

HANDBOOK ADMINISTRATION INSTRUMENT 2005

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”) referred to in Schedule 4 of the General Provisions (GEN).
- B. The rule-making powers listed above are specified for the purpose of section 153(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force as follows:
- (1) Annex K (changes to SUP) comes into force on 1 March 2005;
 - (2) Annexes A to J and Annexes L to S come into force on 1 April 2005.

Amendments to the Handbook

- D. The modules of the FSA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex B
General Provisions (GEN)	Annex C
Interim Prudential sourcebook for Investment Businesses (IPRU(INV))	Annex D
Conduct of Business sourcebook (COB)	Annex E
Client Assets sourcebook (CASS)	Annex F
Market Conduct sourcebook (MAR)	Annex G
Training and Competence sourcebook (TC)	Annex H
Money Laundering sourcebook (ML)	Annex I
Authorisation manual (AUTH)	Annex J

(1)	(2)
Supervision manual (SUP)	Annex K
Enforcement manual (ENF)	Annex L
Dispute Resolution: Complaints (DISP)	Annex M
Compensation sourcebook (COMP)	Annex N
Collective Investment Schemes sourcebook (CIS)	Annex O
Credit Unions sourcebook (CRED)	Annex P
Electronic Commerce Directive sourcebook (ECO)	Annex Q
Lloyd's sourcebook (LLD)	Annex R
Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC)	Annex S

Citation

E. This instrument may be cited as the Handbook Administration Instrument 2005.

By order of the Board
17 February 2005

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

Amend or add, in the correct alphabetical position, the following definitions.

<i>commencement day</i>	the <i>day</i> on which section 19 of the <i>Act</i> (The general prohibition) comes into force, <u>being 1 December 2001</u> .
<u><i>credit unions day</i></u>	<u>1 July 2002</u> .
<i>EEA firm</i>	(in accordance with paragraph 5 of Schedule 3 to the <i>Act</i> (EEA Passport Rights)) any of the following, if it does not have its relevant office in the <i>United Kingdom</i> : (a) (d) an undertaking pursuing the activity of direct insurance (within the meaning of article 1 2 of the <i>First Life Directive Consolidated Life Directive</i> (No. 2002/83/EC) or of Article 1 of the <i>First Non-Life Directive</i> (No. 73/239/EEC)) which has received authorisation under <u>Article 4 of the <i>Consolidated Life Directive</i> or Article 6 of the <i>First Non-Life Directive</i> from its <i>Home State regulator</i>; (e)</u>

Annex B

Amendments to the Statements of Principle and Code of Practice for Approved Persons

In this Annex, underlining indicates new text and striking through indicates deleted text.

3.1.1 G ... The description of conduct, the factors and related provisions are identified in the text by the letter 'E' as explained in ~~paragraph 25~~chapter 6 of the Reader's Guide.

...

Annex C

Amendments to the General Provisions

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional Provisions applying across the Handbook

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
23	Every <i>rule</i> in the <i>Handbook</i> made by the <i>FSA</i>	R	[delete existing text] <u>Expired</u>	From 20 December 2001 until 30 April 2003	Various dates
24	Paragraph 23 and <i>guidance</i> in the <i>Handbook</i> other than in: <i>COND</i> ; <i>APER</i> ; <i>FIT</i> ; <i>AUTH</i> ; <i>PROF</i> ; <i>MAR 1</i>	G	[delete existing text] <u>Expired</u>	From 20 December 2001 until 30 April 2003	Various dates

Transitional provisions applying to GEN only

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	<i>GEN 2.2.7R</i>	R	<i>GEN 2.2.7R</i> has effect as if it started with the words "Unless the context indicates otherwise,". <u>Expired</u>	From 21 June 2001 until six months after commencement	21 June 2001
2	<i>GEN 4.3.1R</i>	R	With respect to <i>designated investment business</i> , a <i>firm</i> is not required to comply with	From 1 March 2003 until 30 September 2004	1 March 2003

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			GEN 4.3.1R until 1 October 2004; firms are permitted at any time during the transitional period to comply with the letter disclosure requirements in GEN 4.3.1R. Expired		
3	GEN 4.3.1R	R	With respect to any regulated activity other than designated investment business, a firm is not required to comply with GEN 4.3.1R until 1 March 2004; firms are permitted at any time during the transitional period to comply with the letter disclosure requirements in GEN 4.3.1R. Expired	From 1 March 2003 until 29 February 2004	1 March 2003
4	GEN 4.4.1R	R	GEN 4.4.1R does not apply to a firm with respect to the carrying on of any regulated activity other than designated investment business. Expired	From 1 March 2003 until 29 February 2004	1 March 2003
...					

Annex D

Amendments to the Interim Prudential sourcebook for Investment Businesses

In this Annex, underlining indicates new text and striking through indicates deleted text.

Interim prudential requirements for former IMRO firms

Chapter 5: Financial Resources

...

Appendix 1 (Interpretation)

Glossary of terms for Chapter 5 (former IMRO firms)

Term

Meaning

...

EEA firm

(in accordance with paragraph 5 of Schedule 3 to the Act (EEA Passport Rights)): means any of the following, if it does not have its head office in the *United Kingdom*:

(a) ...

...

