

Senior managers and certification regime: Allocation of prescribed responsibilities

Chapter 24

Senior managers and
certification regime:
Allocation of prescribed
responsibilities



24.1 Application

Main application rules

- 24.1.1** **R** This chapter applies to an *SMCR firm*, except to the extent that this chapter applies a narrower scope to a particular provision. However, this chapter does not apply to:
- (1) an *EEA SMCR firm*; or
 - (2) a *limited scope SMCR firm*.

- 24.1.2** **R** This chapter is not limited to *regulated activities* or other specific types of activities.

Territorial scope

- 24.1.3** **R** There is no territorial limitation on the application of this chapter, subject to ■ SYSC 24.1.4R.
- 24.1.4** **R** When this chapter applies to an *overseas SMCR firm*, it applies in relation to the activities of the *firm's branch* in the *United Kingdom*.



24.2 Allocation of FCA-prescribed senior management responsibilities: Main allocation rules

Allocation of FCA-prescribed senior management responsibilities

24.2.1 **R** *A firm must allocate each of the FCA-prescribed senior management responsibilities in the table in ■ SYSC 24.2.6R that apply to it to one or more SMF managers of the firm.*

24.2.2 **G** (1) Subject to (2), ■ SYSC 24 Annex 1 (Which prescribed responsibilities apply to which kind of firm) sets out which *FCA-prescribed senior management responsibilities* apply to which kind of *SMCR firm*.
(2) In some cases, an *FCA-prescribed senior management responsibility* is subject to further restrictions on the types of *firm* and circumstances to which it applies, as set out in the table in ■ SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities).

24.2.3 **R** (1) A *firm* may not allocate an *FCA-prescribed senior management responsibility* to an *SMF manager* who is only approved to perform the *other overall responsibility function* or the *other local responsibility function* for that firm, subject to (2).
(2) A *firm* may allocate *FCA-prescribed senior management responsibility* (z) in the table in ■ SYSC 24.2.6R (functions in relation to CASS) to an *SMF manager* who is only approved to perform the *other overall responsibility function* or the *other local responsibility function*.

24.2.4 **R** *A firm must make the allocations of FCA-prescribed senior management responsibilities in this chapter in such a way that it is clear who has which of those responsibilities.*

What the FCA-prescribed senior management responsibilities are

24.2.5 **R** *The FCA-prescribed senior management responsibilities are set out in the table in ■ SYSC 24.2.6R.*

24.2.6

R

Table: FCA-prescribed senior management responsibilities

FCA-prescribed senior management responsibility	Explanation	Reference letter
(1) Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	<p>The senior managers regime means the requirements of the <i>regulatory system</i> applying to <i>SMCR firms</i> insofar as they relate to <i>SMF managers</i> performing <i>designated senior management functions</i>, including SUP 10C (FCA senior managers regime for approved persons).</p> <p>This responsibility includes:</p> <ul style="list-style-type: none"> (1) compliance with conditions and time limits on approval; (2) compliance with the requirements about the <i>statements of responsibilities</i> (but not the allocation of responsibilities recorded in them); (3) compliance by the <i>firm</i> with its obligations under section 60A of the Act (Vetting of candidates by authorised persons); and (4) compliance by the <i>firm</i> with the requirements in SYSC 22 (Regulatory references) (and the corresponding <i>PRA</i> requirements) so far as they relate to the senior managers regime, including the giving of references to another <i>firm</i> about an <i>SMF manager</i> or former <i>SMF manager</i>. 	(a)
(2) Responsibility for the <i>firm's</i> performance of its obligations under the certification regime	<p>The certification regime means the requirements of sections 63E and 63F of the <i>Act</i> (Certification of employees) and all other requirements of the <i>regulatory system</i> about the matters dealt with in or relating to those sections, including:</p> <ul style="list-style-type: none"> (1) SYSC 27 (Senior managers and certification regime: Certification Regime); (2) the requirements in SYSC 22 (Regulatory references) so far as they relate to the certification regime, including the giving of references to another <i>firm</i> about a <i>certification employee</i> or former <i>certification employee</i>; and 	(b)

