Powers exercised by the Financial Ombudsman Service Limited

A. The Financial Ombudsman Service Limited makes the guidance and varies the standard terms in Annex F (DISP) to this instrument for Voluntary Jurisdiction participants in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):

(1) section 227 (Voluntary jurisdiction); and
(2) paragraphs 8 (Guidance), 18 (Terms of reference to the scheme) and 22 (Consultation) of Schedule 17 (The Ombudsman Scheme).

B. The making of the changes in Annex F by the Financial Ombudsman Service Limited is subject to the consent and approval of the Financial Conduct Authority.

Powers exercised by the Financial Conduct Authority

C. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.

D. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Financial Services and Markets Act 2000.

E. The Financial Conduct Authority consents to the changes in Annex F to this instrument being made by the Financial Ombudsman Service Limited.

Commencement

F. This instrument comes into force as follows:

(1) Part 2 of Annex F (DISP) comes into force on 22 July 2014;
(2) Part 1 of Annex D (CASS) comes into force on 1 December 2014;
(3) Part 2 of Annex A (Glossary) and Part 2 of Annex D (CASS) come into force on 1 June 2015; and
(4) the remainder of this instrument comes into force on 1 July 2014.

Amendments to the FCA Handbook

G. The modules of the FCA’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).

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glossary of definitions</td>
<td>Annex A</td>
</tr>
<tr>
<td>Fees manual (FEES)</td>
<td>Annex B</td>
</tr>
<tr>
<td>Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)</td>
<td>Annex C</td>
</tr>
</tbody>
</table>
Amendments to the material outside the Handbook

H. The Perimeter Guidance manual (PERG) is amended in accordance with Annex I to this instrument.

Notes

I. 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

J. This instrument may be cited as the Handbook Administration (No 34) Instrument 2014.

By order of the Board of the Financial Ombudsman Service
23 June 2014

By order of the Board of the Financial Conduct Authority
26 June 2014
Annex A

Amendments to the Glossary of definitions

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

Part 1: Comes into force on 1 July 2014

trading day

(1) ...

(2) other than in (1) or (3), a day included in the calendar of trading days published by the appropriate regulator at [web address tbc] [deleted]

(3) ...

Part 2: Comes into force on 1 June 2015

standard method methods of internal client money reconciliation
Annex B

Amendments to the Fees manual (FEES)

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

[Editor’s Note: The changes to FEES 3 Annex 1R and FEES 4 Annex 13G, Table 2, row (7), and the reinstatement of FEES 3 Annex 7R, confirm changes which have already been made administratively.]

3 Annex Authorisation fees payable
1R

...

Part 3 – Complexity Groupings relating to credit-related regulated activity

...

<table>
<thead>
<tr>
<th>Moderately complex cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity grouping</td>
</tr>
<tr>
<td>CC 2</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>
| ...

3 Annex Fees where changes are made to firms’ transaction reporting systems and the FCA is asked to check that these systems remain compatible with FCA systems
7R

<table>
<thead>
<tr>
<th>Hourly rate (£)</th>
<th>Method of calculating fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>68.09</td>
<td>The fee is calculated as follows:</td>
</tr>
<tr>
<td></td>
<td>(1) Determine the number of hours, or part of an hour, taken by the FCA (or any person acting on behalf of the FCA) to test the fee payer’s transaction reporting systems for compatibility with the relevant FCA systems.</td>
</tr>
<tr>
<td></td>
<td>(2) Then multiply the figure in the first column by the number of hours or part hours obtained under (1). The resulting figure is the fee.</td>
</tr>
<tr>
<td></td>
<td>(3) The number of hours or part hours referred to in (1) shall be the</td>
</tr>
</tbody>
</table>
number of hours or part hours as recorded on the FCA’s systems.

...  

4 Annex 11AR Definition of annual income for the purposes of calculating fees in fee-blocks A.13, A.14, A.18 and A.19

<table>
<thead>
<tr>
<th>Annual income definition</th>
</tr>
</thead>
</table>

...  

Where the relevant fee-block is A.19  
For the purposes of calculating annual income for fee-block A.19, also include the following:  
...  
(h) if the firm is an insurer in relation to the activities in (a), the amount of premiums receivable on its contracts of insurance multiplied by 0.7, excluding those contracts of insurance which:

4 Annex 11AR Definition of annual income for the purposes of calculating fees in fee-blocks A.13, A.14, A.18 and A.19

...  

4 Annex 13G Guidance on the calculation of tariffs set out in FEES 4 Annex 1AR Part 3  

Table 2

...  

