

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 <i>FCA</i> may ask the <i>firm</i> for additional information following a notification under ■ SUP 11.9.1A R in order to satisfy itself that the <i>firm</i> continues to satisfy the <i>threshold conditions</i> (see ■ SUP 2: Information gathering by the <i>FCA</i> and <i>PRA</i> 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 <i>FCA</i> for notifications under ■ SUP 11.9.1A R, ■ SUP 11.9.5A R may be found at the <i>FCA</i> website. The Close Links Notification Form approved by the <i>FCA</i> for notifications under ■ SUP 11.9.1AR (1)(b) may be found at the <i>FCA</i> 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 <i>FCA</i> .
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	<p>(1) The notification in ■ SUP 11.9.1AR (1)(b) and ■ SUP 11.9.1BR (1)(b) should contain a list of all <i>persons</i> with whom the <i>firm</i> is aware that it has <i>close links</i>, at the time the notification is made, and, for each such person, state:</p> <ul style="list-style-type: none"> (a) its name; (b) the nature of the <i>close links</i>; (c) if the <i>close links</i> are with a <i>body corporate</i>, its country of incorporation, address and registered number; and (d) if the <i>close links</i> are with an individual, their date and place of birth. <p>(2) The <i>firm</i> must also submit a <i>group</i> organisation chart.</p>

		Timing of notification requirement
11.9.4	R	[deleted]
11.9.4A	R	<p>The <i>firm</i> must make a notification to the <i>FCA</i> under ■ SUP 11.9.1A R:</p> <p>(1) as soon as reasonably practicable and no later than one <i>month</i> after it becomes aware that it has become or ceased to be closely linked with any <i>person</i>; or</p> <p>(2) where a <i>firm</i> has elected to report on a <i>monthly</i> basis, within fifteen <i>business days</i> of the end of each <i>month</i> by completing the Close Links Monthly Report for that <i>month</i> and must submit the <i>group</i> organisation chart on a quarterly basis unless there have been no changes since the submission of the previous organisation chart to the <i>FCA</i>, in which case the <i>group</i> organisation chart is not required.</p>
11.9.4B	R	
		Electing to notify changes in close links monthly
11.9.5	R	<p>(1) [deleted]</p> <p>(2) [deleted]</p>
11.9.5A	R	<p>(1) A <i>firm</i> elects to report changes in <i>close links</i> on a <i>monthly</i> basis by sending a written notice of election to the <i>firm's</i> usual supervisory contact at the <i>FCA</i>.</p> <p>(2) An election to report changes in <i>close links</i> on a <i>monthly</i> basis will stand until such time as the <i>firm</i> gives its usual supervisory contact at the <i>FCA</i> at least one <i>month's</i> written notice of its intention to cease reporting changes in <i>close links</i> on a <i>monthly</i> basis.</p>
11.9.5B	R	
11.9.6	G	[deleted]
11.9.6A	G	The <i>FCA</i> considers that <i>monthly</i> reporting of changes in <i>close links</i> will ordinarily only be appropriate for <i>firms</i> forming part of large <i>groups</i> .
11.9.6B	G	