FCA-prescribed senior management responsibility	Explanation	Reference letter
<p>(3) Responsibility for the <i>firm's</i> policies and procedures for countering the risk that the <i>firm</i> might be used to further <i>financial crime</i></p>	<p>(3) the corresponding <i>PRA</i> requirements; and</p> <p>(4) the requirements in SUP 16.26 (Reporting of information about Directory persons), which require a <i>firm</i> to report information to the <i>FCA</i> about its <i>Directory persons</i>.</p> <p>(1) This includes:</p> <p>(a) responsibility for the <i>firm's</i> policies and procedures in relation to the matters in SYSC 3.2.6R (Systems and controls in relation to compliance, financial crime and money laundering);</p> <p>(b) the functions in SYSC 3.2.6HR or SYSC 6.3.8R (<i>firm</i> must allocate to a <i>director</i> or <i>senior manager</i> overall responsibility within the <i>firm</i> for the establishment and maintenance of effective anti-money laundering systems and controls);</p> <p>if any of those <i>rules</i> apply to the <i>firm</i>.</p> <p>(2) The <i>firm</i> may allocate this <i>FCA-prescribed senior management responsibility</i> to the <i>MLRO</i> but does not have to.</p> <p>(3) If the <i>firm</i> does not allocate this <i>FCA-prescribed senior management responsibility</i> to the <i>MLRO</i>, this <i>FCA-prescribed senior management responsibility</i> includes responsibility for supervision of the <i>MLRO</i>.</p>	<p>(d)</p>
<p>(4) Responsibility for the <i>firm's</i> obligations for:</p> <p>(a) conduct rules training; and</p> <p>(b) conduct rules reporting.</p>	<p>(1) The <i>firm's</i> obligations for conduct rules training means its obligations under section 64B of the <i>Act</i> (Rules of conduct: responsibilities of authorised persons).</p> <p>(2) The <i>firm's</i> obligations for conduct rules reporting means its obligations under section 64C of the <i>Act</i> (Requirement for authorised persons to notify regulator of disciplinary action).</p>	<p>(b-1)</p>
<p>(5) Responsibility for:</p>		<p>(f)</p>

FCA-prescribed senior management responsibility	Explanation	Reference letter
<p>(a) leading the development of; and</p> <p>(b) monitoring the effective implementation of;</p> <p>policies and procedures for the induction, training and professional development of all members of the <i>firm's governing body</i>.</p>		
<p>(6) Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all the <i>firm's</i>:</p> <p>(a) <i>SMF managers</i>; and</p> <p>(b) key function holders;</p> <p>other than members of the <i>firm's governing body</i>.</p>	<p>(1) Key function holder has the same meaning as it does in the Glossary Part of the <i>PRA Rulebook</i>.</p> <p>(2) Paragraph (b) of column (1) of this row (6) only applies to a <i>firm</i> if and to the extent that the <i>PRA's</i> requirements about key function holders apply to it.</p>	(g)
<p>(7) Responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of;</p> <p>the internal audit function, in accordance with the <i>internal audit requirements for SMCR firms</i> and the <i>PRA requirements</i> referred to in column (2) of this row</p>	<p>(1) This responsibility includes responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of;</p> <p>a person approved to perform the Head of Internal Audit function for the <i>firm</i> if that function applies to the <i>firm</i>.</p> <p>(2) This responsibility only applies if and to the extent that:</p> <p>(a) the <i>internal audit requirements for SMCR firms</i>; or</p> <p>(b) any requirements of the <i>PRA</i> about the matters in paragraph (1) of this column of this row (7);</p> <p>apply to the <i>firm</i>.</p>	(j)