<table>
<thead>
<tr>
<th>Inclusions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(7) Annual income should include:</td>
</tr>
<tr>
<td>...</td>
</tr>
<tr>
<td>(b) income received in relation to the provision of current account overdrafts interest charges, arrangement fees and charges of credit cards by merchants credit cards charges;</td>
</tr>
<tr>
<td>(c) interchange charges for the use of credit cards by merchants;</td>
</tr>
<tr>
<td>(d) any payment from a parent to facilitate the discounting or forgoing of any amounts that would otherwise be charged in full to a client, to the extent that the payment exceeds the “fair value” price reported in accordance with paragraph (5) above;</td>
</tr>
<tr>
<td>(e) earnings from those who will become its appointed representatives</td>
</tr>
</tbody>
</table>
Reporting requirements

6.5.13 R (1) Unless exempt under FEES 6.2.1R or FEES 6.2.1AR, a participant firm must provide the FSCS by the end of February each year (or, if it has become a participant firm part way through the financial year, by the date requested by the appropriate regulator) with a statement of:

...
Annex C

Amendments to the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)

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

8.2 Scope and basic consolidation requirements for UK consolidation groups

Definition of UK consolidation group

8.2.6 BIPRU 8 Annex 2G (Examples of how to identify a UK consolidation group) sets out examples of how to identify a UK consolidation group.
[deleted]
Annex D

Amendments to the Client Assets sourcebook (CASS)

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

Part 1: Comes into force on 1 December 2014

6.2.14 R …

(1) …

(b) The firm must ensure that an unconditional undertaking in the terms set out in (1)(a) is made by a member of its group and there is suitable information available for relevant clients to identify the member of the group granting the undertaking.

(2) Any undertaking under this rule must be:

(a) authorised by the firm’s governing body where (1)(a) applies or the governing body of the group member where (2) (1)(b) applies;

…

(c) retained by the firm, and, where (2) (1)(b) applies, by the group member, indefinitely.

…

Transitional Provisions and Schedules

TP1 Transitional Provisions

TP 1.1

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Material to which the transitional provision applies</td>
<td>Transitional provision</td>
<td>Transitional provision: date in force</td>
<td>Handbook provisions: coming into force</td>
<td></td>
<td></td>
</tr>
<tr>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>

10B CASS 7.2.8AAR to CASS 7.2.8ER 7.2.8AER R (1) These rules do not apply in respect of a business relationship with a particular client that existed before 1 December From 1 December 2014 to 1 June 2015 1 December 2014
2014, unless and until the terms governing the relationship are materially amended on or after that date. **Firms** must comply with this rule in respect of any such relationship that is entered into on or after 1 December 2014.

(2) Where the rules in column (2) are disapplied by (1), *CASS* 7.2.8R to *CASS* 7.2.11G will continue to apply as they were in force as at 30 November 2014.

### Schedule 1  Record keeping requirements

Sch 1.3G

<table>
<thead>
<tr>
<th>Handbook reference</th>
<th>Subject of record</th>
<th>Contents of record</th>
<th>When record must be made</th>
<th>Retention period</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>...</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>CASS</em> 7.2.8ADR</td>
<td><em>Client’s</em></td>
<td><em>Client’s</em></td>
<td>At the time of</td>
<td>During the time</td>
</tr>
<tr>
<td>7.2.8AER</td>
<td><em>agreement to</em></td>
<td><em>written</em></td>
<td><em>client’s</em></td>
<td>the firm makes</td>
</tr>
<tr>
<td></td>
<td><em>firm’s</em></td>
<td><em>agreement</em></td>
<td><em>agreement</em></td>
<td>use or intends</td>
</tr>
<tr>
<td></td>
<td><em>use of</em></td>
<td></td>
<td></td>
<td>to make use</td>
</tr>
<tr>
<td></td>
<td><em>exemption</em></td>
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<td></td>
<td>of the exemption</td>
</tr>
<tr>
<td></td>
<td><em>in</em> <em>CASS</em> 7.2.8R</td>
<td></td>
<td></td>
<td>in respect of</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>that client’s</td>
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<td>monies</td>
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<tr>
<td><strong>...</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>CASS</em> 7.4.19AR to</td>
<td><em>Alternative</em></td>
<td>Details of <em>money</em></td>
<td>Maintain up to</td>
<td>Five years (after</td>
</tr>
<tr>
<td><em>CASS</em> 7.4.19CR</td>
<td><em>approach</em></td>
<td><em>segregated under</em></td>
<td><em>date</em></td>
<td>the firm ceases to</td>
</tr>
<tr>
<td></td>
<td><em>alternative</em></td>
<td><em>CASS</em> 7.4.18BR</td>
<td></td>
<td>retain <em>money</em></td>
</tr>
<tr>
<td></td>
<td><em>approach</em></td>
<td><em>required by</em></td>
<td></td>
<td>as <em>client money</em></td>
</tr>
<tr>
<td></td>
<td><em>mandatory</em></td>
<td><em>these rules</em></td>
<td></td>
<td>under <em>CASS</em> 7.4.18BR)*</td>
</tr>
<tr>
<td></td>
<td><em>prudent</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>segregation</em></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>record</em></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Part 2: Comes into force on 1 June 2015

