

Chapter 3

Notification rules for UK recognised bodies



3.4 Members of the management body and internal organisation

Purpose

- 3.4.1 G The purpose of ■ REC 3.4 is to enable the *FCA* to monitor the changes a *UK recognised body* makes in the arrangements for carrying out its *relevant functions*.
- 3.4.2 R [deleted]
- 3.4.2A R Where, in relation to a *UK RIE* a proposal has been made to appoint or elect a *person* as a *member of the management body*, that *UK RIE* must at least 30 days before the date of the appointment or election give notice of that event, and give the information specified for the purposes of this rule in ■ REC 3.4.4A R to the *FCA*.
 [Note: article 45(8) of *MiFID*]
- 3.4.2B R Where, in relation to a *UK RIE* a *person* has resigned as, or has ceased to be, a *member of the management body*, that *UK RIE* must immediately give notice of that event, and give the information specified for the purposes of this rule in ■ REC 3.4.4A R to the *FCA*.
 [Note: article 45(8) of *MiFID*]
- 3.4.3 G

 - (1) *Members of the management body* include the *persons* who, under the operational or managerial arrangements of the *UK recognised body*, are appointed to manage the departments responsible for carrying out its *relevant functions*, whether or not they are members of its *governing body*. A *person* appointed to carry out specific tasks, such as to conduct a particular investigation into a specific set of facts, would not usually be a *member of the management body*.
 - (2) A *member of the management body* need not be an *employee* of a *UK recognised body*. For example, an *employee* of an *undertaking* in the same *group* or a self-employed contractor of a *UK recognised body* might be a *member of the management body*, depending on the role he or she plays in that body.
 - (3) A department of a *UK recognised body* should be regarded as responsible for carrying out a *relevant function* if it is responsible for any activity or activities which form a significant part of a *relevant*

function or which make a significant contribution to the performance of a *relevant function*.

- (4) The *FCA* does not need to be notified where minor changes are made to the responsibilities of a *member of the management body*, but where a major change in responsibilities is made which amounts to a new appointment, the *FCA* should be notified under ■ REC 3.4.2A R.

3.4.4 **R** [deleted]

3.4.4A **R** The following information is specified for the purposes of ■ REC 3.4.2A R:

- (1) that *person's* name;
- (2) their date of birth;
- (3) where applicable, a description of the responsibilities which they will have in the post to which they are to be appointed or elected, including for a *UK RIE* which operates a *RAP* where the person has responsibilities both in the *UK RIE* and *RAP*, a description of the responsibilities he or she has they have in respect of each body;
- (4) where applicable, a description of the responsibilities in the post from which they resigned or otherwise ceased to act, including for a *UK RIE* which operates a *RAP* where the person had responsibilities both in the *UK RIE* and the *RAP*, a description of the responsibilities they had in respect of each body; and
- (5) the information necessary for the *FCA* to assess whether the *UK RIE* complies with ■ REC 2.4.1UK, ■ REC 2.4A.1UK and ■ REC 2.4A.2UK in relation to the *member of the management body's* appointment, election, resignation or otherwise ceasing to act.

[Note: article 45(8) of *MiFID*]

Standing committees

3.4.5 **R** Where the *governing body* of a *UK recognised body* delegates any of its functions (which relate to that *UK recognised body's* relevant functions) to a standing committee, or appoints a standing committee to manage or oversee the carrying out of any of that *UK recognised body's* relevant functions, that *UK recognised body* must immediately notify the *FCA* of that event and give the *FCA* the following information:

- (1) the names of the members of that standing committee; and
- (2) the terms of reference of that standing committee (including a description of any powers delegated to that committee and any conditions or limitations placed on the exercise of those powers).

3.4.6 **R** Where:

- (1) there is any change in the composition or the terms of reference of any standing committee referred to in ■ REC 3.4.5 R; or

3.4.7

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(2) any such committee is dissolved;

the *UK recognised body* must immediately notify the *FCA* of that event and give particulars of any change referred to in (1) to the *FCA*.

(1) Standing committees include permanent committees with executive, supervisory, policy-making or rule-making responsibilities. Committees appointed for particular tasks or committees established for purely consultative or advisory purposes would not usually be considered to be standing committees.

(2) Committees which include *persons* who are not members of the *governing body* can be standing committees.