

**Senior managers and certification regime: Management responsibilities maps and handover procedures and material**

## Chapter 25

Senior managers and  
certification regime:  
Management responsibilities  
maps and handover  
procedures and material



## 25.1 Application and purpose

### Main application rules

**25.1.1** **R** This chapter applies to:

- (1) an *SMCR banking firm*; and
- (2) an *SMCR insurance firm* that is a *Solvency II firm* (including a *large non-directive insurer*) but excluding:
  - (a) an *insurance special purpose vehicle*; and
  - (b) a *firm* in ■ SYSC 23 Annex 1 5.2R (*firms in run-off*);
 except to the extent that this chapter applies a narrower scope to a particular provision.

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

### Territorial scope

**25.1.3** **R** Subject to ■ SYSC 25.1.4R, there is no territorial limitation on the application of this chapter.

**25.1.4** **R** This chapter applies to an *overseas SMCR firm* in relation to the activities of a *branch* maintained by the *firm* in the *United Kingdom*.

### How this chapter applies to overseas SMCR firms

**25.1.5** **R** Unless the context requires otherwise, the following terms in this chapter are modified as follows in relation to an *overseas SMCR firm*:

Reference in this chapter	Modification
<i>firm</i>	treated as a reference to the <i>branch</i>
<i>governing body, management body, senior management and senior personnel</i>	(a) treated as a reference to the <i>branch's governing body, management body, senior management or senior personnel</i> ;  (b) the <i>Glossary</i> definitions of these terms are adjusted so as to refer to the <i>branch</i> rather than the <i>firm</i> as a whole

Reference in this chapter	Modification
<i>group</i>	treated as including the rest of the <i>firm</i>

**Purpose**

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- (1) One purpose of the *management responsibilities map* is to help the *firm* and the *FCA* satisfy themselves that the *firm* has a clear organisational structure (as required by the *regulatory system*).
- (2) It also helps the *FCA* to identify who it needs to speak to about particular issues.
- (3) The *management responsibilities map* helps the *FCA* to operate its powers and requirements for individuals. For example it helps the *FCA*:
  - (a) to identify who is accountable if something goes wrong;
  - (b) to understand the role of the *approved person* (or *candidate*) in the *firm* and therefore to judge how to use its powers under the regime for *SMCR firms*, such as the power to grant or refuse approval of an *SMF manager* or to amend or impose conditions.



## 25.2 Management responsibilities maps: Main rules

### General rule

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- 25.2.1 **R** (1) A *UK SMCR firm* must, at all times, have a comprehensive and up-to-date *document* (the *management responsibilities map*) that describes its management and governance arrangements.
  - (2) An *overseas SMCR firm* must, at all times, have a comprehensive and up-to-date *document* (the *management responsibilities map*) that describes the management and governance arrangements for any *branch* it maintains in the *United Kingdom*.
  - (3) A *management responsibilities map* must include:
    - (a) details of the reporting lines and the lines of responsibility; and
    - (b) reasonable details about:
      - (i) the *persons* who are part of those arrangements; and
      - (ii) their responsibilities.(See further requirements in ■ SYSC 25.2.3R.)
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- 25.2.2 **R** The *firm's management responsibilities map* must show clearly how any responsibilities covered by a *firm's management responsibilities map* are shared or divided between different *persons*.

### Specific requirements

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- 25.2.3 **R** A *management responsibilities map* must include:
  - (1) (a) the names of all the *firm's*:
    - (i) *approved persons* (including *PRA approved persons*);
    - (ii) members of its *governing body* and (if different) *management body* who are not *approved persons*;
    - (iii) *senior management*;
    - (iv) *senior personnel*; and
  - (b) details of the responsibilities which they hold;
- (2) all responsibilities described in any current *statement of responsibilities*;

