

**INTERIM PERMITTED REGULATED SALE AND RENT BACK ACTIVITIES  
INSTRUMENT 2009**

**Powers exercised by the Financial Ombudsman Service Limited**

- A. The Financial Ombudsman Service Limited makes the rules in Annex H (Dispute Resolution: Complaints sourcebook (DISP)) to this instrument for firms relating to the Compulsory Jurisdiction in the exercise of the following powers and related provisions of the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 226 (Compulsory jurisdiction); and
  - (2) paragraph 14 (The scheme operator’s rules) of Schedule 17 (The Ombudsman Scheme).
- B. The making of these rules by the Financial Ombudsman Service Limited is subject to the consent and approval of the Financial Services Authority.

**Powers exercised by the Financial Services Authority**

- C. The Financial Services Authority makes this instrument in the exercise of the powers and related provisions in:
- (1) article 33(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI No 2009/1342) (“the Order”); and
  - (2) the following sections of the Act:
    - (a) section 138 (General rule-making power);
    - (b) section 145 (Financial promotion rules);
    - (c) section 149 (Evidential provisions);
    - (d) section 156 (General supplementary powers);
    - (e) section 157(1) (Guidance);
    - (f) section 213 (The compensation scheme);
    - (g) section 214 (General); and
    - (h) paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority).
- D. Article 33(2) of the Order is relevant to the exercise of the powers set out in paragraph C(2) above because it provides that sections 155 (Consultation) and 157(3) (Guidance) of the Act do not apply to the rules and guidance set out in this instrument.
- E. The provisions listed above relevant to making rules are specified for the purposes of section 153(2) (Rule-making instruments) of the Act.
- F. The Financial Services Authority consents to and approves the rules made by the Financial Ombudsman Service Limited.

## Commencement

G. This instrument comes into force on 1 July 2009.

## Direction

H. The FSA makes the directions set out in Annex A to this instrument.

## Amendments to the Handbook

I. 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) below.

(1)	(2)
Glossary of definitions	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C
Fees manual (FEES)	Annex D
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex E
Training and Competence sourcebook (TC)	Annex F
Supervision manual (SUP)	Annex G
Dispute Resolution: Complaints sourcebook (DISP)	Annex H

## Notes

J. In the Annexes to this instrument, the Notes (indicated by “**Note:**”) are included for the convenience of readers but do not form part of the legislative text.

## Citation

K. Annex A to this instrument may be cited as the Directions, rules and guidance for Interim Permitted Regulated Sale and Rent Back Activities.

L. This instrument may be cited as the Interim Permitted Regulated Sale and Rent Back Activities Instrument 2009.

By order of the Board of the Financial Ombudsman Service Limited  
1 July 2009

By order of the Board of the Financial Services Authority  
1 July 2009

## Annex A

### Directions, rules and guidance for Interim Permitted Regulated Sale and Rent Back Activities

In this Annex, new provisions relevant to interim permitted regulated sale and rent back activities are being introduced. All the text is new text and is not underlined.

#### Handbook and other requirements for Interim Permitted Regulated Sale and Rent Back Activities

##### 1 Application and purpose

1.1 R These *rules* and directions apply to:

- (1) an *authorised person* with an *interim permission*; and
- (2) an *authorised person* with an *interim variation of permission*.

1.2 G The purposes of these Directions are:

- (1) to make rules relating to disclosure of their regulated status by *persons* with an *interim permission* or an *interim variation of permission*; and
- (2) to direct, in accordance with article 33(1) of the *Order*, that certain provisions of the *Handbook* that would otherwise apply to *persons* with an *interim permission* or an *interim variation of permission* are not to apply.

##### 2 Disapplication of certain modules or provisions of the Handbook

2.1 D The *FSA* directs that the modules or parts of the modules of the *FSA's Handbook of rules* and guidance listed in the Schedule to this direction do not apply to an *authorised person* with an *interim permission* or an *interim variation of permission* to the extent that the *person* conducts *regulated sale and rent back activity*.

##### 3 Application of the Handbook of rules and guidance

3.1 R The Handbook applies to an *authorised person* with an *interim permission* or an *interim variation of permission* when carrying on *regulated sale and rent back activity* to the extent set out below:

- (1) *Glossary* of definitions – subject to the modifications made in Annex B to this instrument;
- (2) Principles for Businesses (*PRIN*);
- (3) Chapter 1.1A, SYSC 4.1.1R to SYSC 4.1.2A G, SYSC 4.4.1R to SYSC

4.4.6G, Chapters 5 (Employees, agents and other relevant persons) and 9 (Record keeping) of the Senior Management Arrangements, Systems and Controls sourcebook (*SYSC*), subject to the modifications made in Annex C to this instrument;

- (4) Threshold Conditions (*COND*);
- (5) Fees manual: (*FEES*), subject to the modifications made in Annex D to this instrument;
- (6) Mortgages and Home Finance: Conduct of Business sourcebook (*MCOB*) (to the extent shown in the Schedule to this Annex), subject to the modifications made in Annex E to this instrument;
- (7) Training and Competence (*TC*), subject to the modifications made in Annex F to this instrument;
- (8) Supervision manual (*SUP*), subject to the modifications made in Annex G to this instrument; and
- (9) Dispute Resolution: Complaints sourcebook (*DISP*), subject to the modifications made in Annex H to this instrument.

#### **4 Guidance on disclosure of interim permission status**

- 4.1 G This instrument makes special provision for *persons* with an *interim permission* or an *interim variation of permission* in place of *GEN 1.2* (Referring to approval by the FSA). The purpose is to prevent *clients* being misled about the extent to which the FSA has approved the affairs of a *firm* with an *interim permission* or an *interim variation of permission*.

