

READER'S GUIDE INSTRUMENT 2001

- A. The Financial Services Authority issues the guidance in the Annex to this instrument in the exercise of the power conferred by section 157(1) of the Financial Services and Markets Act 2000 (Guidance).
- B. This instrument shall come into force immediately.
- C. This instrument may be cited as the Reader's Guide Instrument 2001.
- D. Part 1 of the Annex to this instrument may be cited as the Reader's Guide. Part 2 of the Annex to this instrument may be cited as the Reader's Guide Summary.

By order of the Board
21 June 2001

ANNEX

PART 1

READER'S GUIDE

WHAT IS THIS GUIDE?

1. This guide is an introduction to the FSA's Handbook of rules and guidance. It describes the contents of the Handbook; where to find them; and how to make use of them.
2. The guide covers:
 - (1) structure (paragraphs 3 to 17);
 - (2) status of provisions (paragraphs 18 to 31);
 - (3) contents pages (paragraph 32);
 - (4) numbering :
 - pages (paragraphs 33 to 37);
 - contents (paragraphs 38 to 42);
 - (5) cross-references (paragraphs 43 to 45);
 - (6) defined terms (paragraph 46);
 - (7) schedules (paragraphs 47 to 59);
 - (8) glossary of definitions (paragraphs 60 to 64); and
 - (9) index (paragraphs 65 to 68).

STRUCTURE

3. The Handbook is available on the Internet, on CD-ROM and on paper. Its structure and contents, which are the same in each medium, are set out in the table at the end of this guide.
4. Section 153 of the Act requires the FSA to exercise its rule-making powers in writing. The Act describes the document by which the rules are made as a 'rule-making instrument' and imposes a number of requirements, including a requirement to publish it. The FSA will publish all instruments by which provisions in the Handbook are made or amended in full on its website. These fulfil the statutory and other legal requirements for publication, and will be the definitive source for determining what the text was at any particular time for legal purposes (see section 154 of the Act (Verification of rules)).
5. The Handbook as published on CD-ROM and on paper will provide a continuously updated consolidation of the contents of the instruments by which the provisions in the Handbook are made.
6. The Handbook consists of sourcebooks (providing sources of the FSA's requirements and guidance) and manuals (containing processes to be followed). The sourcebooks and manuals are arranged in groups according to their subject matter.
7. Each sourcebook or manual has a reference code of two or more letters. This is usually a contraction or abbreviation of its title, for use in cross-references in the text and in the index. A list of these codes is to be found in the table at the end of this guide.

Prudential sourcebooks

8. To allow more time to achieve satisfactory modernisation and harmonisation, the final, integrated, Prudential sourcebook has been deferred. Meanwhile, the Handbook contains five Interim Prudential sourcebooks:

- | | |
|-------------------------------|------------|
| (1) for banks | IPRU(BANK) |
| (2) for building societies | IPRU(BSOC) |
| (3) for friendly societies | IPRU(FSOC) |
| (4) for insurers | IPRU(INS) |
| (5) for investment businesses | IPRU(INV) |

The prudential categories, which normally determine which of these versions applies to a firm, are explained in Appendix 1 to the Supervision manual (SUP App 1). Each of these sourcebooks continues the existing prudential regime, with changes mainly where the Financial Services and Markets Act 2000 (the Act), and other statutory and international developments, have made a change desirable or essential.

9. Until the integrated Prudential sourcebook comes into force, the prudential provisions for Lloyd's are included in the Lloyd's sourcebook.

Contents of sourcebooks and manuals

10. Each sourcebook or manual has with or in it:

- (1) this guide, or a summary of it;
- (2) a contents page;
- (3) a schedule of transitional provisions (if any); and
- (4) the main text, with any annexes and appendices to it.

In addition:

- (5) schedules of supplementary information (see paragraphs 47 to 59); and
- (6) a glossary of defined terms used, with their definitions (see paragraphs 60 to 64);

are provided (on the Internet, on disk and in hard copy with each module or group of modules as appropriate). An index is also planned.

