Redacted]
<b>g</b>	E-mail	[Redacted]

**3A.01** If the *firm* is submitting this notification on behalf of an *appointed representative*, please complete Section 3B instead.

List all *senior management functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *senior management function* is indicated in column B, the *FCA* and/ or *PRA* should be notified in accordance with SUP 10C.14 of the *FCA Handbook* and/or *Notifications; Senior Managers Regime - Applications and Notifications* parts of the *PRA Rulebook*, as applicable by telephone, fax or email) that this Form will be submitted.

	FRN	Name of firm	Senior management function	Effective date	Reason	
					A	B Full explanation in section 4
a					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)
b					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)
c					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)
d					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)

e					Internal move- ment of staff	<input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify Section 4)
					Resignation	<input type="checkbox"/>	
					Redundancy	<input type="checkbox"/>	
					Retirement	<input type="checkbox"/>	
					End of contract	<input type="checkbox"/>	



I have supplied further information related to this page in Section 4<sup>†</sup> YES  NO

**3A.02** Does the *firm* also seek to notify the *FCA* and/or *PRA* under one or both of section 63(2A) (withdrawal of approval) or section 64C (Requirement for Relevant Authorised Persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000?

YES  NO

If the *firm* has answered “No”, please go to Section 4.

If the *firm* has answered “Yes”, please complete the below.

**3A.03** If the *firm* is making a notification under question **3.02** based on any breach(es) of the individual or senior manager conduct rules set out in the *FCA*'s *COCON* or *PRA*'s Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards, please complete the relevant boxes below.

	Tick the rule(s) relevant to this notification
<b>Individual Conduct Rules</b>	
Rule 1: You must act with integrity.	<input type="checkbox"/>
Rule 2: You must act with due skill, care and diligence.	<input type="checkbox"/>
Rule 3: You must be open and cooperative with the <i>FCA</i> , the <i>PRA</i> and other regulators.	<input type="checkbox"/>
Rule 4: You must pay due regard to the interests of <i>customers</i> and treat them fairly.	<input type="checkbox"/>
Rule 5: You must observe proper standards of market conduct.	<input type="checkbox"/>
<b>Senior Manager Conduct Rules</b>	
SC1: You must take reasonable steps to ensure that the business of the <i>firm</i>	<input type="checkbox"/>

	Tick the rule(s) relevant to this notification
<b>Individual Conduct Rules</b>	
for which you are responsible is controlled effectively.	
SC2: You must take reasonable steps to ensure that the business of the <i>firm</i> for which you are responsible complies with relevant requirements and standards of the <i>regulatory system</i> .	<input type="checkbox"/>
SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate <i>person</i> and that you oversee the discharge of the delegated responsibility effectively.	<input type="checkbox"/>
SC4: You must disclose appropriately any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	<input type="checkbox"/>
SC5: When exercising your responsibilities, you must pay due regard to the interests of current and potential future <u><i>policyholders</i></u> in ensuring the provision by the <i>firm</i> of an appropriate degree of protection for their insured benefits.	<input type="checkbox"/>

**3A.04** For each breach please provide the following information. Please attach additional sheets as necessary.

Details of the breach:

**3A.05** If the *firm* is making a notification under section 64C (Requirement for *Relevant Authorised Persons* to notify the regulator of disciplinary action) of Financial Services and Markets Act 2000, please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions **3A.03** and **3A.04** above. If necessary please cross refer to the answers provided.

**3A.06** If the *firm* is making a notification under section 63(2A) (withdrawal of approval) of the Financial Services and Markets Act 2000, please provide details below. Please do not repeat information already included in the answers to Questions **3A.05** and **3A.06** above. If necessary please cross refer to the answers provided.



If the firm is submitting this notification on behalf of an *approved person* performing *controlled functions* at an *appointed representative*, please complete this section.

**3B.01** Please complete this section if you are submitting this notification on behalf of an *approved person* performing *controlled functions* at an *FCA solo regulated firm* prior to commencement of the *SMCR*. Following commencement of the *SMCR* only *appointed representatives* should complete this section. All other *SMCR firms* should complete Section 3A instead.

List all *controlled functions* (other than *senior management functions*) which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *controlled function* is indicated in column B, the *FCA* should be notified in accordance with *SUP 10A.14* and *SUP 10B.12* (that is, within one *business day*, by telephone, fax or email) that this Form will be submitted).

	FRN	Name of firm	Controlled function	Effective date	Reason	
					A	B Full explanation in section 4
a					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)
b					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)
c					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)
d					Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in Section 4)

e

				Internal move- ment of staff	<input type="checkbox"/>	Dismissal/ termination of employment or contract	<input type="checkbox"/>
				Resignation	<input type="checkbox"/>	Suspension	<input type="checkbox"/>
				Redundancy	<input type="checkbox"/>	Other	<input type="checkbox"/>
				Retirement	<input type="checkbox"/>	(specify in Section 4)	
				End of contract	<input type="checkbox"/>		



I have supplied further information  
related to this page in Section 4

YES

NO

**4.01** Is there any other information the *approved person* or the *firm* considers to be relevant to this notice?

Please provide full details

**4.02** Please indicate clearly to which question the supplementary information relates.

Question	Information

**4.03** How many additional sheets are being submitted?

## Supporting Documents

Indicate the required supporting documents to accompany this form.

Documents	Mode (by email, fax or post)

Other information (please specify)

--

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of FSMA). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another *regulatory body*. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or the *individuals*.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA's* privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

**The *firm* confirms that the information in this form is accurate and complete to the best of its knowledge and belief. The *firm* will notify the *FCA* and/or *PRA*, as applicable, immediately if there is a material change to the information provided.**

If the *firm* submits this form on behalf of one or more other *firms*, the *firm* confirms that it is duly authorised by such *firm(s)* to make such submission.

The *FCA* and/or *PRA* may seek to verify the information given in this form. The *firm* authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this form.

**I confirm that a permanent copy of this application, signed by the *firm*, will be retained for an appropriate period, for inspection at the *FCA's* and/or *PRA's* request.**

**I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory note relating to the form.**

**By signing below you confirm that you have read and understood the above declaration.**

Name of the *firm*

Name of *person* signing on behalf of the *firm*

Position

Signature

Date



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



FINANCIAL  
CONDUCT  
AUTHORITY

Application number  
(for FCA/PRA use only)

The FCA has produced notes which will assist both the *firm* and the *approved person* in answering the questions in this form. Please read these notes, which are available on the FCA website at: <https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex6.html>

Both the *firm* and the *approved person* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

## Form D Notification - Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

FCA Handbook Reference: SUP 10C Annex 6R

PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications<sup>1</sup>

10 December 2018

Name of *approved person*  
(to be completed by *firm*)

Name of *firm*  
(as entered in 4.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

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<sup>1</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

## What sections should you complete?

The question below will help you determine the sections of the form you must complete.

### Please select the outcome

Change in personal details

YES  You must complete Sections 1, 2, 6 (if applicable) & 7

Change in *arrangements*

YES  You must complete Sections 1, 2, 3, 4, 6 (if applicable) & 7

Change to fitness and propriety information

YES  You must complete Sections 1, 2, 5, 6 (if applicable) & 7

Notifications under section 64C of the Financial Services and Markets Act 2000 (FSMA)

YES  You must complete Sections 1, 2, 6 & 7

**1.01** Input applicant *firm* contact for this notification. Please note that the contact at the applicant *firm* contact cannot be the same person as the *approved person* to whom this application relates.

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number	
Email address	



I have supplied further information related to this page in Section 7

YES

NO



**2.01** *Approved person* Individual Reference Number (IRN)

**DETAILS TO BE CHANGED**

**2.02** Title  
(e.g. Mr, Mrs, Ms)

**2.03** Surname

**2.04** ALL forenames

**2.05** National Insurance number

**2.06** Nationality

**2.07** Passport number

**2.08** Job title or position

**2.09** Effective date of change

**2.10** Reason for change



I have supplied further information related to this page in Section 7

YES

NO

# Arrangements and Controlled Functions (including Senior Management Functions) Section 3

## Add New Arrangement

**3.01** State the nature of the *arrangement* between the *approved person* and the *firm*?

*Employee*  Continue to Section 4

*Group employee*  Continue to Question 3.02

Contract for services  Continue to Section 4

*Appointed representative*  Continue to Question 3.04

*Other arrangement*  Continue to Question 3.03

**3.02** Name of *group*  
(Once completed continue to Section 4.)

**3.03** Details of the other *arrangement*  
(Once completed continue to Section 4.)

## Appointed Representatives

**3.04** Please provide details of the *appointed representatives* you would like to add and/or remove.  
If you are removing an *appointed representative* you will need to consider whether to submit a withdrawal of a *controlled function* (Form C) and/or an *appointed representative* termination.

You must use a separate sheet of paper if necessary.  
If you have used separate sheets of paper, you must indicate how many here.

### Appointed Representative 1

Are you adding or removing an *appointed representative*? Add  Remove

<i>Appointed Representative</i> Number	<i>Firm</i>	Reference
<i>Firm name</i>		
Effective date (dd/mm/yy)		

**Appointed Representative 2**

Are you adding or removing an *appointed representative*?

Add  Remove

*Appointed Representative Firm Reference*  
Number

*Firm name*

Effective date (dd/mm/yy)

**Appointed Representative 3**

Are you adding or removing an *appointed representative*?

Add  Remove

*Appointed Representative Firm Reference*  
Number

*Firm name*

Effective date (dd/mm/yy)

**Appointed Representative 4**

Are you adding or removing an *appointed representative*?

