

## Chapter 10C

FCA senior managers regime  
for approved persons in  
SMCR firms

## 10C.11 Statements of responsibilities

### What a statement of responsibilities is

- 10C.11.1 **G**
- (1) Section 60(2A) of the *Act* (Applications for approval) says that, if a *firm* is applying for approval from the *FCA* or the *PRA* for a *person* to perform a *designated senior management function*, the regulator to which the application is being made must require the application to contain, or be accompanied by, a statement setting out the aspects of the affairs of the *firm* which it is intended that the *person* will be responsible for managing in performing the function.
  - (2) That statement is a *statement of responsibilities*.
  - (3) A *statement of responsibilities* includes a statement amended under section 62A of the *Act* (see ■ SUP 10C.11.5G).

### What this section covers

- 10C.11.2 **G**
- (1) This section is about the *FCA*'s requirements for *statements of responsibilities*.
  - (2) However, in the case of a *PRA-authorized person*, where applications and notifications relate both to *FCA-designated senior management functions* and to *PRA* ones, the regulators' requirements are consistent with each other.
  - (3) The general material in this section (■ SUP 10C.11.13D to ■ SUP 10C.11.35G) applies to *statements of responsibilities* submitted in all the cases covered by this section. It covers *statements of responsibilities* submitted as part of an application for approval or variation and revised *statements of responsibilities*.

### Applications for approval

- 10C.11.3 **D**
- An application by a *firm* for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* must be accompanied by a *statement of responsibilities* (■ SUP 10C Annex 10D).
- 10C.11.4 **G**
- (1) ■ SUP 10C.10 (Application for approval and withdrawing an application for approval) explains the procedures for applying for approval.
  - (2) ■ SUP 10C.15 (Forms and other documents and how to submit them to the *FCA*) explains how applications for approval should be submitted.

- (3) See the table in ■ SUP 10C.11.19G for examples of how the requirements of this section about including *statements of responsibilities* in applications for approval apply in different situations.

### Revised statements of responsibilities: Introduction

**10C.11.5** G Under section 62A of the *Act*, a *firm* must provide the *FCA* with a revised *statement of responsibilities* if there has been any significant change in the responsibilities of an *FCA-approved SMF manager*. More precisely:

- (1) if a *firm* has made an application (which was granted) to the *FCA* for approval for a *person* to perform an *FCA-designated senior management function*;
- (2) the application contained, or was accompanied by, a *statement of responsibilities*; and
- (3) since the granting of the application, there has been any significant change in the aspects of the *firm's* affairs which the *FCA-approved SMF manager* is responsible for managing in performing the function;

the *firm* should provide the *FCA* with a revised *statement of responsibilities*.

### Revised statements of responsibilities: Meaning of significant change

- 10C.11.6** G
- (1) This paragraph sets out non-exhaustive examples of potential changes which, in the *FCA's* view, may be significant and thus require the submission of a revised *statement of responsibilities*.
  - (2) A variation of the *FCA-approved SMF manager's* approval, either at the *firm's* request or at the *FCA's* or (in the case of a *PRA-authorized person*), *PRA's* initiative, resulting in the imposition, variation or removal of a condition or time limit, may involve a significant change.
  - (3) Fulfilling or failing to fulfil a condition on approval may involve a significant change.
  - (4) The addition, re-allocation or removal of any of the following (or part of one):
    - (a) an *FCA-prescribed senior management responsibility*;
    - (b) (in the case of a *PRA-authorized person*), a *PRA-prescribed senior management responsibility*; or
    - (c) responsibility for a function under ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility);
 may involve a significant change.
  - (5) The sharing or dividing of an *FCA-prescribed senior management responsibility* or, in the case of a *PRA-authorized person*, a *PRA-prescribed senior management responsibility*, that was originally performed by one *person* between two or more *persons* may involve a significant change.

