

Chapter 2

Senior management arrangements

2.1 Apportionment of Responsibilities

- 2.1.1

R

A *firm* must take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among its *directors* and *senior managers* in such a way that:

(1)

it is clear who has which of those responsibilities; and

(2)

the business and affairs of the *firm* can be adequately monitored and controlled by the *directors*, relevant *senior managers* and *governing body* of the *firm*.
- 2.1.1A

G

Firms should also consider the additional *guidance* on risk-centric governance arrangements for effective risk management contained in ■ SYSC 21.
- 2.1.2

G

The role undertaken by a *non-executive director* will vary from one *firm* to another. For example, the role of a *non-executive director* in a *friendly society* may be more extensive than in other *firms*. Where a *non-executive director* is an *approved person*, for example where the *firm* is a *body corporate*, his responsibility and therefore liability will be limited by the role that he undertakes.
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- 2.1.3A

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2.1.3B G [deleted]

2.1.3C R [deleted]

2.1.3D G [deleted]

2.1.4 R [deleted]

2.1.5 G [deleted]

2.1.6 G [deleted]

Insurance distribution activities
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2.1.6A R A firm carrying on *insurance distribution activities* must allocate to a *senior manager* the function of ensuring the proper implementation of the policies and procedures approved in accordance with ■ SYSC 3.1.11R.
[Note: second paragraph of article 10(8) of the *IDD*]

2.2 Recording the apportionment

2.2.1	R	<div><div>(1) A <i>firm</i> must make a record of the arrangements it has made to satisfy ■ SYSC 2.1.1 R (apportionment) and take reasonable care to keep this up to date.</div><div>(2) This record must be retained for six years from the date on which it was superseded by a more up-to-date record.</div></div>
2.2.1A	R	■ SYSC 2.2.1R does not apply to a <i>firm</i> to whom <i>PRA</i> Rulebook: Solvency II firms: Insurance – Allocation of Responsibilities, 5.1 and 5.2 or <i>PRA</i> Rulebook: Large Non-Solvency II firms – Allocation of Responsibilities, 5.1 and 5.2, applies nor to a <i>large non-directive insurer</i> .
2.2.2	G	<div><div>(1) A <i>firm</i> will be able to comply with ■ SYSC 2.2.1 R by means of records which it keeps for its own purposes provided these records satisfy the requirements of ■ SYSC 2.2.1 R and provided the <i>firm</i> takes reasonable care to keep them up to date. Appropriate records might, for this purpose, include organisational charts and diagrams, project management <i>documents</i>, job descriptions, committee constitutions and terms of reference provided they show a clear description of the <i>firm's</i> major functions.</div><div>(2) <i>Firms</i> should record any material change to the arrangements described in ■ SYSC 2.2.1 R as soon as reasonably practicable after that change has been made.</div></div>
2.2.3	G	Where responsibilities have been allocated to more than one individual, the <i>firm's</i> record should show clearly how those responsibilities are shared or divided between the individuals concerned.
2.2.4	R	[deleted]
2.2.5	G	[deleted]
2.2.6	R	[deleted]
2.2.7	G	