- (3) details of the management and governance arrangements relating to:
  - (a) the *FCA-prescribed senior management responsibilities*; and
  - (b) the *PRA-prescribed senior management responsibilities*;including the identity of the *persons* to whom those functions are allocated;
- (4) the reasons why (if it has done any of these things) the *firm*:
  - (a) allocates responsibility for an *FCA-prescribed senior management responsibility* to more than one *person* jointly; or
  - (b) divides responsibility for an *FCA-prescribed senior management responsibility* between different *persons*;
- (5) details about the functions allocated under, ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility), including:
  - (a) what the activities, business areas and management functions allocated under that chapter are;
  - (b) the management and governance arrangements relating to them;
  - (c) [deleted]
  - (d) the reasons why (if it has done this) the *firm* allocates responsibility for any such function to more than one *person* jointly; and
  - (e) the identity of the *persons* to whom those functions are allocated;
- (6) matters reserved to the *governing body* (including the terms of reference of its committees) and, if different, the *management body*;
- (7) details of how the *firm's* management and governance arrangements fit together with:
  - (a) its *group*; and
  - (b) any other *person* in (8);
- (8) details of the extent to which the *firm's* management and governance arrangements are provided by, or shared with, other members of its *group* or others;
- (9) details of the reporting lines and the lines of responsibility (if any) between the *firm* and those who carry out functions in relation to it and:
  - (a) other members of its *group* or other third parties;
  - (b) *persons* acting as employees or officers of, or otherwise acting for, anyone in (a); or
  - (c) committees or other bodies of anyone in (a);
- (10) reasonable information about the *persons* described or identified in the *management responsibilities map*, including:
  - (a) whether they are *employees* of the *firm* and, if not, by whom they are employed;

- (b) if they are *certification employees* of the *firm*; and
- (c) the responsibilities they have in relation to other *group* members or any other *person* in (8); and

(11) details of how (1) to (10) fit together and fit into the *firm's* management and governance arrangements as a whole.

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■ SYSC 25.2.3R(1) does not require the *firm* to include the names of *approved persons* under ■ SUP 10A.1.16BR (Appointed representatives).



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## 25.4 Guidance about what should be in a management responsibilities map

### Material applicable to all firms

- 25.4.1 **G** The *management responsibilities map* should be consistent with the *statements of responsibilities*.
- 25.4.2 **G** The *statements of responsibilities* and the *management responsibilities map* should all be prepared in a way that makes it simple to see how the responsibilities allocated in a particular *statement of responsibilities* fit into the overall system of management and governance of the *firm*.
- 25.4.3 **G** The *management responsibilities map* should include functions that are:
  - (1) included in a *PRA controlled function* under the *PRA rules* complementing ■ SUP 10C.9 (Minimising overlap with the PRA approved persons regime) (as listed in ■ SUP 10C.9.6G(2));
  - (2) excluded from the *other overall responsibility function* under ■ SUP 10C.7.1R(2) (Exclusion for *approved person* with approval to perform other *designated senior management functions*); or
  - (3) excluded from the *other local responsibility function* under ■ SUP 10C.8.1R(2) (Exclusion for *approved person* with approval to perform other *designated senior management functions*).
- 25.4.4 **G** A *firm's management responsibilities map* should demonstrate that there are no gaps in the allocation of responsibilities among its management.
- 25.4.5 **G** A *firm* need only include summary details of the *persons* in ■ SYSC 25.2.3R(1).
- 25.4.6 **G** A *firm's SMF managers* and members of its governing body may overlap with its *senior management* and *senior personnel*. If so, the *firm* does not have to give the same details twice.
- 25.4.7 **G** A *firm* should include details about individuals in addition to the details in ■ SYSC 25.2.3R(1), (3) and (5) if they are needed to make the *management responsibilities map* clear. For example, if the same individual has



responsibilities in a number of different areas of the *firm* it may be necessary to make this clear.