- (6) Ceasing to share an *FCA-prescribed senior management responsibility* or, in the case of a *PRA-authorised person*, a *PRA-prescribed senior management responsibility*, that was originally shared with another, or others, may involve a significant change.
- (6A) Beginning or ceasing to share responsibility for a function under ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility) may involve a significant change.
- (6B) Where an *FCA-approved SMF manager* goes on a temporary absence of longer than 12 weeks and on their return from that absence (see ■ SUP 10C.14.5CG).
- (7) A change is likely to be significant if it reflects a significant change to the job that the *person* is doing for the *firm*. Some factors relevant here include:
  - (a) the importance to the *firm* of the functions being given up or taken on;
  - (b) whether the *FCA-approved SMF manager's* seniority in the *firm's* management changes;
  - (c) whether there are changes to the identity, number or seniority of those whom the *FCA-approved SMF manager* manages; and
  - (d) whether there are changes to the skills, experience or knowledge needed by the *FCA-approved SMF manager* for the job.

**Revised statements of responsibilities: Procedure**

10C.11.7 D

- (1) A *firm* must provide a revised *statement of responsibilities* under section 62A of the Act (■ SUP 10C Annex 10D) under cover of Form J (■ SUP 10C Annex 9D).
- (2) A *firm* must not use Form J where the revisions are to be made as part of arrangements involving an application:
  - (a) for approval for the *FCA-approved SMF manager* concerned to perform another *designated senior management function* for the same *firm*; or
  - (b) to vary (under section 63ZA of the Act (Variation of senior manager's approval at request of relevant authorised person)) an approval for the *FCA-approved SMF manager* concerned to perform a *designated senior management function* for the same *firm*.
- (3) In the case of a *PRA-authorised person*, where the change to be notified to the *FCA* under section 62A of the Act is part of an arrangement under which:
  - (a) the *firm* is also required to make an application or notification about the *FCA-approved SMF manager* to the *PRA* which involves sending a *statement of responsibilities* for that *FCA-approved SMF manager* in relation to the same *firm* to the *PRA*; but
  - (b) the *firm* is not required to send any other application or notice about the *FCA-approved SMF manager* under this chapter directly to the *FCA*;

the *firm* must provide the revised *statement of responsibilities* to the FCA by including it with the application or notice to the PRA.

**10C.11.8** G Broadly, the intention of ■ SUP 10C.11.7D(2) is that there is no need for Form J if the revised *statement of responsibilities* is being submitted together with Form A, Form E, the MiFID Article 4 SMR Information Form or Form I for the same *firm*.

**10C.11.9** G

- (1) ■ SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how revised *statements of responsibilities* should be submitted.
- (2) See the table in ■ SUP 10C.11.19G for examples of how the requirements of this section about submitting revised *statements of responsibilities* apply in different situations.
- (3) In particular, the table in ■ SUP 10C.11.19G gives examples of how ■ SUP 10C.11.7D(2) and (3) work.

#### Variation of approval

**10C.11.10** D An application by a *firm* to the FCA for the variation of an existing approval under section 63ZA of the Act (Variation of a senior manager's approval at request of authorised person) must be accompanied by a *statement of responsibilities*.

**10C.11.11** G

- (1) See ■ SUP 10C.13 (Variation of conditional and time-limited approvals) for more details about applications to vary an approval.
- (2) ■ SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how applications to vary an approval should be submitted.
- (3) See the table in ■ SUP 10C.11.19G for examples of how the requirements of this section about submitting *statements of responsibilities* with applications to vary an approval apply in different situations.

#### Ceasing to carry on some functions

**10C.11.12** R

- (1) If:
  - (a) an FCA-approved SMF manager ceases to perform a *designated senior management function* for a *firm*; but
  - (b) continues to perform an FCA-designated *senior management function* for that *firm*;

the *firm* must (under Form J) submit a *statement of responsibilities* for the remaining FCA-designated *senior management functions* complying with the requirements of this section (including ■ SUP 10C.11.13D).
- (2) Where the matter to be notified to the FCA under (1) is part of an arrangement under which:

- (a) the *firm* is also required to make an application or notification about the *FCA-approved SMF manager* to the *PRA* that involves sending a *statement of responsibilities* for that *FCA-approved SMF manager* in relation to the same *firm* to the *PRA*; but
- (b) the *firm* is not required to give any other notice or make any application about the *FCA-approved SMF manager* under this chapter directly to the *FCA*;

the *firm* must provide the revised *statement of responsibilities* to the *FCA* by including it with the application or notice to the *PRA*.

