

Supervision

SUP 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 <i>FCA Handbook</i> and <i>Glossary</i> since the beginning of 2018 (except for some changes to SUP TP 6.1.1-1G made in 2020). 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 To help the reader, the table in SUP TP 6.1.1-1G explains how superseded <i>Glossary</i> terms in SYSC TP 5 should be interpreted.
6.1.1-1	G	Table: Meaning of superseded Glossary terms	

Term in SYSC TP 5	Term that has replaced it
EEA relevant authorised person	<i>EEA SMCR banking firm</i>
non-UK relevant authorised person	<i>an EEA SMCR banking firm or an overseas SMCR banking firm</i>
relevant authorised person	<i>SMCR banking firm</i>
third-country relevant authorised person	<i>overseas SMCR banking firm but not an EEA SMCR banking firm</i>
UK relevant authorised person	<i>UK SMCR banking firm</i>

Purpose and application			
6.1.1	G	SUP TP 6 has transitional and grandfathering provisions relating to the changes to the <i>approved persons</i> regime made by Part 4 of the Financial Services (Banking Reform) Act 2013.	
6.1.2	R	SUP TP 6 applies to <i>relevant authorised persons</i> .	
6.1.3	G	SUP TP 6.10 has a glossary of terms used in SUP TP 6 which are not defined in the <i>Glossary</i> .	
Grandfathering of approved persons: mapping of old functions onto new			
6.2.1	R	A <i>firm</i> must not include any of the following <i>approved persons</i> in a grandfathering notice: <ol style="list-style-type: none"> (1) an <i>approved person</i> whose approval is under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives) for that <i>firm</i>; (2) an <i>approved person</i> whose approval is to perform an <i>FCA controlled function</i> not listed in column one of the table in SUP TP 6.2.7R for that <i>firm</i>; or (3) an <i>approved person</i> if the <i>firm</i> has concluded that they will not be performing their potential new designated senior management function for the <i>firm</i> on the commencement date. <p>[Note: article 2(2) of the Transitionals and Grandfathering Order]</p>	
6.2.2	G	(1)	The approval of anyone approved under one of the <i>rules</i> in SUP TP 6.2.1R(1) is not affected by SUP TP 6 and continues in force as before.
		(2)	A function in SUP TP 6.2.1R(2) ceases to be an <i>FCA controlled function</i> on the commencement date.

		(3)	An example of SUP TP 6.2.1R(3) is an <i>approved person</i> who plans to resign before the commencement date.
		(4)	If plans change, and the <i>approved person</i> in (3) plans to carry on performing the function, the <i>firm</i> should update the grandfathering notice.
		(5)	The electronic version of the notification form will include <i>approved persons</i> in SUP TP 6.2.1R(3). However, that does not mean that the <i>firm</i> has included them in its notification. The names are supplied by the system to help the <i>firm</i> reconcile its records with the regulators' records and to help the <i>firm</i> check whether it has missed out someone it wants to include.
		(6)	If: <ul style="list-style-type: none"> (a) SUP TP 6.2.1R applies to some of an <i>approved person's</i> approvals or potential new designated senior management functions; but (b) it does not apply to others; and (c) as a result, some of the <i>approved person's</i> existing functions are potentially grandfathered and some are not; then the notification should: <ul style="list-style-type: none"> (d) include the <i>approved person</i>; but (e) exclude the approvals and potential new designated senior management functions in SUP TP 6.2.1R.
6.2.3	R	(1)	Each FCA-designated senior management function listed in column three of the table in SUP TP 6.2.7R is specified as equivalent to the pre-commencement controlled function in the first column of the same row of that table.
		(2)	Each PRA-designated senior management function listed in column two of the table in SUP TP 6.2.7R is specified as equivalent to any FCA pre-commencement controlled function in the first column of the same row of that table.
		(3)	Paragraph (2) is subject to the PRA Transitional Rules.
			[Note: article 17 of the Transitionals and Grandfathering Order]
6.2.4	R		If: <ul style="list-style-type: none"> (1) the result of SUP TP 6.2.3R (together with the PRA Transitionals Rules and the Transitionals and Grandfathering Order) would be that an <i>approved person</i> is deemed to be approved to perform: <ul style="list-style-type: none"> (a) the other overall responsibility function (SMF18) for a <i>UK relevant authorised person</i>; or (b) the other local responsibility function (SMF22) for a <i>third-country relevant authorised person</i>; and (2) that <i>approved person</i> is deemed by the Transitionals and Grandfathering Order (together with SUP TP 6 and the PRA Transitionals Rules) to be approved to perform any other designated senior management function for the same <i>firm</i>; then, for that <i>approved person</i> and that <i>firm</i> , the other overall responsibility function or the other local responsibility function (whichever is applicable) is not treated as equivalent to the pre-commencement controlled function to which it would otherwise have been equivalent under SUP TP 6.2.3R.
			[Note: article 17 of the Transitionals and Grandfathering Order]
6.2.5	G		The effect of SUP TP 6.2.4R is that a <i>person</i> will not be grandfathered with the new FCA 'other overall responsibility function' (SMF18) or the new FCA 'other local responsibility function' (SMF22) if they have any other grandfathered approval for the same <i>firm</i> .
6.2.6	R		SUP TP 6.2.3R and SUP TP 6.2.4R also apply to applications for approval covered by Part 3 of the Transitionals and Grandfathering Order.