**25.4.8** **G** A *firm* should only include summary details about *statements of responsibilities* under **SYSC 25.2.3R(2)**. There is no need to duplicate the *statements of responsibilities*. The main aim of including material about *statements of responsibilities* in the *management responsibilities map* is to show how that material:

- (1) fits into the *firm's* overall governance structure; and
- (2) for each *statement of responsibilities*, fits with the others.

**25.4.9** **G** A *management responsibilities map* should include a checklist confirming that all *FCA-prescribed senior management responsibilities* have been allocated or, if some have not been allocated, the reason why.

**25.4.10** **G** If:

- (1) any *designated senior management function* is performed by; or
- (2) any *FCA-prescribed senior management responsibility* is allocated to;

more than one *person*, a *firm's management responsibilities map* should give details of how the performance or discharge of the responsibilities is to be carried out by those *persons*.

**25.4.11** **G** The *executive director function*, the *other local responsibility function*, the *partner function* and the *other overall responsibility function* are defined generally and generically and can be performed by several people. Therefore, there is no need to explain why several people perform one of the functions.

**25.4.12** **G** The material in **SUP 10C.11.31G** and **SUP 10C.11.32G** (recording sharing and splitting of responsibilities in *statements of responsibilities*) also applies to a *management responsibilities map*.

**Branches of overseas firms**

**25.4.13** **G** One effect of **SYSC 25.1.5R** is that an *overseas SMCR firm* should draw up its *management responsibilities map* as if the rest of the *firm* outside the *UK branch* were a separate company in its *group*. This means, for example, that the map should include:

- (1) details of how the *branch's* management and governance arrangements fit together with the wider *firm*;
- (2) details of the extent to which the *branch's* management and governance arrangements are provided by, or shared with, the wider *firm*; and

- (3) details of the reporting lines and the lines of responsibility between the *branch* and those who carry out functions in relation to it and the wider *firm* and *persons* acting for it.

**Small firms**

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25.4.14

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- (1) The *FCA* expects that the *management responsibilities map* of a small and non-complex *firm* is likely to be simple and short. It may be no more than a single sheet of paper.
- (2) See ■ SYSC 24.3.5G for what small and non-complex mean.



## 25.5 Management responsibilities map should be a single document

25.5.1 **R** A *management responsibilities map* must be a single *document*.

25.5.2 **G**

- (1) The requirement for a *management responsibilities map* to be a single *document* does not mean that it has to be a single sheet of paper or must be capable of being reproduced as one.
- (2) A *management responsibilities map* may be made up of a folder with several files or items in it. The folder may be electronic.
- (3) However, a *firm* that creates a *management responsibilities map* in this way should ensure that its approach is compatible with it being a single *document*. In particular:
  - (a) there should be a single item that identifies every item making up the *management responsibilities map* and shows where each item can be found;
  - (b) for example, this could be a contents list of the items making up the *management responsibilities map* with electronic links to each of them;
  - (c) the *management responsibilities map* should be complete by itself and should not refer to documents not forming part of it;
  - (d) every item in the *management responsibilities map* should only contain material about the matters required by this chapter to be included in *management responsibilities maps*;
  - (e) for example, if there is relevant material in the *firm's* report and accounts, the folder should only contain the relevant parts or a link to those parts.
- (4) The folder and its contents should be easily identifiable as the *firm's management responsibilities map*.

25.5.3 **G** Although a *management responsibilities map* can be large and complex, ■ SYSC 25.4.14G explains that, for small non-complex *firms*, it may be small and simple.



## 25.6 Management responsibilities maps: Material only relevant to EEA SMCR firms

### Application

25.6 **R** This section applies to an *EEA SMCR firm*.