Add  Remove

*Appointed Representative Firm Reference*  
Number

*Firm name*

Effective date (dd/mm/yy)

4.01 Name of *firm* making the notification

4.02 *Firm* Reference Number (FRN)

4.03 Other *firms* for whom the *approved person* performs *senior management functions* or, for *FCA* solo regulated *firms* prior to the commencement of the *SMCR*, performs *controlled functions*.

	FRN	Name of <i>firm</i>	<i>Senior management function/controlled function</i>
a			
b			
c			
d			
e			



I have supplied further information related to this page in Section 7

YES

NO

Only complete Section 5 if the notification relates to changes to the *approved person's* fitness and propriety.

**5.01** Do you want to notify us of a change to the *approved person's* fitness and propriety?

YES  NO

**5.01 Criminal Proceedings**

When answering the questions in this section the *approved person* should include matters whether in the *UK* or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *approved person* is subject to the law of England and Wales, the *approved person must* disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the *approved person* is subject to the law of Scotland or Northern Ireland, the *approved person must* disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

**If you answer 'yes' to any of the questions in Section 5, further details should be provided in Section 7.**

If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included in Section 7.

<b>5.01.1a</b>	Has the <i>approved person</i> <b>ever</b> been convicted of any criminal offence (whether spent or not and whether or not in the <i>UK</i> ):	
	<ul style="list-style-type: none"> <li>i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</li> <li>ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</i></li> </ul>	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>b</b>	Is the <i>approved person</i> currently the subject of any criminal proceedings, whether in the <i>UK</i> or elsewhere?	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>c</b>	Has the <i>approved person</i> <b>ever</b> been given a caution in relation to any criminal offence?-	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>5.01.2</b>	Has the <i>approved person</i> any convictions for any offences other than those in <b>5.01.1</b> above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
<b>5.01.3</b>	Is the <i>approved person</i> the subject of any ongoing criminal investigation?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 7 YES  NO

**5.01.4** Has the *approved person* been ordered to produce documents YES  NO

pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

In answering question **5.01.4**, you should include all matters even where the *approved person* was not the subject of the investigation.

**5.01.5**

Has any *firm* at which the *approved person* holds or has held a position of influence **ever**:

(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

**a** Been convicted of any criminal offence?

YES  NO

**b** Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?

YES  NO

**c** Been the subject of any criminal proceeding which has not resulted in a conviction?

YES  NO

**d** Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?

YES  NO

In answering question **5.01.5**, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of **5.01.5d**, even where the *firm* was not the subject of the investigation. However, *firms* are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.



I have supplied further information related to this page in Section 7

YES  NO

**5.02 Civil Proceedings**

<b>5.02.1</b>	Has the <i>approved person</i> <b>ever</b> been the subject of a judgement debt or award against the <i>approved person</i> (whether satisfied or not)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	Please give a full explanation of the events in question.		
	The <i>approved person</i> should include all County Court Judgement(s) (CCJs) made against the <i>approved person</i> , whether satisfied or not; and		
	i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and ii) the total number of all judgement debts, awards or CCJs ordered.		
<b>5.02.2</b>	Has the <i>approved person</i> <b>ever</b> been party to any civil proceedings which resulted in any order against the <i>approved person</i> (other than a judgement debt or award referred to in <b>5.02.1</b> above)? (the <i>approved person</i> should include, for example, injunctions and employment tribunal proceedings.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.3</b>	Is the <i>approved person</i> aware of:		
<b>a</b>	Any proceedings that have begun, or anyone's intention to begin proceedings against the <i>approved person</i> , for a CCJ or another judgement debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.4</b>	Does the <i>approved person</i> have any <b>current</b> judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.02.5</b>	Has the <i>approved person</i> <b>ever</b> failed to satisfy any such judgement debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section7 YES  NO

**5.02.6** Has the *approved person* ever:

**a** Filed for the *approved person's* own bankruptcy or had a bankruptcy petition served on the *approved person*? YES  NO

**b** Been adjudged bankrupt? YES  NO

**c** Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking? YES  NO

**d** Made any arrangements with the *approved person's* creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)? YES  NO

**e** Had assets sequestrated? YES  NO

**5.02.7** Does the *approved person*, or any undertaking under their management, have any outstanding financial obligations arising from *regulated activities*, which have been carried out in the past (whether or not in the *UK* or overseas)? YES  NO

**5.02.8** Has the *approved person* ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved? YES  NO

**5.02.9** Is the *approved person* currently:

**a** Party to any civil proceedings (including those covered in **5.02.7** above)? YES  NO

**b** Aware of anybody's intention to begin civil proceedings against the *approved person*? (The *approved person* should include any ongoing disputes whether or not such dispute is likely to result in any order against the *approved person*). YES  NO

**5.02.10** During the period over which the *approved person* has held a position of influence and/or in the 10 years after this, has any *firm* at which the *approved person* holds or has held a position of influence ever been:

**a** Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct? YES  NO

**b** The subject of a judgement debt or award against the *firm*? (The *approved person* should include all CCJs made against the *firm*, whether satisfied or not.) YES  NO

**c** Party to any other civil proceedings which resulted in an order against the *firm* other than in relation to matters covered in **5.02.10a** and **5.02.10b** above? YES  NO



I have supplied further information related to this page in Section 7 YES  NO



**5.02.11** Is any *firm* at which the *approved person* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

**a** a party to civil proceedings; and/or

YES  NO

**b** aware of anyone's intention to begin civil proceedings against them?

YES  NO

**5.02.12** Has any company, partnership or unincorporated association of which the *approved person* is or has been a *controller*, director, senior manager, *partner* or company secretary, in the *UK* or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES  NO



I have supplied further information related to this page in Section 7

YES  NO

**5.03 Business and Employment Matters**

**5.03.1** Has the *approved person* **ever** been:

- a** Disqualified from acting as a director or similar position (one where the *approved person* acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)? YES  NO
- b** The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the *approved person*)? YES  NO
- c** The subject of any investigation which has led or might lead to disciplinary proceedings? YES  NO
- d** Notified of any potential proceedings of a disciplinary nature against the *approved person*? YES  NO
- e** The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (This question covers internal investigation by an authorised *firm*, as well as investigation by a regulatory body, at any time.) YES  NO

**5.03.2** Has the *approved person* **ever** been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated? YES  NO

**5.03.3** Does the *approved person* have any material written complaints made against the *approved person* by the *approved person's* clients or former clients in the last five years which the *approved person* has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme? YES  NO

**5.03.4** Has the *candidate* ever participated in arbitration proceedings? (This question only applies where the applicant *firm* is a Solvency II insurance *firm*)



I have supplied further information related to this page in Section 7 YES  NO

## 5.04 Regulatory Matters

**5.04.1** In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body (see the guidance notes on Section 5), has:

- The *approved person*, or
- Any company, partnership or unincorporated association of which the *approved person* is or has been a *controller*, director, senior manager, *partner* or company secretary, during the *approved person's* association with the entity and for a period of three years after the *approved person* ceased to be associated with it, **ever** –

<b>a</b>	Been refused, had revoked, restricted, been suspended from or terminated any licence, authorisations, registration, notification, membership or any other permission granted by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the <i>approved person</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	Been the subject of an investigation by any regulatory body whether or not such an investigation resulted in a finding against the <i>candidate</i> or the <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>e</b>	Been required or requested to produce documents or any other information to any regulatory body in connection with an investigation (whether against the <i>firm</i> or otherwise)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>f</b>	Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>g</b>	Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>h</b>	Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body not to proceed with it?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>i</b>	Been the subject of any civil action related to any <i>regulated activity</i> which has resulted in a finding by a court?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>j</b>	Provided payment services or distributed or redeemed e-money on behalf of a regulated <i>firm</i> or itself under any contractual agreement where that agreement was terminated by the regulated <i>firm</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>k</b>	Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>l</b>	Been on a board of directors in an operating undertaking that has not been granted a release from liability? (This question only applies where the applicant <i>firm</i> is a Solvency II insurance <i>firm</i> )	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 7

YES

NO

**5.04.2**

In relation to activities regulated by the *FCA/PRA* or any other regulatory body, has the *approved person* or any *firm* at which the *approved person* holds or has held a position of influence at any time during and within one year of the *approved person's* association with the *firm ever*:

**a** Been found to have carried on activities for which authorisation or registration by the *FCA/PRA* or any other regulatory body is required without the requisite authorisations?

YES

NO

**b** Been investigated for the possible carrying on of activities requiring authorisation or registration by the *FCA/PRA* or any other regulatory body, without the requisite authorisation whether or not such investigation resulted in a finding against the *approved person*?

YES

NO

**c** Been found to have performed a *senior management function* or other *controlled function* (or an equivalent function requiring approval by the *FCA/PRA* or any other regulatory body) without the requisite approval?

YES

NO

**d** Been investigated for the possible performance of a senior management function or other *controlled function* (or an equivalent function requiring approval by the *FCA/PRA* or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the *approved person*?

YES

NO

**e** Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the *FCA/PRA* of the identity of a person acting in a position of influence over its electronic money or payment services business?

YES

NO

**f** Been the subject of a prohibition order under section 56 of the Financial Services and Markets Act 2000, or received a warning notice proposing that such a direction or order be made, or received a private warning?

YES

NO



I have supplied further information related to this page in Section 7

YES

NO

**5.05 Other Matters**

**5.05.1**

Is the *approved person*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the *controlled functions* (including *senior management functions*) for which approval is now being sought?

