

Variation of SMF managers' approval on the FCA's own initiative

Chapter 8

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initiative

8.2 Use of the own-initiative variation of approval power: general

- 8.2.1** **G** The *FCA* may use the own-initiative variation of approval power where it considers that it is desirable to do so to advance one or more of its operational objectives. The *FCA* will assess this on a case-by-case basis, taking into account the specific circumstances of the *firm* and the *SMF manager*.
- 8.2.2** **G** When considering the use of this power to deal with a particular concern, the *FCA* will have regard to the range of regulatory tools that are available. The *FCA* will consider dealing with any concerns informally through discussion and agreement with the *firm* and the *SMF manager*, instead of using the own-initiative variation of approval power.
- 8.2.3** **G** The power to impose a conditional or time-limited approval does not depend on the *SMF manager* being unfit without that condition or time limitation. The *FCA* can impose a condition or time limitation even if the candidate would still be fit and proper without it. Conversely, where an *SMF manager* is not fit and proper but might be if a condition or time limitation is imposed, the *FCA* is not obliged to impose a condition or time limitation, and may take the view that a *prohibition order* or withdrawal of approval is the appropriate course of action.
- 8.2.4** **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.
- 8.2.5** **G** The *FCA* may use the own-initiative variation of approval power in a wide range of circumstances. A number of examples are set out in ■ DEPP 8.3. These are not exhaustive.
- 8.2.6** **G** The circumstances which will lead to a condition or time limitation being imposed on a *candidate* for an *SMF manager* role will, where appropriate, also lead to an existing *SMF manager's* approval being varied. ■ SUP 10C is therefore relevant to the *FCA's* use of the own-initiative variation of approval power.