11. Each sourcebook or manual is divided into chapters. A chapter is divided into sections, and each section is divided into paragraphs.
12. Each paragraph has a regulatory status, indicated by:
- (1) an icon containing a letter ('R' for rule, and so on; see paragraphs 18 to 31); and
 - (2) the typeface:
 - (a) Sabon bold 12 point for rules (**R**);
 - (b) Sabon 11 point for directions (**D**);
 - (c) Officina Sans 12 point for Statements of Principle for approved persons (**P**);
 - (d) Officina Sans 11 point for conclusive descriptions of behaviour (**C**);
 - (e) Sabon 12 point for evidential provisions (**E**); and
 - (f) Sabon 10 point for guidance (**G**).

13. Beneath the icon appear:

- (1) the date on which the paragraph came into force; and
- (2) the number of the Handbook release in which the paragraph first appeared in its current form.

14. Each sourcebook or manual, or each chapter or section in it, begins with an application provision. This explains to what types of firm or other person, or to persons carrying on what types of business, the sourcebook or manual, or the chapter or section, applies.

15. After the application provision, each chapter will normally contain a statement of purpose. This explains the objective of the provisions in the chapter: what standards is it intended to uphold? does it reinforce one or more of the Principles for Businesses? does it implement European measures? what result does it aim at? If the subject of the chapter is complicated or detailed, the purpose statement may contain, or be followed by, a table or paragraph mapping the shape and main features of the chapter. Where it may help the reader's understanding, a section too may open with a purpose paragraph.
16. A chapter may have one or more annexes, containing material that supplements the contents of the chapter, but would interrupt the flow of the text if it were included in the chapter itself. The contents of an annex are normally all of one status, shown by an icon, containing the status letter, at the top of the page.
17. A sourcebook or manual may have one or more appendices. These normally relate to the whole sourcebook or manual, or to more than one chapter in it. The contents of an appendix may, like the main text, be of more than one status. This is shown in the same way, by icons.

STATUS OF PROVISIONS

18. The Handbook contains the following types of provision, whose status is indicated by icons containing the letters below. The precise legal status of any particular provision depends upon the terms of the Act and the particular power exercised to create that provision. Schedule 4 lists the powers used to make the various parts of the Handbook (see paragraphs 49 and 56). So what follows is only an introduction.

R

19. The letter R is used to indicate general rules made under section 138 of the Act and specialised rules made under sections 140 to 147 and other powers. (It is not used for evidential provisions (see E, paragraphs 24 to 27).) The legal effect of a rule varies, depending on the power under which it is made, and on the language used in the rule – is it mandatory language or not? Most of the rules in the Handbook create binding obligations on firms (that is, authorised persons). If a firm contravenes such a rule, it may be subject to enforcement action (see ENF) and, in certain circumstances, to an action for damages (see Schedule 5, paragraph 57).
20. The FSA Principles for Businesses are rules. (For the Statements of Principle for approved persons, see P, paragraph 22.)

D

21. The letter D is used to indicate directions and requirements given under various powers conferred by the Act – for example, directions under section 51(3) of the Act about the form and content of applications for Part IV permission. Directions and requirements are binding upon the persons or categories of person to whom they are addressed.

P

22. The letter P is used to indicate the Statements of Principle for approved persons made under section 64 of the Act. The Statements of Principle are binding on approved persons.

C

23. The letter C is used for paragraphs made under section 119(2)(b) of the Act which specify descriptions of behaviour that, in the opinion of the FSA, do not amount to market abuse. These descriptions are conclusive because such behaviour is to be taken, for the purposes of the Act, as not amounting to market abuse (section 122(1)).

