

## Senior management arrangements, Systems and Controls

### SYSC TP 2

#### Firms other than common platform firms, insurers, managing agents and the Society

| (1)                | (2)   | (3) | (4)  | (5)                                    | (6)                                    |
|--------------------|---|-----|--|--|--|
|                    | Material to which the transitional provision applies                                    |     | Transitional provision   | Transitional provision: dates in force | Handbook provisions: Coming into force |
| 2.1<br>[FCA] [PRA] | SYSC 8.1  | R   | If a <i>firm</i> other than a <i>common platform firm, insurer, managing agent</i> or the <i>Society</i> has in force on 1 April 2009 <i>outsourcing</i> arrangements which would be covered by SYSC 8.1 it need not amend those contracts to comply with these provisions but should comply with the new rules and guidance in respect of any <i>outsourcing</i> contracts which are entered into, or materially amended, on or after 1 April 2009. | 1 April 2009 indefinitely              | 1 April 2009                           |
| 2.2<br>[FCA]       | The changes to SYSC set out in Annex D of the Alternative Investment Fund Managers Dir- | R   | [expired]  |  |  |

| (1)          | (2)   | (3) | (4)       | (5) | (6) |
|--------------|---|-----|-----------|-----|-----|
|              | ective Instru-<br>ment 2013   |     |           |     |     |
| 2.3<br>[FCA] | SYSC 4.2.2 R to<br>SYSC 4.2.5 G,<br>SYSC 9.1.2 R<br>and SYSC 9.1.3<br>R | R   | [expired] |     |     |
| 2.4<br>[FCA] | SYSC 4.1.8A R to<br>SYSC 4.1.8E R<br>and 4.1.9AR                        | R   | [expired] |     |     |

## Senior Management Arrangements, Systems and Control

### SYSC TP 3 Remuneration codes

| Part A |  | IFPRU Remuneration Code [deleted]   |   |  |
|--------|--|---|---|--|
| Part B |  | UCITS Remuneration Code   |   |  |
| (1)    | (2) Material to which the transitional provision applies | (3) Transitional provision  | (4) Transitional provision: date in force | (5) Handbook provisions: coming into force |
| 1      | The <i>UCITS</i> remuneration principles                 | R<br><i>A management company need not apply the UCITS remuneration principles to any awards of variable remuneration until it commences its first full performance year starting on or after 18 March 2016.</i> | From 18 March 2016 until 18 March 2017    | 18 March 2016                              |



## Senior Management Arrangements, Systems and Controls

### SYSC TP 5

### Financial Services (Banking Reform) Act 2013: Certification and regulatory references

| Note to the reader |   |   |   |
|--------------------|---|---|---|
| 5.1.1-2            | G | (1)   | SYSC TP 5 has not been amended to reflect changes in the <i>FCA Handbook</i> and <i>Glossary</i> since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then. |
|                    |   | (2)   | A small number of provisions may have effect beyond that date. To help the reader, the table in SYSC TP 5.1.1-1G explains how superseded <i>Glossary</i> terms in SYSC TP 5 should be interpreted.                      |
| 5.1.1-1            | G | Table: meaning of superseded Glossary terms |   |

| Term in SYSC TP 5                       | Term that has replaced it  | Comment   |
|---|--|---|
| FCA specified significant-harm function | <i>FCA certification function</i>  |   |
| full scope regulatory reference firm    | Any of the following:<br>(a) an <i>SMCR banking firm</i> ;<br>(b) a <i>Solvency II firm</i> ; or<br>(c) a <i>large non-directive insurer</i> . | SYSC TP 5.4.2R refers to SYSC 22.2.1R (Obligation to obtain a regulatory reference). On 7 March 2017 (the date referred to in SYSC TP 5.4.2R), SYSC 22.2.1R applied to what were then called full scope regulatory reference firms. |
| relevant authorised person              | <i>SMCR banking firm</i>   |   |
| specified significant-harm function     | <i>certification function</i>  |   |

| Purpose of SYSC TP 5                   |   |   |   |
|--|---|---|---|
| SYSC 5.1.1                             | G | SYSC TP 5:  |   |
|  |   | (1)   | explains how the certification regime described in SYSC 5.2 applies during the transitional period between 7 March 2016 and 7 March 2017 described in SYSC TP 5.3.1G; and |
|  |   | (2)   | has certain transitional provisions dealing with SYSC 22 (Regulatory references).   |
| 5.1.2                                  | G | SYSC TP 5 deals with transitional issues that relate to changes to the <i>Handbook</i> that come into force in 2016 and 2017. |   |
| Application                            |   |   |   |
| SYSC 5.2.1                             | G | (1)   | All of SYSC TP 5 applies to <i>relevant authorised persons</i> .  |
|  |   | (2)   | SYSC TP 5.1, SYSC TP 5.2 and SYSC TP 5.5 apply to all <i>firms</i> .  |
| Certification: The transitional period |   |   |   |

|            |   |   |
|------------|---|---|
| SYSC 5.3.1 | G | The obligation in section 63E(1) of the <i>Act</i> for a <i>relevant authorised person</i> to take reasonable care to ensure that no <i>employee</i> of the <i>firm</i> performs an <i>FCA specified significant-harm function</i> , unless the <i>firm</i> has issued the <i>employee</i> with a valid certificate, does not apply until the end of the transitional period. |
| SYSC 5.3.2 | G | However, other parts of the <i>Handbook</i> and the <i>Act</i> about <i>certification employees</i> apply in the transitional period.   |
| SYSC 5.3.3 | G | The table in <a href="#">SYSC TP 5.3.4G</a> explains how the requirements of the <i>Handbook</i> and the <i>Act</i> about <i>certification employees</i> apply in the transitional period.  |
| SYSC 5.3.4 | G | Table: How the certification regime applies in the transitional period  |

| Provision in the Act or the Handbook  | What that provision is about  | How it applies in the transitional period  |
|---|---|--|
| Definition of <i>certification employee</i>   |   | During the transitional period, the <i>Glossary</i> definition of <i>certification employee</i> covers everyone who would need a certificate to perform their job if the obligation to issue certificates was in force   |
| <a href="#">SYSC 27.2.3G</a> to <a href="#">SYSC 5.2.17G</a>                                  | <i>Guidance</i> about issuing certificates and fitness  | Does not apply   |
| <a href="#">SYSC 27.6.1R</a> to <a href="#">SYSC 27.8.31G</a>                                 | Definition of who falls into the certification regime   | Applies for the purpose of those parts of the <i>Handbook</i> and the <i>Act</i> that are in force as described in this table.   |
| The parts of <a href="#">SYSC 4.5</a> dealing with the <i>management responsibilities map</i> | <a href="#">SYSC 4.5</a> says that the <i>management responsibilities map</i> should say if <i>persons</i> described or identified in the <i>management responsibilities map</i> are <i>certification employees</i>     | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.  |
| COCON   |   | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.<br><br>This applies even if they have not been notified that:<br>(a) <i>COCON</i> applies to them; or<br>(b) of the <i>rules</i> that apply to them.<br><br>Applies to those who would have been excluded from the certification regime by <a href="#">SYSC 27.5.1R</a> (Scope: emergency appointments). |
| Section 64B of the <i>Act</i>   | <i>Firm</i> should ensure that all <i>persons</i> subject to <i>COCON</i> are notified<br><br><i>Firm</i> should take reasonable steps to ensure that those <i>persons</i> understand how <i>COCON</i> applies to them. | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.  |

