

Operational resilience

SYSC TP 11 MIFIDPRU Remuneration Code transitional provision

		Application
11.1	R	SYSC TP 11 applies to an undertaking to whom the <i>MIFIDPRU Remuneration Code</i> will apply for the first time in the performance period beginning on or after 1 January 2022.
		Duration of transitional
11.2	R	SYSC TP 11 applies to <i>remuneration</i> awarded for performance or services provided in the performance period before the performance period to which the <i>MIFIDPRU Remuneration Code</i> first applies.
11.3	G	While the <i>MIFIDPRU Remuneration Code</i> comes into force on 1 January 2022, it only applies to performance periods that begin on or after that date (see SYSC 19G.1.30R). This transitional provision therefore addresses the position for remuneration for performance or services provided in any performance period prior to the performance period to which the <i>MIFIDPRU Remuneration Code</i> first applies.
		Transitional
11.4	R	<p>(1) Where an <i>undertaking</i> was subject to any of the remuneration codes listed in (2) immediately before the <i>MIFIDPRU Remuneration Code</i> came into force, that remuneration code (and any related reporting requirements) continues to apply in accordance with SYSC TP 11.2.</p> <p>(2) The remuneration codes referred to in (1) are:</p> <p>(a) SYSC 19A (IFPRU Remuneration Code); and</p> <p>(b) SYSC 19C (BIPRU Remuneration Code).</p>
11.5	G	<p>(1) The effect of the transitional provision in SYSC TP 11.4 is to preserve the application of the IFPRU and BIPRU remuneration codes to performance or services provided in any performance period prior to the performance period to which the <i>MIFIDPRU Remuneration Code</i> first applies.</p> <p>(2) This means, for example, that remuneration paid to a member of the <i>Remuneration Code staff</i> of an <i>IFPRU investment firm</i> for performance in a performance period from 2019 to 2020 would continue to be subject to the remuneration rules in SYSC 19A (the IFPRU Remuneration Code).</p> <p>(3) As the application of the transitional provision is determined by the date of the performance period in which the performance or services were provided (not when the <i>remuneration</i> was awarded or paid out) this would remain the case even if the member of the <i>Remuneration Code staff</i> was paid the remuneration after the <i>MIFIDPRU Remuneration Code</i> applied to a <i>firm</i>.</p>
11.6	R	The reference in SYSC TP 11.4R(1) to an <i>undertaking</i> being subject to a remuneration code includes the situation in which those <i>rules</i> include an obligation for a <i>firm</i> to ensure a <i>parent undertaking</i> complies with certain requirements.
11.7	G	Under previous remuneration codes, certain obligations were not applied directly to unregulated <i>parent undertakings</i> but were applied indirectly through the imposition of an obligation on a <i>firm</i> within the <i>group</i> to ensure compliance by the <i>parent undertaking</i> . SYSC TP 11.6R makes clear that the transitional provision in SYSC TP 11.4R also applies to those indirect obligations on the <i>parent undertaking</i> . This means that where provisions in SYSC 19A or SYSC 19C applied on an indirect basis to a <i>parent undertaking</i> before the <i>MIFIDPRU Remuneration Code</i> began to ap-

ply, those remain the relevant obligations for performance or services provided during the performance period in which the *MIFIDPRU Remuneration Code* began to apply.