FCA-prescribed senior management responsibility	Explanation	Reference letter
<p>(8) Responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of; the compliance function in accordance with the <i>compliance requirements for SMCR firms</i>.</p>	<p>(3) Independence means independence to the extent it is required by the requirements referred to in paragraph (2) of this column of this row (7).</p> <p>(4) The Head of Internal Audit function means the <i>head of internal audit function</i> or the <i>PRA's Head of Internal Audit designated senior management function</i>.</p> <p>(1) This responsibility includes responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of; the person performing the <i>compliance oversight function</i> for the <i>firm</i>.</p> <p>(2) This responsibility only applies if and to the extent that the <i>compliance requirements for SMCR firms</i> apply to the <i>firm</i>.</p> <p>(3) "Independence" means independence to the extent it is required by the <i>compliance requirements for SMCR firms</i>.</p>	<p>(k)</p>
<p>(9) Responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of; the risk function, in accordance with the <i>risk control requirements for SMCR firms</i> and the <i>PRA requirements</i> referred to in column (2) of this row (9).</p>	<p>(1) This responsibility includes responsibility for:</p> <p>(a) safeguarding the independence of; and</p> <p>(b) oversight of the performance of; a person approved to perform the Chief Risk function for the <i>firm</i> if that function applies to the <i>firm</i>.</p> <p>(2) This responsibility only applies if and to the extent that:</p> <p>(a) the <i>risk control requirements for SMCR firms</i>; or</p> <p>(b) any requirements of the <i>PRA</i> about the matters in paragraph (1) of this column of this row (9);</p> <p>apply to the <i>firm</i>.</p> <p>(3) "Independence" means independence to the extent it</p>	<p>(l)</p>

FCA-prescribed senior management responsibility	Explanation	Reference letter
(10) Responsibility for overseeing the development of and implementation of the <i>firm's</i> remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)	<p>is required by the requirements referred to in paragraph (2) of this column of this row (9).</p> <p>(4) The Chief Risk function means the <i>chief risk officer function</i> or the <i>PRA's Chief Risk designated senior management function</i>.</p> <p>This responsibility does not apply to a <i>firm</i> to which SYSC 19D does not apply.</p>	(m)
(11) Responsibility for the <i>firm's</i> compliance with CASS	<p>(1) This responsibility only applies to a <i>firm</i> to which CASS applies.</p> <p>(2) A <i>firm</i> may include in this <i>FCA-prescribed senior management responsibility</i> whichever of the following functions apply to the <i>firm</i>:</p> <p>(a) CASS 1A.3.1R (certain CASS compliance functions for a <i>CASS small firm</i>);</p> <p>(b) CASS 1A.3.1AR (certain CASS compliance functions for a <i>CASS medium firm</i> or a <i>CASS large firm</i>);</p> <p>(c) CASS 11.3.1R (certain CASS compliance functions for certain <i>CASS small debt management firms</i>);</p> <p>(d) CASS 11.3.4R (certain CASS compliance functions for a <i>CASS large debt management firm</i>); or</p> <p>(e) CASS 13.2.3R (certain CASS compliance functions for a <i>firm</i> carrying on a <i>regulated claims management activity</i>);</p> <p>but it does not have to.</p> <p>(3) If the <i>firm</i> does not include the functions in paragraph (2) of this column of this row (11) in this <i>FCA-prescribed senior management responsibility</i>, this <i>FCA-prescribed senior management</i></p>	(z)