| Provision in the Act or the Handbook   | What that provision is about                       | How it applies in the transitional period   |
|--|--|---|
| Definition of <i>certification employee</i>  |  | During the transitional period, the <i>Glossary</i> definition of <i>certification employee</i> covers everyone who would need a certificate to perform their job if the obligation to issue certificates was in force  |
| The parts of SUP 15.3 that deal with COCON breaches  | Notifying a significant breach of COCON to the FCA | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.   |
| Section 64C of the Act and SUP 15.11   | Notifying the FCA of disciplinary action           | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.   |
| Transitional provisions about regulatory references: Full scope regulatory reference firms |  |   |
| SYSC 5.4.1   | R  | (1) If on 7 March 2017 an <i>employee</i> (P) is already performing a <i>specified significant-harm function</i> for a <i>relevant authorised person</i> (A), the obligation under SYSC 22 (Regulatory references) for A to obtain a reference when issuing a certificate for P for that <i>significant-harm function</i> does not apply.<br><br>(2) Paragraph (1) ceases to apply if there has been a significant change in P's responsibilities forming part of that <i>specified significant-harm function</i> as compared to the position on 7 March 2017.  |
| 5.4.2  | R  | SYSC 22.2.1R (Obligation to obtain a regulatory reference) does not apply to an application for approval as an <i>approved person</i> that is made before 7 March 2017 but that has not yet been finally determined by that date.   |
| SYSC 5.4.3   | G  | (1) SYSC 22.7.5G to SYSC 22.7.8G (Asking for a reference to be updated) deal with a <i>full scope regulatory reference firm</i> (A) that is obliged to get a reference from an <i>ex-employer</i> (B) and wants to rely on one that B has already given A.<br><br>(2) The SYSC material referred to in (1) can apply where the reference was given before 7 March 2017.<br><br>(3) One relevant factor is whether B is a <i>full scope regulatory reference firm</i> . This is because the FCA requirements about <i>firms</i> asked to give regulatory references that applied to <i>firms</i> that are not <i>full scope regulatory reference firms</i> before 7 March 2017 were similar to those in SYSC 22. As such, the existing reference may already be sufficient.<br><br>(4) The main difference between the requirements for a <i>firm</i> that is not a <i>full scope regulatory reference firm</i> before and after 7 March 2017 is that the range of functions for which A is entitled to ask for a reference was widened. For example, there was no obligation to supply a reference for a <i>certification employee</i> before then. |
| SYSC 5.4.4   | G  | SYSC 22.2.4R (Obligation to revise references) does not apply to references given before 7 March 2017.  |
| SYSC 5.4.5   | R  | Question (F) (disciplinary action) in Part One of SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons and disclosure requirements) does not require disclosure of breaches of individual conduct requirements referred to in question (F) if the disciplinary action referred to in that item took place before:<br><br>(1) (in the case of a <i>relevant authorised person</i> ) 7 March 2016; or<br><br>(2) (in the case of any other <i>full scope regulatory reference firm</i> ) 7 March 2017;   |

if the *firm's* records do not show whether the conduct that was subject to disciplinary action amounted to a breach of those individual conduct requirements.

Transitional provisions about regulatory references: All firms

SYSC  
5.5.1

R

If a *firm* (A) asks another *firm* (B) for a reference before 7 March 2017, SYSC 22 (Regulatory references) applies to B if B gives the reference after that date.

SYSC  
5.5.2

G

SYSC 22 applies to a reference requested or given after 7 March 2017 even if the matters covered by the reference occurred before then.



## Senior Management Arrangements, Systems and Controls

### SYSC TP 6 Transitional Provision 6

| (1) | (2) Material to which the transitional provision applies | (3) | (4) Transitional provision   | (5) Transitional provision: dates in force   | (6) Handbook provisions: coming into force |
|-----|--|-----|--|--|--|
| 1.  | SYSC 2.2.4   | R   | [expired]  |  |  |
| 2.  | SYSC 2.1.3A  | R   | [expired]  |  |  |
| 3.  | SYSC 2.2.6   |     | [expired]  |  |  |
| 4.  | SYSC 2.1.3C  | R   | [expired]  |  |  |
| 5.  | SYSC 2.2.1R and SYSC 2.2.1AR                             | R   | A <i>firm</i> must continue to retain the records it was required to make and retain under SYSC 2.2.1R before its disapplication to the <i>firm</i> under SYSC 2.2.1AR, for as long as SYSC 2.2.1R required before its disapplication.   | From 1 January 2016 until the date that the records are no longer required to be retained. | 1 January 2016                             |
| 6   | SYSC 27.7.3R (row 2) and SYSC 5.2.33R                    | R   | [deleted]  |  |  |
| 7   | SYSC 14.1.2AR  | R   | The <i>rule</i> in column 2, as it was in force on 28 June 2018, continues to apply to a <i>benchmark administrator</i> , until that administrator becomes authorised or registered under the <i>benchmarks regulation</i> , or ceases to be authorised for administering a specified <i>benchmark</i> . | From 29 June 2018  | Already in force                           |