#### **5 Disclosure of interim permission status**

- 5.1 R Whenever an *authorised person* with an *interim permission* or an *interim variation of permission* is required, and whenever that *person* is permitted and chooses, to disclose that:

- (1) it is an *authorised person* or it is regulated by the FSA, and that disclosure is made in respect of; or
- (2) it has *permission* to carry on;

one or more of the *regulated sale and rent back activities* described in the *Order*, the FSA directs that that *person* must, in place of *GEN 1.2* (Referring to approval by the FSA), disclose that:

- (a) (if it is an *authorised person* with an *interim permission*):
  - (i) it is an *authorised person* with an *interim permission* that allows it to carry on *regulated sale and rent back activity* on an interim basis only; and

- (ii) compensation will not be available from the *compensation scheme* if the *authorised person* cannot meet its obligations in relation to that activity; or
- (b) (if the *authorised person* has an *interim variation of permission*) it is an *authorised person* with an *interim variation of permission* that allows it to carry on *regulated sale and rent back activity* on an interim basis only.

## 6 Defined terms

- 6.1 R In these *rules* and directions, the terms in (1) have the meanings ascribed to them by (2). Further, terms in italics that do not appear below have the meaning given to them in the *Glossary* of definitions in the *FSA's Handbook*.

(1)	(2)
<i>application for interim permission</i>	an application for <i>interim permission</i> made under article 32 (1) (Interim permission and interim variation of permission) of the <i>Order</i> to carry on one or more of the <i>regulated sale and rent back activities</i> described in the <i>Order</i> .
<i>application for interim variation of permission</i>	an application for <i>interim variation of permission</i> made under article 32 (1) (Interim permission and interim variation of permission) of the <i>Order</i> to carry on one or more of the <i>regulated sale and rent back activities</i> described in the <i>Order</i> .
<i>interim permission</i>	a <i>Part IV permission</i> deemed to have been granted by article 32 (Interim permission and interim variation of permission) of the <i>Order</i> to a <i>person</i> because his <i>application for interim permission</i> in accordance with article 32(1) of the <i>Order</i> has been submitted to and approved by the <i>FSA</i> .
<i>interim variation of permission</i>	a <i>Part IV permission</i> deemed to have been granted by article 32 (Interim permission and interim variation of permission) of the <i>Order</i> to a <i>person</i> because his <i>application for interim variation of permission</i> in accordance with article 32(1) of the <i>Order</i> has been submitted to and approved by the <i>FSA</i> .

<i>Order</i>	The Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342).
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### Schedule

Modules or parts of modules of the *FSA's Handbook of rules and guidance* that are being disappplied in relation to *persons* to the extent that they carry on *regulated sale and rent back activity*

<b>Module</b>	<b>Disapplication</b>
Senior Management Arrangements, Systems and Controls sourcebook ( <i>SYSC</i> )	This sourcebook does not apply, except for <i>SYSC</i> 1.1A, <i>SYSC</i> 4.1.1R to 4.1.2AG, <i>SYSC</i> 4.4.1R to <i>SYSC</i> 4.4.6G and <i>SYSC</i> 5 and <i>SYSC</i> 9, all of which do apply subject to the modifications shown in Annex C to this instrument.
Statements of Principle and Code of Practice for Approved Persons ( <i>APER</i> )	This sourcebook does not apply.
The Fit and Proper Test for Approved Persons ( <i>FIT</i> )	This sourcebook does not apply.
General provisions ( <i>GEN</i> )	This sourcebook does not apply.  Note: <i>GEN</i> 1.2 (Referring to approval by the FSA) does not apply to <i>persons</i> with an <i>interim permission</i> or an <i>interim variation of permission</i> for <i>regulated sale and rent back activity</i> . Instead, paragraph 5 of this Direction makes provision about <i>persons</i> with <i>interim permission</i> or an <i>interim variation of permission</i> to carry on <i>regulated sale and rent back activity</i> referring to approval by the FSA or <i>authorisation</i> for the purposes of the Act.
Prudential sourcebook for Mortgages and Home Finance Firms and Insurance Intermediaries ( <i>MIPRU</i> )	This sourcebook does not apply.

<p>Mortgages and Home Finance: Conduct of Business sourcebook (<i>MCOB</i>)</p>	<p>This sourcebook does not apply, except for <i>MCOB</i> 1, <i>MCOB</i> 2.1, <i>MCOB</i> 2.2.6R to 2.2.7G, <i>MCOB</i> 2.4.1G to 2.4.3G, <i>MCOB</i> 2.6A.1R to 2.6A.4G, <i>MCOB</i> 2.6A.5AR, <i>MCOB</i> 2.6A.8R to 2.6A.12R, <i>MCOB</i> 2.6A.13E (1) and (4), <i>MCOB</i> 2.6A.15R to 2.6A.16G, <i>MCOB</i> 2.6A.17AR and 2.6A.18G, <i>MCOB</i> 5.1.1R and <i>MCOB</i> 5.1.2R, <i>MCOB</i> 5.9, <i>MCOB</i> 12.1.1R to 12.1.3R, <i>MCOB</i> 12.2.1G, <i>MCOB</i> 12.5.1R to 12.5.3G, all of which do apply subject to the modifications made in Annex E to this instrument.</p>
<p>Client Assets sourcebook (<i>CASS</i>)</p>	<p>This sourcebook does not apply.</p>
<p>Dispute Resolution: Complaints sourcebook (<i>DISP</i>)</p>	<p><i>DISP</i> 1.10 (Complaints reporting rules) does not apply. The remainder of <i>DISP</i> does apply subject to the modification made in Annex H to this instrument.</p>
<p>Compensation sourcebook (<i>COMP</i>)</p>	<p>This sourcebook does not apply to <i>persons</i> with an <i>interim permission</i>.</p> <p>Note: <i>COMP</i> will apply in accordance with its terms to <i>persons</i> with an <i>interim variation of permission</i>.</p>