FCA-prescribed senior management responsibility	Explanation	Reference letter
(12) Responsibility for compliance with the requirements of the <i>regulatory system</i> about the <i>management responsibilities map</i>	<p><i>responsibility</i> includes responsibility for supervision of the person performing the functions in paragraph (2) of this column of this row (11) that apply to the <i>firm</i>.</p> <p>(1) This responsibility does not include allocating responsibilities recorded in the <i>management responsibilities map</i>.</p> <p>(2) This responsibility does not apply to a <i>firm</i> to which the requirements about <i>management responsibilities maps</i> in SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) do not apply.</p>	(c)
(13) Acting as the <i>firm's whistleblowers' champion</i>	<p>(1) The <i>whistleblowers' champion's</i> allocated responsibilities are set out in SYSC 18.4.4R.</p> <p>(2) This responsibility does not apply to a <i>firm</i> that is not required to have a <i>whistleblowers' champion</i>.</p>	(n)
<p>(14) Responsibility for:</p> <p>(a) providing for an effective internal audit function in accordance with one of the sections of the <i>PRA Rulebook</i> listed in paragraph (2) of column (2) of this row (14); and</p> <p>(b) overseeing the performance of the internal audit function.</p>	<p>(1) Only applies to a <i>firm</i>:</p> <p>(a) that outsources its internal audit function to an external third party service provider; and</p> <p>(b) to which one of the following internal audit <i>PRA-prescribed senior management responsibilities</i> applies:</p> <p>(i) the responsibility in rule 3.3(1) in the Insurance – Allocation of Responsibilities Part of the <i>PRA Rulebook</i>; or</p> <p>(ii) the responsibility in rule 3.2(1) in the Large Non-Solvency II Firms – Allocation of Responsibilities Part of the <i>PRA Rulebook</i>.</p> <p>(2) The parts of the <i>PRA Rulebook</i> referred to in column (1) of this row (14) are:</p> <p>(a) Solvency II firms - Conditions Governing Business 5; and</p> <p>(b) Non-Solvency II Firms – Governance 9.2.</p>	(j-2)

FCA-prescribed senior management responsibility	Explanation	Reference letter
(15) Responsibility for management of the <i>firm's</i> risk management processes in the <i>UK</i>	(3) Terms used in column (1) of this row (14) have the same meaning as they do for the corresponding <i>PRA-prescribed senior management responsibility</i> described in paragraph (1) of this column of this row (14).	(aa)
(16) Responsibility for the <i>firm's</i> compliance with the <i>UK regulatory system</i> applicable to the <i>firm</i>		(ff)
(17) Responsibility for the escalation of correspondence from the <i>PRA, FCA</i> and other regulators in respect of the <i>firm</i> to each of the <i>governing body</i> or the <i>management body</i> of the <i>firm</i> and, as appropriate, of the <i>firm's parent undertaking</i> and the ultimate <i>parent undertaking</i> of the <i>firm's group</i>	This includes taking steps to ensure that the <i>senior management</i> of the <i>firm</i> and, where applicable, the <i>group</i> , are made aware of any views expressed by the <i>regulatory bodies</i> and any steps taken by them in relation to the <i>branch, firm</i> or <i>group</i> .	(ee)
(18) Responsibility for taking reasonable steps to ensure that every <i>person</i> involved in the performance of the <i>firm's</i> internal audit function is independent from the <i>persons</i> who perform external audit, including: (a) supervision and management of the work of outsourced internal auditors; and (b) management of potential conflicts of interest between the provision of external audit and in	This only applies if the <i>firm</i> outsources its internal audit function.	(j-3)

FCA-prescribed senior management responsibility	Explanation	Reference letter
<p>ternal audit services.</p> <p>(19) Responsibility for:</p> <p>(a) managing the <i>firm's</i> internal stress tests; and</p> <p>(b) ensuring the accuracy and timeliness of information provided to the <i>FCA</i> and other <i>regulatory bodies</i> for the purposes of stress testing.</p>	<p>Stress testing refers to stress testing under <i>MIFIDPRU 7.5</i> (ICARA process: capital and liquidity planning, stress testing, wind-down planning and recovery planning).</p> <p>This responsibility only applies to a <i>firm</i> to which <i>MIFIDPRU 7.5</i> applies.</p>	(s)
<p>(20) The responsibilities allocated under <i>COLL 6.6.27R</i>, <i>COLL 8.5.22R</i> or <i>COLL 15.7.24R</i> (Allocation of responsibility for compliance to an approved person).</p>	<p>Only applies to a <i>firm</i> to which the <i>rules</i> in column (1) apply.</p>	(za)
<p>(21) Responsibility for the development and maintenance of the <i>firm's</i> business model by the <i>governing body</i>.</p>	<p>Business model means the same thing as it does in Schedule 6 to the <i>Act</i> (Threshold Conditions).</p> <p>This responsibility applies even if the business model <i>threshold condition</i> does not apply to it.</p>	(t)