### One document for each SMF manager for each firm

10C.11.13 D

- (1) A *firm* must prepare *statements of responsibilities* (including revised ones) for one of its *FCA-approved SMF managers* as a single document covering every *designated senior management function* for which:
  - (a) that *FCA-approved SMF manager* has approval; or
  - (b) for which an application for approval is being made; for that *firm*.
- (2) The statement must be up to date for each *designated senior management function*.

10C.11.14 G

- (1) ■ SUP 10C.11.13D means that, at any time, a *firm* should have a single document for an *FCA-approved SMF manager* that:
  - (a) contains *statements of responsibilities* for all *designated senior management functions* for which that *SMF manager* has approval; and
  - (b) where relevant, contains *statements of responsibilities* for all *designated senior management functions* for which the *firm* is applying for approval.
- (2) (In the case of a *PRA-authorised person*), the document in (1) should cover *PRA-designated senior management functions* as well as *FCA-designated senior management functions*.
- (3) The document should be updated:
  - (a) under section 62A of the *Act* (see ■ SUP 10C.11.5G); and
  - (b) whenever the *firm* has to submit *statements of responsibilities* under this section.
- (4) The *FCA* and the *PRA* have coordinated their arrangements so that a *PRA-authorised person* can prepare a single document that will meet the requirements of both regulators about *statements of responsibilities*.
- (5) The table in ■ SUP 10C.11.19G gives examples of how these requirements work.

10C.11.15 G

If a *person* is an *SMF manager* for several *firms* in a group that are *SMCR firms*, there should be a separate document for each *firm*.

**10C.11.16** G There should be a separate document for each *SMF manager* in a *firm*. A *firm* should not combine *statements of responsibilities* for several *SMF managers*.

**10C.11.17** G The requirement for a single document does not prevent the document having an attachment sheet for additional information where ■ SUP 10C Annex 10D (the *FCA's template for statements of responsibilities*) allows this.

**Submitting statements of responsibilities: examples of how the requirements work**

**10C.11.18** G The table in ■ SUP 10C.11.19G gives examples of how the requirements in this section for submitting *statements of responsibilities* (combined, in the case of a *PRA-authorised person*, with the corresponding *PRA* requirements) work in different cases.

**10C.11.19** G Table: Examples of how the requirements for submitting statements of responsibilities work

Example	Comments
(1) A <i>firm</i> applies for approval for A to perform the <i>executive director function</i> and the <i>money laundering reporting function</i> .	There should be a single <i>statement of responsibilities</i> document that covers the two functions.  The combined document should be included with the application for approval.
(2) Firm X applies for approval for A to perform the <i>executive director function</i> . Firm Y applies for approval for A to perform the <i>money laundering reporting function</i> . Both <i>firms</i> are <i>SMCR firms</i> .	There should be separate <i>statements of responsibilities</i> for each <i>firm</i> .  This is the case even if Firm X and Firm Y are in the same group.
(3) A <i>firm</i> applies for approval for A to perform an <i>FCA-designated senior management function</i> and a <i>PRA-designated senior management function</i> .  The arrangements in SUP 10C.9 for <i>FCA</i> functions to be absorbed into <i>PRA</i> ones do not apply and so there are separate applications to the <i>FCA</i> and <i>PRA</i> .  The <i>firm</i> is a <i>PRA-authorised person</i> .	The single <i>statement of responsibilities</i> document should cover both the <i>FCA</i> and the <i>PRA</i> functions.
(4) A has approval to perform the <i>executive director function</i> . Later, A is to be appointed to perform the <i>money laundering reporting function</i> for the same <i>firm</i> . This will also result in substantial changes to A's duties as an executive director.	The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.  The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to perform the <i>money laundering reporting function</i> .  The single <i>statement of responsibilities</i> document should cover both