## Annex B

### Amendments to the Glossary of definitions

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

<i>administering a home finance transaction</i>	any of the <i>regulated activities</i> of <i>administering a regulated mortgage contract</i> , <i>administering a home purchase plan</i> , <del>or administering a home reversion plan</del> <u>or administering a regulated sale and rent back agreement</u> .
<u><i>administering a regulated sale and rent back agreement</i></u>	<p>the <i>regulated activity</i>, specified in article 63J(2) of the <i>Regulated Activities Order</i>, which is in summary any of the following:</p> <p>(a) <u>notifying the agreement seller of changes in payment due under a regulated sale and rent back agreement or of other matters of which that agreement requires him to be notified;</u></p> <p>(b) <u>taking any necessary steps for the purpose of making payments to the agreement seller under that agreement; and</u></p> <p>(c) <u>taking any necessary steps for the purposes of collecting or recovering payments due under that agreement from the agreement seller;</u></p> <p><u>but a person is not to be treated as administering a regulated sale and rent back agreement because he has, or exercises, a right to take action for the purposes of enforcing that agreement (or to require that such action is or is not taken);</u></p> <p><u>and in relation to a person who acquires obligations or rights under a regulated sale and rent back agreement, an activity is a specified kind of activity for the purposes of this definition only if the agreement was entered into by the agreement provider (rather than the obligations or rights acquired) on or after 1 July 2009.</u></p>
<i>advising on a home finance transaction</i>	any of the <i>regulated activities</i> of <i>advising on regulated mortgage contracts</i> , <i>advising on a home purchase plan</i> , <del>or advising on a home reversion plan</del> <u>or advising on a regulated sale and rent back agreement</u> .
<u><i>advising on a regulated sale and rent back agreement</i></u>	<p>the <i>regulated activity</i>, specified in article 53D of the <i>Regulated Activities Order</i>, which is in summary <u>advising a person if the advice:</u></p> <p>(a) <u>is given to a person in his capacity as:</u></p> <p>(i) <u>an agreement seller or potential agreement seller; or</u></p> <p>(ii) <u>an agreement provider or potential agreement provider; and</u></p>



- (b) is advice on the merits of his doing either of the following:
- (i) entering into a particular regulated sale and rent back agreement; or
  - (ii) varying the terms of a regulated sale and rent back agreement entered into on or after 1 July 2009 by him as agreement seller or agreement provider, in such a way as to vary his obligations under that agreement and in relation to a person who acquires obligations or rights under a regulated sale and rent back agreement, an activity is a specified kind of activity for the purposes of this part of the definition only if the agreement was entered into by the agreement provider (rather than the obligations or rights acquired) on or after 1 July 2009.

*arranging (bringing about) a home finance transaction*

any of the regulated activities of *arranging (bringing about) a regulated mortgage contract, arranging (bringing about) a home purchase plan, ~~or~~ arranging (bringing about) a home reversion plan or arranging (bringing about) a regulated sale and rent back agreement.*

*arranging (bringing about) a regulated sale and rent back agreement*

the regulated activity, specified in article 25E(1) of the Regulated Activities Order, which is in summary making arrangements:

- (a) for another person to enter into a regulated sale and rent back agreement as an agreement seller or as an agreement provider; or
- (b) for another person to vary the terms of a regulated sale and rent back agreement, entered into on or after 1 July 2009 by him as agreement seller or agreement provider, in such a way so as to vary his obligations under that agreement and in relation to a person who acquires obligations or rights under a regulated sale and rent back agreement, an activity is a specified kind of activity for the purposes of this part of the definition only if the agreement was entered into by the agreement provider (rather than the obligations or rights acquired) on or after 1 July 2009;

including making arrangements with a view to a person who participates in the arrangements entering into a regulated sale and rent agreement as agreement seller or agreement provider.

*entering into a home finance transaction*

any of the regulated activities of *entering into a regulated mortgage contract, entering into a home purchase plan, ~~or~~ entering into a home reversion plan or entering into a regulated sale and rent back agreement.*

<u>entering into a regulated sale and rent back agreement</u>	<u>the regulated activity, specified in article 63J(1) of the Regulated Activities Order, which is in summary entering into a regulated sale and rent back agreement as an agreement provider, including acquiring any obligations or rights of the agreement provider, including the agreement provider's interest in land or interests under one or more such agreements.</u>
<u>full RSRB permission</u>	<u>(in FEES) an authorisation which is not an interim RSRB permission to carry on one or more regulated sale and rent back activities.</u>
<u>home finance administration</u>	any of the regulated activities of: ... (c) <u>administering a home reversion plan</u> ; <del>or</del> <u>(cc) administering a regulated sale and rent back agreement</u> ; or (d) <u>agreeing to carry on a regulated activity in (a) to (cc).</u> ...
<u>home finance mediation activity</u>	any mortgage mediation activity, home purchase mediation activity, <del>or</del> <u>reversion mediation activity or regulated sale and rent back mediation activity.</u>
<u>home finance providing activity</u>	any of the regulated activities of: (a) ... <u>(aa) entering into a regulated sale and rent back agreement</u> ; ...
<u>home finance transaction</u>	a regulated mortgage contract, home purchase plan <del>or</del> <u>home reversion plan or regulated sale and rent back agreement.</u>
<u>interim RSRB permission</u>	<u>(in SYSC and FEES) a Part IV permission to carry on one or more regulated sale and rent back activities deemed to have been granted by article 32 (Interim permission and interim variation of permission) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) to a person because he has submitted an application for interim permission or an interim variation of permission in accordance with article 32(1) of the Order and such permission has been given by the FSA.</u>
<u>making arrangements with a view to a home finance transaction</u>	any of the regulated activities of making arrangements with a view to a regulated mortgage contract, making arrangements with a view to a home reversion plan, <del>or</del> <u>making arrangements with a view to a home purchase plan or making arrangements with a view to a regulated sale and rent back agreement.</u>

making arrangements with a view to a regulated sale and rent back agreement the regulated activity, specified in article 25E(2) of the *Regulated Activities Order*, which is in summary making arrangements with a view to a person who participates in the arrangements entering into a regulated sale and rent back agreement as agreement seller or agreement provider.

regulated activity (in accordance with section 22 of the *Act* (The classes of activity and categories of investment) any of the following activities specified in Part II of the *Regulated Activities Order* (Specified Activities):

...

(gh) arranging (bringing about) a regulated sale and rent back agreement (article 25E(1));

(gi) making arrangements with a view to a regulated sale and rent back agreement (article 25E(2));

...

(pd) advising on a regulated sale and rent back agreement (article 53D);

...