24.3 Who prescribed responsibilities should be allocated to

Seniority and authority

- 24.3.1** **G** The *FCA* expects that a *person* who has responsibility for an *FCA-prescribed senior management responsibility*:
- (1) will generally (in the case of the *FCA-prescribed senior management responsibilities* in ■ SYSC 24.3.3G(1)) be the most senior employee or officer responsible for managing that area (or the most senior below the *chief executive*); and
 - (2) will:
 - (i) be sufficiently senior and credible; and
 - (ii) have sufficient resources and authority; to be able to exercise their management and oversight responsibilities effectively.

Executive or non-executive

- 24.3.2** **G** The *FCA* expects that normally a *firm* will allocate the *FCA-prescribed senior management responsibility* with the following *FCA* reference letters (see column three of the table in ■ SYSC 24.2.6R) to an *SMF manager* who is a *non-executive director* of the *firm* (or, in the case of a partnership, a partner without management responsibilities):
- (1) (f) (development of members of *governing body*);
 - (2) (j) (internal audit oversight);
 - (3) (k) (compliance oversight);
 - (4) (l) (risk control oversight);
 - (5) (m) (remuneration code oversight); and
 - (6) (n) (whistleblowers' champion).

- 24.3.3** **G** (1) Subject to (2), the *FCA* expects that normally a *firm* will allocate the other *FCA-prescribed senior management responsibilities* to an *SMF manager* who performs executive functions for the *firm*.

- (2) The relevant *rules* in *COLL* deal with the persons to whom a *firm* should allocate *FCA-prescribed senior management responsibility* (za) (Allocation of responsibility for *COLL* compliance to an approved person).

Exceptions for small non-complex firms

24.3.4 **G** The *FCA* accepts that it may not be practical for a small non-complex *firm* to comply with the parts of ■ SYSC 24.3.1G(1), ■ SYSC 24.3.2G and ■ SYSC 24.3.3G(1) that would otherwise apply to it.

- 24.3.5 **G**
- (1) A *UK SMCR banking firm* is likely to be small for the purposes in ■ SYSC 24.3.4G if it is:
 - (a) a small *CRR firm* as defined in the part of the *PRA Rulebook* called "Allocation of responsibilities"; or
 - (b) a *credit union* that meets the *PRA's* size requirements for small *CRR firms* as defined.
 - (2) A *firm* is likely to be non-complex for these purposes if:
 - (a) it conducts a limited number of simple business lines;
 - (b) it does not rely on group governance arrangements; and
 - (c) (in the case of a *branch*) it does not rely on governance arrangements for other parts of the *firm*.

Not assigning too many responsibilities to one person

24.3.6 **G** When deciding how to allocate *FCA-prescribed senior management responsibilities*, a *firm* should avoid assigning such a wide range of responsibilities to a particular *SMF manager* that they are not able to carry out those responsibilities effectively.

Dividing and sharing management functions between different people

24.3.7 **G** The *FCA* expects that a *firm* will not normally split an *FCA-prescribed senior management responsibility* between several *SMF managers*, with each only having responsibility for part.

24.3.8 **G** The *FCA* expects that a *firm* will not normally allocate responsibility for an *FCA-prescribed senior management responsibility* to two or more *SMF managers* jointly.