E

24. The letter E is used to identify evidential provisions with the characteristics specified in section 149 of the Act. An evidential provision is a rule, but it is not binding in its own right. It always relates to some other binding rule. When it says so, compliance with an evidential provision may be relied on as 'tending to establish compliance' with the rule to which it relates. And when it says so, contravention of an evidential provision may be relied on as 'tending to establish contravention' of the rule to which it relates. An evidential provision of this kind will always say one of these things, and it may say both. Such evidential provisions are thus indicative in nature: they create rebuttable presumptions of compliance with or contravention of the binding rules to which they refer.
25. E is also used for the paragraphs that make up the Code of Practice for Approved Persons (APER 3) made under section 64 of the Act. That code may be relied on so far as it tends to establish whether or not the conduct of an approved person complies with the Statements of Principle for approved persons.
26. E is also used for certain paragraphs in the Code of Market Conduct (MAR 1) made under section 119 of the Act. These paragraphs specify:
 - (1) descriptions of behaviour that, in the opinion of the FSA, amount to market abuse; and
 - (2) factors that, in the opinion of the FSA, are to be taken into account in determining whether or not behaviour amounts to market abuse.
27. These paragraphs of the Code of Market Conduct may be relied on so far as they indicate whether or not particular behaviour should be taken to amount to market abuse (section 122(2) of the Act).

G

28. The letter G is used to indicate guidance given under section 157. The guidance in the Handbook relates to the operation of the Act, the rules in the Handbook and other matters. Guidance may be used to explain the implications of other provisions, to indicate possible means of compliance, to recommend a particular course of action or arrangement, and for other purposes. Whatever guidance is used for, it is not binding on those to whom the Act and rules apply, nor does it have 'evidential' effect. It need not be followed in order to achieve compliance with the relevant rule or other requirement. So a firm cannot incur disciplinary liability merely because it has not followed guidance. Nor is there any presumption that departing from guidance is indicative of a breach of the relevant rule.
29. Guidance is generally designed to throw light on a particular aspect of regulatory requirements, not to be an exhaustive description of firms' obligations. If a person acts in accordance with guidance in the circumstances contemplated by that guidance, then the FSA will proceed on the footing that the person has complied with the aspects of the rule or other requirement to which the guidance relates.
30. Rights conferred on third parties (such as a firm's clients) cannot be affected by guidance given by the FSA. Guidance on rules, the Act or other legislation represents the FSA's view, and does not bind the courts, for example in relation to an action for damages brought by a private person for breach of a rule (see section 150 of the Act (Actions for damages)), or in relation to the enforceability of a contract where there has been a breach of the general prohibition on carrying on a regulated activity in the United Kingdom without authorisation (see sections 26 and 27 of the Act (Enforceability of agreements)). A person may need to seek his own legal advice.
31. G is also used for the FSA's statement of the procedure for giving statutory notices under section 395 of the Act (see DEC), for the various statements of policy regarding use of the FSA's enforcement powers (see ENF), and to indicate the arrangements made by the FSA under paragraph 7 of Schedule 1 to the Act for the investigation of complaints arising in connection with its exercise or non-exercise of its non-legislative functions (see COAF).

CONTENTS PAGES

32. The contents page of each sourcebook or manual lists the chapters, sections, annexes, appendices and schedules in it (without page numbers). To find a section on a particular topic, or any other item, use the electronic links.

NUMBERING: PAGES

33. Page numbers are not important in the Handbook. In the paper version, page numbering starts again at the beginning of each chapter. But each page of a chapter shows:

- (1) the reference code for the sourcebook or manual;
- (2) the number and title of the chapter; and
- (3) the number and title of the section of the chapter.

For example, the first page of Chapter 3 of the Supervision manual shows at the top, on the left 'SUP 3: Auditors' and on the right 'Section 1: Application'. In addition, each page of a chapter shows, at the foot of the page, the number of the last paragraph on the page.

34. Each page of an annex shows, at the top of the page, the reference code, number and title of the chapter to which the annex relates, and the number and status of the annex.
35. Each page of an appendix shows, at the top of the page, the reference code of the sourcebook or manual to which the appendix relates, and the number and title of the appendix.
36. Each page of the Handbook also shows, at the foot of the page, the number, month and year of the release with which the page was published (for example, 'FSA Handbook: Release 03: October 2001').
37. Both the electronic and the paper editions of the Handbook represent the text of the Handbook current at the date of the last release, including all amendments to that date.