(sg) entering into a regulated sale and rent back agreement (article 63J(1));

(sh) administering a regulated sale and rent back agreement (article 63J(2));

...

regulated sale and rent back activity any of the following regulated activities:

(a) arranging (bringing about) a regulated sale and rent back agreement (article 25E(1));

(b) making arrangements with a view to a regulated sale and rent back agreement (article 25E(2));

(c) advising on a regulated sale and rent back agreement (article 53D);

(d) entering into a regulated sale and rent back agreement (article 63J(1));

(e) administering a regulated sale and rent back agreement (article 63J(2)); or

(f) agreeing to carry on a regulated activity in (a) to (e) (article 64).

regulated sale and rent back agreement

(in accordance with article 63J(3)(a) of the Regulated Activities Order) an arrangement comprised in one or more instruments or agreements, in relation to which the following conditions are met at the time it is entered into:

(a) the arrangement is one under which a person (an agreement provider), buys all or part of the qualifying interest in land in the United Kingdom from an individual or trustees (the “agreement seller”); and

(b) the agreement seller (if he is an individual) or an individual who is the beneficiary of the trust (if the agreement seller is a trustee), or a related person, is entitled under the arrangement to occupy at least 40% of the land in question as or in connection with a dwelling, and intends to do so;

but excluding any arrangement that is a regulated home reversion plan.

regulated sale and rent back firm

a firm that carries on any regulated sale and rent back activity.

regulated sale and rent back mediation activity

any of the following regulated activities:

(a) arranging (bringing about) regulated sale and rent back agreements (article 25E(1));

(b) making arrangements with a view to regulated sale and rent back agreements (article 25E(2));

(c) advising on regulated sale and rent back agreements (article 53D);

(d) agreeing to carry on a regulated activity in (a) to (c) (article 64).

regulated sale and rent back transaction

a transaction involving a regulated sale and rent back agreement under which a SRB agreement seller, in return for the sale of a qualifying interest in land in whole or in part to a SRB agreement provider, is granted, or any member of his family is granted, a right to occupy the land in question as, or in connection with, a dwelling, and intends so to occupy it.

related party

(in LR) as defined in LR 11.1.4R; ;

(in relation to an agreement seller under a regulated sale and rent back agreement or, where the agreement seller is a trustee, a beneficiary of the trust), means:

- (a) that person's spouse or civil partner;
- (b) a person (whether or not of the opposite sex) whose relationship with that person has the characteristic of the relationship between husband and wife; or
- (c) that person's parent, brother, sister, child, grandparent or grandchild.

relevant person

- (1) (in COMP) a person (other than a person with an interim RSRB permission because he has submitted an application for interim permission in accordance with article 32(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) which has been approved by the FSA) for claims against whom the compensation scheme provides cover, as defined in COMP 6.2.1R.

...

SRB administrator

a firm which carries on the regulated activity of administering a regulated sale and rent back agreement.

SRB adviser

a firm which carries on the regulated activity of advising on a regulated sale and rent back agreement.

SRB agreement provider

(in accordance with article 63J(3)(a) of the Regulated Activities Order) a firm which buys all or part of the qualifying interest in land in the United Kingdom from a SRB agreement seller under a regulated sale and rent back agreement, including a firm which acquires obligations or rights under a regulated sale and rent back agreement.

SRB agreement seller

(in accordance with article 63J(3)(a) of the Regulated Activities Order) an individual or trustees, or a related party of his, who sells all or part of the qualifying interest in land in the United Kingdom to an agreement provider under a regulated sale and rent back agreement and who is entitled under the arrangement to occupy at least 40% of the land in question as or in connection with a dwelling, and intends to do so.

SRB arranger

a firm which carries on the regulated activity of arranging (bringing about) a regulated sale and rent back agreement or making arrangements with a view to a regulated sale and rent back agreement.

unauthorised SRB

a person who carries on, or proposes to carry on, the activity specified in article 63J(1) of the Regulated Activities Order which is

agreement provider

entering into a regulated sale and rent back agreement as agreement provider, and who does not have permission for, and is not an exempt person in relation to, entering into a regulated sale and rent back agreement; and in this definition references to an agreement provider include a person who acquires obligations or rights under a regulated sale and rent back agreement.

## Annex C

### Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

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

4.1.2A G Other *firms* should take account of the comprehensiveness and proportionality *rule* (SYSC 4.1.2R) as if it were *guidance* (and as if “should” appeared in that rule instead of “must”) as explained in SYSC 1 Annex 1.3.3R but a *firm* with an *interim RSRB permission* to the extent that it carries on *regulated sale and rent back activity*, need not take into account the specific technical criteria described in SYSC 4.1.7R, SYSC 5.1.7R and SYSC 7.

...

4.4.1A R SYSC 4.4.3R (Maintaining a clear and appropriate apportionment) also applies to a *firm* with an *interim RSRB permission* to the extent that it carries on *regulated sale and rent back activity*.

## Annex D

### Amendments to the Fees manual (FEES)

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

1.1.2 R This manual applies in the following way:

...

(4) FEES 1, 2 and 6 apply to:

- (a) every participant firm other than a person with an interim RSRB permission (and no other permissions) because he has submitted an application for interim permission in accordance with article 32(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) and that permission has been given;

...

...

### 3 Annex 1 R Authorisation fees payable

Part 1 – Authorisation fees payable R

Application type (see Part 2)	Amount payable
...	...
(d) Straightforward	£1,500 ( <u>unless otherwise specified in Part 2</u> )
(e) Moderately complex	£5,000 ( <u>unless otherwise specified in Part 2</u> )
...	...



Part 2 – Complexity Groupings Straightforward Cases R

Straightforward cases	
Activity grouping	Description
...	
A.18	<p><i>Home finance providers, advisers and arrangers (excluding home finance providers).</i></p> <p><u>In the case of applicants for interim RSRB permission within this activity group the specified amount payable is £1,000.</u></p> <p><u>In the case of applicants for full RSRB permission within this activity group the specified amount payable is £500.</u></p>
...	

Moderately Complex Cases R

Moderately complex cases	
Activity grouping	Description
...	
A.2	<p><i>Home finance providers and administrators.</i></p> <p><u>In the case of applicants for interim RSRB permission within this activity group the specified amount payable is £3,000.</u></p> <p><u>In the case of applicants for full RSRB permission within this activity group the specified amount payable is £2,000.</u></p>
...	

...

**4 Annex 1 R Activity groups, tariff bases and valuation dates applicable**

Part 1

...

...