- 24.3.9 **G**
- (1) Although the norm should be for a *firm* to have a single individual performing each *FCA-prescribed senior management responsibility*, there may be circumstances in which responsibilities can be divided or shared (see (2)).
 - (2) A *firm* should only divide or share a responsibility where this is appropriate and can be justified.

24.3.10

G

- (3) For example, it would be justified to share a responsibility if that is done:
 - (a) as part of a job share; or
 - (b) where departing and incoming senior managers work together temporarily as part of a handover.
 - (4) A *firm* may have co-heads of a department or business unit if this can be justified under (1) to (3).
- (1) The *FCA* expects a *firm* to divide and allocate responsibilities under this chapter between its *SMF managers* so that responsibilities are grouped together appropriately.
 - (2) The *firm* should make the judgement:
 - (a) in (1); and
 - (b) about whether and how responsibilities should be shared; under:
 - (c) ■ SYSC 4.1.1R (robust governance arrangements);
 - (d) any other applicable *Handbook* requirements, including:
 - (i) ■ SYSC 2 (Apportionment of Responsibilities);
 - (ii) ■ SYSC 24.3.7G to ■ SYSC 24.3.9G;
 - (iii) article 21 of the *MiFID Org Regulation* (as applied in accordance with ■ SYSC 1 Annex 1 2.8AR, ■ SYSC 1 Annex 1 3.2-AR, ■ SYSC 1 Annex 1 3.2-BR, ■ SYSC 1 Annex 1 3.2CR and ■ SYSC 1 Annex 1 3.3R); and
 - (e) article 21 of the *MiFID Org Regulation* (General organisational requirements) or other similar relevant *onshored regulations*.
 - (3) The *firm* should take into account the way it is organised, the business it carries out and the need not to allocate too many responsibilities to one individual (■ SYSC 24.3.6G).
 - (4) The *FCA* expects a *firm* to allocate *FCA-prescribed senior management responsibilities* to the *SMF managers* they are most closely linked to.

24.3.11

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■ SUP 10C.11.31G to ■ SUP 10C.11.33G (What statements of responsibilities should contain: dividing and splitting responsibilities) contains material about:

- (1) how to prepare *statements of responsibilities* where a responsibility is shared or divided between several *SMF managers*; and
- (2) dividing and sharing responsibilities.

24.3.12

G

- (1) A *firm* may allocate more than one *FCA-prescribed senior management responsibility* to the same *SMF manager*.
- (2) This is subject to:

- (a) ■ SYSC 24.3.6G (should not give too many responsibilities to one person); and
- (b) ■ SYSC 24.3.10G (what responsibilities should be grouped together).

Allocation of responsibilities and territorial scope.

24.3.13

G

- (1) As explained in ■ SYSC 24.1.3R, there is no territorial limitation to the application of this chapter.
- (2) This means that a *firm* should allocate the *FCA-prescribed senior management responsibilities* so that they cover activities, transactions, business areas and management functions that are located or take place wholly or partly outside, as well as ones in, the *United Kingdom*.

24.3.14

G

In the case of an *overseas SMCR firm*, the *FCA-prescribed senior management responsibilities* relate to the activities of the *firm's branch* in the *United Kingdom* (see ■ SYSC 24.1.4R).

Which FCA-prescribed senior management responsibilities apply to which kind of firm

Introduction and exclusions

- 1.1 G This annex sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR firm*.
- 1.2 R In this annex:
 - (1) a ✓ means that the *FCA-prescribed senior management responsibility* does apply;
 - (2) a × means that the *FCA-prescribed senior management responsibility* does not apply; and
 - (3) a reference letter refers to the reference letters in column (3) of the table in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities).
- 1.3 G If an *FCA-prescribed senior management responsibility* is not included in the table for a particular class of *firm*, that *FCA-prescribed senior management responsibility* does not apply to any *firm* in that class.
- 1.4 R The following *FCA-prescribed senior management responsibilities* do not apply to a *full-scope UK AIFM* in relation to its *managing an AIF*:
 - (1) responsibility (j) (internal audit oversight);
 - (2) responsibility (k) (compliance oversight);
 - (3) responsibility (l) (risk oversight);
 - (4) responsibility (j-3) (independence of outsourced internal audit); and
 - (5) responsibility (t) (business model).

