

Chapter 16

Reporting requirements

16.5 Annual Close Links Reports

Application

- 16.5.1 **G** This section applies to every *firm* listed in ■ SUP 11.1.1 R (1) to ■ SUP 11.1.1 R(8), except those *firms* excluded from its operation by ■ SUP 16.1.1 R and ■ SUP 16.1.3 R or which have elected to report on a monthly basis in accordance with ■ SUP 11.9.5 R.

Purpose

- 16.5.2 **G** A *firm* is required to notify the *appropriate regulator* of changes to its *close links* (see ■ SUP 11.9). The *effective supervision threshold conditions* provide that, if a *firm* has *close links* with another *person*, the matters which are relevant in determining whether a *firm* satisfies the condition of being capable of being effectively supervised include:
- (1) the nature of the relationship between the *firm* and that *person*;
 - (2) whether those links or that relationship are likely to prevent the *appropriate regulator's* effective supervision of the *firm*; and
 - (3) if the *person* is subject to the laws, regulations or administrative provisions of a territory which is not the *United Kingdom*, whether those foreign provisions, or any deficiency in their enforcement, would prevent the *appropriate regulator's* effective supervision of the *firm*.

- 16.5.3 **G** The purposes of the *rules* and *guidance* in this section are:
- (1) to ensure that, in addition to such notifications, the *appropriate regulator* receives regular and comprehensive information about the identities of all persons with whom a *firm* has *close links*, which is relevant to a *firm's* continuing to satisfy the *effective supervision threshold conditions* and to the protection of *consumers*; and
 - (2) to implement certain requirements relating to the provision of information on *close links* which must be imposed on *firms* under the '*Post-BCCI Directive*'.

Report

- 16.5.4 **R**
- (1) [deleted]
 - (2) [deleted]

(3) [deleted]

(4) [deleted]

(5) [deleted]

(6) A *firm* must submit a report to the *appropriate regulator* annually by completing the Close Links Annual Report in ■ SUP 16 Annex 36A which must be sent electronically to the *appropriate regulator* within four months of the *firm's accounting reference date*.

16.5.4A **R** If a *group* includes more than one *firm*, a single close links notification may be made by completing the Annual Close Links Report and so satisfy the notification requirement for all *firms* in the *group*. Nevertheless, the requirement to notify, and the responsibility for notifying, remains with each *firm* in the *group*.

16.5.5 **G** [deleted]

16.5.6 **G** If a *group* includes more than one *firm*, a single annual close links report may be submitted and so satisfy the requirements of all *firms* in the *group*. Such a report should contain the information required from all of them, meet all relevant due dates, indicate all the *firms* on whose behalf it is submitted and give their firm reference numbers. Nevertheless, the requirement to provide a report, and the responsibility for the report, remain with each *firm* in the *group*.

16.5.7 **G** [deleted]

16.5.8 **R** If a *firm* is an unincorporated *friendly society*, then it is only required to submit a report under ■ SUP 16.5.4 R if it is aware that it has *close links*.