NUMBERING: CONTENTS

38. The main text of the Handbook is numbered as follows:

- | | | |
|-------------------|----------|--------------------------|
| (1) chapter | 1 | (2, 3 etc) |
| (2) section | 1.1 | (1.2, 1.3 etc) |
| (3) paragraph | 1.1.1 | (1.1.2, 1.1.3 etc) |
| (4) sub-paragraph | 1.1.1(1) | (1.1.1(2), 1.1.1(3) etc) |

39. Sub-sub-paragraphs are shown by (a), (b), (c) and so on, and sub-sub-sub-paragraphs by (i), (ii), (iii) and so on. For example, the third paragraph of the second section of the first chapter in the Conduct of Business sourcebook, if it were a rule, would be COB 1.2.3R. A sub-sub-paragraph of that paragraph would be COB 1.2.3R(1)(a).
40. When changes are made in the text, if it becomes necessary to add new material between two pieces of existing text, the Handbook numbering will change in the same way as in a statute. For example, if a new paragraph has to be inserted between two existing paragraphs numbered COB 1.2.3R and COB 1.2.4R, the new paragraph will be given the number of the paragraph before it plus the letter A, so that it becomes COB 1.2.3AR.
41. A table in the text is numbered as if it were a paragraph.
42. An illustration in the text, such as a flow-chart, is numbered with the number of the chapter and section in which it appears, followed by the number of the illustration itself. For example, the third illustration in the second section of the first chapter of the Supervision manual would be numbered SUP Fig 1.2.3. If the illustration were in an appendix, it would be numbered according to the number of illustrations in the appendix.

For example, the third illustration in the second appendix to the Enforcement manual would be ENF App 2 Fig 3.

CROSS-REFERENCES

43. In cross-references, and generally, the reference code letters of the sourcebook or manual are given in front of the number, and, if the cross-reference is to a paragraph (or a table or an annex), the letter indicating its status is added at the end. So the first chapter in the Conduct of Business sourcebook is referred to as COB 1; its first section as COB 1.1; and its first paragraph (which is a paragraph of guidance) as COB 1.1.1G.
44. A cross-reference to the annex to COB 1 appears as COB 1 Ann 1G. A cross-reference to an appendix appears, for example, as SUP App 1, and to the first paragraph in that appendix as SUP App 1.1.1G.
45. The index, when referring to an item in a chapter or an appendix, will show the number and regulatory status of the relevant paragraph. When referring to an item in an annex, however, or in a table or illustration, the index will show only the number and status of the annex, table or illustration (not the number of a paragraph within it).

DEFINED TERMS

46. Defined terms used in the text are shown in italic type. Where a word or phrase is in italics, its definition can be found in the glossary of defined terms near the end of the sourcebook or manual, or in the consolidated glossary. Where a word or phrase which is shown in italics in one part of the text appears without italics in another part, it is meant to be given, where unitalicised, its ordinary natural meaning. Paragraphs 60 to 64 give more information about the Glossary.

SCHEDULES

47. Each sourcebook or manual contains:
 - (1) a schedule of transitional provisions, immediately after the Contents page;
 - (2) schedules, after the text, of any:
 - (a) record keeping requirements (Schedule 1);
 - (b) notification requirements (Schedule 2);
 - (c) fees and other required payments (Schedule 3);
 - (d) statutory powers exercised by the FSA in making the Handbook (Schedule 4);
 - (e) rights of action for damages (Schedule 5); and
 - (f) rules that can be waived (Schedule 6).
48. Schedules 1 to 3 briefly summarise the contents of the relevant provisions in the sourcebook or manual and cross-refer to them.
49. Schedules 4, 5 and 6 specify the powers the FSA has exercised in making each rule-making instrument (see paragraph 4), summarise the rights of action for damages which attach to many rules, and state which rules can be waived, and under which section of the Act.
50. Where comprehensive schedules may be useful, consolidated versions, drawing together the contents of the schedules from each sourcebook and manual, will be provided.
51. A single consolidated schedule (Schedule 7) provides a check-list of releases for the Handbook as a whole.

Transitional provisions

52. The schedule of Transitional provisions:
- (1) sets out the transitional provisions for the sourcebook or manual (if any);
 - (2) specifies the parts of the sourcebook or manual to which each transitional provision relates, and when those parts commenced; and
 - (3) gives the dates on which each transitional provision:
 - (a) came into force; and
 - (b) expires.