### Purpose

- 25.6.2 **G**
- (1) The *management responsibilities map* is an important support to the *FCA's* functions as *Host State competent authority*.
  - (2) Having requirements and powers that apply directly to individuals helps to make the requirements on *firms* that the *FCA* is required or entitled to impose as *Host State competent authority* more effective.
  - (3) As explained in **SYSC 25.1.6G** (Purpose), the *management responsibilities map* also helps the *FCA* to operate its powers and requirements for individuals.
  - (4) By helping the *FCA* to better understand how the *branch* is structured, the *management responsibilities map* also helps the *FCA* to carry out more effective supervision of conduct of business, money laundering and other *Host State* responsibilities.

25.6.3 **G** This chapter is not intended to extend the application of the *common platform requirements* or other parts of *SYSC* to matters which are reserved by an *EU* instrument to the *firm's Home State regulator* in relation to *EEA SMCR firms*.

### FCA-prescribed senior management responsibilities

25.6.4 **G** **SYSC 25.2.3R** (Specific requirements) requires a *management responsibilities map* to cover the allocation of *FCA-prescribed senior management responsibilities*. This is not relevant to an *EEA SMCR firm* as *FCA-prescribed senior management responsibilities* do not apply to it.

### Leaving out information already supplied

25.6.5 **R** An *EEA SMCR firm* may exclude from its *management responsibilities map*:

- (1) any information contained in its *requisite details*;

- (2) any information contained in any notice of changes to its *requisite details* under the *EEA Passport Rights Regulations*; and

(3) any other information that has been supplied by the *firm* to the *FCA* or the *PRA* (including through the *firm's Home State competent authority*) if:

  - (a) that information was supplied to the *FCA* or the *PRA* as a *Host State competent authority*; and
  - (b) the *Single Market Directives* or any other *EU* legislation provides for the supply of that information to the *FCA* or the *PRA* as described in (a).
- 25.6.6** **G** Information contained in ■ SYSC 25.6.5R(1) and (2) covers:

  - (1) details about the *branch* contained in the notice given by the *firm's Home State competent authority* as part of the process for establishing the *branch* in the *United Kingdom*; and
  - (2) any updates to that information under the *EEA Passport Rights Regulations*.
- 25.6.7** **G** The *management responsibilities map* of an *EEA SMCR firm* may therefore consist of information:

  - (1) that has changed since its *requisite details* were supplied or were last changed; or
  - (2) that is not covered in the *firm's Home State competent authority's* passport notification.
- 25.6.8** **G** The *FCA* expects that an *EEA SMCR firm* that excludes information from its management responsibilities map under ■ SYSC 25.6.5R will identify in its *management responsibilities map* the documents supplied to the *FCA* or the *PRA* where the omitted information can be found.
- 25.6.9** **G** In practice an *EEA SMCR firm* may find it easier to prepare its *management responsibilities map* without omitting any information under ■ SYSC 25.6.5R so that all the information referred to in ■ SYSC 25.2 (Management responsibilities maps: Main rules) can be found in a single integrated *document*.
- 25.6.10** **G** ■ SYSC 25.4 (Guidance about what should be in a management responsibilities map) does not take into account the right of a *firm* to omit information under ■ SYSC 25.6.5R. It assumes that the *firm* will prepare a single *document* under ■ SYSC 25.6.9G. However ■ SYSC 25.4 is not intended to take away the right to omit information under ■ SYSC 25.6.5R.



## 25.7 Guidance about SYSC 25 Annex 1G

**25.7.1** **G** This section gives *guidance* about ■ SYSC 25 Annex 1G (Examples of the business activities and functions of an *SMCR firm*).

### Purpose of SYSC 25 Annex 1G

**25.7.2** **G** (1) A *firm* may use ■ SYSC 25 Annex 1G as a prompt to see whether its *management responsibilities map* covers all its business activities.

(2) A *firm* may wish to prepare its *management responsibilities map* using the same split of activities, where this is appropriate.

**25.7.3** **G** As mentioned in ■ SYSC 26.11.2G, a *firm* may also use ■ SYSC 25 Annex 1G as a prompt when allocating responsibilities under ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility).