# Bank of England and Financial Services Act 2016: Certification and regulatory references

## SYSC TP 7

### Bank of England and Financial Services Act 2016: Certification and regulatory references

| 7.1  | Application, purpose and definitions  |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
|--|---|---|--------------|-------------------------------|---|--------------------------------|---|--|--|---|-----------------------------------|---|------------------------|---|
| 7.1.1  | R   | SYSC TP 7 applies as set out in the table in SYSC TP 7.1.2R.  |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
| 7.1.2  | R   | Table: Application of SYSC TP 7   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
|  |   | <table border="1"> <thead> <tr> <th>Type of firm</th> <th>Parts of SYSC TP 7 that apply</th> </tr> </thead> <tbody> <tr> <td>An <i>SMCR insurance firm</i> except one in the following row</td> <td>All applies except SYSC TP 7.7</td> </tr> <tr> <td>An <i>SMCR insurance firm</i> that is a <i>Solvency II firm</i> (including a <i>large non-directive insurer</i>)</td> <td>All applies except as follows:<br/>(1) SYSC TP 7.4.2R to SYSC TP 7.4.3G do not apply.<br/>(2) Subject to (3), SYSC TP 7.4.4R and SYSC TP 7.4.5G do not apply.<br/>(3) SYSC TP 7.4.4R and SYSC TP 7.4.5G apply where the requirement to obtain a reference arises under SYSC 22.2.1R(1)(b) (certification).<br/>(4) SYSC TP 7.7 does not apply.</td> </tr> <tr> <td>A <i>core SMCR firm</i>, an <i>enhanced scope SMCR firm</i> and a <i>limited scope SMCR firm</i> other than a <i>pure benchmark SMCR firm</i></td> <td>All applies, subject to the adjustments in SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies).</td> </tr> <tr> <td>A <i>pure benchmark SMCR firm</i></td> <td>All applies, except that SYSC TP 7.2 (except as explained in the following paragraph), SYSC TP 7.3, SYSC TP 7.4.1R and SYSC TP 7.7.3G to SYSC TP 7.7.6G do not apply.<br/><br/>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an <i>SMCR firm</i>. The material about obtaining references does not apply as the certification regime does not apply to a <i>pure benchmark SMCR firm</i>.</td> </tr> <tr> <td>All other <i>firms</i></td> <td>Does not apply, except as follows.<br/><br/>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an <i>SMCR firm</i>.<br/><br/>SYSC TP 7.6 applies.</td> </tr> </tbody> </table> | Type of firm | Parts of SYSC TP 7 that apply | An <i>SMCR insurance firm</i> except one in the following row | All applies except SYSC TP 7.7 | An <i>SMCR insurance firm</i> that is a <i>Solvency II firm</i> (including a <i>large non-directive insurer</i> ) | All applies except as follows:<br>(1) SYSC TP 7.4.2R to SYSC TP 7.4.3G do not apply.<br>(2) Subject to (3), SYSC TP 7.4.4R and SYSC TP 7.4.5G do not apply.<br>(3) SYSC TP 7.4.4R and SYSC TP 7.4.5G apply where the requirement to obtain a reference arises under SYSC 22.2.1R(1)(b) (certification).<br>(4) SYSC TP 7.7 does not apply. | A <i>core SMCR firm</i> , an <i>enhanced scope SMCR firm</i> and a <i>limited scope SMCR firm</i> other than a <i>pure benchmark SMCR firm</i> | All applies, subject to the adjustments in SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies). | A <i>pure benchmark SMCR firm</i> | All applies, except that SYSC TP 7.2 (except as explained in the following paragraph), SYSC TP 7.3, SYSC TP 7.4.1R and SYSC TP 7.7.3G to SYSC TP 7.7.6G do not apply.<br><br>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an <i>SMCR firm</i> . The material about obtaining references does not apply as the certification regime does not apply to a <i>pure benchmark SMCR firm</i> . | All other <i>firms</i> | Does not apply, except as follows.<br><br>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an <i>SMCR firm</i> .<br><br>SYSC TP 7.6 applies. |
| Type of firm   | Parts of SYSC TP 7 that apply   |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
| An <i>SMCR insurance firm</i> except one in the following row  | All applies except SYSC TP 7.7  |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
| An <i>SMCR insurance firm</i> that is a <i>Solvency II firm</i> (including a <i>large non-directive insurer</i> )                              | All applies except as follows:<br>(1) SYSC TP 7.4.2R to SYSC TP 7.4.3G do not apply.<br>(2) Subject to (3), SYSC TP 7.4.4R and SYSC TP 7.4.5G do not apply.<br>(3) SYSC TP 7.4.4R and SYSC TP 7.4.5G apply where the requirement to obtain a reference arises under SYSC 22.2.1R(1)(b) (certification).<br>(4) SYSC TP 7.7 does not apply.  |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
| A <i>core SMCR firm</i> , an <i>enhanced scope SMCR firm</i> and a <i>limited scope SMCR firm</i> other than a <i>pure benchmark SMCR firm</i> | All applies, subject to the adjustments in SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies).   |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
| A <i>pure benchmark SMCR firm</i>  | All applies, except that SYSC TP 7.2 (except as explained in the following paragraph), SYSC TP 7.3, SYSC TP 7.4.1R and SYSC TP 7.7.3G to SYSC TP 7.7.6G do not apply.<br><br>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an <i>SMCR firm</i> . The material about obtaining references does not apply as the certification regime does not apply to a <i>pure benchmark SMCR firm</i> . |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |
| All other <i>firms</i>   | Does not apply, except as follows.<br><br>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an <i>SMCR firm</i> .<br><br>SYSC TP 7.6 applies.   |   |              |                               |   |                                |   |  |  |   |                                   |   |                        |   |

**7.1 Application, purpose and definitions**  
 SYSC TP 7.5 applies to the firms specified in SYSC TP 7.5.

- 7.1.3 G SYSC TP 7:**
- (1) explains how the certification regime described in SYSC 27 applies during the **certification transitional periods** described in SYSC TP 7.2.1G;
  - (2) has certain transitional provisions dealing with SYSC 22 (Regulatory references) and with benchmark activities;
  - (3) has certain other transitional provisions relating to the amendments made to the *FCA Handbook* by the Individual Accountability (Dual-Regulated Firms) Instrument 2018, the Individual Accountability (FCA-Authorised Firms) Instrument 2019 and the Individual Accountability (FCA-Authorised Benchmark Firms) Instrument 2020;
  - (4) is adjusted and supplemented by SYSC TP 8 in relation to certain claims management *firms*; and
  - (5) does not apply to a *firm* that becomes an *SMCR firm* after 31 March 2021 except that:
    - (a) it may apply after then in relation to certain claims management *firms* covered by SYSC TP 8; and
    - (b) the parts of SYSC TP 7 that are described in the table in SYSC TP 7.1.2R (Table: Application of SYSC TP 7) as applying to “All other *firms*” might apply although in practice the material about employment references will not normally apply because of the time period in which SYSC TP 7 operates as described in SYSC TP 7.1.4G.
- 7.1.4 G**
- (1) The main time period for which SYSC TP 7 operates is 2018 to 2021.
  - (2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.

**7.1.5 R** The terms in the first column of the table in SYSC TP 7.1.6R, where they appear in bold in SYSC TP 7, have the meaning in the corresponding row of column 2 for the purposes of SYSC TP 7.

**7.1.6 R** Table: glossary of bespoke terms used in SYSC TP 7

| <b>Part One: General</b>               |  |            |                                 |
|--|--|------------|---------------------------------|
| <b>Defined term</b>                    | <b>Meaning</b>   |            |                                 |
| <b>commencement SIs</b>                | the <b>insurance firms commencement SI</b> and the <b>solo firms commencement SI</b>   |            |                                 |
| <b>insurance firms commencement SI</b> | the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018 (SI 2018/990)  |            |                                 |
| <b>solo firms commencement SI</b>      | The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (SI 2019/1136) as amended by The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) (Amendment) Regulations 2020 (SI 2020/929) |            |                                 |
| [deleted]                              | [deleted]  |            |                                 |
| <b>Part Two: Dates</b>                 |  |            |                                 |
| <b>(1)</b>                             | <b>(2)</b>   | <b>(3)</b> | <b>(4)</b>                      |
|  |  |            | <b>Meaning: Benchmark firms</b> |

