

Chapter 11

Debt management client money chapter

		<div><div></div><div>11.3</div><div>Responsibility for CASS operational oversight</div></div>
		<div>CASS small debt management firm other than a not-for-profit debt advice body</div>
11.3.1	R	<div><div>(1) A CASS <i>small debt management firm</i>, other than a <i>not-for-profit debt advice body</i>, must allocate to a <i>director</i> or <i>senior manager</i> responsibility for:<div><div>(a) oversight of the <i>firm's</i> operational compliance with ■ CASS 11;</div><div>(b) reporting to the <i>firm's governing body</i> in respect of that oversight; and</div><div>(c) completing and submitting a CCR005 return in accordance with ■ SUP 16.12.29CR.</div></div></div><div>(2) [deleted]</div></div>
11.3.1A	G	<div>■ CASS 11.3.3G(5) to (11) also apply to a CASS <i>small debt management firm</i> that is an <i>SMCR firm</i> and the function in ■ CASS 11.3.1R. However:<div><div>(1) the function in ■ CASS 11.3.1R is not a separate <i>FCA certification function</i>; and</div><div>(2) the <i>person</i> performing that function will not necessarily be subject to the employee certification regime described in ■ SYSC 27 (Senior managers and certification regime: Certification regime).</div></div></div>
		<div>CASS small debt management firm that is a not-for-profit debt advice body</div>
11.3.2	R	<div>A CASS <i>small debt management firm</i> that is a <i>not-for-profit debt advice body</i> must allocate to a <i>director</i> or <i>senior manager</i>:<div><div>(1) oversight of the <i>firm's</i> operational compliance with ■ CASS 11;</div><div>(2) reporting to the <i>firm's governing body</i> in respect of that oversight; and</div><div>(3) completing and submitting a CCR005 return in accordance with ■ SUP 16.12.29C R.</div></div></div>
11.3.2A	G	<div>(1) ■ CASS 11.3.3G(5) to ■ (11) do not apply to a CASS <i>small debt management firm</i> that is a <i>not-for-profit debt advice body</i>. This is</div>

because neither ■ SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities) nor ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility) apply to it.

- (2) It will not have any *SMF managers* as no *designated senior management functions* apply to it.
- (3) The function in ■ CASS 11.3.2R is not a separate *FCA certification function* and the *person* performing that function will not necessarily be subject to the employee certification regime described in ■ SYSC 27 (Senior managers and certification regime: Certification Regime).

CASS large debt management firms

11.3.3

G

- (1) [deleted]
- (2) As a consequence of ■ CASS 11.3.4R, in a *CASS large debt management firm* (including a *not-for-profit debt advice body* fitting into that category) the function described in ■ CASS 11.3.4R is required to be discharged by a *director* or *senior manager*.
- (3) [deleted]
- (4) [deleted]
- (4A) For an *SMCR firm*, the function in ■ CASS 11.3.4R is not a separate *controlled function* and performing that function does not require approval as an *approved person*. Paragraphs (5) to (11) describe how ■ CASS 11.3.4R applies to such *firms*.
- (4B) There are three elements of the regime for *SMCR firms* that are particularly relevant to ■ CASS 11.3, although they do not all apply to all *SMCR firms*:
 - (a) a *firm's* obligation to allocate certain responsibilities to its *SMF managers* (see ■ SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));
 - (b) a *firm's* obligation to ensure that one or more of its *SMF managers* have overall responsibility for each of its activities, business areas and management functions (see ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and
 - (c) the certification regime (the certification regime is explained in ■ SYSC 27 (Senior managers and certification regime: Certification regime) and ■ SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) explains that the certification regime comes into force sometime after other parts of the senior managers and certification regime).
- (5) Paragraphs (6) to (9) explain how ■ CASS 11.3.4R applies to an *SMCR firm* to which ■ SYSC 24 and ■ SYSC 26 apply.
- (6) The *SMCR firm* must allocate responsibility for the *firm's* compliance with CASS to one of its *SMF managers* (see ■ SYSC 24.2.1R). That responsibility is an "*FCA-prescribed senior management*

responsibility". The full list of FCA-prescribed senior management responsibilities is in the table in ■ SYSC 24.2.6R.

- (7) Although the CASS function in ■ SYSC 24.2.1R is different from the function in ■ CASS 11.3.4R, the SMCR firm may allocate the function in ■ CASS 11.3.4R to the SMF manager in (6).
- (8) The SMCR firm may allocate the CASS FCA-prescribed senior management responsibility described in (6) to an SMF manager who does not perform any other function coming within the FCA regime for SMF managers in SMCR firms. See ■ SUP 10C.7 (Other overall responsibility function (SMF18)) and ■ SUP 10C.8.1R (Other local responsibility function (SMF22)) for details.
- (9) The SMCR firm may choose to allocate the function in ■ CASS 11.3.4R to someone who is not an *approved person* and SMF manager. If so:
 - (a) that *person* will be subject to the employee certification regime described in ■ SYSC 27 (Senior managers and certification regime: Certification regime);
 - (b) that *person* will be subject to supervision by the SMF manager in (6); and
 - (c) the function in ■ CASS 11.3.4R will be the CASS oversight FCA certification function in ■ SYSC 27.8.1R.
- (10) In relation to an SMCR firm to which ■ SYSC 24 applies but ■ SYSC 26 does not apply the *guidance* in paragraphs (6), (7) and (9) applies, but the *guidance* in paragraph (8) does not apply.
- (11)
 - (a) The position of an SMCR firm to which neither ■ SYSC 24 nor ■ SYSC 26 apply is slightly different.
 - (b) The firm may choose to allocate the function in ■ CASS 11.3.4R to an SMF manager.
 - (c) The firm may instead choose to allocate the CASS function to someone who is not an SMF manager.
 - (d) Where (c) applies, the *person* performing the function in ■ CASS 11.3.4R will fall into the certification regime. The function in ■ CASS 1A.3.1AR will be the CASS oversight FCA certification function in ■ SYSC 27.8.1R.
 - (e) A *not-for-profit debt advice body* will not have any SMF managers as no *controlled functions* apply to it.

11.3.4

R

A CASS large debt management firm must allocate to a *director* or *senior manager* the function of:

- (1) oversight of the operational effectiveness of that CASS debt management firm's systems and controls that are designed to achieve compliance with ■ CASS 11;
- (2) reporting to the CASS debt management firm's governing body in respect of that oversight; and
- (3) completing and submitting a CCR005 return to the FCA in accordance with ■ SUP 16.12.29C R.

11.3.5 **R** [deleted]

11.3.5A **G** [deleted]

Record of responsibility for CASS operational oversight

- 11.3.6 **R**
- (1) Subject to (2), a *CASS debt management firm* must make and retain an appropriate record of the *person* to whom responsibility is allocated in accordance with, as applicable, **CASS 11.3.1 R**, **CASS 11.3.2 R**, and **CASS 11.3.4 R**.
 - (2) A *CASS small debt management firm* must make and retain such a record only where it allocates responsibility to a *person* other than the *person* in that *firm* who performs the *compliance oversight function*.
 - (3) A *CASS debt management firm* must ensure that a record made under this rule is retained for a period of five years after it is made.