(d) an undertaking pursuing the activity of direct insurance (within the meaning of Article ~~4~~2 of the ~~First Life Directive (No. 79/267/EEC)~~ Consolidated Life Directive (No. 2002/83/EC) or of Article 1 of the First Non-Life Directive (No. 73/239/EEC)) which has received authorisation under Article 4 of the Consolidated Life Directive or Article 6 of the First Non-Life Directive from its *Home State regulator*.

...

Chapter 13: Financial Resource Requirements for Personal Investment Firms

...

Appendix 13(1) Defined terms for chapter 13

...

EEA firm

(in accordance with paragraph 5 of Schedule 3 to the Act (EEA Passport Rights)) any of the following, if it does not have its head office in the *United Kingdom*:

(a) ...

...

- (d) an undertaking pursuing the activity of direct insurance (within the meaning of Article 12 of the *First Life Directive*, Consolidated Life Directive (No. 2002/83/EC) or of Article 1 of the *First Non-Life Directive*) which has received authorisation under Article 4 of the Consolidated Life Directive or Article 6 of the First Non-Life Directive from its *Home State regulator*.

...

Annex E

Amendments to the Conduct of Business sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted or replaced, the place where the change will be made is indicated and the text is not struck through or underlined.

The existing COB TR1 and TR2 become a new COB TP1 as shown.

Transitional provisions TP1

~~COB TR1~~ Transitional Rules for pre-N2 and ex-Section 43 firms at N2

...

COB TR1

(1)	(2) Material to which the transitional provision applies: the COB provisions in Table COB TR 2 with the labels indicated	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.0	Extra time provisions				
...					
1.5	<i>ETP1</i>	G	[delete existing text] <u>Expired</u>	commencement to 30 June 2002	commencement
1.6	<i>ETP3</i>	R	[delete existing text] <u>Expired</u>	[delete existing text]	[delete existing text]
1.7	<i>ETP3</i>	G	[delete existing text] <u>Expired</u>	commencement to 30 June 2002	commencement
1.8	<i>ETP4</i>	R	[delete existing text] <u>Expired</u>	commencement to until 30 November	commencement
1.9	<i>ETP4</i>	G	[delete	commencement	commencement

(1)	(2) Material to which the transitional provision applies: the COB provisions in Table COB TR 2 with the labels indicated	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			existing text] <u>Expired</u>	until 30 November 2002	
1.10	<i>ETP5</i>	R	[delete existing text] <u>Expired</u>	commencement until 30 June 2002	<i>commencement</i>
1.11	<i>ETP6</i>	R	[delete existing text] <u>Expired</u>	commencement until 30 June 2002	<i>commencement</i>
...					
1.13	<i>ETP8</i>	R	[delete existing text] <u>Expired</u>	(pre-N2 firms): commencement until 30 June 2002; (ex-section 43 firms): commencement until 30 November 2002	<i>commencement</i>
1.14	<i>ETP8</i>	G	[delete existing text] <u>Expired</u>	(pre-N2 firms): commencement until 30 June 2002; (ex-section 43 firms): commencement until 30 November 2002	<i>commencement</i>
...					
1.16	<i>ETP9</i>	G	...	commencement to <u>until 30 June 2002</u> a date yet to be specified	<i>commencement</i>
2	Technical timing provisions				
2.1	<i>TTP1</i>	R	[delete existing text] <u>Expired</u>	commencement to expiry of the relevant period	<i>commencement</i>
2.2	<i>TTP2</i>	R	[delete	commencement to	<i>commencement</i>

(1)	(2) Material to which the transitional provision applies: the COB provisions in Table COB TR 2 with the labels indicated	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			existing text] <u>Expired</u>	expiry of the relevant period	
2.3	<i>TTP3</i>	R	[delete existing text] <u>Expired</u>	commencement to expiry of the relevant period	<i>commencement</i>
2.4	<i>TTP1, TTP and TTP3</i>	G	[delete existing text] <u>Expired</u>	commencement to expiry of the relevant period	<i>commencement</i>
...					

COB TR2: Rules benefiting from transitional relief (pre-N2 and ex-section 43 firms) G
This Table belongs to COB TR1.1 to COB TR 3.10

Replace the existing COB TR2 table with the following table:

COB Rule	Rule Heading	Label	
		ETP	TSP
Chapter 1 Applications and general provisions			
1.3 General application: what?			
1.3.1R		ETP9	
Chapter 2 Rules which apply to all firms conducting designated investment business			
2.2 Inducements and soft commission			
2.2.8R	Requirements when using a soft commission agreement	ETP1	TSP2
2.2.12R	Allowable benefits provided under a soft commission agreement	ETP1	
2.2.16R	Prior disclosure	ETP1	
Chapter 3 Financial promotion (whole chapter)		ETP1	TSP7
3.6 Confirmation of compliance			
3.6.1R	Confirmation of compliance	ETP1	TSP1

