

Chapter 15

Notifications to the FCA



15.16 Notification of changes in the management body

Application

15.16.1 **R** This section applies to a *firm* that meets the following conditions:

- (1) it is:
 - (a) a *MiFID investment firm*; or
 - (b) a *MiFID optional exemption firm*;
- (2) it is an *SMCR firm*;
- (3) it is an *FCA-authorized person*; and
- (4) it is a *UK domestic firm*.

Purpose

15.16.2 **G** The purpose of this section is to:

- (1) to set out material related to the requirement in Part 1 (FCA) of the *MiFID authorisation and management body change notification ITS* for a *MiFID investment firm* to notify the *FCA* of changes to its *management body*;
- (2) apply those requirements to *MiFID optional exemption firms*; and
- (3) give *guidance* to *firms* about notifying the *FCA* of inadequacies in their *management body*.

15.16.3 **G** Article 5 of Part 1 (FCA) of the *MiFID authorisation and management body change notification ITS* says that a *MiFID investment firm* should:

- (1) notify the *FCA* of any change to the membership of its *management body*:
 - (a) before such change takes effect; or
 - (b) within 10 *business days* after the change if, for substantiated reasons, it is not possible to make the notification before that change takes effect; and
- (2) make the notification using the template in Part 1 of Annex III of the *MiFID authorisation and management body change notification ITS*.

Supplemental requirement for MiFID investment firms

15.16.4

R

Where:

- (1) a *person* becomes a member of the *management body* of a *MiFID investment firm*; and
- (2) the *firm* must notify that change to the FCA under Part 1 (FCA) of Annex III of the *MiFID authorisation and management body change notification ITS*;

the *firm* must (subject to ■ SUP 15.16.6R) complete and submit to the FCA the form titled "Notification Procedures for Changes to the Management Body for Non-SMF Directors" (■ SUP 15 Annex 14R) as part of the notification referred to in (2).

Requirement for MiFID optional exemption firms

15.16.5

R

A *MiFID optional exemption firm* must (subject to ■ SUP 15.16.6R) comply with article 5 of Part 1 (FCA) of the *MiFID authorisation and management body change notification ITS* and ■ SUP 15.16.4R as if it were a *MiFID investment firm*.

Exclusion where also performing a controlled function

15.16.6

R

■ SUP 15.16.4R and ■ SUP 15.16.5R do not apply if the *person* who has or will join or leave the *management body* of the *firm* performs a *governing function* in relation to the *firm* in their role as a member of the *management body*.

15.16.7

G

The reason for ■ SUP 15.16.6R is that the *firm* will already be required to inform the FCA of the change by making an application or giving a notice to the FCA under ■ SUP 10C (FCA senior managers regime for approved persons in SMCR firms).

Method of submission

15.16.8

R

- (1) A *firm* must make a notification:
 - (a) under ■ SUP 15.16.4R or ■ SUP 15.16.5R; or
 - (b) of a change in its *management body* under the template in Part 1 (FCA) of Annex III of the *MiFID authorisation and management body change notification ITS*;
by submitting the notification online at fca.org.uk using the FCA's and PRA's *online notification and application system*.
- (2) A *firm* must use the version of the notification form made available for these purposes on the electronic system referred to in (1), which is based on the version found:
 - (a) in ■ SUP 15 Annex 14R (in the case of the Notification Procedures for Changes to the Management Body for Non-SMF Directors form); or
 - (b) at <https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx> (in the case of the form in Annex III

of the *MiFID* authorisation and management body change notification ITS).

- 15.16.9** **R** (1) If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, a *firm* must make a notification referred to in **■ SUP 15.16.8R(1)(a)** or (b) in the way set out in **■ SUP 15.7.4R** to **■ SUP 15.7.9G** (Form and method of notification) until such time as facilities for online submission are restored.
- (2) When this *rule* applies, a *firm* must use the version of the notification form set out in the places listed in **■ SUP 15.16.8R(2)**.

15.16.10 **G** If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, the *FCA* will endeavour to publish a notice on its website confirming that:

- (1) online submission is unavailable; and
- (2) the alternative methods of submission in **■ SUP 15.16.9R** apply.

15.16.11 **G** Where **■ SUP 15.16.9R** applies to a *firm*, **■ GEN 1.3.2R** (Emergency) does not apply.

Notification of inadequacies in the management body.....

- 15.16.12** **G** A *firm* should notify the *FCA* under *Principle 11*, **■ SUP 10C** (in the case of a notification about an *SMF manager*) and **■ SUP 15.3** (General notification requirements):
- (1) if the *firm* concludes that a member of its *management body* is not suitable individually;
 - (2) if the *firm* concludes that its *management body* is not suitable collectively;
 - (3) of what measures the *firm* proposes to take or has taken in relation to the matters in (1) or (2).