7.10.38 R (1) A trustee firm to which CASS 7.10.34R applies may elect that:

(a) the applicable provisions of CASS 7.13 (Segregation of client money) and CASS 7.15 (Records, accounts and reconciliations) under CASS 7.10.34R; and

(b) any further provisions it elects to comply with under CASS 7.10.35R(1);

will apply separately and concurrently for each distinct trust that the trustee firm acts for.

...

7.11.21 R (1) ..

(a) ...

(ii) ...

...

7.11.34 R Money ceases to be client money (having regard to CASS 7.11.40R where applicable) if:

...

(9) it is transferred by the firm to a clearing member in connection with a regulated clearing arrangement and the clearing member remits payment directly to the indirect clients of the firm in accordance with CASS 7.11.38R(2) 7.11.37R(2); or

...

7.15.11 R If a firm draws a cheque, or other payable order, to discharge its fiduciary duty to its clients (see CASS 7.11.40R), it must continue to record its obligation to its clients until the cheque, or other payable order, is presented and paid by the bank.

...
7.15.31 R If any discrepancy is identified by an external client money reconciliation, the firm must investigate the reason for the discrepancy and take all reasonable steps to correct resolve it without undue delay, …

7.16.1 G (1) Firms are required to carry out an internal client money reconciliation each business day (CASS 7.15.12R and CASS 7.15.15R). This section sets out methods of reconciliation that are appropriate for these purposes (the standard method methods of internal client money reconciliation).

7.16.14 G …

(2) …

(b) The calculation in CASS 7.16.22E permits a firm to calculate either one individual client balance across all its products and business lines for each client or a number of individual client balances per for each client equal to the number of products or business lines operated by the firm for each client in connection with that client (see CASS 7.16.22E(1)).

7.16.16 R Subject to CASS 7.16.25R and CASS 7.16.37R, under this method the client money requirement must be calculated by taking the sum of, for all clients and across all products and accounts:

(3) any amounts that have been segregated as client money according to the firm’s records under any of the following: CASS 7.13.51R(1) (prudent segregation record), CASS 7.13.66R (alternative approach mandatory prudent segregation record) and/or CASS 7.13.74R (clearing arrangement mandatory prudent segregation record).

7.16.19 G A firm which utilises the net negative add-back method may:

(1) A firm which utilises the net negative add-back method may calculate its client money requirement and client money resource on a bank account by bank account basis;

(2) for the purposes of CASS 7.16.17R, a firm should take into account any amounts that have been segregated as client money according to the firm’s records under either or both CASS 7.13.50R
(prudent segregation record) and CASS 7.13.66R (alternative approach mandatory prudent segregation record).

7.16.22 E (1) A firm may calculate either:

(a) one individual client balance for each of its clients, based on the total of the firm’s holdings for each of that client; or

(b) a number of individual client balances per for each client, equal to the number of products or business lines the firm operates for each of that client and each balance based on the total of the firm’s holdings for that client in respect of the particular product or business line.

7.16.24 G If a firm calculates each individual client balance on a product-by-product or business line-by-business line basis under CASS 7.16.22E(1)(b), the result should be that the firm does not net client positions across all products and accounts.

7.16.27 G (1) In accordance with CASS 7.16.25R(5), where a firm has allowed another person to hold client money in connection with a client’s non-margined transaction (eg, in a client transaction account under CASS 7.14 (Client money held by a third party)), …

7.16.36 R A firm with a Part 30 exemption order which also operates an LME bond arrangement for the benefit of US-resident investors must exclude the client equity balances for transactions undertaken on the LME on behalf of those US-resident investors from the calculation of the margined transaction requirement, to the extent those transactions are provided for by an LME bond arrangement (see CASS 12.2.3G).
## Schedule 1  Record keeping requirements