COB Rule	Rule Heading	Label	
		ETP	TSP
3.6.3R	Withdrawing confirmation	ETP1	TSP1
3.6.5R	Communicating a financial promotion where another firm has confirmed compliance	ETP1	TSP1
Chapter 4 Accepting customers			
4.2 Terms of business and client agreements with customers (whole section)		ETP1	TSP2
Chapter 5 Advising and selling			
5.2 Know your customer			
5.2.5R	Requirement to know your customer	ETP1	TSP3
5.2.9R	Record keeping: personal and financial circumstances	ETP1	TSP3
5.2.10R	Record keeping: execution-only pension opt-outs and pension transfers	ETP1	TSP3
5.3 Suitability			TSP4
5.3.5R	Requirement for suitability generally	ETP1	
5.3.14R	Requirement for a suitability letter: other specific requirements	ETP1	
5.3.19R	Exceptions from requirement to provide a suitability letter	ETP1	
5.3.20R	Suitability of broker funds	ETP1	
5.3.21R	Suitability of pension transfers and opt-outs	ETP1	
5.3.22R		ETP1	
5.3.23R		ETP1	
5.3.24R		ETP1	
5.3.25R		ETP1	
5.3.26R		ETP1	
5.3.27R		ETP1	
5.3.28R	Suitability of personal pension schemes: promotions to employees	ETP1	
5.4 Customers' understanding of risk			TSP4
5.4.3R	Requirement for risk warnings	ETP1	TSP4
5.7 Disclosure of charges, remuneration and commission			
5.7.3R	Disclosure of charges	ETP1	
5.7.5R	Disclosure of commission (or equivalent) for	ETP1	

COB Rule	Rule Heading	Label	
		ETP	TSP
	packaged products		
5.7.9R	Exceptions to the disclosure for packaged products	ETP1	
5.7.10R		ETP1	
5.7.15R		ETP1	
Chapter 6 Product disclosure and the customers' right to cancel or withdraw (whole chapter)		ETP1	TSP7
6.7 Cancellation and withdrawal (whole section)		ETP1	TSP6
6.9 With-profits guides (whole section)			
Chapter 8 Reporting to customers			
8.1 Confirmation of transactions			
8.1.3R	Requirement to confirm a transaction	ETP1	
8.1.6R	Exceptions to the requirement to despatch a confirmation	ETP1	
8.1.7R		ETP1	
8.1.8R		ETP1	
8.1.11R	When a confirmation may omit certain information	ETP1	
8.1.12R	When a transaction is treated as executed	ETP1	
8.1.14R	Record keeping requirements	ETP1	
8.2 Periodic statements			
8.2.4R	Requirement for a periodic statement	ETP1	
8.2.6R	Exceptions from the requirement to provide a periodic statement	ETP1	
8.2.9R	Record keeping requirements	ETP1	
Chapter 10 Operators of collective investment schemes			
10.3 Modification of the allocation rule			
10.3.1R		ETP1	
10.4 Suitability of the portfolio of an unregulated collective investment scheme			
10.4.3R		ETP1	
10.6 Scheme documents for an unregulated collective investment scheme			
10.6.2R	Provision of scheme documents to private customers	ETP1	TSP5

COB Rule	Rule Heading	Label ETP	TSP
10.6.5R			TSP5
10.7 Periodic statements for an unregulated collective investment scheme (whole section)		ETP1	

The existing COB TR3 becomes a new COB TP2 as shown.

Transitional provisions TP2

Client classification transitional provisions at N2

COB Table TR3 Client Classification Provisions

...

The existing COB TR4 and TR5 become a new COB TP3 as shown.

Transitional provisions TP3

~~COB TR4~~ Transitional Rules for ex-RPB firms

...

COB Table TR4 – COB Transitional Provisions (for ex-RPB firms)

(1)	(2) Material to which the transitional provision applies: The <i>COB</i> provisions in Table <i>COB</i> TR 5 with the label indicated	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.0	Extra time provisions				
1.1	<i>ETP1</i>	R	[delete existing text] <u>Expired</u>	<i>commencement to 30 November 2002</i>	<i>commencement</i>
...					
1.4	<i>ETP2</i>	R	[delete existing text]	<i>commencement to 30 November</i>	<i>commencement</i>

(1)	(2) Material to which the transitional provision applies: The <i>COB</i> provisions in Table <i>COB</i> TR 5 with the label indicated	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
			<u>Expired</u>	2002	
1.5	<i>ETP2</i>	G	[delete existing text] <u>Expired</u>	<i>commencement to 30 November 2002</i>	<i>commencement</i>
1.6	<i>ETP3</i>	R	[delete existing text] <u>Expired</u>	<i>commencement to 30 November 2002</i>	<i>commencement</i>
1.7	<i>ETP3</i>	G	[delete existing text] <u>Expired</u>	<i>commencement to 30 November 2002</i>	
2.0	Technical Timing provisions				
2.1	<i>TTP1</i>	R	[delete existing text] <u>Expired</u>	<i>commencement to 30 November 2002</i>	<i>commencement</i>
2.2	<i>TTP1</i>	G	[delete existing text] <u>Expired</u>	<i>commencement to 30 November 2002</i>	<i>commencement</i>

COB Table TR5 COB rules benefiting from transitional relief for ex-RPB firms
This Table belongs to COB TR4 1.1R to COB TR4 4.1R

...