**25.7.4** **G** If a *firm* uses ■ SYSC 25 Annex 1G to help it prepare its *management responsibilities map* or when allocating responsibilities under ■ SYSC 26 (Senior managers and certification regime: Overall and local responsibility), it should bear in mind that it is not comprehensive and that there may be other business activities and functions that are relevant to that *firm* but that are not included in ■ SYSC 25 Annex 1G (see ■ SYSC 25.7.8G).

**25.7.5** **G** The purpose of ■ SYSC 25 Annex 1G is not say how an *SMCR firm* should:

- (1) prepare its *management responsibilities map*;
- (2) allocate responsibilities amongst its senior management; or
- (3) organise itself.

### Contents of SYSC 25 Annex 1G

**25.7.6** **G** ■ SYSC 25 Annex 1G sets out examples of the business activities and functions that the *FCA* thinks could be relevant to most large or complex *firms*, although the *FCA* does not require *firms* (large or small, complex or non-complex) to organise themselves in this way.

**25.7.7** **G** Most or all of these activities and functions will normally apply to a complex *firm*. Many of them may not apply to a non-complex *firm*.

25.7.8

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- (1) ■ SYSC 25 Annex 1G is not comprehensive. While it is intended to cover most front-line business activities of an *SMCR firm*, it does not cover all internal oversight and monitoring functions.
- (2) For example, it does not cover compliance or internal audit or the *firm's governing body* or its *committees*.



## 25.8 Management responsibilities maps: Records

- 25.8.1 **G** A *firm* should consider past versions of its *management responsibilities map* as an important part of its records and as an important resource for the *FCA* in supervising the *firm*.
- 25.8.2 **G** Past versions of a *firm's management responsibilities map* form part of its records under the *regulatory system*.
- 25.8.3 **R**
  - (1) This *rule* applies to a *Solvency II firm* (including a *large non-directive insurer*) to which ■ SYSC 25.1.1R(2) (Main application rules) applies.
  - (2) A *firm* must retain each version of its *management responsibilities map* for:
    - (a) (in the case of a *large non-directive insurer*) six years; or
    - (b) (in any other case) ten years;from the date on which it was superseded by a more up-to-date version.
  - (3) A *firm* must be prepared to provide each version to the *FCA* on request for as long as the *firm* is required to retain it.





## 25.9 Handover procedures and material

### Application

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

- (1) it falls within **SYSC 25.1.1R** (Application and purpose); and
- (2) it falls within one of the following categories:
  - (a) it is a *UK SMCR firm*; or
  - (b) it is a *third-country SMCR banking firm*.

**25.9.2** **R** For *third-country SMCR banking firms*, references in this section to an *SMF manager* are references to the *SMF manager* when acting as an *SMF manager* for the *firm's branch* in the *United Kingdom*.

**25.9.3** **G** [This has been left blank deliberately]

### Rules about handover material

**25.9.4** **R** A *firm* must take all reasonable steps to ensure that:

- (1) a *person* who is becoming an *SMF manager*;
- (2) an *SMF manager*:
  - (a) taking on a new job or new responsibilities; or
  - (b) whose responsibilities or job are being changed; and
- (3) anyone who has management or supervisory responsibilities for the *SMF manager* in (1) or (2);

has, when the *SMF manager* starts to perform their new or revised responsibilities or job, all information and material that a *person* in (1) to (3) could reasonably expect to have to perform those responsibilities or that job effectively and in accordance with the requirements of the *regulatory system*.

**25.9.5** **R**

- (1) A *firm* must have a policy about how it complies with **SYSC 25.9.4R**, including the systems and controls it uses.
- (2) A *firm* must make and maintain adequate records of the steps taken to comply with **SYSC 25.9.4R**.

**25.9.6** **G** The information and material in ■ SYSC 25.9.4R that should be made available includes details:

- (1) about unresolved or possible breaches of the requirements of the *regulatory system*; and
- (2) of any unresolved concerns expressed by the *FCA*, the *PRA* or another *regulatory body*.