YES


NO

**5.05.2**

**5.05.2 should only be answered if the *firm* is a Solvency II insurer.**

Does the *approved person* have, or know of any:

<b>a</b>	Qualifying ownership <sup>2</sup> or any other form of substantial influence in the <i>firm</i> or <i>group</i> , or any other companies	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	If yes, please provide: 1. Company name and registration number 2. Nature and scope of the operations 3. The registered office of the company 4. Possession in percentage		
<b>b</b>	Close relatives with ownership shares in the <i>firm</i> or <i>group</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	Close relatives with any other financial relations in the <i>firm</i> or <i>group</i>	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	Any other commitments that may give rise to a conflict of interest	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	If the response is 'yes' to any of the above, please provide, in Section 6, explanations of the circumstances and how the <i>candidate</i> intends to mitigate this.		
<b>5.05.3</b>	Is the <i>approved person</i> or the <i>firm</i> aware of any other information relevant to this notification that the <i>FCA/PRA</i> might reasonably expect	YES <input type="checkbox"/>	NO <input type="checkbox"/>

 I have supplied further information related to this page in Section 7    YES     NO

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<sup>2</sup> As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is 'direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking'.

# Fitness and Propriety – Notifications under section 64C of the Financial Services and Markets Act 2000

## Section 6

This section does not apply to *appointed representatives*. It should be completed by an *SMCR firm* to:

- (a) make a notification of disciplinary action (as defined in section 64C (Requirement for relevant *authorised persons* to notify regulator of disciplinary action) of FSMA) due to any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules set out in the *FCA's COCON* or *PRA Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards*
- (b) make a follow up notification to update a determination that has previously been the subject of a notification made by the *firm* in relation to (a) (and to the extent required by, in the case of the *FCA, SUP 10C.15*, or in the case of the *PRA, Notifications in the Rulebook*<sup>3</sup>).

### 6.01 Initial or update on previous notification

Is the *firm* updating a previous notification made under section 64C of FSMA?

YES  NO

If the *firm* has answered “No”, please go to **6.02**.

If the *firm* has answered “Yes”, please complete the below:

Date of previous notification:
Please provide brief details of prior notification including reference number:
Description of the update to the previous notification:

**6.02** Notification of disciplinary action where the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules.

---

<sup>3</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.

**6.02.1** Please include details in the relevant boxes below of the individual or senior manager conduct rules set out in the FCA's COCON or PRA Conduct Rules, relevant to this notification.

	Tick the rule(s) relevant to this notification
<b>Individual Conduct Rules</b>	
Rule 1: You must act with integrity.	<input type="checkbox"/>
Rule 2: You must act with due skill, care and diligence.	<input type="checkbox"/>
Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.	<input type="checkbox"/>
Rule 4: You must pay due regard to the interests of customers and treat them fairly.	<input type="checkbox"/>
Rule 5: You must observe proper standards of market conduct.	<input type="checkbox"/>
<b>Senior Manager Conduct Rules</b>	
SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.	<input type="checkbox"/>
SC2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with relevant requirements and standards of the regulatory system.	<input type="checkbox"/>
SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.	<input type="checkbox"/>
SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.	<input type="checkbox"/>
SC5: When exercising your responsibilities, you must pay due regard to the interests of current and potential future policyholders in ensuring the provision by the firm of an appropriate degree of protection for their insured benefits.	<input type="checkbox"/>

**6.02.2** For each breach of an individual or senior manager conduct rule please provide the following information. Please attach additional sheets as necessary.

<p>Relevant rule(s):</p> <p>Date when breach came to the attention of the firm:</p> <p>Date or period of breach:</p>
<p>Further details of the breach:</p>

**6.02.3** Please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions **6.02.1** and **6.02.2** above. If necessary please cross refer to the answers provided.



I have supplied further information related to this page in Section 7

YES

NO



**7.01** Full details must be provided here if any questions have been answered “yes” in Section 5 (Fitness and Propriety) and if there is any other information the *approved person* or the *firm* considers to be relevant to the notification?

Please provide full details.

Please indicate clearly to which question the supplementary information relates.

Question	Information

**7.02** How many additional sheets are being submitted?

## Supporting Documents

7.03 Indicate the required supporting documents to accompany this form.

Documents

## Declaration

The *firm* must ask the *approved person* to make the declaration only where the *firm* becomes aware of information that would reasonably be material to the assessment of the *approved person's* continuing fitness and propriety.

However, note that it may not be appropriate to ask the *approved person* to make the declaration below where the applicant *firm* becomes aware of information that would reasonably be material to the assessment of that *approved person's* continuing fitness and propriety.

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of FSMA). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or the *approved person*.

## DECLARATION OF APPROVED PERSON

**The *approved person* confirms that the information in this form is accurate and complete to the best of their knowledge and belief and that they have read the notes to this form. The *approved person* will notify the *FCA/PRA*, as applicable, immediately if there is a material change to the information provided.**

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA's* privacy notice <https://www.fca.org.uk/data-protection>

*Bank of England's* privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

### 8.01 Full name of *approved person*

i.e. Title, forenames, SURNAME

### 8.02 Signature

Date

## DECLARATION OF *FIRM*

The *firm* confirms that the information in this form is accurate and complete to the best of its knowledge and belief. The *firm* will notify the *FCA/PRA*, as applicable, immediately if there is a material change to the information provided.

If the *firm* submits this form on behalf of one or more other *firms*, the *firm* confirms that is duly authorised by such *firm(s)* to make such submission.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA's* privacy notice <https://www.fca.org.uk/data-protection>

*Bank of England's* privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

**By signing below, the person submitting this form on behalf of the *firm* confirms that this form is accurate and complete to the best of their knowledge and he or she has read and understood the notes to this form and the declaration given by the *firm*.**

8.03 Name of the *firm*

8.04 Name of *person* signing on behalf of the *firm*

8.05 Job title

8.06 Signature

Date



Application number  
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on the FCA website at <https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

## Form E - Internal transfer of a person performing a *controlled function* for dual regulated firms

FCA Handbook Reference: SUP 10C Annex 7D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications<sup>1</sup>

10 December 2018

Name of *candidate*  
(to be completed by applicant *firm*)

Name of *firm*  
(as entered in 2.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail [PRA-ApprovedPersons@bankofengland.co.uk](mailto:PRA-ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

---

<sup>1</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

## Personal identification details

## Section 1

1.01 Individual Reference Number (IRN)

1.02 Title  
(e.g. Mr, Mrs, Ms,)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.07 Place of birth

1.08 Phone number

1.09 Email address

## Firm identification details

## Section 2

2.01 Name of applicant *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the applicant *firm* in relation to this application?

b Position

c Phone number

d E-mail

Please note that the contact at the *firm* cannot be the same person as the *candidate*



I have supplied further information  
related to this page in Section 5

YES

NO

**3.01** List all *senior management functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	FRN	Name of firm	Senior Management function	Effective date
a				
b				
c				
d				
e				



I have supplied further information related to this page in Section 5

YES

NO

**4A.01**

Nature of the arrangement between the candidate and the applicant.

a *Employee*

b *Group employee*

Name of group

c Contract for services

d *Partner*

e Other

Give details

Proposed date of appointment

Length of appointment (if applicable)



**4A.02**

For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed.

If the *senior management functions* are to be performed for more than one *firm*, please leave the boxes below blank and go to question **4.05**

The table below sets out the full list of *senior management functions (SMFs)*. Please refer to the *PRA Rulebook and FCA Handbook* for the mandatory *SMFs* for your *firm*.

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF 1	Chief Executive	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 2	Chief Finance	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 3	Executive Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 4	Chief Risk	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 5	Head of Internal Audit	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF 6	Head of Key Business Area	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF 8	Credit Union Senior Manager				<input type="checkbox"/>					
SMF 9	Chair of the Governing Body	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SMF10	Chair of the Risk Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF11	Chair of the Audit Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>				
SMF14	Senior Independent Director	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>
SMF15	Chair of With Profits Committee					<input checked="" type="checkbox"/>				<input checked="" type="checkbox"/>

Function	Description of a Senior Management Function	UK banks*	UK branches of EEA banks and insurers	UK branches of non-EEA banks	Credit unions	Solvency II firms & large NDFs	Small NDFs	ISPVs	Small firms in run off	UK branches of non-EEA insurers
SMF16	Compliance Oversight	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF17	Money Laundering Reporting Officer (MLRO)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF18	Other Overall Responsibility	<input type="checkbox"/>			<input type="checkbox"/>	<input type="checkbox"/>				
SMF19	Head of Third Country Branch/ Head of Overseas			<input type="checkbox"/>						<input checked="" type="checkbox"/>
SMF20	Chief Actuary					<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF20a	With-Profits Actuary					<input type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF21	EEA Branch Senior Manager (EBSM)		<input type="checkbox"/>							
SMF22	Other Local Responsibility			<input checked="" type="checkbox"/>						<input checked="" type="checkbox"/>
SMF23	Chief Underwriting Officer					<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF23a	Underwriting Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF23b	Conduct Risk Oversight (Lloyd's)					<input type="checkbox"/>				
SMF24	Chief Operations	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SMF25	Small Insurer Senior Management Function						<input type="checkbox"/>			
SMF26	Head of Small Run-Off Firm								<input type="checkbox"/>	
SMF27	Partner	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

\*UK Banks' refers to UK banks, building societies and PRA-designated investment firms

4A.03 Job title

**4A.04 Insurance distribution**

Will the *candidate* be responsible for insurance distribution at the *firm*? YES  NO

(Note: Yes can only be selected if the individual is applying for a governing function (other than a *non-executive director* function))

**4A.05 Mortgage Credit Directive**

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the *firm*? YES  NO

**4A.06** Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* and/or *PRA*?

Please note that a *firm* is required under *PRA* rules to request and, under *FCA* rules, obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application (*SUP* 10C.10 and *PRA Rulebook – Fitness and Propriety*).<sup>2</sup>

If yes, please enter date the check was undertaken

**Date (dd/mm/yy):**

**Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details in Section 5.**



I have supplied further information related to this page in Section 5

YES  NO

---

<sup>2</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which firm is applying.