The existing COB (second) TR5 becomes a new COB TP4 (and references to this as TR5 are deleted) as shown:

Transitional provisions TP4

Miscellaneous transitional provisions applying to all firms

~~Table COB TR5 Miscellaneous transitional provisions applying to all firms~~

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	COB 6.5.40R(3)(k) and (l)	R	[delete existing text] <u>Expired</u>	From 1 August 2002 to 1 February 2003	1 August 2002
2	COB 6.5.18R and COB 6.6	R	[delete existing text] <u>Expired</u>	From 1 November 2002 to 5 April 2003	1 November 2002
3	COB 6.8.26R and COB 6.8.28R	R	[delete existing text] <u>Expired</u>	From 19 January 2003	19 January 2003
4	COB 3.8.4R(3), 3.9.7R(1), 3.13.4R	R	[delete existing text] <u>Expired</u>	From 1 March 2003 to 30 September 2004	1 March 2003
...					
11	COB 5.4.4E(6)	R	Risk warnings for listed securities involving gearing A firm, which acts as a discretionary investment manager for a private customer on 1 January 2004 will not contravene this evidential provision if it provides the relevant risk warning to those customers no later than when it provides a statement in accordance with COB 8.2.4R provided that this is done no later than 9 months after this rule comes into force. <u>Expired</u>	1 January 2004	30 September 2004
12	COB 3.9.31G(3)	G	[delete existing text] <u>Expired</u>	From 20 February	20 February

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
				2004 until 16 July 2004	2004
...					
<u>14</u>	<u>COB 6.11.9R</u>	R	...	...	...

The existing COB TR6 becomes a new COB TP5 (and references to this as TR6 are deleted) as shown as shown:

Transitional provisions TP5

Distance Marketing Directive transitional rules (applicable to all firms)

~~COB TR6~~

...

The existing COB TR7 becomes a new COB TP6 (and references to this as TR7 are deleted) as shown as shown:

Transitional provisions TP6

Transitional rules for depolarisation (applicable to all firms)

~~Table COB TR7 Transitional Rules for carrying on with profits business~~

...

The existing COB TR8 becomes a new COB TP7 (and references to this as TR7 are deleted) as shown as shown:

Transitional provisions TP7

Transitional rules for carrying on with-profits business

~~Table COB-TR8 Transitional rules for carrying on with profits business~~

COB 3 Financial promotion

...

Income withdrawal

3.9.29 R ...

Child trust funds

3.9.30 R ...

Structured capital at risk products

3.9.31 R ...

Annex F

Amendments to the Client Assets sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text.

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
2	Every rule in the <i>Handbook</i>	R	<p>If a <i>firm</i> or its auditors make reference to a provision in <i>COB 9</i> in a document, record, report or return, the <i>FSA</i> will take this as a reference to the equivalent provision in <i>CASS 2</i> to <i>CASS 4</i>.</p> <p><u>Expired</u></p>	<p>1 January 2004 for 12 months</p>	<p>1 January 2004</p>
		G	<p>As a result of 2, <i>firms</i> will not have to replace their <i>terms of business</i> or <i>client agreements</i> immediately on the introduction of <i>CASS</i>.</p> <p><u>Expired</u></p>		
<u>2A</u>		G	<p>If a <i>waiver</i> granted before 1 January 2004 refers to a provision in <i>COB 9</i> it will continue to be effective in relation to the equivalent provision in <i>CASS</i>.</p>		

Annex G

Amendments to the Market Conduct sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions TP1 – table MAR 2

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	<i>MAR 2</i>	R	[delete existing text] <u>Expired</u>	<i>commencement until the end of the stabilising period for the offer</i>	<i>commencement</i>

Annex H

Amendments to the Training and Competence sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
...					
4	<i>TC 2.5.1R(1) and (2)</i>	R	A firm which, immediately before commencement, was required to comply with specific training and competence requirements imposed by its previous regulator, may, in respect of the individuals employed before commencement, comply with the requirements of <i>TC 2.5.1R(1) and (2)</i> by ensuring that those individuals pass the appropriate examinations within the time limits imposed by its previous regulator. <u>Expired</u>	From commencement	<i>Commencement</i>
5	<i>TC 2</i>	R	...	...	...
<u>6A</u>		G	General transitional provisions GEN contains some technical transitional provisions that apply throughout the Handbook and which are designed to ensure a smooth transition at commencement.	From commencement	<i>Commencement</i>

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
			These include transitional provisions relevant to record keeping. <u>Expired</u>		
<u>6B</u>	<i>TC</i>	G	[delete existing text] <u>Expired</u>	From commencement for 12 months	<i>Commencement</i>
<u>6C</u>	<i>Rules and guidance ...</i>	G	[delete existing text] <u>Expired</u>		
7	...				

2.1.4 R Table Activities to which *TC2* applies.

	Activity	Extent of Application
<i>Employees engaging in:</i>	Advising and Dealing a. Advising (without dealing) p. <i>advising a customer</i> on a: ... ii. a regulated lifetime mortgage contract.	In relation to <i>designated investment business</i> a. ...

...
2.4 Attaining competence

...
2.4.3 G In *TC* 2.4.2R ~~(2)~~(1)(b) an adequate level of application of knowledge and skills includes:

...

Annex I

Amendments to the Money Laundering sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
...					
<u>3</u>	<i>ML</i>	G	<p>General transitional provisions</p> <p><i>GEN</i> contains some technical transitional provisions that apply throughout the <i>Handbook</i> and which are designed to ensure a smooth transition at <i>commencement</i>. These include transitional provisions relevant to record keeping. <u>Expired</u></p>	From <i>commencement</i>	<i>commencement</i>

1.1.1 R (1) This sourcebook applies to every relevant *firm* (see *ML* 1.1.2R) with respect to its relevant *regulated activities* (see *ML* 1.1.4R), but there are special provisions in ~~*ML* 8.1R and *ML* 8.2R~~ for *sole traders* with no *employees* and *authorised professional firms*.

...

1.1.3 G The scope of this sourcebook is very wide. It includes all *firms* except:

(1) ...

