

Senior managers and certification regime: Allocation of prescribed responsibilities

Chapter 24

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certification regime:
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responsibilities

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.

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) a *third-country 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	Third-country 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>Training governing body</i>	(f)	☒	×	×

Brief description of responsibility	Reference letter of responsibility	UK firm	Small UK firm	Third-country firm
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
CASS	(z)	☒	☒	☒
UK risk management	(aa)	x	x	☒
Compliance with UK regulatory system	(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 (Third-country 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 *Solvency II firm* (excluding *firms* in any other paragraph);
 - (b) a *firm* falling within paragraph (b) of the definition of *Solvency II firm* (third country branch);
 - (c) a *small non-directive insurer*;
 - (d) a *firm* in SYSC 23 Annex 1 5.2R (*firms* in run-off); and
 - (e) an *insurance special purpose vehicle*.
- (3) An *insurance special purpose vehicle* only falls into paragraph (2)(e). Subject to that, a *firm* in (2)(d) does not fall into any other paragraph.
- 3.2 G References to a *Solvency II firm* include a *large non-directive insurer*.
- 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	Third country 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)	☒	☒	☒	☒
Training <i>governing body</i>	(f)	☒	×	×	×
Training of staff performing <i>designated senior management responsibilities</i>	(g)	☒	×	×	×
<i>Management responsibilities maps</i>	(c)	☒	☒	×	×
<i>Whistleblowers' champion</i>	(n)	☒	×	×	×
<i>CASS</i>	(z)	☒	☒	☒	×
Internal audit for non-significant insurers	(j-2)	☒	×	×	×
Compliance with <i>UK regulatory system</i>	(ff)	×	☒	×	×
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 3.1R. Therefore:

- (1) Solvency II firm (column three) refers to SYSC 24 Annex 1 3.1R(2)(a);
- (2) Third country 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).