4A.07

Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the applicant requires approval and the requested *senior management function* for that *firm*.

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Senior Management function</b>	<b>Job title (mandatory)</b>	<b>Responsible for insurance distribution?</b>	<b>Responsible for mortgage credit intermediation?</b>	<b>Effective date</b>
a							
b							
c							
d							
e							

4A.08

Has/Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the *FCA* or *PRA*? If no, please provide details why the reference or references has/have not been obtained.

*Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety<sup>3</sup> in the PRA Rulebook). "Employer" has an extended meaning for these purposes.*

YES  NO

<sup>3</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.



I have supplied further information  
related to this page in Section 6†

YES

NO

# Arrangement and controlled functions – Appointed Representatives

## Section 4B

Complete this section if the application is for a *controlled function* at an *appointed representative (AR)*. If you are submitting an application for a *senior management function*, then please complete Section 4A.

For *limited permission consumer credit firms* that are also *appointed representatives*, only the *customer function* is relevant in this section. For these *firms*, relevant *senior management functions* apply instead of the *governing functions* (ie CF1 (AR), CF3 (AR), CF4 (AR) and CF5 (AR)). We do not expect this to apply to many *firms*.

**4B.01** Nature of the arrangement between the candidate and the applicant.

---

a Appointed representative/tied agent – customer function

AR firm name and reference number

---

b Appointed representative/tied agent – governing function

AR firm name and reference number

---

c Other

Give details

**4B.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **4B.05**.

a **Significant influence functions**

CF 1 (AR) Director function	<input type="checkbox"/>
CF 3 (AR) Chief executive function	<input type="checkbox"/>
CF 4 (AR) Partner function	<input type="checkbox"/>
CF 5 (AR) Director of an unincorporated association function	<input type="checkbox"/>

b **Senior Management Functions**

(This section is only applicable for limited permission consumer credit firms that are ARs for other business)

SMF1 (AR) Chief Executive function	<input type="checkbox"/>
SMF3 (AR) Executive Director function	<input type="checkbox"/>
SMF4 (AR) Partner function	<input type="checkbox"/>

c **Customer function**

CF 30 (AR) Customer function	<input type="checkbox"/>
------------------------------	--------------------------

**4B.03** Effective date of *controlled functions* indicated above

**4B.04** Job title

Please refer to notes on the requirements for submitting a CV.

➔ I have supplied further information related to this page in Section 6 YES  NO

**4B.05 Complete this section only if the application is on behalf of more than one firm.**

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested controlled function for that firm.

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b>	<b>Effective date</b>
a					
b					
c					
d					
e					



I have supplied further information related to this page in Section 6

YES

NO

# Supplementary information for Senior Management Functions Section 5

**5.01 Please provide full details of:**

- a) why the *candidate* is competent and capable to carry out the *controlled function(s)* applied for;
- b) why the appointment complements the *firm's* business strategy, activity and market in which it operates;
- c) how the appointment was agreed including details of any discussions at *governing body* level (where applicable);
- d) a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the Glossary); and
- e) if the *candidate* currently holds more than one directorship, please provide a breakdown on the *candidate's* time commitment to each directorship.

**5.02 If there is any additional information to be given (as indicated in previous sections), or any other information the *candidate* or the *firm* considers relevant to this application, then it must be included here.**

Question	Information

*Note: If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.*

**5.03 Firms must also provide the following supporting documents required with this form (please tick)**

*It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.*

- Statement of responsibilities**
- Candidate's Curriculum Vitae (C.V)**
- Role(s) description**



	A copy of the <i>firm's management responsibilities map</i> (SYSC 25 and Allocation of Responsibilities in the <i>PRA Rulebook</i> ). <sup>4</sup> This requirement does not apply to all firms.
	A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10 and <i>senior management functions</i> in the <i>PRA Rulebook</i> ). <sup>5</sup> This requirement does not apply to all firms.
	A description or copy of the <i>candidate's</i> Skills Gap Analysis
	A description or copy of the <i>candidate's</i> Induction programme
	A description or copy of the <i>candidate's</i> Learning and Development plan (including the name of the individual responsible for monitoring the <i>candidate's</i> progress against the development points and the time frame for completion)
	A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role)

---

<sup>4</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying

<sup>5</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.

**Declaration of *Candidate***

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000 – ‘FSMA’). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms*, senior managers and other *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

The *candidate* confirms that the attached *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing. The *candidate* confirms that they have accepted all the responsibilities set out in the *statement of responsibilities*.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA*’s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England’s privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

**a) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.**

**b) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*’s Conduct Rules (*COCON* or *APER*) and/or *PRA* Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.**

**c) I confirm that the *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that I will be responsible for managing. I confirm that I have accepted all the responsibilities set out in this *statement of responsibilities*.**

Tick here to confirm you have read and understood this declaration:

**6.01** *Candidate*’s full name

**6.02** Signature

Date

## Declaration of *Firm*

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of FSMA). SUP 15.6 of the *FCA Handbook* and Notification 6 of the *PRA Rulebook* require a *firm* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, *firms*, senior managers and other *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry and by reference to the criteria in *FIT* in the *FCA Handbook* and the Fitness and Propriety Part of the *PRA Rulebook*<sup>6</sup> that the *candidate* is a fit and proper person to perform the *controlled function(s)* listed in Section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s).

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA*'s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we both use your personal information and who to contact if you have any queries or wish to exercise your rights.

### **IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE *FIRM* HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING:**

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES  NO

If the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the *candidate* and has given due consideration to the information contained in that certificate in determining that *candidate* to be fit and proper. Alternatively, where a certificate is not obtained, the *firm* has provided an explanation in Section 5.

In signing this form on behalf of the *firm*:

**a) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.**

**b) I confirm that I have authority to make this application and provide the declarations given by the *firm*, and sign this form, on behalf of the *firm* identified in Section 2.01 and/or each *firm* identified in Section 4.04. I also confirm that a copy of this form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the form to the *FCA* and/or *PRA*.**

**c) I confirm the *candidate* has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (*COCON* or *APER*) and/or *PRA* Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.**

**d) I confirm that that the *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the *firm* which it is intended that the *candidate* will be responsible for managing.**

**6.03** Name of the *firm* submitting the application

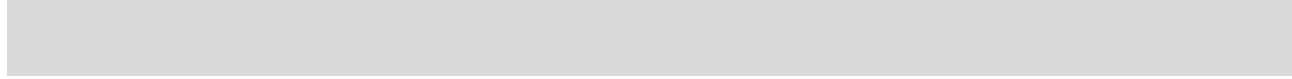
**6.04** Name of *person* signing on behalf of the *firm*

**6.05** Job title

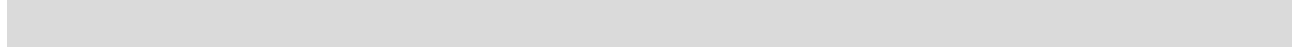
<sup>6</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying



**6.06** Signature



Date



Application number  
(for FCA use only)

## **Form H - Notification of Disciplinary Action relating to *conduct rules staff* (other than *SMF managers*) in *SMCR firms***

*FCA Handbook* Reference: SUP 15 Annex 7R

10 December 2018

Name of *firm*  
(as entered in 2.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>

Contact for this notification

<b>1.01</b>	Title	
<b>1.02</b>	First Name	
<b>1.03</b>	Surname	
<b>1.04</b>	Job Title	
<b>1.05</b>	Business address	
<b>1.06</b>	Post code	
<b>1.07</b>	Phone number	
<b>1.08</b>	Email address	
<b>1.09</b>	Mobile No	

**2.01** Name of *firm*

--

**2.02** *Firm* Reference Number (FRN)

--

## Fitness and Propriety - Notifications under section 64C of the Financial Services and Markets Act 2000

### Section 3

This section should be completed by a *firm* to:

- (a) make an annual notification of disciplinary action (as defined in section 64C (Requirement for *relevant authorised persons* to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000) if the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual conduct rules set out in the *FCA's Code of Conduct (COCON) Sourcebook*; or
- (b) make a follow up notification to update a notification that has been previously made by the *firm* in relation to (a); or
- (c) confirm that there is nothing to be reported under (a) or (b)

Is the *firm* making a nil return (see paragraph (c) of the introduction to this section)?

YES  NO

If the *firm* has answered "Yes", please go straight to Section 5. If the *firm* has answered "No", please go to Section 4.

*Firms* must notify us if they have taken disciplinary action against a *person* subject to our conduct rules between last September and August where that person was in breach of our conduct rules. Disciplinary action against a *person* means issuing a formal written warning, suspension or dismissal of that *person*, or reducing or recovering any of that *person's remuneration*. As a reminder, disciplinary actions against *SMF managers* for a breach of our conduct rules must be reported to us within 7 days via the appropriate form.

A *credit union* is not required to make a nil return (see *SUP 15.11*). If a *credit union* has nothing to notify for a particular reporting period, it should not send a Form H to the *FCA* for that period.



# Disciplinary Action Details

# Section 4

For each individual that is the subject of a notification under this Form, please provide the details requested below, in so far as applicable.