Part 2

This table indicates the tariff base for each fee-block. The tariff base is the means by which we measure the 'amount of business' conducted by a *firm*. Note that where the tariff base is the number of *approved persons* it may be that a particular *firm* has *permission* for relevant activities as described in Part 1 but the type of activity that the *firm* undertakes is not one requiring a *person* to be approved to undertake a relevant *customer function* (for example *firms* only giving *basic advice on stakeholder products*). In these circumstances, the *firm* will be required to pay a minimum fee only (see FEES 4 Annex 2R Part 1).

Activity group	Tariff-base
...	
A.2	<p><b>NUMBER OF MORTGAGES OR OTHER HOME FINANCE TRANSACTIONS ENTERED INTO AND ADMINISTERED</b></p> <p>The number of new mortgage contracts, <i>home purchase plans</i>, <del>or</del> <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> entered into;</p> <p><b>AND</b></p> <p>The number of mortgage contracts, <i>home purchase plans</i>, <del>or</del> <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> being administered, multiplied by 0.05 for mortgage outsourcing <i>firms</i> or other home finance outsourcing <i>firms</i> and by 0.5 for all other <i>firms</i>.</p> <p><b>Notes:</b></p> <p>(1) Mortgage outsourcing <i>firms</i> are <i>firms</i> with <i>permission</i> for <i>administering regulated mortgage contracts</i>, but not to enter the contract as lender.</p> <p>Home finance outsourcing <i>firms</i> are <i>firms</i> with <i>permission</i> for <i>administering a home finance transaction</i>, but not <i>entering into a home finance transaction</i>.</p> <p>(2) In this context a 'mortgage' means a loan secured by a first charge over residential property in the <i>United Kingdom</i>. For the measure of the number of contracts being administered, each first charge counts as one contract, irrespective of the number of loans involved.</p> <p>(3) Mortgages, <i>home purchase plans</i>, <del>or</del> <i>home reversion plans</i></p>

	<p><u>and regulated sale and rent back agreements</u> administered include those that the <i>firm</i> administers on behalf of other <i>firms</i>.</p>
...	
A.18	<p><b>ANNUAL INCOME</b>  (a) the net amount retained by the <i>firm</i> of all brokerages, fees, commissions and other related income (eg administration charges, overrides, profit shares) due to the <i>firm</i> in respect of or in relation to <i>home finance mediation activity</i> (or activities which would have been <i>mortgage mediation activity</i> if they had been carried out after 30 October 2004 or <i>home purchase mediation activity</i> or <i>home reversion mediation activity</i> if they had been carried out on or after 6 April 2007 <u>or regulated sale and rent back mediation activity if they had been carried out on or after 1 July 2009</u>);</p> <p><b>Plus</b>  (b) for any <i>home finance mediation activity</i> carried out by the <i>firm</i> for which it receives payment from the lender or provider on a basis other than that in (a), the value of all new mortgage advances and amounts provided under other <i>home finance transactions</i> resulting from that activity multiplied by 0.004;</p> <p><b>Plus</b>  (c) if the <i>firm</i> is a <i>home finance provider</i>, the value of all new mortgage advances and amounts provided under other <i>home finance transactions</i> which are or would be <i>regulated mortgage contracts</i> if they had been made after 30 October 2004 or <i>home purchase plans</i> or <i>home reversion plans</i> if they had been made on or after 6 April 2007 <u>or regulated sale and rent back mediation activity if they had been carried out on or after 1 July 2009</u> (other than those made as a result of <i>home finance mediation activity</i> by another <i>firm</i>), multiplied by 0.004.  For mortgage outsourcing <i>firms</i> or home finance outsourcing <i>firms</i> whose permission does not include <i>advising on a home finance transaction</i> the relevant amounts are multiplied by 0.15.</p> <p><b>Notes on annual income:</b>  ...  (4) Reference to a "<i>firm</i>" above also includes reference to any <i>person</i> who carried out activities which would be <i>mortgage mediation activity</i> if they had been carried out after 30 October 2004 or <i>home purchase mediation activity</i> or <i>reversion mediation activity</i> if they had been carried out on or after 6 April 2007 <u>or regulated sale and rent back mediation activity if they had been carried out on or after 1 July 2009</u>.</p> <p>...</p>

...

Part 3 This table indicates the valuation date for each fee-block. A *firm* can calculate its tariff data by applying the tariff bases set out in Part 2 with reference to the valuation dates shown in this table.

Activity group	Valuation date
...	
...	
A.2	Number of mortgages, <i>home purchase plans</i> , <del>or</del> <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> entered into in the twelve months ending 31 December. <b>AND</b> Number of mortgages, <i>home purchase plans</i> , <del>or</del> <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> being administered on 31 December.
...	

...

**4 Annex 2 R Fee tariff rates, permitted deductions and EEA/Treaty firm modifications for the period from 1 April 2009 July 2009 to ~~31 March 2010~~ 1 July 2010**

Part 1

...

...		
Activity group	Fee payable	
...		
A.2	Minimum fee (£)	525
	No. of mortgages <u>and/or</u> <i>home finance transactions</i>	Fee (£/mortgage)
	...	
...		

...

## 6 Financial Services Compensation Scheme Funding

...

6.1.1 R This chapter applies to:

- (1) every participant firm other than a person with an interim RSRB permission (and no other permissions) because he has submitted an application for interim permission in accordance with article 32(1) of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2009 (SI 2009/1342) and that permission has been given;

...

...

### FEES TP Transitional Provisions

#### FEES TP 1.1

(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>4</u>	<u>FEES 4 Annex 1R, Activity Group A.2</u>		<u>Any reference to the number of regulated sale and rent back agreements must be read as including any sale and rent back agreement entered into or administered before 1 July 2009, as relevant, which would be a regulated sale and rent back agreement if entered into or administered on or after 1 July 2009.</u>	<u>1 July 2009 to 30 June 2010</u>	<u>1 July 2009</u>

**Annex E**

**Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)**

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

Firm types and the home finance activities

- 1.2.2 G (1) This sourcebook applies to activities carried out in respect of ~~three~~ four types of product: regulated mortgage contracts (which includes lifetime mortgages), home purchase plans, ~~and~~ home reversion plans and regulated sale and rent back agreements.