Banking sector firms

- 2.1 R
 - (1) The table in SYSC 24 Annex 1 2.3R sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR banking firm*.
 - (2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):
 - (a) a *UK SMCR banking firm* (excluding firms in (b));
 - (b) a *small UK SMCR banking firm*; and
 - (c) an *overseas SMCR banking firm*.
- 2.2 R A *small UK SMCR banking firm* means a *UK SMCR banking firm* that is:
 - (1) a *small CRR firm* as defined in the part of the *PRA Rulebook* called “Allocation of responsibilities”; or
 - (2) a *credit union*.
- 2.3 R Table: FCA-prescribed senior management responsibilities applying to banking sector firms

Brief description of responsibility	Reference letter of responsibility	UK firm	Small UK firm	Overseas firm
Responsibility for the <i>firm’s</i> performance of its obligations under the senior managers regime	(a)	✓	✓	✓

Brief description of responsibility	Reference letter of responsibility	UK firm	Small UK firm	Overseas firm
Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	(b)	√	√	√
<i>Financial crime</i>	(d)	√	√	√
<i>COCON</i>	(b-1)	√	√	√
Training <i>governing body</i>	(f)	√	x	x
Training of staff performing <i>designated senior management responsibilities</i>	(g)	√	x	x
See Note (2)				
<i>Management responsibilities maps</i>	(c)	√	√	√
<i>Whistleblowers' champion</i>	(n)	√	√	x
Internal audit oversight	(j)	√	x	x
Compliance oversight	(k)	√	x	x
Risk oversight	(l)	√	x	x
Remuneration	(m)	√	x	x
<i>CASS</i>	(z)	√	√	√
<i>UK risk management</i>	(aa)	x	x	√
Compliance with <i>UK regulatory system</i>	(ff)	x	x	√
Escalation of correspondence	(ee)	x	x	√

Note (1): the categories of *firm* in the column headings of this table are to be interpreted in accordance with the classification of *firms* in SYSC 24 Annex 1 2.1R. Therefore:

- (a) column three (UK firm) refers to SYSC 24 Annex 1 2.1R(2)(a);
- (b) column four (Small UK firm) refers to SYSC 24 Annex 1 2.1R(2)(b); and
- (c) column five (Overseas firm) refers to SYSC 24 Annex 1 2.1R(2)(c).

Note (2): Paragraph (b) of this *FCA-prescribed senior management responsibility* (key function holder) does not apply to any *firm* in this table.

Insurance sector firms

- 3.1 R (1) The table in SYSC 24 Annex 1 3.2R sets out which *FCA-prescribed senior management responsibilities* apply to which type of *SMCR insurance firm*.
- (2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):

		(a) a <i>Solvency II firm</i> (excluding <i>firms</i> in any other paragraph);
		(b) a <i>firm</i> falling within paragraph (b) of the definition of <i>Solvency II firm</i> (undertaking that would require <i>Part 4A permission</i> as an insurance or reinsurance undertaking if its head office were situated in the <i>United Kingdom</i>);
		(c) a <i>small non-directive insurer</i> ;
		(d) a <i>firm</i> in SYSC 23 Annex 1 5.2R (<i>firms</i> in run-off); and
		(e) an <i>insurance special purpose vehicle</i> .
	(3)	An <i>insurance special purpose vehicle</i> only falls into paragraph (2)(e). Subject to that, a <i>firm</i> in (2)(d) does not fall into any other paragraph.
3.2	G	References to a <i>Solvency II firm</i> include a <i>large non-directive insurer</i> .
3.3	R	Table: FCA-prescribed senior management responsibility applying to insurance sector firms