| Defined term  | Meaning: Insurers   | Meaning: Others  |   |
|---|---|--|---|
| <b>certification transitional period</b>  | the one year period beginning on 10 December 2018 and ending on 10 December 2019 referred to in regulation 2 of the <b>insurance firms commencement SI</b> (Appointed days for the coming into force of section 21 and Schedule 4 for insurers) | the period beginning on the <b>general commencement date</b> and ending on 31 March 2021 (as referred to in regulation 2(6) of the <b>solo firms commencement SI</b> )   | Does not apply  |
| <b>general commencement date</b>  | 10 December 2018  | 9 December 2019 (as referred to in regulation 2(4) of the <b>solo firms commencement SI</b> )  | 7 December 2020 (as referred to in regulation 2(5) of the <b>solo firms commencement SI</b> )   |
| <p>Note (1): Column (2) (Insurers) applies to an <i>SMCR insurance firm</i> (to the extent that SYSC TP 7 applies to such <i>firms</i>).</p> <p>Note (2): Column (3) (Others) applies to a <i>core SMCR firm</i>, an <i>enhanced scope SMCR firm</i> and a <i>limited scope SMCR firm</i> but not to a <i>pure benchmark SMCR firm</i>.</p> <p>Note (3): Column (4) (Benchmark firms) applies to a <i>pure benchmark SMCR firm</i>.</p> |   |  |   |
| <b>7.2 Certification: The certification transitional period</b>   |   |  |   |
| 7.2.1   | G   | Under the <b>commencement SIs</b> , the obligation in section 63E(1) of the <i>Act</i> for an <i>SMCR firm</i> to take reasonable care to ensure that no <i>employee</i> of the <i>firm</i> performs an <i>FCA certification function</i> , unless the <i>firm</i> has issued the <i>employee</i> with a valid certificate, does not apply until the end of the <b>certification transitional period</b> . |   |
| 7.2.2   | G   | However, other parts of the <i>FCA Handbook</i> and the <i>Act</i> about <i>certification employees</i> apply in the <b>certification transitional period</b> .  |   |
| 7.2.3   | G   | The table in SYSC TP 7.2.4G explains how the requirements of the <i>FCA Handbook</i> and the <i>Act</i> about <i>certification employees</i> apply in the <b>certification transitional period</b> .   |   |
| 7.2.4   | G   | Table: How the certification regime applies in the certification transitional period   |   |
|   |   | <b>Provision in the Act or the Handbook</b>  | <b>What that provision is about</b>   |
|   |   | <i>Glossary</i> definition of <i>certification employee</i>  | During the <b>certification transitional period</b> , the <i>Glossary</i> definition of <i>certification employee</i> covers everyone who would need a certificate to perform their job if the obligation to issue certificates were in force |

| 7.2.4 | G | Table: How the certification regime applies in the certification transitional period |  |   |
|-------|---|--|--|---|
|       |   | Provision in the Act or the Handbook   | What that provision is about                                 | How it applies in the certification transitional period   |
|       |   | SYSC 27.2 and the parts of the <i>Act</i> on which it gives <i>guidance</i>          | Issuing certificates and fitness                             | <p>Does not apply except as follows.</p> <p>A <i>firm</i> may issue a certificate during the <b>certification transitional period</b>. The reason it may wish to do this is so that when the requirement in the <i>Act</i> to issue certificates comes into force, the <i>firm</i> will have issued all the certificates that it needs to have issued to allow its <i>certification employees</i> to carry on their jobs after the <b>certification transitional period</b>.</p> <p>If it does issue a certificate during the <b>certification transitional period</b>, that certificate is valid after the end of the <b>certification transitional period</b> for the twelve-month period provided for in section 63F of the <i>Act</i> (Issuing of certificates). That twelve-month period runs from the date of issue, even though it was issued during the <b>certification transitional period</b>.</p> <p>This means that a certificate issued before 31 March 2020 will not be effective.</p> <p>All the provisions of the <i>Act</i> and the <i>FCA Handbook</i> about certificates apply to a certificate issued in the <b>certification transitional period</b>.</p> |
|       |   | SYSC 27.3  | Territorial scope of the certification regime                |   |
|       |   | SYSC 27.4  | General material about the scope of the certification regime |   |
|       |   | SYSC 27.5  | Exclusions for emergency and temporary appointments          | Applies for the purpose of those parts of the <i>FCA Handbook</i> and the <i>Act</i> that are in force as described in this table   |
|       |   | SYSC 27.6  | Other exclusions   |   |

| 7.2.4 | G | Table: How the certification regime applies in the certification transitional period |  |   |
|-------|---|--|--|---|
|       |   | Provision in the Act or the Handbook   | What that provision is about   | How it applies in the certification transitional period   |
|       |   | SYSC 27.7  | Specification of functions   |   |
|       |   | SYSC 27.8  | Definitions of the FCA certification functions   |   |
|       |   | SYSC 27.9  | Material relating to several FCA certification functions   |   |
|       |   | SYSC 22  | Regulatory references  | <p>Except as explained later in this row about SYSC 22, the obligation to obtain a reference does not apply because the obligation to get a reference is triggered by issuing a certificate.</p>  |
|       |   |  |  | <p>SYSC TP 7.4 has exemptions that apply after the <b>certification transitional period</b>.</p>  |
|       |   |  |  | <p>If a <i>firm</i> wishes to issue a certificate during the <b>certification transitional period</b> as described in the row of this table column 1 of which is titled "SYSC 27.2 and the parts of the Act on which it gives <i>guidance</i>" the obligation on the <i>firm</i> to ask for a reference and the obligation of other <i>firms</i> to give one apply.</p> |
|       |   | SYSC 25  | <p>SYSC 25 says that the <i>management responsibilities map</i> should say whether <i>persons</i> described or identified in the <i>management responsibilities map</i> are <i>certification employees</i></p> | <p>Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force</p>   |

| 7.2.4 | G | Table: How the certification regime applies in the certification transitional period |   |
|-------|---|--|---|
|       |   | Provision in the Act or the Handbook   | What that provision is about  |
|       |   | <i>COCON</i>   |   |
|       |   |  | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.<br><br>This applies even if they have not been notified:<br>(a) that <i>COCON</i> applies to them; or<br>(b) of the <i>rules</i> that apply to them.<br><br><i>COCON</i> also applies to those who would have been excluded from the certification regime by SYSC 27.5.1R (Emergency appointments) or SYSC 27.5.3R (Temporary UK role). |
|       |   | Section 64B of the Act   | <i>Firm</i> should ensure that all <i>persons</i> subject to <i>COCON</i> are notified<br><br><i>Firm</i> should take reasonable steps to ensure that those <i>persons</i> understand how <i>COCON</i> applies to them.   |
|       |   | The parts of SUP 15.3 that deal with <i>COCON</i> breaches                           | Notifying a significant breach of <i>COCON</i> to the <i>FCA</i>  |
|       |   | Section 64C of the Act and SUP 15.11   | Notifying the <i>FCA</i> of disciplinary action   |
|       |   |  | Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force  |

### 7.3 General material about certification

- 7.3.1 G (1) SYSC 27.5.1R (Emergency appointments) allows a *firm* to appoint someone (P) to perform a function which would normally be an *FCA certification function* without P becoming a *certification employee*. There is a maximum period for which the appointment can last.
- (2) When calculating the maximum time period in (1), the *firm* need not take into account any time spent by P before the **general commencement date** performing what will become the *FCA certification function* in (1).
- (3) When a *firm*, after the end of the **certification transitional period**, is calculating the maximum time period in (1), the *firm* should take into account any time spent by P during the **certification transitional period** performing the *FCA certification function* in (1).
- 7.3.2 G (1) SYSC 27.5.1R only applies where P (as referred to in SYSC TP 7.3.1G) is providing cover for a *certification employee* whose absence is reasonably unforeseen.
- (2) SYSC 27.5.1R may still apply if the absence referred to in (1) began before the **general commencement date** or during the **certification transitional period**.
- 7.3.3 G (1) Some *FCA certification functions* only apply where the place of performance of the function has a connection with the *United Kingdom* (for example, it is carried on there).



- (2) SYSC 27.5.3R (Temporary UK role (the 30-day rule)) allows a *person* (P) to carry on a function for a *firm* that would normally be an *FCA certification function* because of its connection with the *United Kingdom* without P becoming a *certification employee*. There is a time limit on how long the *firm* can allow P to do this.
- (3) When calculating the time limit in (2), the *firm* need not take into account any time spent by P before the **general commencement date** performing functions with a *United Kingdom* connection.
- (4) When a *firm*, after the end of the **certification transitional period**, is calculating the maximum time period in (1), the *firm* should take into account any time spent by P during the **certification transitional period** performing functions with a *United Kingdom* connection.