(2) those within the exception for *firms* carrying on any *insurance mediation activity* in relation to a *general insurance contract* or *pure protection contract* (see *ML* 1.1.4R (1A)) or any *mortgage mediation activity* (see *ML* 1.1.4R(5)); in this respect, the chapter follows ~~{articles 2(3)(h) and 2(3)(i) }~~ of the ~~{ }~~ ~~[to be added when 2003 Money Laundering Regulations 2003 (SI 2003/3075) are in final form]~~.

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Annex J

Amendments to the Authorisation manual

In this Annex, underlining indicates new text and striking through indicates deleted text.

- 1.3.3 G (1) A Reader's Guide gives an introduction to the *Handbook* and is a key navigational aid for *Handbook* users. The guide explains the format, layout and workings of the *Handbook*, including the status and definitions of its components such as directions, *rules* and *guidance* (~~see paragraphs 18 to 31 of the Guide~~).
- (2) We recommend that readers consult this Guide before or while reading *AUTH*. ~~In particular, readers may find it helpful to refer to the sections of the Guide that explain structure (paragraphs 3 to 13 of the Guide), the status of provisions (paragraphs 14 to 27 of the Guide) and cross-references (paragraphs 40 to 42 of the Guide).~~
- ...
- 1.3.6 G *AUTH* uses words and phrases that have specific meanings in the *Handbook* or in legislation; these may be different from, or more precise than, their usual dictionary meanings. Defined terms used in the text of the *Handbook* are shown in italics (~~see paragraph 43 of the Reader's Guide~~). For the meanings of defined terms used in *AUTH*, see the *Glossary* (either the extracts at the end of *AUTH* or the consolidated *Glossary* ~~near the end of the *Handbook*~~). It is essential that readers refer to these definitions.
- 1.3.7 G *AUTH* 1.3.9G summarises *AUTH*. Readers should note that in a cross-reference, as explained in Chapter 6 paragraph 40 of the Reader's Guide, the code letters of the manual or sourcebook immediately precede the chapter number. For example, *AUTH* 1 is the first chapter of the Authorisation manual.
- ...
- 1.5.4 G ~~A table of contents of the *Handbook* is at the end of the Reader's Guide.~~
[deleted]
- ...
- 1.8.5 G The *FSA* will review its *guidance* from time to time and may need to amend or withdraw published or written *guidance* in the light of changing circumstances, developing business practices, or case law. For the status of guidance issued by the *FSA*, see Chapter 6 of paragraphs 25 to 28 in the Reader's Guide.
- ...
- AUTH* 4 R Authorisation fees payable ~~in relation to the period from 1st April 2002 to~~
Annex 1 ~~31st March 2003~~
- ...

Annex K

Amendments to the Supervision manual

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Part 1:

Transitional provisions applying to the Supervision manual only

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
...					
2	<i>SUP 3.9 and SUP 3.10</i>	R	[delete existing text] <u>Expired</u>	From commencement for two years	<i>Commencement</i>
3	<i>SUP 3.9.4R</i>	R	[delete existing text] <u>Expired</u>	From commencement for one year	<i>Commencement</i>
3A	<i>SUP 3.10</i>	R	[delete existing text] <u>Expired</u>	From commencement for six months	<i>Commencement</i>
3B	<i>SUP 3.10.6R, SUP 3.10.7R</i>	G	[delete existing text] <u>Expired</u>	From commencement for six months	<i>Commencement</i>
3C	<i>SUP 3.10</i>	R	[delete existing text] <u>Expired</u>	From commencement for thirteen months	<i>Commencement</i>
...					
6	<i>SUP 8.6.1R</i>	R	[delete existing text] <u>Expired</u>	From commencement for one month	<i>Commencement</i>
...					

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
8	<i>SUP</i> 10.13.6R	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for one month	<i>Commencement</i>
9	<i>SUP</i> 12.5.5R, <i>SUP</i> 12.5.7R	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months	<i>Commencement</i>
...					
10	<i>SUP</i> 16.4.5R <i>SUP</i> 16.5.5R	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for four months	<i>Commencement</i>
...					
11	<i>SUP</i> 16.6, <i>SUP</i> 16.7, <i>SUP</i> 16.8	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for two years	<i>Commencement</i>
12	<i>SUP</i> 16.7.7R; <i>SUP</i> 16.7.9R, <i>SUP</i> 16.7.11R, <i>SUP</i> 16.7.16R, <i>SUP</i> 16.7.24R, <i>SUP</i> 16.7.26R, <i>SUP</i> 16.7.35R, <i>SUP</i> 16.7.44R, <i>SUP</i> 16.7.46R, <i>SUP</i> 16.7.48R, <i>SUP</i> 16.7.57R	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for one year	<i>Commencement</i>
...					
15A	Rules in <i>SUP</i> 20	R	[delete existing text] <u>Expired</u>	From 1 December 2002 to 31 December 2003	Various dates
15B	Transitional rule <i>SUP</i> 15A	G	[delete existing text] <u>Expired</u>	From 1 December 2002 to 31 December 2003	1 December 2002

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
...					

Transitional provisions relating to written concessions

...