Brief description of responsibility	Reference letter of responsibility	Solvency II firm	Overseas branches	Other insurance sector	ISPV
Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	(a)	√	√	√	√
Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	(b)	√	√	√	√
<i>Financial crime</i>	(d)	√	√	√	√
<i>COCON</i>	(b-1)	√	√	√	√
<i>Training governing body</i>	(f)	√	x	x	x
<i>Training of staff performing designated senior management responsibilities</i>	(g)	√	x	x	x
<i>Management responsibilities maps</i>	(c)	√	√	x	x
<i>Whistleblowers' champion</i>	(n)	√	x	x	x
<i>CASS</i>	(z)	√	√	√	x
<i>Internal audit for non-significant insurers</i>	(j-2)	√	x	x	x
<i>Compliance with UK regulatory system</i>	(ff)	x	√	x	x
<i>Escalation of correspondence</i>	(ee)	x	√	x	x

Note: The categories of *firm* in the column headings of this table are to be interpreted in accordance with the classification of *firms* in SYSC 24 Annex 1 3.1R. Therefore:

- (1) Solvency II firm (column three) refers to SYSC 24 Annex 1 3.1R(2)(a);
- (2) Overseas branches (column four) refers to SYSC 24 Annex 1 3.1R(2)(b);
- (3) Other insurance sector (column five) refers to SYSC 24 Annex 1 3.1R(2)(c) and (d); and
- (4) ISPV (column six) refers to SYSC 24 Annex 1 3.1R(2)(e).

Solo regulated firms				
4.1	R	(1)	The table in SYSC 24 Annex 1 4.2R sets out which <i>FCA-prescribed senior management responsibilities</i> apply to which type of <i>core SMCR firm</i> and <i>enhanced scope SMCR firm</i> .	
		(2)	<i>SMCR firms</i> in (1) are divided into the following categories for the purposes of in (1):	
		(a)	<i>UK core SMCR firm</i> ;	
		(b)	<i>overseas core SMCR firm</i> (excluding an <i>EEA SMCR firm</i>); and	
		(c)	<i>enhanced scope SMCR firm</i> .	
4.2	R	Table: FCA-prescribed senior management responsibility applying to solo regulated firms		

(1) Brief description of responsibility	(2) Reference letter of responsibility	(3) UK core firm	(4) Overseas core firm	(5) Enhanced scope firm
Responsibility for the <i>firm's</i> performance of its obligations under the senior managers regime	(a)	√	√	√
Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	(b)	√	√	√
<i>Financial crime</i>	(d)	√	√	√
<i>COCON</i>	(b-1)	√	√	√
<i>Management responsibilities maps</i>	(c)	x	x	√
Internal audit oversight	(j)	x	x	√
Compliance oversight	(k)	x	x	√
Risk oversight	(l)	x	x	√
<i>CASS</i>	(z)	√	√	√
Independence of outsourced internal audit	(j-3)	x	x	√
Business model	(t)	x	x	√
Stress tests	(s)	x	x	√
Allocation of responsibility for <i>COLL</i> compliance to an approved person	(za)	√	√	√
<i>UK risk management</i>	(aa)	x	√	x
Compliance with <i>UK regulatory system</i>	(ff)	x	√	x

(1) Brief description of responsibility	(2) Reference letter of responsibility	(3) UK core firm	(4) Overseas core firm	(5) Enhanced scope firm
Escalation of correspondence	(ee)	×	√	×

Note: The categories of *firm* in the column headings of this table are to be interpreted in accordance with the classification of *firms* in SYSC 24 Annex 1 4.1R. Therefore:

- (1) UK core firm (column three) refers to SYSC 24 Annex 1 4.1R(2)(a);
- (2) Overseas core firm (column four) refers to SYSC 24 Annex 1 4.1R(2)(b); and
- (3) Enhanced scope firm (column five) refers to SYSC 24 Annex 1 4.1R(2)(c).