#### 7.4 Transitional provisions about regulatory references

- 7.4.1 R (1) If on the **general commencement date** an *employee* (P) is already performing an *FCA certification function* for an *SMCR firm* (A), the obligation under SYSC 22 (Regulatory references) for A to obtain a reference when issuing a certificate (including reissuing a certificate) for P for that *FCA certification function* does not apply during, at the end of or after the end of the **certification transitional period**.
- (2) If there has been a significant change in P's responsibilities forming part of that *FCA certification function* as compared to the position on the **general commencement date**, paragraph (1) ceases to apply from that time.
- 7.4.2 R SYSC 22.2.1R (Obligation to obtain a regulatory reference) does not apply to an application for approval as an *approved person* that:
- (1) is made before the **general commencement date** and is continued in force by SUP TP 11.7 or SUP TP 11A.7 (In-flight applications: Conversion); or
  - (2) is made under SUP TP 11.15 or SUP TP 11A.15 (Applications of approved persons to take effect from the commencement date).
- 7.4.3 G SYSC 22.2.4R (Obligation to revise references) does not apply to references given before the **general commencement date**.
- 7.4.4 R Question (F) (disciplinary action) in Part One of SYSC 22 Annex 1R (Template for regulatory references given by SMCR firms and disclosure requirements) does not require disclosure of breaches of individual conduct requirements referred to in question (F) if:
- (1) the disciplinary action referred to in that item took place before the **general commencement date**; and
  - (2) the *firm's* records do not show whether the conduct that was subject to disciplinary action amounted to a breach of those individual conduct requirements.
- 7.4.5 G The term individual conduct requirements in SYSC TP 7.4.4R is defined in Section One of Part Two of SYSC 22 Annex 1R.
- 7.4.6 R If:
- (1) a *firm* (A) asks another *firm* (B) for a reference before the **general commencement date**; but
  - (2) B gives the reference after that date;
- SYSC 22 (Regulatory references) in the form it is in at the time in (2) applies to B.
- 7.4.7 G SYSC 22 in the form it is in after the **general commencement date** applies to a reference requested or given after the **general commencement date** even if the matters covered by the reference occurred before then.
- 7.4.8 R [deleted]

#### 7.5 Transitional provisions about benchmarks and the certification regime

- 7.5.1 G SYSC 27.6.4R excludes *benchmark activities* from the certification regime. SYSC TP 7.5 brings certain activities in relation to benchmarks back into the certification regime.

- 7.5.2 R SYSC 27 (Senior managers and certification regime: Certification regime) applies to a *person with permission to carry on the regulated activity of administering a specified benchmark* acting as such.
- 7.5.3 G As a consequence of the *benchmarks regulation*, the *regulated activities* referred to in SYSC TP 7.5.2R will cease to apply in certain circumstances (see SUP TP 10 for an explanation of those circumstances).
- 7.5.4 G The effect of SYSC TP 7.5.2R is that SYSC 27 continues to apply to *firms* which still have *permission to carry on the regulated activity in SYSC TP 7.5.2R* when carrying on that activity.

## 7.6 Miscellaneous

### Common platform requirements

- 7.6.1 G The Individual Accountability (Dual-Regulated Firms) Instrument 2018 renumbered material that used to be in SYSC 4 and SYSC 5 so that it now appears in SYSC 24 to SYSC 27. That instrument updated *FCA Handbook* cross-references accordingly.
- 7.6.2 G The requirements of chapters SYSC 24 to SYSC 27 no longer form part of the *common platform organisational requirements* and a reference to anything in SYSC 4 or SYSC 5 does not include any material referred to in SYSC TP 7.6.1G.

## 7.7 Qualification conditions for FCA-authorised firms

### Firm classification: Effect of pre-commencement events

- 7.7.1 R If a *firm* is treated as a *core SMCR firm*, an *enhanced scope SMCR firm* or a *limited scope SMCR firm* immediately before the **general commencement date** for the purposes of SUP TP 11A (Bank of England and Financial Services Act 2016: Approved persons in solo-regulated firms) it retains that status after the **general commencement date** unless and until it changes under SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).
- 7.7.2 G For example if before the **general commencement date** a *firm* has opted up to be an *enhanced scope SMCR firm* it remains an *enhanced scope SMCR firm* after the **general commencement date**. It may then elect to cease being an *enhanced scope SMCR firm* using a Form O under the procedure in SYSC 23 Annex 1 unless it also meets one of the other qualifications for being an *enhanced scope SMCR firm*.
- 7.7.3 G A calculation period, an averaging period or a reporting period as referred to in Part Eight of SYSC 23 Annex 1 (Part Eight: Financial qualification condition for being an enhanced scope SMCR firm) may begin or end before the **general commencement date**.

### Financial qualification conditions for enhanced scope SMCR firms

- 7.7.4 R (1) This *rule* applies to a *firm* that:
- (a) does not meet one of the qualification conditions for being an *enhanced scope SMCR firm* in Part 8 of SYSC 23 Annex 1 (Financial qualification condition for being an enhanced scope SMCR firm) at the date in SUP TP 11A.23.3R(2) (Deciding which category a firm is in); but
- (b) meets it between that date and the **general commencement date**.

- (2) The one-year period referred to in Part 10 of SYSC 23 Annex 1 (When a firm becomes an enhanced scope SMCR firm) begins on the date the *firm* met that qualification condition, even though that date is before the **general commencement date**.

7.7.5 G The situation in SYSC TP 7.7.4R may apply to a *firm* because, for example, its accounting reference date falls between the date in SUP TP 11A.23.3R(2) and the **general commencement date**.

#### Consumer credit reporting

- 7.7.6 G (1) SYSC 23 Annex 1 8.15R deals with cases in which the period in relation to which the financial calculations are made to test whether a *firm* meets one of the financial qualification conditions for being an *enhanced scope SMCR firm* is adjusted because the relevant reporting requirements did not apply for the whole period. SYSC 23 Annex 1 8.16G gives examples of why this may happen.
- (2) One example in SYSC 23 Annex 1 8.16G is that the relevant reporting requirements have not existed for the whole of the period. A particular example of this is consumer credit reporting requirements. At the time the financial qualification conditions for being an *enhanced scope SMCR firm* first came into force in 2019, the relevant reporting requirements had not existed for a full three years.