Record keeping requirements

53. Schedule 1 provides a list of the detailed record keeping requirements in the sourcebook or manual and where they are to be found.

Notification requirements

54. Schedule 2 provides a list of the detailed notification requirements in the sourcebook or manual and where they are to be found.

Fees and other required payments

55. Schedule 3 provides a list of any fees and other payments for which a firm may be liable under the sourcebook or manual and where details of them are to be found.

Powers exercised in making the Handbook

56. Schedule 4 specifies the powers given by the Act which the FSA has exercised in making the provisions in the sourcebook or manual.

Rights of action for damages

57. Schedule 5:
- (1) gives guidance (where relevant) on the availability of rights of action to private persons under section 150 of the Act: that rights of action are available on contravention of a rule by an authorised person only; and how 'private person' is defined; and
 - (2) lists the rules in the sourcebook or manual:
 - (a) to which rights of action apply under section 150(1) of the Act;
 - (b) to which rights of action do not apply, in accordance with section 150(2);
 - (c) to which rights of action apply at the suit, not only of a private person, but of a person who is not a private person, in accordance with section 150(3), with a statement to whom the rights have been extended;
 - (d) to which rights of action do not apply because they are not binding on authorised persons, or because they are listing rules or financial resources rules, in accordance with section 150(4).

Rules that can be waived

58. Schedule 6 specifies the rules in the sourcebook or manual (if any) which the FSA has power to waive or modify, and the section of the Act which gives the FSA that power in respect of the rules in question.

Consolidated schedule of releases

59. The purpose of Schedule 7 is to help firms keep track of amendments made to the Handbook since it was first published. It lists by serial number each release issued, its date of publication and its contents. The full text of each release is on the FSA's website at www.fsa.gov.uk.

GLOSSARY OF DEFINITIONS

60. In addition to the links between defined terms and definitions in the electronic versions of the Handbook, each sourcebook or manual has a glossary of definitions. This lists the defined terms used in the sourcebook or manual and gives their meaning. It also contains guidance reminding the reader of the main General provisions for interpreting the Handbook (GEN 2).
61. The provisions in GEN 2:
 - (1) require a purposive interpretation of the rules (GEN 2.2.1R);
 - (2) state the effect of the status letter E (GEN 2.2.3R);
 - (3) state how defined expressions are used (GEN 2.2.7R);
 - (4) confirm that the Interpretation Act 1978 applies throughout the Handbook (GEN 2.2.11R), and explain particular effects of that application (GEN 2.2.12G);
 - (5) state the effect of a cross-reference to Handbook text which has been amended (GEN 2.2.13R); and
 - (6) give the meaning of 'in writing' in the Handbook (GEN 2.2.14R).
62. The introduction to the Glossary summarises the main practical effects of GEN 2. For example, it reminds the reader that an expression with a defined meaning is shown in the Handbook in italics (and not by capital letters); and that the singular includes the plural.
63. A consolidated glossary, drawing together all the defined terms used in the Handbook, will also be found in the Handbook.
64. The Glossary of definitions, including its introduction, is intended to help readers to interpret the Handbook. But readers cannot rely on the Handbook in isolation. If they need to know exactly what is said by and under the Act, they will need to consult the Act itself, and the statutory instruments made under it.

INDEX

65. In addition to the links in the electronic versions of the Handbook, it is planned that each sourcebook or manual will contain an index. The index will warn that it is to help readers, and should not be relied on as comprehensive. It will aim to list alphabetically any significant mention of each of the main subjects of the text and to show where it is to be found.
66. The Handbook system for numbering pages, for numbering the text and for cross-referring is described in paragraphs 33 to 45.
67. Because of this system, references in the index will not be to the page number but to the reference code, number and status of the paragraph (or annex) in question. For example, a reference in the index to the first paragraph in the second section of Chapter 1 of the General provisions (which has the status of guidance) would appear as 'GEN 1.2.1G'.