A	B	C	D	E	F	G	H	I	J	K	L	M
Title	Surname	Forename(s)	IRN <i>(See note 1)</i>	Date of Birth <i>(See note 1)</i>	National Insurance Number <i>(See note 1)</i>	Passport Number <i>(See note 1)</i>	Nationality <i>(See note 1)</i>	Job Title / Position And Department / Division	Has the person, at any time during the reporting period, been (a) certified to perform an FCA specified significant harm function? If yes, please specify which one(s) or (b) a standard non-executive director?  <i>(see note 2)</i>	Please identify the relevant conduct rule(s) that have been breached which form the basis of the disciplinary action taken  <i>Refer to Conduct Rules</i>	Please provide more information in relation to the conduct rule(s) breached.  Please also state here whether the firm is updating a previous notification or is making a new notification.  <i>Free text description (2000 characters only. Anything greater than this please provide an attachment.)</i>  <i>(See note 3)</i>	Please provide information as to the disciplinary action taken:  <ul style="list-style-type: none"> <li>issuing of a formal written warning</li> <li>suspension or dismissal of the person</li> <li>reduction or recovery of any of the person's remuneration</li> </ul> <i>Free text description (2000 characters only. Anything greater than this please provide an attachment.)</i>  <i>(See note 4)</i>
<p>Note 1:</p> <p>(a) If an <u>Individual Reference Number (IRN)</u> is available for a <i>person</i> about whom a notification is being made, please complete column D but do not complete columns E, F, G or H.</p> <p>(b) If an IRN is not available for a <i>person</i> about whom a notification is being made, but that <i>person</i> has a national insurance number, please complete columns E and F but do not complete columns G or H.</p> <p>(c) If neither an IRN nor a national insurance number is available for a <i>person</i> about whom a notification is being made, please complete columns E, G and H.</p> <p>Note 2: If the answer is Yes, please state which of the listed functions the <i>person</i> performed. The term "<i>standard non-executive director</i>" is defined in the Glossary.</p> <p>Note 3: If the <i>firm</i> is updating a previous notification, please confirm this in this column but include the details in column M (see note 3).</p> <p>Note 4:</p> <p>(a) If the <i>person</i> about whom the notification is being made is appealing against the <i>firm's</i> decision, please include details here.</p> <p>(b) If the <i>firm</i> is updating a previous notification, please include the details in this column. This includes (1) any appeal made by the subject of the notification subsequent to a previous notification or (2) the outcome of any appeal previously notified.</p> <p>(c) The <i>firm</i> should specify which of the listed types of disciplinary action it has taken.</p>												

**Declaration**

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive. Even if you believe information has been provided to us before (whether as part of another notification or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this notification. If there is any doubt about the relevance of information, it should be included.

The *firm* confirms that the information provided is accurate and complete to the best of the *firm's* knowledge. The *firm* will notify the *FCA* if there is a material change to the information provided. In addition to other regulatory responsibilities, *firms* have a responsibility to disclose to the *FCA* matters of which it or they would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA* taking disciplinary or other action against the *firm*. The *firm* authorises the *FCA* to make such enquiries and seek such further information as it thinks appropriate to verify information that it considers relevant to this notification. The *firm* understands that the *FCA* may require it to provide further information or documents at any time.

For the purposes of complying with data protection legislation, please read the *FCA's* privacy notice at <https://www.fca.org.uk/data-protection>. This notice will tell you what to expect when the *FCA* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

By signing below, the person submitting this form on behalf of the *firm* confirms that this form is accurate and complete to the best of their knowledge and they have read and understood the notes to this form.

Name of the *firm*

Name of *person* signing on behalf of the *firm*

Position

Signature

Date



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Application number  
(for FCA/PRA use only)

## Form I – Application to add, vary or remove a conditional approval for the performance of a *senior management function*

*FCA Handbook* Reference: SUP 10C Annex 8D

Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

10 December 2018

Name of individual  
(to be completed by applicant *firm*)

Name of applicant *firm*  
(as entered in 2.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

**1.01** Contact for this application (at the applicant *firm*)

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number	
Email address	

**Personal identification details****Section 2**

**2.01** Individual Reference Number (IRN)

**2.02** Title  
(e.g. Mr, Mrs, Ms)

**2.03** Surname

**2.04** ALL forenames

**2.05** Date of birth

**2.06** National Insurance number

**Firm identification details****Section 3**

**3.01** Name of applicant *firm*

**3.02** *Firm* Reference Number (FRN)

**3.03 a** Who should the *FCA/PRA* contact at the applicant *firm* in relation to this notice?

**b** Business address

**c** Position

**d** Telephone

**e** Mobile

**f** E-mail

**4.01** Are you applying to add, vary or remove a condition?

Add	
Vary	
Remove	

**4.02** If you are applying to vary an existing condition please provide details of the current condition, proposed variation and reason for the proposed variation.

<b>Applicable <i>senior management function</i></b>	
<b>Current condition</b>	
<b>Proposed variation</b>	
<b>Reason for variation</b>	

**4.03** If you are applying to add a condition to an existing conditional approval, please provide details and the reason for the proposed condition.

<b>Applicable <i>senior management function</i></b>	
<b>Proposed condition</b>	
<b>Reason for proposed condition</b>	

**4.04** If you are applying to remove a condition from an existing conditional approval, please provide details of the current condition and the reason for the proposed removal.

<b>Applicable <i>senior management function</i></b>	
<b>Current condition</b>	
<b>Reason for removal of condition</b>	



I have supplied further information related to this page in Section 4

YES

NO

**5.01** Is there any other information that the applicant *firm* considers to be relevant to the application?  
Please indicate clearly to which section the supplementary information relates.  
Please submit an updated *statement of responsibilities* with this form.

Section	Information

**5.02** How many additional sheets are being submitted?



**Declaration of Applicant *Firm***

In this declaration, the *firm* seeking the variation of the conditional approval previously granted in relation to the performance of a *senior management function* by an individual is referred to as the “applicant firm”. The individual in relation to whom the *FCA/PRA* (as applicable) gave the conditional approval is referred to as the “Individual”.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

The applicant *firm* will notify the *FCA/PRA* (as applicable) immediately if there is a material change to the information provided.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA/PRA* (as applicable) matters of which it would reasonably expect to be notified. Failure to notify the *FCA/PRA* (as applicable) of such information may lead to the *FCA/PRA* (as applicable) taking disciplinary or other action against the applicant and/or the individual.

The applicant understands that the *FCA/PRA* (as applicable) may require it to provide further information or documents at any time.

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA’s privacy notice <https://www.fca.org.uk/data-protection>

Bank of England’s privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The applicant confirms that the *statement of responsibilities* submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the individual will be responsible for managing.

The person submitting this form on behalf of the applicant firm confirms that they have authority to submit this form and, on behalf of the applicant, confirms that they have read and understood the notes to this form and the declaration given by the applicant.

**Name of applicant *firm***

**Name of *person* signing on behalf of the applicant *firm***

**Position**

**Signature**

Date



## Declaration of *candidate / approved person*

The *approved person* confirms that the attached *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *approved person* will be responsible for managing. The *approved person* confirms that they have accepted all the responsibilities set out in this *statement of responsibilities*.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

For the purposes of complying with data protection legislation, The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018, please read our privacy notices:

FCA's privacy notice <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we both use your personal information and who to contact if you have any queries or wish to exercise your rights.

Name of *candidate/approved person*

Signature

Date



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AUTHORITY



FINANCIAL  
CONDUCT  
AUTHORITY

Application number  
(for FCA/PRA use only)

## Form J - Notification of Significant Changes in Responsibilities of a Person Performing a *Senior Management Function*

*FCA Handbook* Reference: SUP 10C Annex 9D

*PRA Rulebook* Reference: Notifications and Senior Managers Regime - Applications and Notifications<sup>1</sup>

Please submit with this form an updated *statement of responsibilities* including the effective date.

Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

10 December 2018

Name of *approved person*  
(to be completed by applicant *firm*)

Name of applicant *firm*  
(as entered in 3.01)

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Website <http://www.fca.org.uk>  
Registered as a Limited Company in England  
and Wales No 1920623. Registered Office as  
above

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email PRA-  
[ApprovedPersons@bankofengland.co.uk](mailto:ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

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<sup>1</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

**1.01** Contact for this notification (at the applicant *firm*)

	Title	
	First name	
	Surname	
	Job title	
	Business address	
	Postcode	
	Phone number	
	Email address	