Sch 1.3G

<table>
<thead>
<tr>
<th>Handbook reference</th>
<th>Subject of record</th>
<th>Contents of record</th>
<th>When record must be made</th>
<th>Retention period</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CASS 7.15.7R</strong></td>
<td><em>Internal client money reconciliations and external client money reconciliations conducted carried out by the firm</em></td>
<td>Date, actions the <em>firm</em> took in carrying out the relevant process, and the outcome of its calculation of its <em>client money requirement</em> and <em>client money resource</em>. Fact of each reconciliation and review of the <em>firm’s</em> arrangements for complying with CASS 7.15.5R to CASS 7.15.8R 7.15.7R.</td>
<td>Immediate</td>
<td>Not specified (see default provision CASS 7.15.5R(3))</td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| **CASS 7.15.24R**  | *Frequency of the *firm’s* external client money reconciliations* | Sufficient to show and explain decision taken under CASS 7.15.232R 7.15.23R when determining frequency | Immediate | (1) Subject to (2), indefinitely.  
(2) For any decision which is superseded by a subsequent decision, five years from the subsequent decision (with (1) applying to the subsequent decision). |
<p>| ...                |                   |                    |                          |                  |</p>
<table>
<thead>
<tr>
<th>Handbook reference</th>
<th>Matter to be notified</th>
<th>Contents of notification</th>
<th>Trigger event</th>
<th>Time allowed</th>
</tr>
</thead>
<tbody>
<tr>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td><strong>CASS 6.57R(1) 6.6.57R(1)</strong></td>
<td>Inability to comply with the requirements in <em>CASS 6.6.2R</em> to <em>CASS 6.6.4R</em> (Records, accounts and reconciliations)</td>
<td>The fact that the <em>firm</em> has not complied or is unable, in any material respect, to comply with the requirements and the reasons for that</td>
<td>Non-compliance or inability, in any material respect, to comply with the requirements</td>
<td>Without delay</td>
</tr>
<tr>
<td><strong>CASS 6.57R(2) 6.6.57R(2)</strong></td>
<td>Non-compliance or material inability to comply with the requirements in <em>CASS 6.6.2R</em> (Records, accounts and reconciliations) or articles 89(1)(b) or 89(1)(c) (Safekeeping duties with regard to assets held in custody) of the <em>AIFMD level 2</em> regulation</td>
<td>The fact that the <em>firm</em> has not complied or is materially unable to comply with the requirements and the reasons for that</td>
<td>Non-compliance or material inability to comply with the requirement</td>
<td>Without delay</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td><strong>CASS 7.12.42R 7.11.47R</strong></td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>
Annex E

Amendments to the Supervision manual (SUP)

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

3.8 Rights and duties of auditors

... Cooperation with the appropriate regulator ...

3.8.4 R An auditor of a firm must give any skilled person appointed by the firm or appointed by the appropriate regulator all assistance that the person reasonably requires (see SUP 5 and section 165(5) of the Act (Reports by skilled persons)).

12.3 What responsibility does a firm have for its appointed representatives or EEA tied agent?

... 12.3.3 G In determining whether the firm has committed any offence, however, the knowledge or intentions of an appointed representative are not attributable to the firm, unless in all the circumstances it is reasonable for them to be attributed to it (section 39(6) of the Act).
Annex F

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

Part 1: Comes into force on 1 July 2014

2 Annex 1G Regulated activities for the Voluntary Jurisdiction at 1 April 2014

... The activities which (at 1 April 2014) were regulated activities were, 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:

... which is carried on by way of business and relates to a specified investment applicable to that activity or, in the case of (20), (21), (21A), (22), (22A), (22B), (22C), (22D), (22E) and (23), is carried on in relation to property of any kind or, in the case of (40A) or (40B) relates to information about a person’s financial standing.

Part 2: Comes into force on 22 July 2014

2.5 To which activities does the Voluntary Jurisdiction apply?

2.5.1 R The Ombudsman can consider a complaint under the Voluntary Jurisdiction if:

... it relates to an act or omission by a VJ participant in carrying on one or more of the following activities:

... activities (which at 1 April 22 July 2014) would be covered by the Compulsory Jurisdiction, if they were carried on from an establishment in the United Kingdom (these activities are listed in DISP 2 Annex 1G);
2 Annex 1G

Regulated activities for the Voluntary Jurisdiction at 1 April 22 July 2014

The activities which (at 1 April 22 July 2014) were regulated activities were, 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:

(20) establishing, operating or winding up a collective investment scheme (article 51(1)(a));

(21) acting as trustee of an authorised unit trust scheme (article 51(1)(b));

(21A) acting as the depositary of an authorised contractual scheme (article 51(1)(bb));

(22) acting as the depositary or sole director of an open-ended investment company (article 51(1)(c));

which is carried on by way of business and relates to a specified investment applicable to that activity or, in the case of (20), (21), (21A), (22), (22A), (22B), (22C), (22D), (22E) and (23), is carried on in relation to property of any kind or, in the case of (40A) or (40B) relates to information about a person’s financial standing.
Annex G

Amendments to the Consumer Credit sourcebook (CONC)

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

Conduct of business

2.5.3 R A firm must:

…

(9) take reasonable steps not to pass a customer’s personal data to a business which carries on a credit-related regulated activity for which the business has no permission for that activity.

