

## 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-authorised 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*.

	<b>Supplemental requirement for MiFID investment firms</b>
<p>15.16.4</p> <p><b>R</b></p>	<p>Where:</p> <ul style="list-style-type: none"> <li>(1) a <i>person</i> becomes a member of the <i>management body</i> of a <i>MiFID investment firm</i>; and</li> <li>(2) the <i>firm</i> must notify that change to the FCA under Part 1 (FCA) of Annex III of the <i>MiFID authorisation and management body change notification ITS</i>;</li> </ul> <p>the <i>firm</i> 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).</p>
<p>15.16.5</p> <p><b>R</b></p>	<b>Requirement for MiFID optional exemption firms</b> <p>A <i>MiFID optional exemption firm</i> must (subject to ■ SUP 15.16.6R) comply with article 5 of Part 1 (FCA) of the <i>MiFID authorisation and management body change notification ITS</i> and ■ SUP 15.16.4R as if it were a <i>MiFID investment firm</i>.</p>
<p>15.16.6</p> <p><b>R</b></p>	<b>Exclusion where also performing a controlled function</b> <p>■ SUP 15.16.4R and ■ SUP 15.16.5R do not apply if the <i>person</i> who has or will join or leave the <i>management body</i> of the <i>firm</i> performs a <i>governing function</i> in relation to the <i>firm</i> in their role as a member of the <i>management body</i>.</p>
<p>15.16.7</p> <p><b>G</b></p>	<p>The reason for ■ SUP 15.16.6R is that the <i>firm</i> 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).</p>
<p>15.16.8</p> <p><b>R</b></p>	<b>Method of submission</b> <ul style="list-style-type: none"> <li>(1) A <i>firm</i> must make a notification: <ul style="list-style-type: none"> <li>(a) under ■ SUP 15.16.4R or ■ SUP 15.16.5R; or</li> <li>(b) of a change in its <i>management body</i> under the template in Part 1 (FCA) of Annex III of the <i>MiFID authorisation and management body change notification ITS</i>;</li> </ul> <p>by submitting the notification online at <a href="https://www.fca.org.uk">fca.org.uk</a> using the FCA’s and PRA’s <i>online notification and application system</i>.</p> </li> <li>(2) A <i>firm</i> 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: <ul style="list-style-type: none"> <li>(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</li> <li>(b) at <a href="https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx">https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx</a> (in the case of the form in Annex III</li> </ul> </li> </ul>

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).