**Personal identifications details****Section 2**

**2.01** Individual Reference Number (IRN)

**2.02** Title  
(e.g. Mr, Mrs, Ms)

**2.03** Surname

**2.04** ALL forenames

**2.05** Date of birth

**2.06** National Insurance number

**Firm identification details****Section 3**

**3.01** Name of applicant *firm*

**3.02** *Firm* Reference Number (FRN)

**3.03 a** Who should the *FCA/PRA* contact at the applicant *firm* in relation to this notice?

**b** Business address

**c** Position

**d** Telephone

**e** Mobile

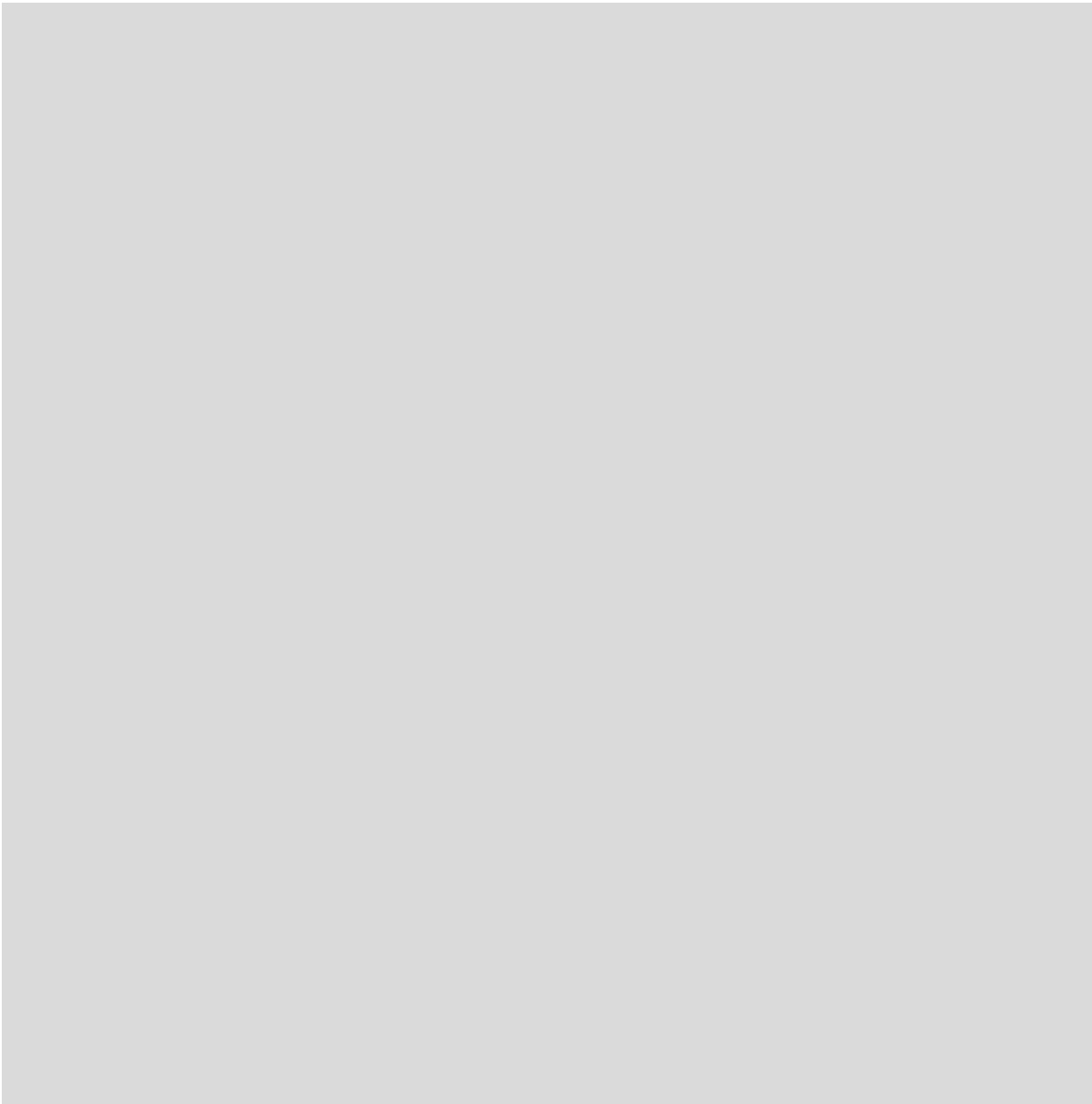
**f** E-mail

**4.1 Summary of Significant Changes made**

Please provide a summary of the significant changes made since the date of the previously submitted *statement of responsibilities*.

Please submit with this form an updated *statement of responsibilities* including the effective date.

If applicable, please submit with this form an updated *management responsibilities map*. Banking sector *firms*, Solvency II insurers, Large non-directive insurers and enhanced-scope *SMCR firms* are all required to have *management responsibilities maps*. Please see SYSC 25 in the *FCA Handbook* and Allocation of Responsibilities in the *PRA Rulebook*<sup>2</sup> for more information.



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<sup>2</sup> The relevant section of the *PRA Rulebook* should be referred to depending on which *firm* is applying.

**Declaration by *approved person***

The *candidate/approved person* confirms that this *statement of responsibilities* accurately reflects the aspects of the affairs of the applicant *firm* which it is intended that the *approved person* will be responsible for managing. The *approved person* confirms that they have accepted all the responsibilities set out in this *statement of responsibilities*.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

This is given as the date in which the individual took up the roll or intends to take up the role.

For the purposes of complying with *data protection legislation*, please read our privacy notices:

*FCA's* privacy notice <https://www.fca.org.uk/data-protection>

*Bank of England's* privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Name of *candidate/approved person*

Signature

Date

**Declaration by Applicant *Firm***

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive.

The applicant *firm* confirms that the information provided is accurate and complete to the best of its knowledge.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or the *approved person*.

The person signing on behalf of the applicant *firm* confirms that:

- they have read this declaration in full;
- they have confirmed that the information supplied is accurate and complete to the best of their knowledge, and the updated *statement of responsibilities* accurately reflects the aspects of the affairs of the *firm* which it is intended that the *approved person* will be responsible for managing.

For the purposes of complying with *data protection legislation*, please read our privacy notices:

*FCA's* privacy notice <https://www.fca.org.uk/data-protection>

*Bank of England's* privacy notice <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the *FCA* and/or the *Bank of England* collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Name of applicant *firm*

Name of *person* signing on behalf of applicant *firm*



[Redacted]

Job title

[Redacted]

Signature

[Redacted]

Date

[Redacted]



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



FINANCIAL  
CONDUCT  
AUTHORITY

Application number or IRN  
(for FCA/PRA use only)

# Senior Management Regime: Statement of Responsibilities

This form applies to UK relevant authorised persons. It does not apply to incoming EEA relevant authorised persons, third country relevant authorised persons, or appointed representatives of any relevant authorised person.

A statement provided under section 60(2A) of the *Act* (Applications for approval), including a statement revised under section 62A of the *Act* (Changes in responsibilities of senior managers).

For candidates for approval, this form **must** be submitted as an attachment to a Form A application or a Form E application

For significant changes to an existing *statement of responsibilities*, this form **must** be submitted as an attachment to a Form J notification or a Form I application or variation.

*FCA Handbook* Reference: SUP 10C, SYSC 4.5, SYSC 4.7

*PRA Rulebook* Reference: Senior Managers Regime - Applications and Notifications

1 November 2018

Name of *individual*  
(to be completed by *firm*)

Name of *firm*  
(as entered in 2.01)

Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email [PRA-ApprovedPersons@bankofengland.co.uk](mailto:PRA-ApprovedPersons@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA Rulebook*

Senior Management Regime: Statement of Responsibilities

## Personal identifications details

## Section 1

1.01 Individual Reference Number (IRN)

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

## Firm identification details

## Section 2

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this *statement of responsibilities*?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information related to this page in Section 4 YES  NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

A *statement of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* or senior manager is to perform as part of their *controlled function* and how they fit in with the *firm's* overall governance and management arrangements. A *statement of responsibilities* should also be consistent with the *firm's management responsibilities map*.

A *statement of responsibilities* should be drafted in such a way as to be practical and useable by regulators. The *FCA* and the *PRA* consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the *PRA* and *FCA* would not usually expect the description of each responsibility to exceed 300 words.

A *statement of responsibilities* must be a self-contained document. There should be one statement per senior manager per firm. Where an individual performs a senior management function on behalf of more than one firm within a group, one *statement of responsibilities* is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a **single** attachment). A statement of responsibilities must not cross refer to other documents, attachments or links.

A *statement of responsibilities* should include responsibilities held in relation to *FCA* controlled functions that are included in a *PRA controlled function* under SUP 10C.9 (Minimising overlap with the *PRA* approved persons regime).

(SUP 10C.11)

If the appropriate regulator considers that the *statement of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers prescribed responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, and management functions of the firm.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* senior management function(s) role.

### 3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this *statement of responsibilities*:

Please note that where this is a revised *statement of responsibilities*, i.e. since the granting of the application, there has been a significant change in the aspects of the firm's affairs which the individual is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior management function), then this *statement of responsibilities* supersedes any previous versions.

3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

SMF	Description	Tick SMF applied for or held	Effective Date
SMF1	Chief Executive function		
SMF2	Chief Finance function		
SMF3	Executive Director		
SMF4	Chief Risk function		
SMF5	Head of Internal Audit		
SMF6	Head of Key Business Area		
SMF7	Group Entity Senior Manager		
SMF8	Credit Union SMF (small Credit Unions only)		
SMF9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Other Overall Responsibility function		

This *statement of responsibilities* is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.1.3 Please indicate those FCA functions that are included in a PRA controlled function under SUP 10C.9 (Minimising overlap with the PRA approved persons regime).

SMF	Description	Yes?
SMF3	Executive Director	
SMF13	Chair of the Nominations Committee	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities

## 3.2 Prescribed Responsibilities

This section deals with those responsibilities to be allocated to one or more senior managers. The allocation of responsibilities under a statement of responsibilities should not reduce or alter the scope of any applicable prescribed requirements.

