

Chapter 11

Controllers and close links



11.9 Changes in close links

Requirement to notify changes in close links

- 11.9.1 R
 - (1) [deleted]
 - (2) [deleted]

- 11.9.1A R
 - (1) A *firm* must notify the FCA that it has become or ceased to be *closely linked* with any *person* and ensure the following:
 - (a) where a *firm* has elected to report changes in *close links* on a *monthly* basis under ■ SUP 11.9.5A R, the notification must be made in line with ■ SUP 11.9.3BA R; and
 - (b) in any other case, the notification must be made by completing the Close Links Notification Form (see ■ SUP 11.9.3B G) and must include the information in ■ SUP 11.9.3D G.
 - (2) If a *group* includes more than one *firm*, a single close links notification may be made by completing the Close Links Notification Form or the Close Links Monthly Report (as applicable) and so satisfy the notification requirement for all *firms* in the *group*. Nevertheless, the requirement to notify, and the responsibility for notifying, remains with each *firm* in the *group*.

- 11.9.1B R

- 11.9.2 G *Guidance on what constitutes a close link* is provided in ■ COND 2.3.

- 11.9.2A G A *firm* may elect not to include the following *close links* in the notification submitted under ■ SUP 11.9.1A R, ■ SUP 11.9.1B R, ■ SUP 11.9.5A R, ■ SUP 11.9.5B R or ■ SUP 16.5:
 - (1) *shares* held in its capacity as custodian provided it can only exercise any voting rights attached to such *shares* under instructions given in writing or by *electronic means*;
 - (2) *shares* held in its capacity as collateral taker under a collateral transaction which involves the outright transfer of *securities* provided it does not declare any intention of exercising (and does not exercise) the voting rights attaching to such *shares*.

- 11.9.3 **G** [deleted]
- 11.9.3-A **G** The *FCA* may ask the *firm* for additional information following a notification under ■ SUP 11.9.1A R in order to satisfy itself that the *firm* continues to satisfy the *threshold conditions* (see ■ SUP 2: Information gathering by the *FCA* and *PRA* on their own initiative).
- 11.9.3-B **G**
- Form of notification and method of submission**
- 11.9.3A **G** [deleted]
- 11.9.3B **G** The Close Links Notification Form approved by the *FCA* for notifications under ■ SUP 11.9.1A R, ■ SUP 11.9.5A R may be found at the *FCA* website. The Close Links Notification Form approved by the *FCA* for notifications under ■ SUP 11.9.1AR (1)(b) may be found at the *FCA* website.
- 11.9.3BA **R** The notification under ■ SUP 11.9.1AR (1)(a) must be made electronically by completing the Close Links Monthly Report and submitting it through the relevant platform provided by the *FCA*.
- 11.9.3BB **R** The Close Links Monthly Report must contain the information specified in ■ SUP 16 Annex 35AR.
- 11.9.3C **G**
- 11.9.3CA **R**
- 11.9.3CB **R**
- 11.9.3D **G**
- (1) The notification in ■ SUP 11.9.1AR (1)(b) and ■ SUP 11.9.1BR (1)(b) should contain a list of all *persons* with whom the *firm* is aware that it has *close links*, at the time the notification is made, and, for each such person, state:
 - (a) its name;
 - (b) the nature of the *close links*;
 - (c) if the *close links* are with a *body corporate*, its country of incorporation, address and registered number; and
 - (d) if the *close links* are with an individual, their date and place of birth.
 - (2) The *firm* must also submit a *group* organisation chart.

Timing of notification requirement

11.9.4 **R** [deleted]

11.9.4A **R** The *firm* must make a notification to the *FCA* under ■ SUP 11.9.1A R:

- (1) as soon as reasonably practicable and no later than one *month* after it becomes aware that it has become or ceased to be closely linked with any *person*; or
- (2) where a *firm* has elected to report on a *monthly* basis, within fifteen *business days* of the end of each *month* by completing the Close Links Monthly Report for that *month* and must submit the *group* organisation chart on a quarterly basis unless there have been no changes since the submission of the previous organisation chart to the *FCA*, in which case the *group* organisation chart is not required.

11.9.4B **R**

Electing to notify changes in close links monthly

11.9.5 **R** (1) [deleted]

(2) [deleted]

11.9.5A **R** (1) A *firm* elects to report changes in *close links* on a *monthly* basis by sending a written notice of election to the *firm's* usual supervisory contact at the *FCA*.

(2) An election to report changes in *close links* on a *monthly* basis will stand until such time as the *firm* gives its usual supervisory contact at the *FCA* at least one *month's* written notice of its intention to cease reporting changes in *close links* on a *monthly* basis.

11.9.5B **R**

11.9.6 **G** [deleted]

11.9.6A **G** The *FCA* considers that *monthly* reporting of changes in *close links* will ordinarily only be appropriate for *firms* forming part of large *groups*.

11.9.6B **G**