**25.9.7** **G** (1) The main purpose of ■ SYSC 25.9.4R is to help the *SMF manager* with their new or revised responsibilities or job and to help the managers of *SMF managers*.

- (2) The information and material should be practical and helpful and not just a record.
- (3) The material should include an assessment of what issues should be prioritised.
- (4) The information and material should include judgement and opinion, not just facts and figures.

**Handover arrangements and certificates**

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**25.9.8** **G** (1) Where the responsibilities or job in ■ SYSC 25.9.4R are being taken over from another *person*, the *firm* should have arrangements for an orderly transition.

- (2) As part of these arrangements, the *firm* should take reasonable steps to ensure that the predecessor contributes to the information and material in ■ SYSC 25.9.4R all that would be reasonable to expect the predecessor to know and consider relevant, including the predecessor's opinions.
- (3) One way of doing this could be for the predecessor to prepare a handover certificate.
- (4) However, the *FCA* accepts that there will be cases in which it will be impractical to ask the predecessor to prepare a handover certificate.

**Application of this section to other parts of a firm's management**

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**25.9.9** **G** A *firm* should consider whether to apply the procedures in this section to other parts of its management.

## Examples of the business activities and functions of an SMCR firm

Business areas and management functions	Explanation
(1) Payment services	<p>This means:</p> <ul style="list-style-type: none"> <li>(1) <i>payment services</i>;</li> <li>(2) issuing and administering other means of payment (for example, cheques and bankers' drafts);</li> <li>(3) issuing <i>electronic money</i>; and</li> <li>(4) current accounts.</li> </ul>
(2) Settlement	<p>This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex, in relation to the assets covered by (9).</p> <p>It also includes clearing and settlement of any transactions described in row (10).</p>
(3) Investment management	<p>This has the same meaning as <i>managing investments</i> with the following adjustments:</p> <ul style="list-style-type: none"> <li>(a) it covers all types of assets; and</li> <li>(b) the exclusions in the <i>Regulated Activities Order</i> do not apply.</li> </ul> <p>It also covers fund management.</p>
(4) Financial or investment advice	<p>This includes <i>advising on investments</i>.</p>
(5) Mortgage advice	<p>This has the same meaning as <i>advising on regulated mortgage contracts</i> but is expanded to cover land anywhere in the world and to cover security of any kind over land.</p>
(6) Corporate investments	<p>This means acquiring, holding, managing and disposing a <i>firm's</i> investments made for its own account.</p>
(7) Wholesale sales	<p>This means the <i>selling</i> of any <i>investment</i> to a <i>person</i> other than a <i>retail customer</i>.</p> <p>It does not include the activities in (1).</p>
(8) Retail sales	<p>This means the <i>selling</i> of any <i>investment</i> to a <i>retail customer</i>.</p> <p>It includes savings accounts. It does not include the activities in (1).</p>
(9) Trading for clients	<p>This means <i>dealing in investments as agent</i> and <i>execution of orders on behalf of clients</i> but the list of products also includes money market instruments and foreign exchange.</p>
(10) Market making	<p>This has the same meaning as it does in <i>MIFID</i> (see the definition of market maker in article 4.1 (7)).</p>
(11) <i>Investment research</i>	
(12) Origination/syndication and underwriting	<p>Origination and syndication include:</p> <ul style="list-style-type: none"> <li>(1) entering into or acquiring (directly or indirectly) any commitment or <i>investment</i> with a view to transferring some or</li> </ul>