...

...

- 2.1.2 R This table belongs to MCOB 2.1.1R

(1) Category of firm	(2) Applicable section
...	
<i>reversion adviser</i>	...
<u>SRB administrator</u> <u>SRB arranger</u>	<u>As for a SRB agreement provider together with MCOB 2.6A.17AR and MCOB 2.6A.18G (which do apply) but the relevant provisions of MCOB 2.6A only apply when making arrangements for a regulated sale and rent back agreement to be entered into by a SRB agreement seller with, or administering a regulated sale and rent back agreement provided by, an unauthorised SRB agreement provider.</u>
<u>SRB adviser</u>	<u>As for a SRB agreement provider but MCOB 2.6A does not apply</u>
<u>SRB agreement provider</u>	<u>MCOB 2.1, MCOB 2.2.6R to 2.2.7G, MCOB 2.4.1G to 2.4.3G, MCOB 2.6A.1R to 2.6A.4G, MCOB 2.6A.5AR, MCOB 2.6A.8R to 2.6A.12R, MCOB 2.6A.13E (1) and (4) and MCOB 2.6A.15R to 2.6A.16G.</u>
...	

**What?**

2.1.3 R This chapter applies in relation to:

...

(1A) the extent specified in MCOB 2.1.2R Table, regulated sale and rent back activity;

...

...

2.2.6A R A firm which approves a financial promotion of a home purchase plan or regulated sale and rent back agreement must take reasonable steps to ensure that the financial promotion is clear, fair and not misleading.

...

**2.4 High pressure sales: regulated mortgage contracts, and home reversion plans and regulated sale and rent back agreements**

Purpose

2.4.1 G The purpose of this section is to remind firms of the relevance of the high level standards in PRIN, especially with regard to the use of sales methods that may lead a customer to feel pressurised to enter into, or vary, a regulated mortgage contract, ~~or~~ home reversion plan or regulated sale and rent back agreement.

2.4.2 G (1) Principle 6 (Customers' interests) requires that a firm must pay due regard to the interests of its customers and treat them fairly. This means, for example, that a firm should avoid selling practices that commit customers (or lead customers to believe that they are committed) to any regulated mortgage contract or home reversion plan. One such practice might be to present a new customer with an illustration, offer document and mortgage deed at one time and to require the mortgage deed to be signed on the same occasion (when there is no urgent need to do so).

(2) For regulated sale and rent back agreements, the firm should avoid practices that commit customers (or lead customers to believe they are committed) to any such agreement before they have been able to consider the information that is required by MCOB 5.9.1R.

2.4.3 G Principle 7 (Communications with clients) requires that a firm must pay due regard to the information needs of its clients, and communicate information to them in a way which is clear, fair and not misleading. This means, for example, that a firm should avoid giving any customer a false impression about the availability of a regulated mortgage contract, ~~or~~ home reversion plan or regulated sale and rent back agreement, such as describing it as a

‘special offer’ not available after a certain date unless this is really the case.

...

**2.6A Protecting customer’s interests: home purchase plans, ~~and~~ home reversion plans and regulated sale and rent back agreements**

Protecting customer’s interests: home purchase plans, ~~and~~ home reversion plans and regulated sale and rent back agreements

- 2.6A.1 R A *firm* must ensure that the interests of its *customer* under a *home purchase plan*, ~~or home reversion plan or regulated sale and rent back agreement~~ are protected to a reasonable standard.
- 2.6A.2 G Circumstances that a *firm* should consider include how the *customer* will be protected in the event of:
- (1) the *failure* of a *reversion provider*, ~~or home purchase provider or SRB agreement provider~~;
  - (2) the transfer of a *reversion provider’s*, ~~or home purchase provider’s or SRB agreement provider’s~~ interest (or the interest the provider would have had, had it not nominated a third party to hold it) in the property to a third party;
  - (3) other dealings by a *reversion provider*, ~~or home purchase provider or SRB agreement provider~~ (or its nominee) with a third party; and
  - (4) a *reversion provider’s*, ~~or home purchase provider’s or SRB agreement provider’s~~ (or its nominee’s) failure to perform obligations owed to third parties, or imposed by statute.
- 2.6A.3 G The steps that a *firm* might take in order to protect its *customer’s* interests will depend on a number of factors, including the nature and structure of the *home purchase plan*, ~~or home reversion plan or regulated sale and rent back agreement~~ and the jurisdiction in which the property is situated. ...

...

Protecting customer’s interests: regulated sale and rent back agreements

- 2.6A.5A R A *firm* must ensure that before a *SRB agreement seller* enters into a *regulated sale and rent back agreement*, the *SRB agreement seller* is made aware of the availability and importance of independent legal or professional advice.

...

Treating customers fairly: home purchase plans, ~~and~~ home reversion plans and regulated sale and rent back agreements

- 2.6A.8 R A *firm* must pay due regard to the interests of its *customer* and treat him fairly when drafting, amending the terms of, or imposing obligations or



exercising rights or discretions under, a *home purchase plan*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement.

2.6A.9 G A *firm* is unlikely, for example, to be treating its *customer* fairly in relation to termination of a *home purchase plan*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement if:

(1) the grounds on which it may terminate all or part of a plan or agreement are unduly wide, or on which a *customer* may terminate are unduly narrow; or

...

2.6A.10 G A *firm* is also unlikely to be treating its *customer* fairly if, upon termination of an agreement under a *home purchase plan*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement, the *customer* does not receive (net of any reasonable sums payable by the *customer*):

(1) in the case of a *home reversion plan* or regulated sale and rent back agreement where the *customer* retains a beneficial interest in the property, the value of that beneficial interest; or

...

**Note:** The terms of a *home purchase plan*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement should take into account relevant legal obligations such as those under the *Unfair Terms Regulations* and, where applicable, the Housing Act 1988 (or in Scotland, the Housing (Scotland) Act 1988). ...