Example	Comments
<p>(5) A has approval to perform the <i>executive director function</i>. Later, A is to be appointed to perform the <i>PRA's chief risk officer designated senior management function</i> for the same <i>firm</i>. This will also result in substantial changes to A's duties as an executive director.</p> <p>The <i>firm</i> is a <i>PRA-authorised person</i>.</p>	<p>functions. The part relating to A's duties as an executive director should be updated.</p> <p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to perform the <i>PRA</i> function.</p> <p>The <i>firm</i> should not submit the revised single <i>statement of responsibilities</i> document separately to the <i>FCA</i>. Instead, it should include it as part of the application to the <i>PRA</i>.</p> <p>The single <i>statement of responsibilities</i> document should cover both the <i>FCA</i> and the <i>PRA</i> functions. The part relating to A's duties as an executive director should be updated.</p>
<p>(6) A has approval to perform the <i>money laundering reporting function</i>. The approval to perform the <i>money laundering reporting function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition.</p>	<p>The <i>firm</i> should include a revised <i>statement of responsibilities</i> with the application.</p> <p>The <i>firm</i> should not use Form J. It should submit a revised <i>statement of responsibilities</i> along with the application to vary the approval.</p>
<p>(7) A has approval to perform the <i>executive director function</i> and the <i>money laundering reporting function</i> for the same <i>firm</i>. The approval to perform the <i>money laundering reporting function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A's job as an executive director.</p>	<p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to vary the approval for the <i>money laundering reporting function</i>.</p> <p>The single <i>statement of responsibilities</i> document should be updated and should cover both functions.</p>
<p>(8) A has approval to perform the <i>executive director function</i> and the <i>PRA's chief risk officer designated senior management function</i> for the same <i>firm</i>. The arrangements in SUP 10C.9 for <i>FCA</i> functions to be absorbed into <i>PRA</i> ones do not apply and so there are separate <i>FCA</i> and <i>PRA</i> approvals.</p> <p>The approval to perform the <i>PRA's chief risk officer designated senior management function</i> is subject to a condition. The <i>firm</i> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A's job as an executive director.</p>	<p>The <i>firm</i> should not use Form J to notify the changes to A's duties as an executive director.</p> <p>The <i>firm</i> should submit a revised single <i>statement of responsibilities</i> document along with the application to vary the <i>PRA</i> function.</p> <p>The <i>firm</i> should not submit the revised document separately to the <i>FCA</i>. Instead it should include it as part of the application to the <i>PRA</i>.</p> <p>The single <i>statement of responsibilities</i> document should cover both the <i>FCA</i> and the <i>PRA</i> functions and should be updated.</p>



Example	Comments
<p>The <i>firm</i> is a <i>PRA-authorised person</i>.</p> <p>(9) A has approval to perform the <i>executive director function</i> and the <i>money laundering reporting function</i> for the same <i>firm</i>.</p> <p>Sometime later, A is to give up the <i>money laundering reporting function</i> and take up the <i>PRA's chief risk officer designated senior management function</i>. This will involve major changes to A's role as executive director.</p>	<p>The answer to example (5) applies.</p> <p>The application to the <i>PRA</i> to perform the <i>PRA</i> function should be accompanied by a single document that:</p> <p>(1) contains the <i>statement of responsibilities</i> for the new function;</p> <p>(2) contains the revised <i>statement of responsibilities</i> for the <i>executive director function</i>; and</p>
<p>The <i>firm</i> is a <i>PRA-authorised person</i>.</p> <p>(10) A <i>firm</i> has approval for A to perform the <i>executive director function</i> and the <i>money laundering reporting function</i>.</p> <p>A then ceases to perform the <i>money laundering reporting function</i> but continues to perform the <i>executive director function</i>.</p>	<p>(3) reflects the fact that A is no longer performing the <i>money laundering reporting function</i>.</p> <p>The <i>firm</i> must submit:</p> <p>(a) Form C for the <i>money laundering reporting function</i>;</p> <p>(b) Form J; and</p> <p>(c) a single updated <i>statement of responsibilities</i> document that covers the <i>executive director function</i> and reflects the fact that A is no longer performing the <i>money laundering reporting function</i>.</p>
<p>(11) A has approval to perform the <i>executive director function</i> and the <i>PRA's chief risk officer designated senior management function</i> for the same <i>firm</i>. Later, A gives up his role as chief risk officer.</p> <p>The <i>firm</i> is a <i>PRA-authorised person</i>.</p>	<p>The <i>firm</i> must submit:</p> <p>(a) Form C for the <i>PRA</i> function;</p> <p>(b) Form J; and</p> <p>(c) a single updated <i>statement of responsibilities</i> document that covers the <i>executive director function</i>.</p> <p>The <i>firm</i> should not submit the revised single <i>statement of responsibilities</i> document separately to the <i>FCA</i>. Instead, it should include it as part of the notification to the <i>PRA</i>.</p>
<p>(12) A has approval to perform the <i>executive director function</i>. Later, A is to be appointed to perform the <i>money laundering reporting function</i> for the same <i>firm</i>.</p> <p>The application is rejected.</p>	<p>The single <i>statement of responsibilities</i> document submitted as part of the application will no longer be correct as it reflects the proposed new approval.</p> <p>If the only changes to the single document in the version sent with the application are ones clearly and exclusively tied to the new function, the <i>firm</i> will not need to amend the document as the changes will automatically fall away.</p> <p>In any other case (for instance if the application is approved conditionally), it is likely that the <i>firm</i> will need to update it using Form J.</p>