[Note: articles 11 and 17 of the Transitionals and Grandfathering Order]		
6.2.7	R	Table of functions for grandfathering
Column 1	Column 2	Column 3
Current controlled function	New PRA-designated senior management function	New FCA-designated senior management function
<i>All firms apart from credit unions and non-UK relevant authorised persons</i>		
The following PRA controlled functions:	The following PRA-designated senior management functions:	Executive director function (SMF3)
Director function (CF1)	Chief Finance function (SMF2)	
Partner function (CF4)	Chief Risk function (SMF4)	
Director of unincorporated association function (CF5)	Head of Internal Audit (SMF5)	
	Head of Key Business Area (SMF6)	
	Group Entity Senior Manager (SMF7)	
The PRA's non-executive director controlled function (CF2)	Group Entity Senior Manager (SMF7)	Chair of the nominations committee function(SMF13)
	Chairman (SMF9)	
	Chair of the Risk Committee (SMF10)	
	Chair of the Audit Committee (SMF11)	
	Chair of the Remuneration Committee (SMF12)	
	Senior independent director (SMF14)	
The significant management function (CF29)	Head of Key Business Area (SMF6)	Other overall responsibility function (SMF18)
	Group Entity Senior Manager (SMF7)	
<i>All firms to which the function in the first column applies</i>		
Compliance oversight function (CF10)	None	Compliance oversight function (SMF16)
CASS operational oversight function (CF 10A)	None	Other overall responsibility function (SMF18)
		Other local responsibility function (SMF22)
Money laundering reporting function (CF11)	None	Money laundering reporting function (SMF17)
<i>Credit unions</i>		
The PRA's director controlled function (CF1)	Credit Union Senior Manager (SMF8)	Executive director function (SMF3)
The PRA's non-executive director controlled function (CF2)	Credit Union Senior Manager (SMF8)	Chair of the nominations committee function (SMF13)
<i>EEA relevant authorised persons</i>		
The significant management function (CF29)	None	EEA branch senior manager function (SMF21)
<i>Third-country relevant authorised persons</i>		

Column 1	Column 2	Column 3
Current controlled function	New PRA-designated senior management function	New FCA-designated senior management function
The <i>PRA's</i> director function (CF1)	The following PRA-designated senior management functions: Chief Finance function (SMF2) Chief Risk function (SMF4) Head of Internal Audit (SMF5) Group Entity Senior Manager function (SMF7) Head of Overseas Branch function (SMF19)	Executive director function (SMF3)
The <i>PRA's</i> systems and controls function (CF28)	The following PRA-designated senior management functions: Chief Finance function (SMF2) Chief Risk function (SMF4) Head of Internal Audit (SMF5) Group Entity Senior Manager (SMF7)	Other local responsibility function (SMF22)
The significant management function (CF29)	The following PRA-designated senior management functions: Group Entity Senior Manager function (SMF7) Head of Overseas Branch function (SMF19)	Other local responsibility function (SMF22)
<p>Note (1): All references to designated senior management functions in columns Two and Three are to FCA-designated senior management functions and PRA-designated senior management functions brought into force by the FCA's Individual Accountability Instrument 2015 and the PRA Transitional Rules.</p> <p>Note (2): This table does not apply to an approval under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives).</p>		