Treating customers fairly: home reversion plans and regulated sale and rent back agreements

2.6A.11 G A *firm* is unlikely, for example, to be treating a *reversion occupier* or SRB agreement seller fairly if:

(1) the *reversion occupier* or SRB agreement seller is obliged to maintain the property to a standard that exceeds the standard that the property is in when the *home reversion plan* or regulated sale and rent back agreement commences;

(2) the *reversion occupier* or SRB agreement seller is not entitled to, or is not given, reasonable notice of an inspection, or the inspection is conducted in a way that is biased against him;

(3) unreasonable restrictions are imposed on who may occupy the property, taking into account the potential needs of the *reversion occupier* or SRB agreement seller throughout the duration of the *home reversion plan* or regulated sale and rent back agreement;

(4) ...

(5) the *reversion occupier or SRB agreement seller* is unreasonably treated as having abandoned the property. For example, it is likely to be unreasonable to treat a property as abandoned based on a period of non-occupation;

(5A) the rent payable under a regulated sale and rent back agreement is increased by an unreasonable amount or any charges payable under a regulated sale and rent back agreement are unreasonably imposed after the agreement is concluded; and

(6) ...

Independent valuation: home reversion plans and regulated sale and rent back agreements

2.6A.12 R A firm must ensure that any valuation is carried out by a competent valuer who is independent of the *reversion provider or SRB agreement provider*.

2.6A.13 E ...

(3) For a home reversion plan, compliance with (1) and (2) may be relied upon as tending to establish compliance with MCOB 2.6A.12R.

(4) For a regulated sale and rent back agreement, compliance with (1) may be relied upon as tending to establish compliance with the competence requirement of MCOB 2.6A.12R.

...

Obtaining best price: partial home reversion plans or regulated sale and rent back agreements

2.6A.15 R A firm must take reasonable steps to ensure that, when a *home reversion plan or regulated sale and rent back agreement* ends and the *customer* retains a beneficial interest in the property:

...

...

Arranging or administering for unauthorised providers: regulated sale and rent back agreements

2.6A.17A R For the purpose of this section (except this rule), a SRB arranger's or SRB administrator's customer:

(1) includes a SRB agreement seller or potential SRB agreement seller who enters, or proposes to enter, into a regulated sale and rent back agreement with an unauthorised SRB agreement provider who is the firm's customer; and

(2) excludes an unauthorised SRB agreement provider.

Arranging or administering for unauthorised providers: home reversion plans and regulated sale and rent back agreements

2.6A.18 G A person may enter into a home reversion plan or regulated sale and rent back agreement as provider or agreement provider without being regulated by the FSA (or an exempt person) if the person does not do so by way of business (see PERG 14.5). If a firm arranges or makes arrangements for such a person to enter into a home reversion plan or regulated sale and rent back agreement as provider or agreement provider, the firm will be responsible for ensuring that the reversion occupier's or SRB agreement seller's interests are protected to a reasonable standard, even if the reversion arranger or SRB arranger is not acting for the reversion occupier or SRB agreement seller. A reversion administrator or SRB administrator is under the same obligation in relation to a reversion occupier or SRB agreement seller under a home reversion plan or regulated sale and rent agreement which it administers on behalf of an unauthorised reversion provider or unauthorised SRB agreement provider.

...

**5.1 Application**

...

5.1.2 R This Table belongs to MCOB 5.1.1R

(1) Category of firm	(2) Applicable section
...	
<i>reversion provider</i> <i>reversion adviser</i> <i>reversion arranger</i>	...
<u>SRB adviser</u>	<u>MCOB 5.1.1R, MCOB 5.1.2R, MCOB 5.9.4R and MCOB 5.9.5G</u>
<u>SRB agreement provider</u>	<u>MCOB 5.1.1R to 5.1.3R, MCOB 5.9.1R and MCOB 5.9.2R.</u>
<u>SRB arranger</u>	<u>MCOB 5.1.1R, MCOB 5.1.2R and MCOB 5.9.3R to 5.9.5G</u>

## 5.9 Regulated sale and rent back agreements

### Pre-sale disclosure

- 5.9.1     R     (1)     A SRB agreement provider must not enter into a regulated sale and rent back agreement with a SRB agreement seller unless the following disclosures and warnings have been made to the SRB agreement seller, both orally and confirmed in writing:
- (a)     the market value of the property that is the subject matter of the regulated sale and rent back agreement, as determined by any independent valuation under MCOB 2.6A.12R;
  - (b)     if the valuer that has produced the independent valuation in (a) was not acting for the SRB agreement seller in doing so, a prominent warning that this is the case and as such that it is advisable for the SRB agreement seller specifically to consider whether he is content with the market valuation in (a);
  - (c)     any fees, charges or retentions that the firm will deduct from the purchase price for the property and any fees or charges otherwise payable;
  - (d)     the purchase price that the firm will pay the SRB agreement seller for the property, net of any fees, charges or retentions;
  - (e)     the percentage of the figure in (a) for the market value of the property that the figure in (d) for the purchase price represents;
  - (f)     brief details of the type and period of the tenancy under the regulated sale and rent back agreement;
  - (g)     the minimum period that the SRB agreement seller and his family have a contractual right to remain in the property under the terms of the proposed agreement;
  - (h)     if the terms of the tenancy provide for a period of occupancy that is shorter than the minimum contractual period under (g), details of how the firm intends to meet the contractual period under (g);
  - (i)     a prominent warning that once the minimum contractual period under (g) expires, the SRB agreement seller and his family may be required to leave the property;
  - (j)     the initial rent due under the proposed agreement;
  - (k)     the circumstances in which the rent in (j) can be increased or

changed in any way; and

- (1) the risks associated with the transaction from the *SRB agreement seller's* perspective, including in particular:
  - (i) that failure to abide by the terms of the tenancy may result in the loss of the right to occupy the property; and
  - (ii) that failure to obtain legal or professional advice may mean his interests are not fully protected.
- (2) The *firm* must make the written disclosures and warnings specified in (1) to the *SRB agreement seller* in a clear, fair and not misleading way before he enters into the proposed *regulated sale and rent back agreement* and in doing so must ensure that:
  - (a) the information is set out in the same order as set out in (1);
  - (b) the disclosures and warnings are made in a separate and standalone document; and
  - (c) the disclosures and warnings are accompanied by a prominent written statement from the *firm* drawing the *SRB agreement seller's* attention to the importance of the information.

