

Chapter 10C

FCA senior managers regime
for approved persons in
SMCR firms



10C.8A EEA branch senior manager function (SMF21)

10C.8A.1 **R** This section applies to an *EEA SMCR firm*.

- 10C.8A.2 **R**
- (1) A *person* performs the *EEA branch senior manager function* in relation to the *branch* in the *United Kingdom* of an *EEA SMCR firm* if that *person* has significant responsibility for one or more significant business units of the *branch* that carry on any of the activities listed in (2).
 - (2) The activities listed in this paragraph are:
 - (a) *designated investment business* other than *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order*;
 - (b) processing confirmations, payments, settlements, insurance claims, client money and similar matters, in so far as this relates to *designated investment business*;
 - (c) the activity of *accepting deposits* from *banking customers* and activities substantially connected to that activity to the extent that it does not fall within (a) or (b), above; and
 - (d) activities that are subject to CASS.
 - (3) In considering whether a *person* performs the functions in (2), only activities carried on from the *branch* are relevant.
 - (4) Paragraph (2)(d) only applies in relation to the activities of a *firm* for which it has a *top-up permission*.

- 10C.8A.3 **G**
- (1) The definition of the *EEA branch senior manager function* (SMF21) is similar to that of the significant management *FCA certification function* under **SYSC 27.8.4R**. However, only the former is an *FCA-designated senior management function*.
 - (2) The main differences are:
 - (a) **SUP 10C.8A.2R(2)** is not included in the significant management *FCA certification function*; and
 - (b) the overriding requirements in **SUP 10C.3** (General material about the definition of controlled functions) do not apply to the significant management *FCA certification function*.

10C.8A.4 **G** A person performing the *EEA branch senior manager function* could, for example, be:

- (1) the head of a significant business unit carrying on the activities in **■ SUP 10C.8A.2R(2)**; or
- (2) a member of a committee (that is, a person who, together with others, has authority to commit the *branch*) making decisions about those activities.

EEA branch senior manager function (SMF21): Meaning of “significance”
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10C.8A.5 **G** When considering whether a business unit is significant for the purposes of **■ SUP 10C.8A.2R**, the *firm* should take into account all relevant factors in the light of the *firm’s* current circumstances and its plans for the future, including:

- (1) the risk profile of that unit;
- (2) its use or commitment of the *firm’s* capital;
- (3) its contribution to the profit and loss account;
- (4) the number of *employees* or *approved persons* working in the business unit;
- (5) the number of customers; and
- (6) any other factor which makes the unit significant to the conduct of the *branch’s* affairs.