6.2.8	G	(1)	A <i>firm</i> should not make a grandfathering notification for an application for approval for a <i>controlled function</i> for which there is no potential new designated senior management function.
		(2)	So for example a <i>firm</i> applying for approval for a <i>controlled function</i> under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives) should not include that application in a grandfathering notice. The <i>FCA</i> will consider that application outside the grandfathering arrangements in SUP TP 6.
Grandfathering of approved persons: forms			
6.3.1	D	(1)	A <i>firm</i> , other than a <i>credit union</i> , must submit a document in column 1 of the table in SUP TP 6.3.3D in accordance with the corresponding requirement in column 3 of that table.
		(2)	A <i>credit union</i> must submit a document in column 1 of the table in SUP TP 6.3.3D in accordance with the corresponding requirement in column 4 of that table.
6.3.2	G		If more than one method of submission is available to a <i>credit union</i> within the table in SUP TP 6.3.3D, the <i>credit union</i> can decide which one to use.
6.3.3	D		Table: Grandfathering notifications

Purpose of notification	Article of Transitionals and Grandfathering Order	Method of notification by firms other than credit unions	Method of notification by credit unions
(1) Notification of grandfathering	Article 2(1)	SUP 10C.15.11R	SUP 10C.15.11R or SUP TP 6.3.6D
(2) Amendment to grandfathering notification in (1) to add a new approved person	Article 6(1)	SUP 10C.15.11R	SUP 10C.15.11R or SUP TP 6.3.6D
(3) Any other amendment to grandfathering notification in (1)	Article 6(1)	SUP 10C.15.11R	SUP 10C.15.11R or SUP TP 6.3.6D
(4) Notification of applications for approval	Article 11	SUP 10C.15.11R	SUP 10C.15.11R or SUP TP 6.3.6D
(5) Amendment to grandfathering notification in (4) to add a new <i>candidate</i>	Article 14	SUP 10C.15.11R	SUP 10C.15.11R or SUP TP 6.3.6D
(6) Any other amendment to grandfathering notification in (4)	Article 14	SUP 10C.15.11R	SUP 10C.15.11R or SUP TP 6.3.6D

Notes:

(1) SUP 10C.15.11R does not apply if the electronic system referred to in that *rule* has not been made available yet by the FCA and the PRA – SUP TP 6.3.6D applies instead.

(2) A reference to SUP 10C is to the chapter of SUP as inserted by the FCA's Individual Accountability Instrument 2015.

- 6.3.4 D (1) A *firm* making a notification under SUP TP 6.3.1D in accordance with SUP 10C.15.11R must use the version of the notification form made available on the electronic system referred to in SUP 10C.15.11R, based on the version in SUP TP 6.11.1D.
- 6.3.4 D (2) A *firm* making a notification under SUP TP 6.3.1D in accordance with SUP TP 6.3.6D must use the notification form in SUP TP 6.11.1D.
- 6.3.5 D A notification under row (1) (first grandfathering notification for *approved persons*) and row (4) (first grandfathering notification for *candidates*) of the table in SUP TP 6.3.3D should be made at the same time and on the same notification form.
- 6.3.6 D (1) A *firm* making a notification under this paragraph (SUP TP 6.3.6D) must:
 - (a) send it to the PRA;
 - (b) not use the electronic system referred to in SUP 10C.15.11R; and
 - (c) subject to (b), submit it in the way required by chapter 7 of the part of the PRA's Rulebook called "Notifications".
- 6.3.6 D (2) Paragraph (1) also applies when SUP 10C.15.11R(2) (unavailability of electronic submission) applies.
- 6.3.7 G (1) If a *firm* notifies an application for approval and that application is refused before the commencement date, the *firm* should update the notification under row (6) of the table in SUP TP 6.3.6D.
- 6.3.7 G (2) There is no need to update if the application is granted.
- 6.3.8 G If a *firm* gives a grandfathering notification for an *approved person* and that approved person leaves the firm or gives up performing some of their controlled functions, the firm should notify the appropriate regulator using Form C as well as under SUP TP 6.