Example	Comments
<p>(13) A has approval to perform the <i>money laundering reporting function</i>. Later, A is to be appointed as an executive director for the same <i>firm</i>.</p> <p>This will not result in any significant changes to A's duties in the <i>money laundering reporting function</i>. However, there have been some insignificant changes to A's role in the <i>money laundering reporting function</i> since the <i>firm</i> submitted the most recent <i>single statement of responsibilities</i> document. The changes are not connected to A's appointment as executive director.</p>	<p>In any case, the <i>FCA</i> may contact the <i>firm</i> to agree a revised <i>single statement of responsibilities</i> document.</p> <p>The answer for example (4) applies.</p> <p>The <i>single statement of responsibilities</i> document should be updated to cover the changes to A's duties in the money laundering role as well as covering A's appointment to perform the <i>executive director function</i>. It does not matter that the changes to A's money laundering role are not significant.</p>
<p>(14) A has approval to perform the <i>executive director function</i>. Later, A's business unit grows in size and so the <i>firm</i> needs to apply for A to be approved to perform the <i>PRA's</i> Head of Key Business Area <i>designated senior management function</i>. However, A's responsibilities do not change.</p> <p>The <i>firm</i> is a <i>PRA-authorised person</i>.</p>	<p>The <i>firm</i> should submit a revised <i>single statement of responsibilities</i> document along with the application to perform the <i>PRA</i> function.</p> <p>The <i>firm</i> should submit a <i>single statement of responsibilities</i> document that covers both the <i>FCA</i> and the <i>PRA</i> functions.</p> <p>It should not submit the revised <i>single statement of responsibilities</i> document separately to the <i>FCA</i>. Instead, it should include it as part of the application to the <i>PRA</i>.</p>
<p>(15) Firm X has a <i>branch</i> in the <i>United Kingdom</i>. Firm Y is a <i>UK authorised subsidiary</i> of firm X.</p> <p>Firm X is an <i>overseas SMCR firm</i> that is not an <i>EEA SMCR firm</i> and firm Y is a <i>UK SMCR firm</i>.</p> <p>Both <i>firms</i> apply for approval for the same individual (P) to perform the <i>executive director function</i>.</p>	<p>There should be separate <i>statement of responsibilities</i> for P for each <i>firm</i>.</p>
<p>(16) An <i>FCA-approved SMF manager</i> goes on or returns from a temporary absence of longer than 12 weeks.</p>	<p>The <i>firm</i> must submit:</p> <ul style="list-style-type: none"> <li>(a) Form D (SUP 10C Annex 6R);</li> <li>(b) Form J (SUP 10C Annex 9D); and</li> <li>(c) an updated <i>statement of responsibilities</i> document (SUP 10C Annex 10D).</li> </ul>
<p>Note: The <i>single statement of responsibilities</i> document means the single document described in SUP 10C.11.13D.</p>	

**Need for a complete set of current statements of responsibilities**

10C.11.20 **R** A firm must, at all times, have a complete set of current *statement of responsibilities* for all its *SMF managers*.

