

**SENIOR MANAGEMENT ARRANGEMENTS, SYSTEMS AND CONTROLS
(FINANCIAL CONGLOMERATES) (AMENDMENT) INSTRUMENT 2011**

Powers exercised

- A. The Financial Services Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 138 (General rule-making power); and
 - (2) section 156 (General supplementary powers).
- 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 on 31 December 2011.

Amendments to the Handbook

- D. The Senior Management Arrangements, Systems and Controls sourcebook (SYSC) is amended in accordance with the Annex to this instrument.

Notes

- E. In the Annex to this instrument, the “note” (indicated by “**Note:**”) is included for the convenience of readers but does not form part of the legislative text.

Citation

- F. This instrument may be cited as the Senior Management Arrangements, Systems and Controls (Financial Conglomerates) (Amendment) Instrument 2011.

By order of the Board
8 December 2011

Annex

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

In this Annex, underlining indicates new text.

12 Group risk systems and controls requirements

12.1 Application

...

Financial conglomerates

12.1.11 R Where this section applies with respect to a *financial conglomerate*, the risk management processes referred to in SYSC 12.1.8R(2) must include:

...

(4) adequate procedures for the purpose of ensuring that the systems and controls of the members of the *financial conglomerate* are consistent and that the risks can be measured, monitored and controlled at the level of the *financial conglomerate*; and

(5) arrangements in place to contribute to and develop, if required, adequate recovery and resolution arrangements and plans; a firm must update those arrangements regularly.

[Note: article 9(2) of the *Financial Groups Directive*]