68. A consolidated index will draw together the contents of the index to each sourcebook and manual.

Contents of the Handbook

	Sourcebook or manual	Reference Code
High Level Standards	Principles for Businesses	PRIN
	Senior management arrangements, Systems and Controls	SYSC
	Threshold Conditions	COND
	Statements of Principle and Code of Practice for Approved Persons	APER
	The Fit and Proper test for Approved Persons	FIT
	General provisions	GEN
Business Standards	5 Interim Prudential sourcebooks	IPRU
	Conduct of Business	COB
	Market conduct, including: Code of market conduct Price stabilising rules Inter-professional conduct	MAR
	Training and Competence	TC
	Money Laundering	ML
Regulatory Processes	Authorisation	AUTH
	Supervision	SUP
	Enforcement	ENF
	Decision making	DEC
Redress	Dispute resolution: Complaints	DISP
	Compensation	COMP
	Complaints against the FSA	COAF

Specialist sourcebooks	Collective Investment Schemes	CIS
	(Later: Credit unions)	(CRED)
	Professional firms	PROF
	Lloyd's	LLD
	(Later: Mortgages)	(MORT)
	Recognised Investment Exchanges and Recognised Clearing Houses	REC
	(Later: United Kingdom Listing Authority)	(UKLA)
Special guides		
Schedules:		
Transitional provisions		
Summary schedules:		
1. Record keeping requirements		
2. Notification requirements		
3. Fees and other required payments		
4. Powers exercised in making the Handbook		
5. Rights of action for damages		
6. Rules that can be waived		
7. Releases		
Glossary of definitions		
Index		

ANNEX

PART 2

Reader's Short Guide

What is the Reader's Guide?

An introduction to the FSA's Handbook of rules and guidance: where to find the contents, and how to use them.

There is a table of Handbook contents with this short version of the Guide.

How is the Handbook published?

The Handbook is on the Internet, CD-ROM and paper, but is the same in each medium. Its modules are arranged in groups by subject matter.

The rule-making instruments, published on the FSA's website, are the definitive source of Handbook text for legal purposes. The text on the CD-ROM, on paper and on the Internet is a continuously updated consolidation of the contents of those instruments.

How is the Handbook published?

Each module:

- has a reference code of two or more letters (see the Handbook contents list);
- has with or in it:
 - (1) the Reader's Guide, or this short version of it;
 - (2) a contents page;
 - (3) a schedule of transitional provisions (if any);
 - (4) the main text, with any annexes and appendices to it;
 - (5) schedules of supplementary information:
 - a schedule of transitional provisions, immediately after the Contents page;
 - schedules, after the text, of any:
 - (a) record keeping requirements (Schedule 1);
 - (b) notification or reporting requirements (Schedule 2);
 - (c) fees and other required payments (Schedule 3);
 - (d) statutory powers exercised by the FSA in making the Handbook (Schedule 4);
 - (e) rights of action for damages (Schedule 5); and
 - (f) rules that can be waived (Schedule 6); and
 - (6) a glossary of definitions, reminding the reader of the main General provisions for interpreting the Handbook (GEN 2) and listing the defined terms used in the module with their meanings;
- is divided into chapters (sub-divided into sections and paragraphs);
- begins (or each chapter or section in it begins) by saying to whom, or to what kind of business, it applies, normally followed by a statement of its purpose.

What is the status of Handbook material?

Each paragraph of the main text of a module has a regulatory status, indicated by:

- (1) an icon containing a letter (such as **R** for rule); and
- (2) the font and type size.

Under the icon are:

- (1) the date the paragraph came into force; and
- (2) the number of the Handbook release in which the paragraph first appeared in its current form.

A module may have one or more appendices, which normally relate to the whole module or to more than one chapter in it. The contents of an appendix may, like the main text, be of more than one status. This is shown in the same way, by icons.

A chapter may have one or more annexes of supplementary material. This is normally all of one status, shown by an icon, containing the status letter, at the top of the page.

The Handbook contains six types of provision. The icon showing the status of each contains one of the following letters:

R	=	rule (The Principles for Businesses are rules.)
D	=	direction
P	=	Statement of Principle for approved persons
C	=	conclusive description of behaviour which does not amount to market abuse
E	=	evidential provision
G	=	guidance

The full Reader's Guide contains a description of each type of status.

How is the Handbook numbered?