Grandfathering of approved persons: statements of responsibilities

6.4.1	D	A notification under the table in SUP TP 6.3.3D must be accompanied by a statement of responsibilities for each <i>approved person</i> or <i>candidate</i> covered by the notification.
Grandfathering of approved persons: management responsibilities maps		
6.5.1	D	A notification under rows (1) and (4) of the table in SUP TP 6.3.3D (first grandfathering notification for <i>approved persons</i> and <i>candidates</i>) must be accompanied by a management responsibilities map.
6.5.2	G	(1) If there has been a change relating to any information in a management responsibilities map, the <i>firm</i> should submit a revised version. (2) This is the effect of articles 6 and 14 of the Transitionals and Grandfathering Order.
Statements of responsibilities and responsibilities maps: general requirements		
6.6.1	D	The statements of responsibilities and the management responsibilities map covered by SUP TP 6 must be prepared as of the commencement date.
6.6.2	D	(1) A statement of responsibilities must comply with the requirements of SUP 10C.11 (Statements of responsibilities). (2) However the version in SUP TP 6.11.1D applies instead of the version in SUP 10C Annex 5D.
6.6.3	G	A <i>firm</i> should not assume that the <i>FCA</i> has reviewed statements of responsibilities and the management responsibilities map for completeness, quality or accuracy. It is the <i>firm's</i> responsibility to ensure that they have been prepared in accordance with the <i>FCA's rules</i> and the <i>Act</i> .
Criminal record checks for approved persons		
6.7.1	R	SUP 10C.10.16R (Criminal record checks) applies to any application for approval continued in effect by the Transitionals and Grandfathering Order after the commencement date.
6.7.2	G	Except for SUP TP 6.7.1R, SUP 10C.10.16R (Criminal record checks) does not apply to any application for approval made before the commencement date.
6.7.3	G	SUP 10C.10.16R (Criminal record checks) will apply to any application for approval made under SUP TP 6.8.1D.
Applications of approved persons to take effect from the commencement date		
6.8.1	D	(1) A <i>firm</i> may apply for the <i>FCA's</i> approval under section 59 of the <i>Act</i> (Approval for particular arrangements) for the performance of an <i>FCA</i> -designated senior management function which comes into force on the commencement date. (2) Any application must be made between 1 January 2016 and the day before the commencement date. (3) Any such application is made on the basis that it is treated as being made on the commencement date. (4) The application must be made using the version of Form A or Form E applicable from the commencement date and (subject to (5)) in accordance with the other requirements to be in effect on that date. (5) The application must be made in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
6.8.2	G	The Transitionals and Grandfathering Order will not apply to an application under SUP TP 6.8.1D.
6.8.3	G	A <i>firm</i> does not have to make an application under SUP TP 6.8.1D. It can make an application before the commencement date under the <i>rules</i> and directions in force at the time of the application. The Transitionals and Grandfathering Order will apply to such applications.
Application of ongoing requirements to documents submitted as part of grandfathering		

6.9.1	R	(1)	The requirements of the <i>Handbook</i> apply to approvals that are continued in force by the Transitionals and Grandfathering Order, as they do to approvals granted after the commencement date.
		(2)	The requirements of the <i>Handbook</i> apply to an application for approval that is grandfathered under the Transitionals and Grandfathering Order and has not been finally determined before 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 6.
6.9.2	D		SUP TP 6.9.1R applies to directions in SUP 10C in the same way as it does to the other requirements of that chapter.
6.9.3	G		The table in SUP TP 6.9.4G gives examples of how various provisions of SUP 10C and other parts of the <i>Handbook</i> apply in the light of:
		(1)	the Transitionals and Grandfathering Order; and
		(2)	SUP TP 6.9.1R and SUP TP 6.9.2D.
6.9.4	G		Table: Examples of how ongoing requirements apply to grandfathered approvals

Requirement in SUP 10C	Summary of the requirement in column (1)	How SUP 10C applies
SUP 10C.11.7D	Revised statements of responsibilities Submission of revised statement of responsibilities	Article 8 of the Transitionals and Grandfathering Order says that the requirements in the <i>Act</i> about revised statements of responsibilities apply to approvals continued under the Order. Article 15 of the Order says the same about statements of responsibilities submitted as part of a notice about applications for approvals that are to be grandfathered under the Order. The SUP 10C requirements about revised statement of responsibilities apply.
SUP 10C.11.10D SUP 10C.13	Varying an approval Statements of responsibilities Other material about variations	Article 7 of the Transitionals and Grandfathering Order says that the requirements in the <i>Act</i> about variation of approvals at the request of the <i>firm</i> apply to approvals continued under the Order. The power of the <i>FCA</i> to vary an approval on its initiative applies to approvals continued under the Order. The parts of SUP 10C that deal with variation of approvals apply, including the requirements for applications by the <i>firm</i> to vary approvals.
	Single statement of responsibilities document	

