

Chapter 2

Responsibility for insurance distribution and MCD credit intermediation activity

2.1 Application and purpose

Application

2.1.1 **R** This chapter applies to a *firm* with *Part 4A permission* to carry on *insurance distribution activity* or *MCD credit intermediation activity*.

Purpose

2.1.2 **G** The original purpose of this chapter was to implement in part the provisions of the *IDD* and the *MCD*.



2.2 Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity

Responsibility for insurance distribution activity or MCD credit intermediation activity

2.2.1 **R** A *firm*, other than a sole trader, must allocate the responsibility for the *firm's* insurance distribution activity or MCD credit intermediation activity to a director or senior manager.

[**Note:** article 3(1), eighth paragraph of the *IDD* and article 29(4)(a), first sentence, of the *MCD*.]

2.2.1A **G**

- (1) Where a *firm* allocates responsibility under **■ MIPRU 2.2.1R** it should ensure that the person to whom the allocation is made is of sufficient seniority and authority within the *firm* to take on that role.
- (2) The person could, for example, be:
 - (a) a *SMF manager* who holds the *executive director function* (SMF 3) or the *other overall responsibility function* (SMF 18); or
 - (b) a person who holds a significant management *FCA certification function*,in relation to, as relevant, *insurance distribution* business or *MCD credit intermediation* business.

2.2.1B **R**

- (1) The *firm* must notify the *FCA* in a timely manner of the allocation in **■ MIPRU 2.2.1R** in accordance with (2).
- (2) Where the person allocated responsibility under **■ MIPRU 2.2.1R**, is:
 - (a) a *SMF manager*, then notification must be made in the following way:
 - (i) in Form A (Application to perform controlled functions) (see **■ SUP 10C Annex 3D**), Form D (Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct) (see **■ SUP 10C Annex 6R**) or Form E (Internal transfer of a person performing a controlled function) (see **■ SUP 10C Annex 7D**); and
 - (ii) included in (as relevant):
 - (A) a *statement of responsibilities*; or

(B) revised *statement of responsibilities* sent to the FCA as described in ■ SUP 10C.11.7D (Revised statements of responsibilities: Procedure); or

(b) a *Directory person*, the notification is included in the *Directory person* report (see ■ SUP 16 Annex 47AR (Directory persons report)); or

(c) a person other than a person in (a) and (b), then notification may be emailed to 'firm.queries@fca.org.uk' or made using a method as set out in ■ SUP 15.7.4R (Method of notification).

2.2.2 **R** [deleted]

2.2.3 **G** [deleted]

2.2.4 **G** Where a *firm* has appointed an *appointed representative* to carry on *insurance mediation activity* or *MCD credit intermediation activity* on its behalf, the *person* responsible for the *firm's insurance mediation activity* or *MCD credit intermediation activity* will also be responsible for the *insurance distribution activity* or *MCD credit intermediation activity* carried on by an *appointed representative*.

2.2.5 **G** The FCA will specify in the *Financial Services Register* the name of the *persons* to whom the responsibility for the *firm's insurance distribution activity* or *MCD credit intermediation activity* has been allocated. In the case of a *sole trader*, the FCA will specify in the *Financial Services Register* the name of the *sole trader* as the 'contact person' in the *firm*.