Page numbers are not important in the Handbook. But:

- each page of a chapter shows:
 - (1) the reference code for the sourcebook or manual;
 - (2) the number and title of the chapter;
 - (3) the number and title of the section of the chapter;
 - (4) the number, month and year of the release with which the page was published; and
 - (5) the number of the last paragraph on the page;

(so the first page of Chapter 3 of the Supervision manual shows at the top, on the left 'SUP 3: Auditors' and on the right 'Section 1: Application', and at the bottom, for example, on the left 'FSA Handbook: Release 03: October 2001' and on the right '3.1.6')

- each page of an annex shows the reference code, number and title of the chapter to which the annex relates, and the number and status of the annex;
- each page of an appendix shows the reference code of the module to which the appendix relates, and the number and title of the appendix.

The main text of the Handbook is numbered as follows:

chapter	1	(2, 3 etc)
section	1.1	(1.2, 1.3 etc)
paragraph	1.1.1	(1.1.2, 1.1.3 etc)
sub-paragraph	1.1.1(1)	(1.1.1(2), 1.1.1(3) etc)

sub-sub-paragraphs are shown by (a), (b), (c) and so on, and sub-sub-sub-paragraphs by (i), (ii), (iii) and so on;

(for example, the third paragraph of the second section of the first chapter in the Conduct of Business sourcebook, if it were a rule, would be COB 1.2.3R; a sub-sub-paragraph of that paragraph would be COB 1.2.3R(1)(a)).

A table in the text is numbered as if it were a paragraph.

An illustration in the text, such as a flow-chart, is numbered with the number of the chapter and section in which it appears, followed by the number of the illustration itself.

In cross-references, the reference code letters of the module (see the table of Handbook contents) appear in front of the number. In a cross-reference to a paragraph (or a table or an annex), the letter indicating its status is added at the end. So:

- the first chapter in the Conduct of Business sourcebook is COB 1;
- its first section is COB 1.1;
- its first paragraph (if guidance) is COB 1.1.1G;
- its first annex is COB 1 Ann 1G;
- its first appendix would be COB App 1, and the first paragraph in it would be COB App 1.1.1.

How does the Handbook show defined terms?

Defined terms are shown in italic type. Their definitions are in the glossary of defined terms near the end of the module, or in the consolidated glossary of the Handbook.

Where a word or phrase which is shown in italics in one part of the text appears without italics in another part, it is meant to be given, where unitalicised, its ordinary natural meaning.

What consolidated schedules are there in the Handbook?

Where likely to be useful, there are consolidated schedules drawing together the contents of the schedules from each module.

There is also a consolidated schedule of Handbook releases (Schedule 7) to act as a check-list.

Contents of the Handbook

	Sourcebook or manual	Reference Code
High Level Standards	Principles for Businesses	PRIN
	Senior management arrangements, Systems and Controls	SYSC
	Threshold Conditions	COND
	Statements of Principle and Code of Practice for Approved Persons	APER
	The Fit and Proper test for Approved Persons	FIT
	General provisions	GEN
Business Standards	5 Interim Prudential sourcebooks	IPRU
	Conduct of Business	COB
	Market conduct, including: Code of market conduct Price stabilising rules Inter-professional conduct	MAR
	Training and Competence	TC
	Money Laundering	ML
Regulatory Processes	Authorisation	AUTH
	Supervision	SUP
	Enforcement	ENF
	Decision making	DEC
Redress	Dispute resolution: Complaints	DISP
	Compensation	COMP
	Complaints against the FSA	COAF

Specialist sourcebooks	Collective Investment Schemes	CIS
	(Later: Credit unions)	(CRED)
	Professional firms	PROF
	Lloyd's	LLD
	(Later: Mortgages)	(MORT)
	Recognised Investment Exchanges and Recognised Clearing Houses	REC
	(Later: United Kingdom Listing Authority)	(UKLA)
Special guides		
Schedules:		
Transitional provisions		
Summary schedules:		
1. Record keeping requirements		
2. Notification requirements		
3. Fees and other required payments		
4. Powers exercised in making the Handbook		
5. Rights of action for damages		
6. Rules that can be waived		
7. Releases		
Glossary of definitions		
Index		