#### Records of pre-sale disclosure

- 5.9.2 R A *SRB agreement provider* must keep a record of the disclosures and warnings made to the *SRB agreement seller* under *MCOB 5.9.1R* for a period of:
- (1) 12 months after the end of the minimum period that the *SRB agreement seller* and his family have a contractual right to remain in the property; or
  - (2) five years from the date of the disclosures and warnings;
- whichever is the longer.

#### Initial disclosure information to *SRB agreement sellers*: unauthorised *SRB agreement providers*

- 5.9.3 R (1) A *firm* must ensure that, on first making contact with a prospective *SRB agreement seller*, whether or not he is the *firm's customer*, who is proposing to enter into a *regulated sale and rent back agreement* with an *unauthorised SRB agreement provider*, it provides him with the written warning in (2) before he enters into any such agreement.
- (2) The warning in (1) is that:
- (a) the agreement provider is not authorised or regulated by the

FSA, and that key protections under the regulatory system will not apply; and

- (b) the provider is not subject to the jurisdiction of the Financial Ombudsman Service, and that the SRB agreement seller will not be entitled to refer complaints against the provider to the Financial Ombudsman Service.

Initial disclosure information: unauthorised SRB agreement providers

5.9.4 R (1) A firm must ensure that, on first making contact with a customer who is both an individual and an unauthorised SRB agreement provider, when it anticipates giving personalised information or advice on a regulated sale and rent back agreement, it must provide him with the written warning in (2).

- (2) The warning in (1) is that a regulated sale and rent back agreement is a complex legal arrangement and that expert independent legal advice should be obtained before entering into any such agreement.

5.9.5 G A person may enter into a regulated sale and rent back agreement as agreement provider without being regulated by the FSA (or an exempt person) if the person does not do so by way of business.

...

**12.1 Application**

...

12.1.2 R This table belongs to MCOB 12.1.1R

(1) Category of firm	(2) Applicable section
...	
... a firm that was a home purchase provider or home purchase administrator before the sale of a repossessed property	...
<u>regulated sale and rent back firm</u>	<u>MCOB 12.1.1R to 12.1.3R, MCOB 12.2.1G and MCOB 12.5</u>
...	

12.2.1 G ...

- (2) The level of charges under a regulated mortgage contract, ~~or~~ home reversion plan or regulated sale and rent back agreement is not

typically a matter for regulation. ... This chapter considers four specific circumstances, where:

...

- (c) the charges (including rates of interest) imposed on a *customer* under a *regulated mortgage contract*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement are excessive and contrary to the *customer's* interests; and
- (d) the charges made to a *customer* in connection with a *firm entering into*, making a further advance on, *administering*, *arranging* or *advising* on a *regulated mortgage contract*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement, or *arranging* or *advising* on a variation to the terms of a *regulated mortgage contract*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement are excessive.

...

**12.5 Excessive charges: regulated mortgage contracts, ~~and~~ home reversion plans and regulated sale and rent back agreements**

- 12.5.1 R A *firm* must ensure that any *regulated mortgage contract*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement that it *enters into* does not impose, and cannot be used to impose, excessive charges upon a *customer*.
- 12.5.2 R A *firm* must ensure that its charges to a *customer* in connection with the *firm entering into*, making a further advance or further release on, *administering*, *arranging* or *advising* on a *regulated mortgage contract*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement, or *arranging* or *advising* on a variation to the terms of a *regulated mortgage contract*, ~~or~~ *home reversion plan* or regulated sale and rent back agreement are not excessive.

...

**Schedule 1**

**Record keeping requirements**

...

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
...				
<i>MCOB 5.4.21R</i>	...	...	...	...
<u><i>MCOB 5.9.2R</i></u>	<u>Each pre-sale disclosure</u>	<u>A record of the main terms of the regulated sale and rent back agreement</u>	<u>The date on which the disclosure is made</u>	<u>The longer of a period of 12 months from the end of the minimum period that the SRB agreement seller and his family have the contractual right to remain in the property or five years from the date of the disclosure</u>
...				



Annex F

**Amendments to the Training and Competence sourcebook (TC)**

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

**App 1.1 Activities and Products/Sectors to which TC applies subject to TC Appendices 2 and 3**

1.1.1R

Activity	Products/Sectors	Is there an appropriate examination requirement?	
...			
<u>Regulated sale and rent back activity carried on for a customer</u>			
<u>Advising</u>	<u>25.</u>	<u>Regulated sale and rent back agreements</u>	<u>No</u>
<u>Overseeing non-advised sales on a day-to-day basis</u>	<u>26.</u>	<u>Regulated sale and rent back agreements</u>	<u>No</u>

**Notes**

...

2. Thus, for example, paragraph 24, ~~under the final heading,~~ consistent with the heading above it, refers only to advice on *non-investment insurance contracts* given to a consumer.

## Annex G

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text.

#### TP 1 Transitional provisions

##### TP 1.1 Transitional provisions applying to the Supervision manual only

...

##### TP 1.2

(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
...					
15C	<u>The Supervision manual (SUP)</u>		<p><u>A regulated sale and rent back firm need not comply with the rules in this sourcebook to the extent that they carry on regulated sale and rent back activity, provided that within a period of 3 months after submitting an application for interim authorisation in accordance with article 32 of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order (SI 2009/1342), and every 6 months after such date until 30 June 2010, they provide to the FSA for the relevant period the following information:</u></p> <p><u>(a) management accounts for the firm, including a balance sheet, profit/loss statement and management report;</u></p> <p><u>(b) details of the firm's funding arrangements; and</u></p> <p><u>(c) where the firm is a SRB agreement provider, the number of regulated sale and rent back agreements it has entered into in that period, distinguishing between direct sales</u></p>	<u>1 July 2009 to 30 June 2010</u>	<u>1 July 2009</u>

			(both advised and non-advised) and <u>indirect sales (advised and non-</u> <u>advised).</u>		
--	--	--	---	--	--

## Annex H

### Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text.

3.3.4 R The *Ombudsman* may dismiss a *complaint* without considering its merits if he considers that:

...

(16A) it is a *complaint* about a pure landlord and tenant issue arising out of a regulated sale and rent back agreement; or

...