- 10C.11.21 **G**
- (1) A complete set of current *statement of responsibilities* means all *statements of responsibilities* that the *firm* has provided to the *FCA* or (in the case of a *PRA-authorized person*), *PRA* as revised under section 62A of the *Act* and this chapter.
  - (2) A *statement of responsibilities* is not current if the *person* in question no longer performs any of the *controlled functions* to which it relates.

**Past versions**

- 10C.11.22 **G**
- (1) A *firm* should consider past versions of its *statements of responsibilities* as an important part of its records and as an important resource for the *FCA* in supervising the *firm*.
  - (2) Past versions of a *firm's statements of responsibilities* form part of its records under the *regulatory system*.

- 10C.11.22A **R**
- (1) This *rule* applies to an *SMCR firm* that is a *Solvency II firm* (including a *large non-directive insurer*).
  - (2) A *firm* must retain each version of a *statement of responsibilities* for:
    - (a) (in the case of a *large non-directive insurer*) six years; or
    - (b) (in any other case) ten years;from the date on which it was superseded by a more up-to-date version.
  - (3) A *firm* must be in a position to provide each version to the *FCA* on request for as long as the *firm* is required to retain it.

**What statements of responsibilities should contain: General**

- 10C.11.23 **G** A *statement of responsibilities* should:
- (1) show clearly how the responsibilities that the *SMF manager* performs as part of their *FCA-designated senior management function* fit in with the *firm's* overall governance and management arrangements;
  - (1A) be consistent with the *statement of responsibilities* for the *firm's* other *SMF managers*; and
  - (2) be consistent with the *firm's management responsibilities map* (if the *firm* is required to have one).

(See **SYSC 25.4.1G** and **SYSC 25.4.2G** for more about this.)

10C.11.24 **G**

- (1) A *statement of responsibilities* (including its attachment sheet for additional information) should:
  - (a) be complete by itself;
  - (b) not refer to documents not forming part of it; and
  - (c) only contain material about the matters that this chapter, the corresponding *PRA* requirements (in the case of a *PRA-authorised person*), and the *Act* say should be included in it.
- (2) For example, if it is necessary to include relevant material from the *firm's* report and accounts, the *statement of responsibilities* should not attach the whole of the report and accounts or cross refer to them. Instead it should include a summary of the relevant part only.

10C.11.25 **G**

A *statement of responsibilities* should be:

- (1) practical and useable by the *FCA*;
- (2) without unnecessary detail; and
- (3) succinct and clear.

10C.11.26 **G**

- (1) *SYSC* or another part of the *regulatory system* will generally impose requirements (referred to as 'prescribed requirements' in this paragraph) that relate to a particular post or set of responsibilities.
- (2) For instance, these include:
  - (a) the responsibilities that go with the *FCA required functions*; and
  - (b) the *FCA-prescribed senior management responsibilities* and (in the case of a *PRA-authorised person*) the *PRA-prescribed senior management responsibilities*.
- (3) The allocation of responsibilities under a *statement of responsibilities* should not reduce or alter the scope of any applicable prescribed requirements.
- (4) If:
  - (a) the responsibilities that the *SMF manager* carries out as described in the *statement of responsibilities* go beyond the prescribed requirements; or
  - (b) the *firm* includes additional information about any prescribed requirements;the additional responsibilities or additional information should not:
  - (c) reduce or alter the scope of the prescribed requirements; or
  - (d) dilute or undermine the prescribed requirements.

10C.11.27 **G**

An example of the requirement that a *firm's statements of responsibilities* for its *SMF managers* should be consistent (see ■ SUP 10C.11.23G) is that they should together demonstrate that there are no gaps in the allocation of responsibilities among the *firm's SMF managers*.

10C.11.28 **G**

- (2) A firm's statements of responsibilities should be interpreted, where possible, so as to avoid any gaps in the allocation of responsibility for its activities among its *SMF managers*.
  - (3) Paragraphs (1) and (2) apply to a firm to which ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies.
- (1) A statement of responsibilities of an *SMF manager* should include details about any:
    - (a) FCA-prescribed senior management responsibilities and (in the case of a PRA-authorised person) PRA-prescribed senior management responsibilities allocated to the *SMF manager*;
    - (b) (in the case of a PRA-authorised person) functions that are included in a PRA controlled function under the arrangements described in ■ SUP 10C.9 (Minimising overlap with the PRA approved persons regime);
    - (c) responsibility for a function allocated to the *SMF manager* under ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility) if that chapter applies to the firm; and
    - (d) responsibilities allocated under ■ MIPRU 2.2 (Responsibility for insurance distribution activity or MCD credit intermediation activity).
  - (2) Paragraph (1)(c) applies even if the responsibility is excluded from the other overall responsibility function under ■ SUP 10C.7.1R(2) (exclusion for approved person with approval to perform other controlled functions) or from the other local responsibility function under ■ SUP 10C.8.1R(2) (exclusion for approved person with approval to perform other controlled functions).