Business areas and management functions	Explanation
	<p>all of it to others, or with a view to others investing in the same transaction;</p> <p>(2) sub-participation; and</p> <p>(3) any transaction described in the <i>Glossary</i> definition of <i>originator</i>.</p> <p>Underwriting includes underwriting that is not on a firm commitment basis.</p> <p>A commitment or <i>investment</i> includes an economic interest in some or all of it.</p> <p>This activity also includes the provision of services relating to such transactions.</p>
(13) Retail lending decisions	<p>Deciding whether, and on what terms, to lend to <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(14) Wholesale lending decisions	<p>Deciding whether, and on what terms, to lend to <i>persons</i> who are not <i>retail customers</i>.</p> <p>Lending includes granting credit, leasing and hire (including finance leasing).</p>
(15) Design and manufacturing of products intended for wholesale customers	<p>Wholesale customers mean <i>persons</i> who are not <i>retail customers</i>.</p>
(16) Design and manufacture of products intended for <i>retail customers</i>	
(17) Production and distribution of marketing materials and communications	<p>This includes <i>financial promotions</i>.</p>
(18) Customer service	<p>This means dealing with <i>clients</i> after the point of sale, including queries and fulfilment of <i>client</i> requests.</p>
(19) Customer complaints handling	<p>This includes the <i>firm's</i> compliance with <i>DISP</i>.</p> <p>It also includes:</p> <p>(1) any similar procedures relating to activities that do not come under the jurisdiction of the <i>Financial Ombudsman Service</i>;</p> <p>(2) activities that take place outside the <i>UK</i>; and</p> <p>(3) activities that are not subject to any ombudsman service.</p>
(20) Collection and recovering amounts owed to a <i>firm</i> by its customers Dealing with customers in arrears	<p>'Customer' means any <i>person</i> falling into any of the definitions of <i>client</i> in the <i>Glossary</i> so far as they apply to the <i>FCA's Handbook</i>. The definition is extended to cover all services provided by the <i>firm</i> and not just those that are provided in the course of carrying on a <i>regulated activity</i> or an <i>ancillary service</i>.</p>
(21) Middle office	<p>This means risk management and controls in relation to, and accounting for, transactions in <i>securities</i> or <i>derivatives</i>.</p>
(22) The <i>firm's</i> information technology	<p>This includes cybersecurity.</p>
(23) Business continuity planning	<p>If <i>SYSC 4.1.6R</i> and <i>SYSC 4.1.7R</i> (Business continuity) apply to the <i>firm</i>, this includes the systems and policies used to comply with those <i>rules</i>.</p>

Business areas and management functions	Explanation
(24) Human resources	This business area of function includes operational continuity, resilience and strategy.
(25) Incentive schemes for the <i>firm's</i> staff	This includes recruitment, training and competence and performance monitoring.
(26) <i>Contributing input data to a BMR benchmark administrator (other than an Annex II benchmark administrator)</i>	This is not limited to schemes based on sales.
(27) <i>Administering a benchmark</i>	
(28) Administration of insurance	This means the activity described in SYSC 27.7.5G(1)(k) (examples of what the significant management <i>FCA certification function</i> can cover).
(29) Issuing commitments	This means the activity described in SYSC 27.7.5G(1)(i) (examples of what the significant management <i>FCA certification function</i> can cover).
(30) Processing	This means the activity described in SYSC 27.7.5G(1)(j) (examples of what the significant management <i>FCA certification function</i> can cover).
(31) Outsourcing, procurement and vendor management	
Management of services shared with other <i>group</i> members	
(32) Internal operations	
<b>Note (1):</b> The purpose of this annex is explained in SYSC 25.7 (Guidance about SYSC 25 Annex 1G) and SYSC 26.11.2G.	
<b>Note (2):</b> A <i>firm</i> does not have to use the split of example activities in this annex for the purposes in Note (1). If a <i>firm</i> does decide to use it, the <i>firm</i> should adapt it to suit the <i>firm's</i> management arrangements better.	
For example, a <i>firm</i> may find the split of activities into retail and wholesale activities unsuitable. If so, the <i>firm</i> might:	
(a) treat retail and wholesale activities together; or	
(b) use its own definition of retail and wholesale activities.	