# Bank of England and Financial Services Act 2016: Certification and regulatory references

## SYSC TP 8

### Bank of England and Financial Services Act 2016: Application to claims management companies

| 8.1   |   | Application, purpose and definitions   |
|-------|---|--|
| 8.1.1 | R | Subject to SYSC TP 8.1.2R, SYSC TP 8 applies to a <i>firm</i> if it met the following conditions on the <b>general solo firms' commencement date</b> : <ol style="list-style-type: none"> <li>(1) the only <i>regulated activities</i> in its <i>permission</i> were <i>regulated claims management activities</i>;</li> <li>(2) it still had a <i>claims management temporary permission</i>; and</li> <li>(3) it would have been an <i>SMCR firm</i> but for SYSC TP 8.2.1R.</li> </ol>  |
| 8.1.2 | R | SYSC TP 8.1.1R does not apply to SYSC TP 8.6.1R. Instead, SYSC TP 8.6.1R sets out the <i>firms</i> to which it applies.  |
| 8.1.3 | G | SYSC TP 8: <ol style="list-style-type: none"> <li>(1) deals with the application of certain aspects of the senior managers and certification regime to claims management <i>firms</i> brought into regulation under the <i>Act</i> by the <i>Claims Management Order</i> in April 2019;</li> <li>(2) explains how the transitional provisions in SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) are amended for certain claims management <i>firms</i>;</li> <li>(3) in particular, describes a transition period (the <b>individual transitional period</b>) that applies for the purposes of the certification regime in place of the one described in SYSC TP 7; and</li> <li>(4) has certain other transitional provisions relating to the application of the senior managers and certification regime to claims management <i>firms</i>.</li> </ol> |
| 8.1.4 | R | The terms in the first column of the table in SYSC TP 8.1.5R, where they appear in bold in SYSC TP 8, have the meaning in the corresponding row of column 2 for the purposes of SYSC TP 8.   |
| 8.1.5 | R | Table: glossary of bespoke terms used in SYSC TP 8   |

#### Part One: General

| Defined term                                 | Meaning   |
|--|---|
| <b>general solo firms' commencement date</b> | 9 December 2019   |
| <b>individual transitional period</b>        | the period of fifteen <i>months</i> and twenty two <i>days</i> referred to in regulation 3(2) of the <b>solo-regulated firms' commencement SI</b> .<br><br>If a <i>firm's permission</i> is varied to include <i>regulated activities</i> in addition to <i>regulated claims management activities</i> , it means the shorter period (if any) provided for by regulations 3(2) and 3(3) of the <b>solo-regulated firms' commencement SI</b> . |

| Part One: General   |  |
|---|--|
| <b>solo-regulated firms' commencement SI</b>                          | The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (SI 2019/1136) as amended by The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) (Amendment) Regulations 2020 (SI 2020/929)   |
| 8.2 Exclusion from the SMCR   |  |
| 8.2.1   | R  |
|   | <p>A <i>firm</i> is not an <i>SMCR firm</i> (and is included in Part Three of SYSC 23 Annex 1 (Definition of exempt firm)) for as long as</p> <ol style="list-style-type: none"> <li>(1) the only <i>regulated activities</i> in its <i>permission</i> are <i>regulated claims management activities</i>; and</li> <li>(2) it only has a <i>claims management temporary permission</i>.</li> </ol>   |
| 8.3 Transitional period for certification for claims management firms |  |
| 8.3.1   | G  |
|   | <p>The effect of the <b>solo-regulated firms' commencement SI</b> is that the obligation in section 63E(1) of the <i>Act</i>, for an <i>SMCR firm</i> to take reasonable care to ensure that no <i>employee</i> of the <i>firm</i> performs an <i>FCA certification function</i> unless the <i>firm</i> has issued the <i>employee</i> with a valid certificate, does not apply during its <b>individual transitional period</b>.</p>  |
| 8.3.2   | G  |
|   | <ol style="list-style-type: none"> <li>(1) A <i>firm's individual transitional period</i> is the period that: <ol style="list-style-type: none"> <li>(a) begins on (and includes) the date on which the <i>firm's claims management temporary permission</i> comes to an end under the <i>Claims Management Order</i> and the <i>firm's</i> full authorisation for <i>regulated claims management activities</i> comes into effect; and</li> <li>(b) ends on (and excludes) the day falling fifteen <i>months</i> and twenty two <i>days</i> later.</li> </ol> </li> <li>(2) If other activities are included in a <i>firm's permission</i> part of the way through the period in (1), its <b>individual transitional period</b> ends at once.</li> <li>(3) If other activities are included in a <i>firm's permission</i> before it receives full authorisation for its <i>regulated claims management activities</i>, the transitional arrangements described in SYSC TP 8 do not apply and the <i>firm</i> will have no <b>individual transitional period</b>. However, the transitional arrangements in SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) will still apply if it is authorised before 31 March 2021.</li> </ol> |
| 8.3.3   | R  |
|   | <p>During a <i>firm's individual transitional period</i> the definition of "<i>certification employee</i>" is amended to mean an employee (as defined in section 63E of the <i>Act</i>) of the <i>firm</i> who performs a <i>certification function</i> under an arrangement entered into by the <i>firm</i> in relation to the carrying on by the <i>firm</i> of a <i>regulated activity</i>, even though the obligation of the <i>SMCR firm</i> to issue a certificate under section 63F of the <i>Act</i> does not yet apply to the <i>firm</i>.</p>  |
| 8.4 Application of SYSC TP 7  |  |
| 8.4.1   | R  |
|   | <p>SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) applies to a <i>firm</i> with the adjustments set out in this section.</p>   |
| 8.4.2   | R  |
|   | <p>A reference in SYSC TP 7 to the "<i>certification transitional period</i>" is a reference to a <i>firm's individual transitional period</i>.</p>  |
| 8.4.3   | R  |
|   | <ol style="list-style-type: none"> <li>(1) A reference in SYSC TP 7 to the "<i>general commencement date</i>" is a reference to the start of a <i>firm's individual transitional period</i>, except in the following provisions: <ol style="list-style-type: none"> <li>(a) SYSC TP 7.4.6R (Giving references); and</li> <li>(b) SYSC TP 7.4.7G (Form of references).</li> </ol> </li> <li>(2) The definition of "<i>general commencement date</i>" is unchanged in the provisions listed in (1)(a) and (b).</li> </ol>  |

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| 8.4   |   | Application of SYSC TP 7  |
|-------|---|---|
| 8.4.4 | G | SYSC TP 8.3.1G applies in place of SYSC TP 7.2.1G (Certification: The certification transitional period).   |
| 8.4.5 | G | SYSC TP 7.5 (Transitional provisions about benchmarks and the certification regime) is not relevant.  |
| 8.4.6 | G | SYSC TP 7.7 (Qualification conditions for FCA-authorised firms) is not relevant as it covers <i>firms</i> that are <i>SMCR firms</i> on the <b>general solo firms' commencement date</b> .                      |
| 8.5   |   | Additional material about regulatory references   |
| 8.5.1 | R | The provisions of SYSC 22 (Regulatory references), except those listed in SYSC 22.8.4R, apply to a <i>firm</i> excluded from being an <i>SMCR firm</i> by SYSC TP 8.2.1R as they apply to an <i>SMCR firm</i> . |





## Updates to reflect CRD V

### SYSC TP 9

#### Updates to reflect CRD V

|   | Material to which the transitional provision applies | R/G | Transitional Provision   | Transitional Provision: dates in force | Handbook Provision: coming into force |
|---|--|-----|--|--|---------------------------------------|
| 1 | SYSC 19D.3   |     | <p>A <i>firm</i> subject to SYSC 19D.1.3 on 28 December 2020, must apply the <i>rules and guidance</i> in SYSC 19D.3 as it stood on the 28 December 2020 in relation to:</p> <p>(a) <i>remuneration</i> awarded, whether pursuant to a contract or otherwise, in relation to the performance year active on the 28 December 2020;</p> <p>(b) <i>remuneration</i> due on the basis of contracts concluded before 29 December 2020 which is awarded or paid in relation to the performance year active on the 28 December 2020; and</p> <p>(c) <i>remuneration</i> awarded, but not yet paid, before 29 December 2020, for services provided in the performance year active on the 28 December 2020.</p> | From 29 December 2020                  | 29 December 2020                      |



