

## Chapter 10C

FCA senior managers regime  
for approved persons in  
SMCR firms

		<div>10C.1</div> <div>Application</div>
		<div>General</div>
10C.1.1	R	This chapter applies to every <i>SMCR firm</i> .
10C.1.2	G	This chapter is also relevant to <i>FCA-approved SMF managers</i> of an <i>SMCR firm</i> .
10C.1.2A	G	<div>■ SUP 10C Annex 1 (What functions apply to what type of firm) sets out:<div>(1) how this chapter applies to different types of <i>SMCR firm</i>; and</div><div>(2) the <i>SMCR firms</i> to which no <i>controlled functions</i> in this chapter apply.</div></div>
		<div>Overseas firms: UK services</div>
10C.1.3	R	This chapter does not apply to an <i>overseas SMCR firm</i> other than in relation to an establishment maintained by it or its <i>appointed representative</i> in the <i>United Kingdom</i> .
		<div>EEA firms: general application</div>
10C.1.4	R	This chapter does not apply to an <i>SMCR firm</i> if and in so far as the question of whether a <i>person</i> is fit and proper to perform a particular function in relation to that <i>firm</i> is reserved to an authority in a country or territory outside the <i>United Kingdom</i> as contemplated by section 59(8) of the <i>Act</i> . This <i>rule</i> has effect to the extent that, and for as long as, section 59(8) of the <i>Act</i> remains in effect under the standstill direction (as it relates to that section) as defined in the direction made by the <i>FCA</i> under Part 7 of the Financial Services and Markets Act 2000 (Amendment) (EU Exit) Regulations 2019 that came into force on <i>IP completion day</i> and is titled “Main FCA Transitional Directions”.
10C.1.5	G	[deleted]
		<div>Overseas firms: general</div>
10C.1.5A	G	<div>(1) Generally, where an overseas manager of an <i>overseas SMCR firm</i> has responsibilities in relation to its <i>branch</i> in the <i>United Kingdom</i> that are strategic only, they will not need to be an <i>FCA-approved SMF manager</i>.</div>

		<p>(2) However, where an overseas manager is responsible for implementing that strategy for its <i>branch</i> in the <i>United Kingdom</i>, and has not delegated that responsibility to an <i>SMF manager</i> in the <i>United Kingdom</i>, they will potentially be performing an <i>FCA controlled function</i> if the detailed conditions in this chapter defining the relevant <i>FCA controlled function</i> are met.</p>
		<p><b>UK firm with overseas branches or providing services on a cross-border basis</b></p>
10C.1.6	G	<p>There are no territorial limitations to ■ SUP 10C for:</p> <p>(1) overseas branches of <i>UK firms</i>; or</p> <p>(1) <i>UK firms</i> providing services into or out of the <i>United Kingdom</i> on a cross-border basis.</p>
		<p><b>Appointed representatives</b></p>
10C.1.7	R	<p>This chapter does not deal with an <i>approved person</i> who is approved under ■ SUP 10A (FCA Approved Persons in Appointed Representatives).</p>
10C.1.8	G	<p>(1) ■ SUP 10A (FCA Approved Persons in Appointed Representatives) deals with the <i>approved persons</i> regime for <i>appointed representatives</i> of <i>SMCR firms</i>.</p> <p>(2) In general this chapter does not apply to <i>appointed representatives</i> of <i>SMCR firms</i>. ■ SUP 10A applies instead.</p> <p>(2) In theory, a <i>person</i> employed by an <i>appointed representative</i> of an <i>SMCR firm</i> could come within one of the <i>controlled functions</i> in this chapter. If so, that <i>person</i> will be performing a <i>senior management function</i> and this chapter would apply. However, the <i>FCA</i> thinks that such a situation should rarely arise unless the <i>person</i> is seconded to the <i>firm</i>.</p> <p>If a <i>person</i> is an <i>approved person</i> under this chapter and under ■ SUP 10A for the same <i>firm</i>, this chapter applies to <i>FCA-designated senior management functions</i> under this chapter and ■ SUP 10A applies to <i>controlled functions</i> under ■ SUP 10A. It is unlikely that such a scenario would normally arise in practice.</p> <p>(5) Both this chapter and ■ SUP 10A deal with an <i>appointed representative</i> that has a <i>limited permission</i> to carry on a <i>regulated activity</i> prescribed for the purposes of section 39(1E)(a) of the <i>Act</i>.</p>
		<p><b>Insolvency practitioners</b></p>
10C.1.9	R	<p>This chapter does not apply to a function performed by a <i>person</i> acting as:</p> <p>(1) an insolvency practitioner within the meaning of section 388 of the <i>Insolvency Act 1986</i>;</p>

- a nominee in relation to a voluntary arrangement under Parts I (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency Act 1986;
- (3) an insolvency practitioner within the meaning of article 3 of the Insolvency (Northern Ireland) Order 1989; or
- (4) a nominee in relation to a voluntary arrangement under Parts II (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

Swiss general insurers

10C.1.10 **R** For *Swiss general insurers*, references in this chapter to parts of the *PRA Rulebook* for ‘Solvency II firms’ are to be read as references to the corresponding parts of the *PRA Rulebook* applying to *large non-directive insurers*.

10C.1.11 **G** *Swiss general insurers* are in the *large non-directive insurers* sector of the *PRA Rulebook* and the *PRA* applies to them, in relation to their *controlled functions*, provisions equivalent to those applying to third country branches in the *Solvency II firms* sector of the *PRA Rulebook*. The *FCA* includes them as third country undertakings of *Solvency II firms* and so they must follow the requirements for *Solvency II firms* set out in this chapter.

Insurance and mortgage credit mediation

10C.1.12 **G** See **MIPRU 2.2** (Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity) for how the *FCA’s* senior managers regime for *SMCR firms* is adjusted for a *firm* carrying on *insurance distribution activity* or *MCD credit intermediation activity*.