10C.11.29 **G**

- (1) The definition of every FCA-designated senior management function contains a responsibility which is inherent, inseparable from and intrinsically built into the specific role.
- (2) In many ways, this inherent responsibility is the most important responsibility of any given *SMF manager*, as it provides a rationale as to why that specific function is subject to pre-approval by the FCA in the first place.
- (3) Even where an *SMF manager* has not been allocated any other responsibilities by the firm, the responsibility inherent in the definition of their FCA-designated senior management function means that they will be accountable for that aspect of the firm's activities.
- (4) For instance, even if a person approved to perform the compliance oversight function has no other responsibilities allocated to them, they will be accountable for the Handbook requirements for the compliance oversight function.

10C.11.30 **G**

- (1) The *FCA* may request a *firm* to include specific responsibility for a regulatory outcome in the *statement of responsibilities* of the relevant *SMF managers*.
- (2) For example, where the *FCA* asks a *firm* to take remediation action following an internal or supervisory review or a report under section 166 of the *Act* (Reports by skilled persons) and considers it appropriate for an *SMF manager* to take responsibility for that action, it may ask the *firm* to add an additional, customised, explicit responsibility to the relevant *SMF manager's statement of responsibilities*.

### What statements of responsibilities should contain: dividing and splitting responsibilities

10C.11.31 **G**

- (1) Where a responsibility or function is shared or divided between an *SMF manager* and others, the *statements of responsibilities* for each *SMF manager* concerned should make this clear.
- (2) Where a responsibility or function is divided between an *SMF manager* and others, the *statements of responsibilities* for each *SMF manager* concerned should make it clear for what part of which responsibility or function that *SMF manager* has responsibility.
- (3) Together, the *statements of responsibilities* should show which responsibility or function is shared or divided between which *SMF managers* and, if applicable, between which *SMF managers* and other persons. It should be clear which responsibility or function and which *SMF managers* or other persons are involved.

10C.11.32 **G**

- (1) Where:
  - (a) an *FCA-prescribed senior management responsibility* is divided or shared between several *SMF managers*; or
  - (b) any function allocated under **SYSC 26** (Senior managers and certification regime: Overall and local responsibility) is shared between several *SMF managers* (if that chapter applies to the *firm*);the *statement of responsibilities* for each *SMF manager* should:
  - (c) explain why this has been done; and
  - (d) give full details of the arrangements, including the names of the other persons and their *FCA/PRA* Individual Reference Numbers (IRN) (if known).
- (2) Where a responsibility or function is shared between several *SMF managers*, this should be recorded in the same way in the *statements of responsibilities* of each of them. This should also be consistent with the *firm's management responsibilities map*.

10C.11.33 **G**

- (1) Where two or more *SMF managers* share a responsibility, each will be individually responsible for everything included in that responsibility, including anything inherent in that responsibility (see **SUP 10C.11.29G** for inherent responsibilities).

- (2) Where:
  - (a) a responsibility is divided between several *SMF managers*; but
  - (b) some part of the responsibility has not clearly been allocated to any of them;
 it should be assumed that that part is the joint responsibility of all of them.

**What statements of responsibilities should contain: Non-executive directors**

10C.11.34 **G** In general, the *FCA* expects the *statement of responsibilities* of a *non-executive director* who is an *SMF manager* to be less extensive than those of an executive *SMF manager*.

10C.11.35 **G** The *FCA* does not require any of the general duties of a *non-executive director* described in section 2 of ■ COCON 1 Annex 1 (The general role of a NED) to be included in the *non-executive director's statement of responsibilities*.