## Operational resilience

### SYSC TP 10 Operational resilience

| (1)  | (2) Material to which the transitional provision applies | (3) | (4) Transitional provision   | (5) Transitional provision: dates in force | (6) Handbook provisions: dates in force |
|------|--|-----|--|--|---|
| 10.1 | SYSC 15A.2.9   | R   | The provision in column (2) does not apply. However, a <i>firm</i> must ensure that, as soon as reasonably practicable after 31 March 2022, and in any event no later than 31 March 2025, it can remain within its <i>impact tolerance</i> for each <i>important business service</i> in the event of a severe but plausible disruption to its operations.   | From 31 March 2022 to 31 March 2025        | 31 March 2022                           |
| 10.2 | SYSC 15A.4.1 and 15A.5.3                                 | R   | A <i>firm</i> is not required to have performed the mapping and testing exercises as required by the provisions in column (2) to the full extent of sophistication by 31 March 2022. A <i>firm</i> is required to have carried out the mapping and testing exercises as required by the provisions in column (2) by 31 March 2022 to the extent necessary to identify important business services, set impact tolerances and to identify any vulnerabilities in its operational resilience. After that date, a <i>firm</i> must continue the mapping and testing exercises so that it is able to remain within its <i>impact tolerance</i> for each <i>important business service</i> as soon as reasonably practicable, and in any event no later than 31 March 2025. | From 31 March 2022 to 31 March 2025        | 31 March 2022                           |



## Operational resilience

### SYSC TP 11 MIFIDPRU Remuneration Code transitional provision

| Application              |   |  |
|--------------------------|---|--|
| 11.1                     | R | SYSC TP 11 applies to an undertaking to whom the <i>MIFIDPRU Remuneration Code</i> will apply for the first time in the performance period beginning on or after 1 January 2022.   |
| Duration of transitional |   |  |
| 11.2                     | R | SYSC TP 11 applies to <i>remuneration</i> awarded for performance or services provided in the performance period before the performance period to which the <i>MIFIDPRU Remuneration Code</i> first applies.   |
| 11.3                     | G | While the <i>MIFIDPRU Remuneration Code</i> comes into force on 1 January 2022, it only applies to performance periods that begin on or after that date (see SYSC 19G.1.30R). This transitional provision therefore addresses the position for remuneration for performance or services provided in any performance period prior to the performance period to which the <i>MIFIDPRU Remuneration Code</i> first applies.   |
| Transitional             |   |  |
| 11.4                     | R | <p>(1) Where an <i>undertaking</i> was subject to any of the remuneration codes listed in (2) immediately before the <i>MIFIDPRU Remuneration Code</i> came into force, that remuneration code (and any related reporting requirements) continues to apply in accordance with SYSC TP 11.2.</p> <p>(2) The remuneration codes referred to in (1) are:</p> <p>(a) SYSC 19A (IFPRU Remuneration Code); and</p> <p>(b) SYSC 19C (BIPRU Remuneration Code).</p>  |
| 11.5                     | G | <p>(1) The effect of the transitional provision in SYSC TP 11.4 is to preserve the application of the IFPRU and BIPRU remuneration codes to performance or services provided in any performance period prior to the performance period to which the <i>MIFIDPRU Remuneration Code</i> first applies.</p> <p>(2) This means, for example, that remuneration paid to a member of the <i>Remuneration Code staff</i> of an <i>IFPRU investment firm</i> for performance in a performance period from 2019 to 2020 would continue to be subject to the remuneration rules in SYSC 19A (the IFPRU Remuneration Code).</p> <p>(3) As the application of the transitional provision is determined by the date of the performance period in which the performance or services were provided (not when the <i>remuneration</i> was awarded or paid out) this would remain the case even if the member of the <i>Remuneration Code staff</i> was paid the remuneration after the <i>MIFIDPRU Remuneration Code</i> applied to a <i>firm</i>.</p> |
| 11.6                     | R | The reference in SYSC TP 11.4R(1) to an <i>undertaking</i> being subject to a remuneration code includes the situation in which those <i>rules</i> include an obligation for a <i>firm</i> to ensure a <i>parent undertaking</i> complies with certain requirements.   |
| 11.7                     | G | Under previous remuneration codes, certain obligations were not applied directly to unregulated <i>parent undertakings</i> but were applied indirectly through the imposition of an obligation on a <i>firm</i> within the <i>group</i> to ensure compliance by the <i>parent undertaking</i> . SYSC TP 11.6R makes clear that the transitional provision in SYSC TP 11.4R also applies to those indirect obligations on the <i>parent undertaking</i> . This means that where provisions in SYSC 19A or SYSC 19C applied on an indirect basis to a <i>parent undertaking</i> before the <i>MIFIDPRU Remuneration Code</i> began to ap-  |

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ply, those remain the relevant obligations for performance or services provided during the performance period in which the *MIFIDPRU Remuneration Code* began to apply.

## Updates to the dual-regulated firms Remuneration Code transitional provision

### SYSC TP 12

## Updates to the dual-regulated firms Remuneration Code transitional provision

|   | Material to which the transitional provision applies  | R/G | Transitional provision  | Transitional provision: dates in force | Handbook provision: coming into force |
|---|---|-----|---|--|---------------------------------------|
| 1 | The changes made to SYSC 19D by the Senior Management Arrangements, Systems and Controls Instrument 2023. | R   | A <i>firm</i> must apply SYSC 19D in the form in which it applied on 7 December 2023 to <i>remuneration</i> awarded in respect of a performance year starting before 8 December 2023. | 8 December 2023                        | 8 December 2023                       |





# Senior management arrangements, Systems and Controls

## Schedule 1 Record keeping requirements

### Sch 1.1 G

The aim of the guidance in the following table is to give the reader a quick over-all view of the relevant record keeping requirements.

It is not a complete statement of those requirements and should not be relied on as if it were.

### Sch 1.2 G

| Handbook reference | Subject of record  | Contents of record   | When record must be made                                 | Retention period  |
|--------------------|--|--|--|---|
| SYSC 2.2.1 R       | Arrangements made to satisfy SYSC 2.1.1 R (apportionment) and SYSC 2.1.3 R (allocation)  | Those arrangements   | On making the arrangements and when they are updated     | 6 years from the date on which the record is superseded by a more up-to-date record |
| SYSC 3.2.20 R      | Matters and dealings (including accounting records) which are the subject of requirements and standards under the <i>regulatory system</i> | Adequate   | Adequate time  | Adequate  |
| SYSC 4.1.8DBR      | The <i>firm's</i> most recent <i>P2P resolution manual</i>   | As stated in <i>rule</i>   | When the <i>P2P resolution manual</i> is made or updated | None specified (but see SYSC 4.1.8DCR)  |
| SYSC 9.1.1R        | Business and internal organisation   | Details of the <i>firm's</i> orderly records of services and transactions undertaken | Within a reasonable time                                 | Adequate  |
| SYSC 9.1.1AR       | Business and internal organisation   | Details of the <i>firm's</i> orderly records of services and transactions undertaken | Within a reasonable time                                 | Adequate  |