Requirement in SUP 10C	Summary of the requirement in column (1)	How SUP 10C applies
SUP 10C.11.13D	One statement of responsibilities document for each SMF manager for each <i>firm</i>	Applies to statements of responsibilities for approvals grandfathered under the Transitionals and Grandfathering Order Applies to statements of responsibilities covering approvals continued in force by the Transitionals and Grandfathering Order
	Complete set of statements of responsibilities	
SUP 10C.11.20R	Complete set of current statements of responsibilities	Takes into account statements of responsibilities submitted under the Transitionals and Grandfathering Order
	Ceasing to carry on functions	
SUP 10C.11.12R	Statements of responsibilities to be included in notification	Applies to ceasing to carry on a function continued in force by the Transitionals and Grandfathering Order
SUP 10C.14.5R	Notification of ceasing to perform the function	
SUP 10C.14.7R	Qualified Form C Form D	
SUP 10C.14.13R	Changes to details	Applies to notification relating to fitness of an FCA-approved SMF manager whose approval is continued in force by the Transitionals and Grandfathering Order. The Form D requirements also apply to a <i>candidate</i> whose application is continued in force by the Order. Before the commencement date, the existing requirements of SUP 10A apply to changes in a <i>candidate's</i> fitness.
SUP 10C.14.15R	Changes to arrangements	
SUP 10C.14.18R	Fitness	
	Notifications under the Act	
SUP 10C.14.22R	Notifications under the Act	Applies to notification about an FCA-approved SMF manager whose approval is continued in force by the Transitionals and Grandfathering Order
	PRA	
SUP 10C.14.28R	PRA-approved SMF manager	Applies to notification about an SMF manager whose approval is continued in force by the Transitionals and Grandfathering Order
	General	
	Requirements referring to a <i>current approved person approval</i>	Includes an approval that is continued in force by the Trans-

Requirement in SUP 10C	Summary of the requirement in column (1)	How SUP 10C applies
(whether from the <i>FCA</i> or the <i>PRA</i>) Requirements referring to a <i>current approved person approval</i> held within the last six months		itionals and Grandfathering Order Applies to an approval that ceased to have effect under the Transitionals and Grandfathering Order within the last six months. Applies to an approval given up within the last six months even though the <i>controlled function</i> ceases to exist after the commencement date
6.10.1	Terms used in SUP TP 6	
6.10.1	R	The terms in the first column of the table in SUP TP 6.10.2R have the meaning in the corresponding row of column 2.
6.10.2	R	Table: glossary of bespoke terms used in SUP TP 6
commencement date	(in accordance with the Financial Services (Banking Reform) Act 2013 (Commencement No. 9) Order 2015 (SI 2015/490)) 7 March 2016	
designated senior management function	has the meaning in the new <i>Glossary</i>	
FCA-approved SMF manager	has the meaning in the new <i>Glossary</i>	
grandfathering notice	a notice described in the table in SUP TP 6.3.3D (including any revised notice)	
management responsibilities map	has the meaning in the new <i>Glossary</i>	
other local responsibility function	has the meaning in the new <i>Glossary</i>	
potential grandfathered function	(in relation to an <i>approved person</i> and <i>firm</i> at a particular date) a pre-commencement controlled function: (1) for which that <i>person</i> has approval for the <i>firm</i> ; (2) for which there is an equivalent designated senior management function for the purposes of the Transitionals and Grandfathering Order; and (3) that therefore, potentially qualifies for grandfathering under the Transitionals and Grandfathering Order (together with SUP TP 6.2 and the PRA Transitional Rules) for that <i>firm</i> , as long as the other conditions in the Transitionals and Grandfathering Order are met	
potential new designated senior management function	(in relation to an <i>approved person</i> and <i>firm</i>) the new designated senior management function that is deemed to apply after the commencement date under the Transitionals and Grandfathering Order and is referred to in paragraph (2) of the definition of potential grandfathered function	
PRA-approved SMF manager	has the meaning in the new <i>Glossary</i>	
PRA-designated senior management function	has the meaning in the new <i>Glossary</i>	
PRA Transitional Rules	The part of the <i>PRA</i> Rulebook called Senior Managers Regime – Transitionals	

pre-commencement controlled function	(as at any time before the commencement date) an <i>FCA controlled function</i> or a <i>PRA controlled function</i> in force at that time
SMF manager	has the meaning in the new <i>Glossary</i>
statement of responsibilities	has the meaning in the new <i>Glossary</i>
SUP 10C (and any reference to a particular provision of SUP 10C)	chapter 10C of <i>SUP</i> as inserted by the <i>FCA's Individual Accountability Instrument 2015</i>
Transitionals and Grandfathering Order	the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015 (SI 2015/492)
Note: A reference in column 2 to the meaning in the new <i>Glossary</i> is to the meaning in the <i>Glossary</i> as inserted by the <i>FCA's Individual Accountability Instrument 2015</i> .	

6.11.1 Form K: Grandfathering notification

Statement of responsibilities to be included with Form K

Senior Management Regime: Statement of Responsibilities at grandfathering (EEA Relevant Authorised Persons only)

Senior Management Regime: Statement of Responsibilities at grandfathering (Third Country Relevant Authorised Persons only)