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	<i>Rules in: COB, IPRU, MAR 2, SUP 16.6 and 16.7, TC</i>	...	...	<i>If the rule in column (2) appears in IPRU or in SUP 16.6 or SUP 16.7, from commencement until that rule is revoked. Otherwise, from commencement for 12 months.</i>	...
2	<i>Rules in: COB, IPRU, MAR 2, SUP 16.6 and 16.7, TC</i>	...	...	<i>If the rule in column (2) appears in IPRU or in SUP 16.6 or SUP 16.7, from commencement until that rule is revoked. Otherwise, from commencement for 12 months.</i>	...
3	<i>Rules in: COB, IPRU, MAR 2, SUP 16.6 and</i>	...	...	<i>If the rule in column (2) appears in IPRU</i>	...

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
	<u>16.7, TC</u>			or in SUP 16.6 or SUP 16.7, from commencement until that rule is revoked. Otherwise, from commencement for 12 months.	
4	Rules in: COB, IPRU, MAR 2, SUP 16.6 and 16.7, TC	...	...	If the rule in column (2) appears in IPRU or in SUP 16.6 or SUP 16.7, from commencement until that rule is revoked. Otherwise, from commencement for 12 months.	...

...

6.4.5 D (2) ...

- (a) given to a member of, or addressed for the attention of, the ~~Resignation~~ Cancellations Team at the *FSA*; and

...

...

6.4.6 G (1) ~~SUP 6.4.5R(2)(a) provides that the application for cancellation of Part IV permission must be sent to the Resignation Team in the FSA's Corporate Authorisation department which performs a central administrative function. The firm's usual supervisory contact at the FSA will, however, be responsible for all day-to-day contact with the firm and assessing the application. In addition to applying for cancellation of Part IV permission in accordance with SUP 6.4.5D, a firm may discuss prospective cancellations with its usual supervisory contact at the FSA.~~

- (2) To contact the ~~Corporate Authorisation Resignation Cancellations~~ team:
- (a) telephone on 020 7676 ~~4000~~ 1102; fax on 020 ~~6767-1099~~ 7066 9701; or
 - (b) write to: ~~Corporate Authorisation Resignation Cancellations~~ Team, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS; or
 - (c) email corporate.authorisation@fsa.gov.uk

6.4.7 G When it receives ~~this an~~ an application is received, the ~~FSA Corporate Authorisation Resignation Team~~ will send the *firm* a written acknowledgement. ~~This acknowledgement will explain the cancellation process and detail the information required as part of the application (examples of which are given in SUP 6.4.8G to SUP 6.4.17G).~~ The *firm* will be required to provide information which, in the opinion of the *FSA*, is necessary for it to determine whether to grant or refuse the application for cancellation of *Part IV permission*. The ~~Corporate Authorisation Resignation Cancellations~~ Team will work with the *firm's* usual supervisory contact at the *FSA* during this process.

...

10.12.6 G Application forms must always be completed fully and honestly. Further notes on how to complete the form are contained in each form. If forms are not completed fully and honestly, applications will be delayed and, in some cases, possibly rejected. A *person* who provides information to the *FSA* that is false or misleading may commit a criminal offence. ~~As a general guide, disclosure is required in the application form in respect of:~~

- (1) ~~previous employment history going back ten years and with reasons for leaving;~~
- (2) ~~outstanding county court judgements, bankruptcies and arrangements with creditors; and~~
- (3) ~~previous disciplinary actions by a regulatory body.~~

...

11.3.14 G The *FSA* is obliged to consult regulatory authorities in other *EEA States* before approving the change in *control* or giving a *warning notice* where the Financial and Services Markets Act 2000 (Consultation with Competent Authorities) Regulations 2001 (SI 2001/2509, as amended) apply. In summary, these regulations require the *FSA* to consult with the *home state regulator* of an *ISD investment firm*, a *BCD credit institution*, an *EEA insurer*, an *EEA UCITS management company* or the *parent undertaking* of any of these, where that *firm* has acquired or proposes to acquire *control* of certain *UK domestic firms* such that the acquiring *firm* would become the

parent undertaking of the relevant UK domestic firm. These regulations also impose certain consultation obligations on the FSA in respect of financial conglomerates.∴

- (1) (a) the "target" ~~UK domestic firm is an investment firm;~~
- (b) ~~the controller or proposed controller is an ISD investment firm or the parent undertaking of an ISD investment firm; and~~
- (c) ~~as a result of the acquisition or proposed acquisition, the controller or proposed controller would become the parent undertaking of the UK domestic firm; or~~
- (2) (a) the "target" ~~UK domestic firm has permission to accept deposits;~~
- (b) ~~the controller or proposed controller is a BCD credit institution or the parent undertaking of a BCD credit institution; and~~
- (c) ~~as a result of the acquisition or proposed acquisition, the controller or proposed controller would become the parent undertaking of the UK domestic firm.~~

...

13.1.4 G ~~SUP 13 Appendix 3 Ann X [to be issued later]~~ contains guidance on the Single Market Directives.

...

13.3.1 G ~~Guidance on what constitutes a branch is given in SUP 13 Appendix 3 Ann X [to be issued later].~~

...

13.4.1 G ~~Guidance on where a cross border services is provided is given in SUP 13 Ann X Appendix 3G[to be issued later].~~

...