| Handbook reference           | Subject of record  | Contents of record  | When record must be made                             | Retention period |
|------------------------------|--|---|--|------------------|
| SYSC 9.1.2AR,<br>SYSC 3.3.6R | Suitability or appropriateness in relation to an <i>insurance-based investment product</i> | (1) In relation to suitability:<br><br>(a) why the recommendation is considered suitable; and   | (1) From the date of:<br><br>(a) recommendation; and | 5 years          |
|                              |  | (b) <i>client</i> information for <i>suitability report</i> and <i>suitability report</i> .   | (b) the <i>suitability report</i> .                  |                  |
|                              |  | (2) In relation to appropriateness, client information obtained in making assessment of appropriateness and the appropriateness assessment. | (2) Date of assessment.                              |                  |
| SYSC 10.1.6 R                | Conflict of interest   | Kinds of service or activity carried out by or on behalf of   | Not specified  | 5 years          |

| Handbook reference | Subject of record  | Contents of record  | When record must be made  | Retention period   |
|--------------------|--|---|---|--|
|                    |  | the <i>firm</i> in which a conflict of interest entailing a material risk of damage to the interests of one or more <i>clients</i> has arisen or, in the case of an ongoing service or activity, may arise.   |   |  |
| SYSC 10A.1.6R      | Telephone conversations and electronic communications in relation to stipulated activities in <i>financial instruments</i> (see SYSC 10A.1.1R) | Those activities in <i>financial instruments</i>  | At the time of the conversation or communication  | Five years from the date of the conversation or communication unless the FCA requests a period of seven years                                      |
| SYSC 14.1.53 R     | Prudential risk management and systems and controls  | Accounting and other records that are sufficient to enable the <i>firm</i> to demonstrate to the PRA: (1) that the <i>firm</i> is financially sound and has appropriate systems and controls; (2) the <i>firm's</i> financial position and exposure to risk (to a reasonable degree of accuracy); (3) the <i>firm's</i> compliance with the rules in GENPRU, INSPRU and SYSC. | Not specified   | 3 years, or longer as appropriate  |
| SYSC 22.9.1R       | Employment history of <i>employees</i>   | As specified in the rule in column 1  | Not specified   | As specified in SYSC 22.9.2G   |
| SYSC 25.8.1G       | Past versions of a <i>firm's management responsibilities maps</i>  | Past versions of a <i>firm's management responsibilities maps</i>   | SYSC 25.8.1G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important part of its records | SYSC 25.8.1G does not itself impose requirements but says that past versions of a <i>firm's management responsibilities maps</i> are an important- |

| Handbook reference | Subject of record   | Contents of record   | When record must be made               | Retention period   |
|--------------------|---|--|--|--|
|                    |   |  |  | ant part of its records  |
| SYSC 25.8.3R       | Past versions of a <i>firm's management responsibilities maps</i>   | Past versions of a <i>firm's management responsibilities maps</i>  | None specified                         | 10 years from the date superseded, or 6 years for <i>large non-directive insurers</i>                                  |
| SYSC 25.9.5R       | Steps taken to comply with SYSC 25.9.4R (Information to be made available to new manager)   | Adequate   | Adequate time                          | None specified   |
| SYSC 28.4.1R       | Arrangements made to demonstrate compliance with knowledge, ability and good repute requirements in relation to the carrying out of <i>insurance distribution activities</i> .            | As required to demonstrate compliance.   | As required to demonstrate compliance. | As required to demonstrate compliance.   |
| SYSC 28.4.2R       | Matters dealing with knowledge and competence and completed continued professional training and development in relation to the carrying out of <i>insurance distribution activities</i> . | The <i>firm</i> must record the professional training or development completed by each relevant employee in each 12 <i>month</i> period. | As required to demonstrate compliance. | As required to demonstrate compliance but at least 3 years after the relevant employee stops carrying on the activity. |

# Senior management arrangements, Systems and Controls

## Schedule 2 Notification requirements

Sch 2.1 G

- (1) The aim of the *guidance* in the following table is to give the reader a quick overall view of the relevant notification requirements.
- (2) It is not a complete statement of those requirements and should not be relied on as if it were.
- (3) Table

| Handbook reference | Matter to be notified   | Content of the notification           | Trigger event                         |
|--------------------|---|---------------------------------------|---------------------------------------|
| [deleted]          |   |                                       |                                       |
| [deleted]          |   |                                       |                                       |
| SYSC 19D.3.51R     | The decision by the shareholders, members or owners of the <i>firm</i> to approve a higher maximum ratio between the fixed and variable components of total <i>remuneration</i> | Matter as described in SYSC 19D.3.51R | Matter as described in SYSC 19D.3.51R |



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## Senior management arrangements, Systems and Controls

### Schedule 3 Fees and other required payments

#### Sch 3.1 G

There are no requirement for fees or other payments in SYSC.





## Senior management arrangements, Systems and Controls

### Schedule 4 Powers exercised

**Sch 4.1 G**  
[deleted]

**Sch 4.2 G**  
[deleted]



## Senior management arrangements, Systems and Controls

### Schedule 5 Rights of action for damages

#### Sch 5.1 G

The table below sets out the *rules* in SYSC contravention of which by an authorised person may be actionable under section 138D of the Act (Actions for damages) by a person who suffers loss as a result of the contravention.

#### Sch 5.2 G

If a 'Yes' appears in the column headed 'For private person', the *rule* may be actionable by a 'private person' under section 138D (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001 No 2256)). A 'Yes' in the column headed 'Removed' indicates that the *FCA* has removed the right of action under section 138D(3) of the *Act*. If so, a reference to the *rule* in which it is removed is also given.

#### Sch 5.3 G

The column headed 'For other person' indicates whether the rule may be actionable by a person other than a private person (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of person by whom the *rule* may be actionable is given.

#### Sch 5.4 G

| Chapter/<br>Appendix                         | Section/<br>Annex | Paragraph | Right of action under section 138D                       |   |                      |
|--|-------------------|-----------|--|---|----------------------|
|  |                   |           | For private<br>person?                                   | Removed?  | For other<br>person? |
| SYSC 2 and<br>SYSC 3                         |                   |           | No   | Yes SYSC 1 Annex 1.1.12R                                | No                   |
| SYSC 4 to<br>SYSC 10                         |                   |           | No   | Yes SYSC 1 Annex 1.2.19R                                | No                   |
| SYSC 11 to<br>SYSC 14, SYSC<br>18 to SYSC 21 |                   |           | No   | Yes SYSC 1.4.2R   | No                   |
| SYSC 15A                                     |                   |           | Yes  | No, SYSC 1.4.2R   | No                   |
| SYSC 22                                      |                   |           | Yes (apart<br>from SYSC<br>22.8.1R and<br>SYSC 22.9.1R - | No (apart<br>from SYSC<br>22.8.1R and<br>SYSC 22.9.1R - | No                   |

| Chapter/<br>Appendix   | Section/<br>Annex | Paragraph | Right of action under section 138D |                     |                      |
|------------------------|-------------------|-----------|------------------------------------|---------------------|----------------------|
|                        |                   |           | For private<br>person?             | Removed?            | For other<br>person? |
|                        |                   |           | see SYSC<br>1.4.2R)                | see SYSC<br>1.4.2R) |                      |
| SYSC 23 to<br>SYSC 28A |                   |           | No                                 | Yes, SYSC<br>1.4.2R | No                   |

## Senior management arrangements, Systems and Controls

### Schedule 6 Rules that can be waived

#### Sch 6.1 G [deleted]

#### Sch 6.1A G

As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than *rules* made under section 64A (rules of conduct), 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*.