If the responsibilities that the candidate or senior manager is to carry out as described in the statement of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(FCA SUP 10C.11/PRA: Allocation of Responsibilities)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to all firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
a	Responsibility for the <i>firm's</i> performance of its obligations under the senior management regime	Yes / No	Yes / No
b	Responsibility for the firm's performance of its obligations under the employee certification regime	Yes / No	Yes / No
b-1	Responsibility for the firm's obligations for conduct rules training and conduct rules reporting	Yes / No	Yes / No
c	Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map	Yes / No	Yes / No
d	Overall responsibility for the firm's policies and procedures for countering the risk that the firm might be used to further financial crime	Yes / No	Yes / No
e	Responsibility for the allocation of all prescribed responsibilities	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
f	Responsibility for: (a) leading the development of; and (b) monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the <i>firm's governing body</i> .	Yes / No	Yes / No
g	Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing <i>designated senior management functions</i> on behalf of the <i>firm</i> other than members of the <i>governing body</i> .	Yes / No	Yes / No

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
h	Responsibility for overseeing the adoption of the <i>firm's</i> culture in the day-to-day management of the <i>firm</i> .	Yes / No	Yes / No
i	Responsibility for leading the development of the firm's culture by the governing body as a whole.	Yes / No	Yes / No
j	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of: the internal audit function in accordance with SYSC 6.2 (Internal Audit)	Yes / No	Yes / No
k	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the compliance function in accordance with SYSC 6.1(Compliance)	Yes / No	Yes / No
l	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the risk function in accordance with SYSC 7.1.21R and SYSC7.1.22R (Risk control)	Yes / No	Yes / No
m	Responsibility for overseeing the development of, and implementation of the firm's remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)	Yes / No	Yes / No
n	Responsibility for the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing, including the procedures for protection of staff who raise concerns from detrimental treatment	Yes / No	Yes / No
o	Management of the allocation and maintenance of capital, funding and liquidity	Yes / No	Yes / No
p	The firm's treasury management functions	Yes / No	Yes / No

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities



Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
q	The production and integrity of the firm's financial information and its regulatory reporting in respect of its regulated activities	Yes / No	Yes / No
r	The firm's recovery plan and resolution pack and overseeing the internal processes regarding their governance	Yes / No	Yes / No
s	Responsibility for managing the firm's internal stress-tests and ensuring the accuracy and timeliness of information provided to the PRA and other regulatory bodies for the purposes of stress-testing;	Yes / No	Yes / No
t	Responsibility for the development and maintenance of the firm's business model by the governing body;	Yes / No	Yes / No
u	Responsibility for the firm's performance of its obligations under <i>Fitness and Propriety</i> (in the PRA Rulebook) in respect of its notified non-executive directors	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to specific types of firm)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
v	If the firm carries out proprietary trading, responsibility for the firm's proprietary trading activities;	Yes / No	Yes / No
w	If the firm does not have an individual performing the Chief Risk function, overseeing and demonstrating that the risk management policies and procedures which the firm has adopted in accordance with SYSC 7.1.2 R to SYSC 7.1.5 R satisfy the requirements of those rules and are consistently effective in accordance with SYSC 4.1.1R.	Yes / No	Yes / No
x	If the firm outsources its internal audit function taking reasonable steps to ensure that every person involved in the performance of the service is independent from the persons who	Yes / No	Yes / No

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to specific types of firm)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
	perform external audit, including (a) Supervision and management of the work of outsourced internal auditors and (b) Management of potential conflicts of interest between the provision of external audit and internal audit services		
y	If the firm is a ring-fenced body, responsibility for ensuring that those aspects of the firm's affairs for which a person is responsible for managing are in compliance with the ring-fencing requirements.	Yes / No	Yes / No
z	Overall responsibility for the firm's compliance with CASS	Yes / No	Yes / No

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

Ref	Prescribed Responsibility (Applicable to small firms only <sup>1</sup> )	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
aa	Responsibility for implementing and management of the firm's risk management policies and procedures	Yes / No	Yes / No
bb	Responsibility for managing the systems and controls of the firm	Yes / No	Yes / No
cc	Responsibility for managing the firm's financial resources.	Yes / No	Yes / No
dd	Responsibility for ensuring the governing body is informed of its legal and regulatory obligations	Yes / No	Yes / No

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<sup>1</sup> Small firms are firms with gross total assets of £250 million or less (determined on the basis of the annual average amount calculated across a rolling period of 5 years (calculated by reference to the firm's annual accounting date)).

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and
- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

Ref	Prescribed Responsibility	Further Relevant Details



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

### 3.3 Overall Responsibility

This section deals with having overall responsibility for any of the business areas, activities, or management functions of the firm.

By overall responsibility we mean the ultimate responsibility (under the governing body) for managing or supervising that function, and primary and direct responsibility for briefing and reporting to the governing body about that function and putting matters for decision about that function to the governing body of the firm.

(SYSC 4.7)

3.3.1 If the individual has overall responsibility for any or part of the business areas, activities, or management functions of a firm, please provide details of each in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the individual does not have overall responsibility for a business area, activity or management function of the firm, please go to section 3.4

A *firm* may wish to refer to SYSC 4 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate overall responsibility for a particular activity of the firm. Please note that the *FCA* does not require firms to organise themselves by the functions in SYSC 4 Annex 1G, and that the Annex is not comprehensive. It is important that a firm does not fail to allocate overall responsibility for business areas, activities and management functions, in line with SYSC 4.7.8R.

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

Please provide a title for this overall responsibility	Please provide further details of this overall responsibility.	Is this overall responsibility shared? If 'Yes' please provide, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

**3.4 Other Responsibilities**

3.4.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) role. For example, responsibilities outside the normal course of business such as those linked to high profile projects of initiatives.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Please provide a title for this other responsibility	Please provide further details of this other responsibility	Is this other responsibility shared? If 'Yes' please provide ,the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)
		Yes / No
		Yes / No
		Yes / No
		Yes / No



I have supplied further information related to this page in Section 4

YES

NO

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES  NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities



**SYSC 4      The main business activities and functions of a relevant authorised person**  
**Annex 1G**

Business areas and management functions	Explanation
(1) Payment services	<p>This means:</p> <p>(1) <i>payment services</i>;</p> <p>(2) issuing and administering other means of payment (for example, cheques and bankers' drafts);</p> <p>(3) issuing <i>electronic money</i>; and</p> <p>(4) current accounts.</p>
(2) Settlement	<p>This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9).</p> <p>It also includes clearing and settlement of any transactions described in row (10).</p>
(3) Investment management	<p>This has the same meaning as <i>managing investments</i> with the following adjustments:</p> <p>(a) it covers all types of assets; and</p> <p>(b) the exclusions in the <i>Regulated Activities Order</i> do not apply.</p> <p>It also covers fund management.</p>
(4) Financial or investment advice	<p>This includes <i>advising on investments</i>.</p>
(5) Mortgage advice	<p>This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.</p>
(6) Corporate investments	<p>This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.</p>
(7) Wholesale sales	<p>This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i>.</p> <p>It does not include the activities in (1).</p>

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Business areas and management functions	Explanation
(8) Retail sales	This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i> . It includes savings accounts. It does not include the activities in (1).
(9) Trading for clients	This means <i>dealing in investments as agent</i> and <i>execution of orders on behalf of clients</i> but the list of products includes money market instruments and foreign exchange.
(10) Market making	This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1(8)).
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	Origination and syndication include:  (1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;  (2) sub-participation; and  (3) any transaction described in the <i>Glossary</i> definition of <i>originator</i> .  Underwriting includes underwriting that is not on a firm commitment basis.  A commitment or <i>investment</i> includes an economic interest in some or all of it.  This activity also includes the provision of services relating to such transactions.
(13) Retail lending decisions	Deciding whether, and on what terms, to lend to <i>retail customers</i> .  Lending includes granting credit, leasing and hire (including finance leasing).
(14) Wholesale lending decisions	Deciding whether, and on what terms, to lend to <i>persons who are not retail customers</i> .  Lending includes granting credit, leasing and hire (including finance leasing).
(15) Design and manufacturing of products intended for wholesale customers	Wholesale customers mean <i>persons who are not retail customers</i>
(16) Design and manufacture of products intended for <i>retail</i>	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

Business areas and management functions	Explanation
<i>customers</i>	
(17) Production and distribution of marketing materials and communications	This includes <i>financial promotions</i>
(18) Customer service	This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests
(19) Customer complaints handling	This includes the <i>firm's</i> compliance with <i>DISP</i> .  It also includes:  (1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman Service</i> ;  (2) activities that take place outside the <i>UK</i> ; and  (3) activities that are not subject to any ombudsman service.
(20) Collection and recovering amounts owed to a <i>firm</i> by its customers  Dealing with customers in arrears	"Customer" means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA's Handbook</i> . The definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i> .
(21) Middle office	This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i>
(22) The <i>firm's</i> information technology	
(23) Business continuity planning	This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R
(24) Human resources	This includes recruitment, training and competence and performance monitoring
(25) Incentive schemes for the <i>firm's</i> staff	This is not limited to schemes based on sales.
(26) <i>Providing information in relation to a specified benchmark</i>	
(27) <i>Administering a specified benchmark</i>	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook

Senior Management Regime: Statement of Responsibilities

Business areas and management functions	Explanation
<p>Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for relevant authorised persons) and SYSC 4.7.37G.</p>	
<p>Note (2): A <i>firm</i> does not have to use the split of activities in this annex for the purposes in Note (1). If a <i>firm</i> does decide to use it, it may adapt it to suit its management arrangements better.</p> <p>For example, a <i>firm</i> may find the split of activities into <i>retail</i> and wholesale activities unsuitable. If so, the <i>firm</i> might:</p> <ul style="list-style-type: none"> <li>(a) treat <i>retail</i> and wholesale activities together; or</li> <li>(b) use its own definition of retail and wholesale activities.</li> </ul>	

The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities



## MIFID members of the management body and key function holders - Article 4 Information Form (SMR)

Full name of applicant firm and Firm Reference Number (FRN)

### **Important information you should read before completing this form**

We require all MIFID firms making changes to their management body or key function holders to provide these details as part of their application for the individual to hold a senior management function or internal transfer of an approved person (for firms and individuals subject to the senior managers regime).

Please keep a copy of the forms you complete and the supporting documents that you include with the application for your future reference.

The notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question your suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398A of the FSMA regardless of the status of your application.**

### **Terms in this form**

In this application pack we use the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm;
- 'the individual' refers to the person holding the controlled function
- 'the applicant firm' refers to the firm applying for authorisation of the individual;
- 'we', 'us' or 'our' refers to the appropriate regulator;
- 'the FCA' refers to the Financial Conduct Authority;
- 'the PRA' refers to the Prudential Regulation Authority; and
- FSMA refers to the Financial Services and Markets Act 2000.

## **Purpose of this form**

MIFID II requires certain information to be provided by the applicant firm when making changes to their management body or key function holders. The information in this form is required to enable us to fulfil our obligations in obtaining this information.

## **Contents of this form**

## **Page**

1 Long Form A completed	4
2 Form E completed	7
3 Form M completed	12

## **Filling in the form using Connect**

**1** If you are using your computer to complete the form:

- use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
- save all the parts of the form you have completed and attach to your application.

**2** If you think a Question is not relevant to you, write 'not applicable' and explain why.

**3** If you leave a Question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

**4** If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

**5** Ensure you have:

- completed the relevant Long Form A, Form E or Form M
- completed the Annex III ESMA template;
- completed this additional information form; and
- attached any supporting documents.

When you are required to attach supporting documents (e.g. Disclosure and Barring Service check where relevant) to your application, failure to do so will mean your application will not be progressed and you will be prevented from being able to submit your application through Connect.

## **Filling in the form using the paper application forms on the FCA website**

- 1** If you are using your computer to complete the form:
  - use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
- 2** If you are filling in the form by hand:-
  - use black ink;
  - write clearly; and
  - sign the declaration in the 'checklist and declaration' form.
- 3** If you think a Question is not relevant to you, write 'not applicable' and explain why.
- 4** If you leave a Question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.
- 5** If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.
- 6** Post the application consisting of:
  - completed the relevant Long Form A or Form E
  - completed the Annex III ESMA template;
  - completed this additional information form; and
  - attached any supporting documents.

### **For Solo Regulated Firms:-**

**Permissions Department  
The Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London  
E20 1JN**

### **For Dual Regulated Firms:-**

**The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA**

# 1

If you have completed a Long Form A, please provide the information below

## 1 Personal details

Phone number (including STD code)	
-----------------------------------	--

Email address	
---------------	--

## 2 Curriculum Vitae

### a. Relevant education and professional training

This information may already have been included in the CV or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Relevant Education	
--------------------	--

Professional Training	
-----------------------	--

### b. Professional experience, including the names of all organisation for which the person has worked and nature and duration of the functions performed

This information may already have been included in the CV or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Name of organisation	Nature of functions performed	Duration

### c For positions held in the previous 10 years, when describing those activities, details shall be included on all delegated powers and internal decision-making powers held and the areas of operations under control

This information may already have been included in the Long Form A (Section 4) or CV.

The Long Form A requests employment history for the past 5 years. If you have not provided the information above, or need to provide information for a further 5 years, you can detail below.



Period (mm/yyyy) From - To	Name of employer	Delegated powers and internal decision making powers	Areas of operation under control

### 3 Reputation and experience

The Long Form A queries if you have obtained a reference/references from current or previous employers (Section 5.05) during the last six years in accordance with SYSC 22 and Fitness and Propriety 2 in the PRA Rulebook.

**a. Please provide a list of reference persons including contact information**

Reference	Contact information

**b. Please attach any letters of recommendation to the application**

### 4 Investigations

If a question in section 5 of the Long Form A is answered positively, the information could be provided through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document.

In the Long form A (Section 5) firms are asked to confirm if they have undertaken a criminal records check in accordance with the requirements of the FCA or PRA. In the United Kingdom, a copy of this check could be provided as the official certificate requested.

For on-going investigations information could be provided through a declaration of honour.

### 5 Assessment of reputation and experience

MIFID II requires information on whether an assessment of reputation and experience as an acquirer or as a person who directs the business has already been conducted (including the date of the assessment, the identity of that authority and evidence of the outcome of this assessment).

**If an assessment of reputation and experience as an acquirer or as a person who directs the business already been conducted please provide details of:**

Date of assessment

Identity of the authority that conducted the assessment

Evidence of the outcome of assessment (please detail if this evidence is attached as a supporting document)

## 6 Financial and non-financial interests

**If you have not already provided this information in section 5 of the Long Form A, please provide information on any financial and non-financial interests or relationships of the person and his/her close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders**

## 7 Time devoted to the performance of functions

MIFID II requires information on the minimum time that will be devoted to the performance of the individual's functions within the firm (annual and monthly indications).

**Please provide this information below:**

## 8 Human and financial resources

MIFID II requires information on human and financial resources devoted to the induction and training of the members (annual indication).

**Please provide this information below:**

# 2

If you have completed a Form E, please provide the information below

## 1 Personal details

Phone number (including STD code)	
-----------------------------------	--

Email address	
---------------	--

## 2 Curriculum Vitae

### a. Relevant education and professional training

This information may already have been included in any CV provided or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Relevant Education	
--------------------	--

Professional Training	
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### b. Professional experience, including the names of all organisation for which the person has worked and nature and duration of the functions performed

This information may already have been included in the CV or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Name of organisation	Nature of functions performed	Duration

### c For positions held in the previous 10 years, when describing those activities, details shall be included on all delegated powers and internal decision-making powers held and the areas of operations under control

This information may already have been included in the CV.

If you have not provided the information above, or need to provide further information about positions held in the previous 10 years, you can detail below.

Period (mm/yyyy) From - To	Name of employer	Delegated powers and internal decision making powers	Areas of operation under control

### 3 Reputation and experience

**a. Please provide a list of reference persons including contact information**

Reference	Contact information

**b. Please attach any letters of recommendation to the application**

### 4 Investigations

MIFID II requires information on:

- criminal records and information on criminal investigations and proceedings
- relevant civil and administrative cases, and
- disciplinary actions opened against them (including disqualifications as a company director, bankruptcy, insolvency and similar procedures).

This information could be provided through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document.

In the Form E (Section 4.3) firms are asked to confirm if they have undertaken a criminal records check in accordance with the requirements of the FCA or PRA. In the United Kingdom, a copy of this check could be provided as the official certificate requested.

For on-going investigations information could be provided through a declaration of honour.

**If not already provided, please provide information on:**

criminal records and information on criminal investigations and proceedings

relevant civil and administrative cases, and

disciplinary actions opened against them (including disqualifications as a company director, bankruptcy, insolvency and similar procedures).

## 5 Previous registration, authorisation, membership or licence

MIFID II requires information on:

- refusal of registration, authorisation, membership or licence to carry out a trade, business or profession; or
- the withdrawal, revocation or termination of such a registration, authorisation, membership or licence; or
- expulsion by a regulatory or government body or by a professional body or association

**If not already provided, please provide information on:**

refusal of registration, authorisation, membership or licence to carry out a trade, business or profession

the withdrawal, revocation or termination of such a registration, authorisation, membership or licence

expulsion by a regulatory or government body or by a professional body or association

## 6 Previous dismissals

MIFID II requires information on dismissal from employment or a position of trust, fiduciary relationship, or similar situation.

**If not already provided, please provide this information:**

## 7 Assessment of reputation and experience

MIFID II requires information on whether an assessment of reputation and experience as an acquirer or as a person who directs the business has already been conducted (including the date of the assessment, the identity of that authority and evidence of the outcome of this assessment).

**If an assessment of reputation and experience as an acquirer or as a person who directs the business already been conducted please provide details of:**

Date of assessment

Identity of the authority that conducted the assessment

Evidence of the outcome of assessment (please detail if this evidence is attached as a supporting document)

## 8 Financial and non-financial interests

**If you have not already provided this information, please provide information on any financial and non-financial interests or relationships of the person and his/her close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders**

## 9 Time devoted to the performance of functions

MIFID II requires information on the minimum time that will be devoted to the performance of the individual's functions within the firm (annual and monthly indications).

**Please provide this information below:**

## 10 Human and financial resources

MIFID II requires information on human and financial resources devoted to the induction and training of the members (annual indication).

**Please provide this information below:**

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## 11 Executive and non executive directorships

MIFID II requires a list of executive and non-executive directorships currently held by the person.

**If not already provided, please provide a list of executive and non-executive directorships held by the person:**

Organisation name	Type of directorship

# 3

If you have completed a Form M, please provide the information below

## 1 Personal details

Phone number (including STD code)	
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Email address	
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## 2 Curriculum Vitae

### a. Relevant education and professional training

This information may already have been included in any CV provided or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Relevant Education	
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Professional Training	
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### b. Professional experience, including the names of all organisation for which the person has worked and nature and duration of the functions performed

This information may already have been included in any CV provided or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Name of organisation	Nature of functions performed	Duration

### c For positions held in the previous 10 years, when describing those activities, details shall be included on all delegated powers and internal decision-making powers held and the areas of operations under control

This information may already have been included in any CV provided.

If you have not provided the information above, or need to provide information for a further 5 years, you can detail below.



Period (mm/yyyy) From - To	Name of employer	Delegated powers and internal decision making powers	Areas of operation under control

### 3 Reputation and experience

**a. Please provide a list of reference persons including contact information**

Reference	Contact information

**b. Please attach any letters of recommendation to the application**

### 4 Investigations

If a question in section 4 of the Form M is answered positively, the information could be provided through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document.

In the United Kingdom, a copy of any criminal records check could be provided as the official certificate requested.

For on-going investigations information could be provided through a declaration of honour.

### 5 Time devoted to the performance of functions

MIFID II requires information on the minimum time that will be devoted to the performance of the individual's functions within the firm (annual and monthly indications).

**Please provide this information below:**

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## 6 Human and financial resources

MIFID II requires information on human and financial resources devoted to the induction and training of the members (annual indication).

**Please provide this information below:**

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