R Requisite and relevant details Specified information: Cross Border Services

Annex 3

1 Table

Type of firm	<u>Requisite / relevant details Specified information</u>
	<u>Requisite Details</u>
1 <i>Investment firm</i>	(a) € Details of the programme of operations, stating in particular the service or services the <i>UK firm</i> intends to provide.
2 <i>UCITS management company</i>	(a) The information required under 1 above, plus ; <u>and</u> (b) the <i>EEA State</i> within the territory of which the <i>UCITS management company</i> plans to establish a branch operate ; <u>Relevant details (regulation 17)</u>
3 <i>Insurance Undertaking (note 1)</i>	(a) € The <i>EEA State</i> in which the EEA activities are carried on, or are to be carried on; (b) ... (c) if the <i>firm</i> covers, or intends to cover, relevant motor vehicle risks (note 12): (i) the name and address of the claims representative (note 23); and (ii) details of the firm's <i>firm's</i> membership of the national bureau and the national guarantee fund in the <i>EEA State</i> concerned (<u>if required by the <i>EEA State</i> concerned as part of the <i>consent notice</i></u>); and (d) if the insurer <i>insurer</i> covers, or intends to cover, health insurance, the technical bases used, or to be used, for calculating premiums in respect of such risks ; <u>Note 1: See regulation 17 of the <i>EEA Passport Rights Regulations</i>.</u> <u>Note 2: In this table, the reference to 'relevant motor risks' has the meaning given to <i>motor vehicle liability</i> in Schedule 1 to the <i>Regulated Activities Order</i>.</u> <u>Note 3: In this table, the reference to 'claims representative' has the meaning given to it in the <i>EEA Passport Rights Regulations</i>.</u>

...

SUP 16 Annex 21R

1. GENERAL REPORTING FIELDS

...

Data reporting field	Code (where applicable)	Guidance
<u>Transaction reference number</u>	<u>Up to 25 digits</u>	<u>A unique reference, internal to the reporting <i>firm</i> such as the policy number, account number, application number etc.</u>
FSA reference number of product provider	6 digit number	...
...		

2. SPECIFIC REPORTING FIELDS

(a) Retail Investments

Data reporting field	Illustrative code (where applicable)	Notes
...		
<u>Date policy in force</u>	<u>DD/MM/YYYY</u>	<u>This should be the date the policy is put 'in force'. This may also be the on risk date, the go live date, or the issue of contract date. It is for firms to determine which date to report.</u>

(b) Pure protection contracts

Data reporting field	Illustrative code (where applicable)	Notes
...		
<u>Date policy in force</u>	<u>DD/MM/YYYY</u>	<u>This should be the date the policy is put 'in force'. This may also be the on risk date, the go live date, or the issue of contract date. It is for firms to determine which date to report.</u>

(c) Mortgages

...

Data reporting field	Illustrative code (where applicable)	Notes
...		
<p>County Court Judgements (CCJs)</p> <p>Value</p>	<p>Numeric £</p>	<p>Applies where borrower/s has one or more CCJ's within the last three years – either satisfied or unsatisfied –with a total value greater than £500.</p> <p><u>In the case of joint applications, CCJ's should be reported against the appropriate borrower (i.e. borrower 1 or 2 or both). However, if your systems do not allow you report this information against both borrowers, you can report all CCJ data in the borrower 1 reporting field.</u></p>
<p>Impaired credit history</p>	<p>A = arrears</p> <p>V = IVA</p> <p>B = Bankruptcy</p>	<p>Use code/s to indicate applicable credit history</p> <p>A = applies to secured loans and unsecured loans where the borrower/s has arrears on a previous (or current) mortgage or other secured loan within the last 2 years where the cumulative amount overdue at any point reached three or more monthly payments or</p> <p>V = applies where the borrower/s have been subject to an Involuntary arrangement (IVA) at any time within the last 3 years</p> <p>B = applies where the borrower/s have been subject to a bankruptcy order at any time within the last 3 years</p> <p><u>In the case of joint applications, impaired credit data should be reported against the appropriate borrower (i.e. borrower 1 or 2 or both). However, if your systems do not allow you report this information against both borrowers, you can report all impaired credit data in the borrower 1 reporting field.</u></p>

...

Annex L

Amendments to the Enforcement manual

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
1	<i>ENF 13</i> Ann 1G	G	[delete existing text] <u>Expired</u>	Until the FSA has fully invoiced the <i>firm</i> in respect of its annual fee for the period 1 April 2002 to 31 March 2003	<i>commencement</i>
...					
3	<i>ENF 13.5,</i> <i>ENF 13</i> Ann 1G	G	[delete existing text] <u>Expired</u>	From 1 October 2002	<i>commencement</i> but applying to <i>credit unions</i> from <i>credit unions day</i>

Annex M

Amendments to the Dispute Resolution: Complaints sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
1	<i>DISP</i> 1.2.15G	R	[delete existing text] <u>Expired</u>	<i>Commencement</i> to 30 June 2002	<i>Commencement</i>
2	<i>DISP</i> 1.5.4R - <i>DISP</i> 1.5.7R	R	[delete existing text] <u>Expired</u>	01.4.02– 31.10.02	01.4.02
3	<i>DISP</i> 1.5.4R - <i>DISP</i> 1.5.7R	G	[delete existing text] <u>Expired</u>	01.4.02– 31.10.02	01.4.02
...					
9	<i>DISP</i> 5.5.1R	R	[delete existing text] <u>Expired</u>	01.3.02– 31.5.02	Not yet made
...					

