

Chapter 3

Notification rules for UK recognised bodies



3.4 Members of the management body and internal organisation

Purpose

- 3.4.1

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The purpose of ■REC 3.4 is to enable the FCA to monitor the changes a UK recognised body makes in the arrangements for carrying out its relevant functions.
- 3.4.2

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[deleted]
- 3.4.2A

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Where, in relation to a UK RIE a proposal has been made to appoint or elect a person as a member of the management body, that UK RIE must at least 30 days before the date of the appointment or election give notice of that event, and give the information specified for the purposes of this rule in ■REC 3.4.4A R to the FCA.
[Note: article 45(8) of MiFID]
- 3.4.2B

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Where, in relation to a UK RIE a person has resigned as, or has ceased to be, a member of the management body, that UK RIE must immediately give notice of that event, and give the information specified for the purposes of this rule in ■REC 3.4.4A R to the FCA.
[Note: article 45(8) of MiFID]
- 3.4.3

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(1) Members of the management body include the persons who, under the operational or managerial arrangements of the UK recognised body, are appointed to manage the departments responsible for carrying out its relevant functions, whether or not they are members of its governing body. A person appointed to carry out specific tasks, such as to conduct a particular investigation into a specific set of facts, would not usually be a member of the management body.

(2) A member of the management body need not be an employee of a UK recognised body. For example, an employee of an undertaking in the same group or a self-employed contractor of a UK recognised body might be a member of the management body, depending on the role he or she plays in that body.

(3) A department of a UK recognised body should be regarded as responsible for carrying out a relevant function if it is responsible for any activity or activities which form a significant part of a relevant

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| | | <p><i>function</i> or which make a significant contribution to the performance of a <i>relevant function</i>.</p> <p>(4) The <i>FCA</i> does not need to be notified where minor changes are made to the responsibilities of a <i>member of the management body</i>, but where a major change in responsibilities is made which amounts to a new appointment, the <i>FCA</i> should be notified under ■ REC 3.4.2A R.</p> |
| 3.4.4 | R | [deleted] |
| 3.4.4A | R | <p>The following information is specified for the purposes of ■ REC 3.4.2A R:</p> <p>(1) that <i>person's</i> name;</p> <p>(2) their date of birth;</p> <p>(3) where applicable, a description of the responsibilities which they will have in the post to which they are to be appointed or elected, including for a <i>UK RIE</i> which operates a <i>RAP</i> where the person has responsibilities both in the <i>UK RIE</i> and <i>RAP</i>, a description of the responsibilities he or she has they have in respect of each body;</p> <p>(4) where applicable, a description of the responsibilities in the post from which they resigned or otherwise ceased to act, including for a <i>UK RIE</i> which operates a <i>RAP</i> where the person had responsibilities both in the <i>UK RIE</i> and the <i>RAP</i>, a description of the responsibilities they had in respect of each body; and</p> <p>(5) the information necessary for the <i>FCA</i> to assess whether the <i>UK RIE</i> complies with ■ REC 2.4.1UK, ■ REC 2.4A.1UK and ■ REC 2.4A.2UK in relation to the <i>member of the management body's</i> appointment, election, resignation or otherwise ceasing to act.</p> <p>[Note: article 45(8) of <i>MiFID</i>]</p> <p>Standing committees</p> |
| 3.4.5 | R | <p>Where the <i>governing body</i> of a <i>UK recognised body</i> delegates any of its functions (which relate to that <i>UK recognised body's</i>relevant functions) to a standing committee, or appoints a standing committee to manage or oversee the carrying out of any of that <i>UK recognised body's</i>relevant functions, that <i>UK recognised body</i> must immediately notify the <i>FCA</i> of that event and give the <i>FCA</i> the following information:</p> <p>(1) the names of the members of that standing committee; and</p> <p>(2) the terms of reference of that standing committee (including a description of any powers delegated to that committee and any conditions or limitations placed on the exercise of those powers).</p> |
| 3.4.6 | R | <p>Where:</p> <p>(1) there is any change in the composition or the terms of reference of any standing committee referred to in ■ REC 3.4.5 R; or</p> |

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- (2) any such committee is dissolved;
- the *UK recognised body* must immediately notify the *FCA* of that event and give particulars of any change referred to in (1) to the *FCA*.
- (1) Standing committees include permanent committees with executive, supervisory, policy-making or rule-making responsibilities. Committees appointed for particular tasks or committees established for purely consultative or advisory purposes would not usually be considered to be standing committees.
- (2) Committees which include *persons* who are not members of the *governing body* can be standing committees.