Annex N

Amendments to the Compensation sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
...					
2	<i>COMP</i> 13.5 and <i>COMP</i> 13.6R	R	[delete existing text] <u>Expired</u>	<i>Commencement</i> to 31 March 2004	<i>commencement</i>
3	<i>COMP</i> 13.4.6R and <i>COMP</i> 13.6.7R	R	[delete existing text] <u>Expired</u>	<i>Commencement</i> to 31 March 2002	<i>commencement</i>
4	<i>COMP</i> 13.5.8R	R	[delete existing text] <u>Expired</u>	<i>Commencement</i> to 31 March 2002	<i>commencement</i>
...					
9	<i>COMP</i> 13.6.8R	R	[delete existing text] <u>Expired</u>	1 January 2004 to 1 January 2005	<i>commencement</i>

Annex O

Amendments to the Collective Investments Schemes sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	<i>CIS</i>	R	[delete existing text] <u>Expired</u>	<i>Commencement</i>	<i>Commencement</i>
2	<i>CIS 2</i>	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months until date of revision (whichever is earlier)	<i>Commencement</i>
3	<i>CIS</i>	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months	<i>Commencement</i>
4	<i>CIS 2</i>	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months until date of revision (whichever is earlier)	<i>Commencement</i>
...					
6	<i>CIS 2.2.2R(6)</i>	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months until date of revision (whichever is	<i>Commencement</i>

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
				earlier)	
7	<i>CIS</i> 5.2.10R(2)	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months until date of revision (whichever is earlier)	<i>Commencement</i>
8	<i>CIS</i> 5.4.4R(5)	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months until date of revision (whichever is earlier)	<i>Commencement</i>
9	<i>CIS</i> 9.2.7	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months until date of revision (whichever is earlier)	<i>Commencement</i>
10	<i>CIS</i> 10.3 and <i>CIS</i> 10.4	R	[delete existing text] <u>Expired</u>	From <i>commencement</i> for 12 months	<i>Commencement</i>
11	<i>CIS</i>	G	[delete existing text] <u>Expired</u>	From <i>commencement</i>	<i>Commencement</i>
12	<i>CIS</i> 3.5.2R(18)	R	[delete existing text] <u>Expired</u>	From 1 August 2002 for 6 months	1 August 2002
...					
13A	<i>CIS</i> 3.5.2R(19)	R	[delete existing text] <u>Expired</u>	From 1 October 2002 for four months	1 October 2002

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
14	<i>CIS</i> 3.2.2R(3) and <i>CIS</i> 3.5.2R(10-14) and <i>CIS</i> 5 and <i>CIS</i> 10.4.2R(16)	R	(1) ...	from 1/11/02 until 12/02/07	1/11/02
			(2) [delete existing text] <u>Expired</u>	from 1/11/02 until 12/02/04	1/11/02
...					
23	<i>CIS</i> 10.1.4G(2), <i>CIS</i> 10.3.3R(1)(a), <i>CIS</i> 10.3.4R(1)(a), <i>CIS</i> 10.3.6R(3), <i>CIS</i> 10.4.8R(1) and <i>CIS</i> 10.4.9R(2)(a)	R and G	[delete existing text] <u>Expired</u>	From 1 February 2004 for 12 months	From commencement but amended as at 1 February 2004

Annex P

Amendments to the Credit Unions sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
...					
3	<i>CRED 15.5, CRED 15 Ann 3G</i>	G	[delete existing text] <u>Expired</u>	from 1 October 2002	<i>credit unions day</i>
...					

Annex Q

Amendments to the Electronic Commerce Directive sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
1	Every <i>rule</i> (including <i>evidential provision</i>) in <i>ECO</i>	R	[delete existing text] <u>Expired</u>	21 August 2002 to 20 November 2002	21 August 2002
...					

Annex R

Amendments to the Lloyds sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2)	(3)	(4)	(5)	(6)
	Material to which the transitional provision applies		Transitional provision	Transitional provision: dates in force	Handbook provision coming into force
...					
2	<i>LLD 7.4.1G</i>	G	[delete existing text] <u>Expired</u>	From commencement until the end of the following December or June whichever is earlier	<i>Commencement</i>
...					
4	<i>LLD 13.2.2R and LLD 9 to LLD 15</i>	R	[delete existing text] <u>Expired</u>	Commencement to 31.12.2002	<i>Commencement</i>
5	<i>LLD 15.9R to LLD 15.11R</i>	R	[delete existing text] <u>Expired</u>	Commencement to 31.12.2001	<i>Commencement</i>
6	<i>LLD</i>	G	[delete existing text] <u>Expired</u>	From commencement	<i>Commencement</i>
...					

Annex S

Amendments to the Recognised Investment Exchanges and Recognised Clearing Houses sourcebook

In this Annex, underlining indicates new text and striking through indicates deleted text. Where an entire section of text is being deleted, the place where the change will be made is indicated and the text is not struck through.

Transitional provisions

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	<i>REC 3 and REC 6</i>	R	[delete existing text] <u>Expired</u>	Commencement until one year after commencement	Commencement
2	<i>REC 3</i>	R	[delete existing text] <u>Expired</u>	Commencement until one year after commencement	Commencement
3	<i>REC 3</i>	R	[delete existing text] <u>Expired</u>	Commencement until one year after commencement	Commencement
4	<i>REC 6.6.3</i>	G	[delete existing text] <u>Expired</u>	Commencement until one year after commencement	Commencement
5	<i>REC 6.7.5</i>	R	[delete existing text] <u>Expired</u>	Commencement until one year after commencement	Commencement