[Note: paragraph 3.9x of CBG]

…

Unfair business practices: credit brokers

2.5.8 R A firm must not:

…

(13) give preference to the credit products of a particular lender where the object of doing so is for, or can reasonably be concluded as having been for, the personal gain of the firm or of a person acting on its behalf, rather than in the best interests of the customer;

[Note: paragraph 4.41k of CBG]

…

…

Terms and conditions, and form

2.7.6 R A firm must communicate to the consumer all the contractual terms and conditions and the information referred to in the distance marketing disclosure rules (CONC 2.7.2R to CONC 2.7.5R) in a durable medium. That information must be made available and accessible to the consumer in good time before the consumer is bound by any distance contract or offer.

[Note: regulation 8(1) of SI 2004/2095]

[Note: articles 4(5) and 5(1) of the Distance Marketing Directive]

…
2.10 Mental capacity guidance

...

2.10.2 G ...

(3) References in this section to a firm's knowledge, understanding, observation, suspicion, assumption or belief includes that of the firm's employees, appointed representatives, agents and any others who act on behalf of the firm.

[Note: footnote 2 of MCG]

...

Practices and procedures

...

2.10.10 G ...

(2) CONC 7.2.1R requires firms to establish and implement arrears policies and procedures, which include policies and procedures for the fair and appropriate treatment of customers the firm understands or reasonably suspects of having mental capacity limitations.

...

2 Annex 1R Distance marketing information

...

<table>
<thead>
<tr>
<th>Information about the contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>(12) The existence or absence of any right to cancel under section 66A or 67 of the CCA or the cancellation rules in CONC 11.1 and, where there is such a right, its duration and the conditions for exercising it, including information on the amount which the consumer may be required to pay (or which may not be returned to the consumer) in accordance with those provisions or rules, as well as the consequences of not exercising the right to cancel.</td>
</tr>
</tbody>
</table>

...

2 Annex 2R Abbreviated distance marketing information
(5) The existence or absence of a right to cancel in accordance with the cancellation provisions or rules (in sections 66A or 67 of the CCA or in CONC 11.1) and, where the right to cancel exists, its duration and the conditions for exercising it, including information on the amount the consumer may be required to pay on the basis of the cancellation rules.

---

### 3 Financial promotions and communications with customers

Where?

3.1.9 R ...  
(3) the communication or approval for communication of a financial promotion that is an electronic commerce communication to a person in an EEA State other than in the UK;

---

**Guidance on misleading introductions**

3.3.11 G Misleading a customer as to the availability of a particular credit product is likely to include stating or implying that the firm will introduce the customer to a provider of a standard personal loan based on repayment by instalments or of an overdraft facility on a current account (for example, a bank or building society) or of a credit card, but instead introducing the customer to a provider of high-cost short-term credit.

*Note: paragraph 3.9p (box) of CBG*

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**Risk warnings**

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3.4.2 G The Money Advice Service has granted a licence to use the logo referred to in CONC 3.4.1R(3) for the purposes of that rule. The terms of the licence are available from the Money Advice Service.
Restricted expressions

3.5.12 R …

(3) In this rule, "cash purchaser" means a person who, for money consideration, acquires goods, land or other things or is provided with services under a transaction which is not financed by credit.

Restricted expressions

3.6.8 R …

(3) In this rule "cash purchaser" means a person who for money consideration, acquires goods, land or other things or is provided with services, under a transaction which is not financed by credit.

Credit brokers’ status

3.7.4 G A firm should in a financial promotion or in a communication with a customer:

…

(2) indicate to the customer in a prominent way the existence of any financial arrangements with a lender that might impact upon the firm's impartiality in promoting a credit product to a customer;

[Note: paragraphs 2.2, 6th bullet and 4.6 of CBG]

(3) only describe itself as independent if it is able to provide access to a representative range of credit products from the relevant product market on competitive terms and is not constrained in providing such access, for example, because of one or more agreements with lenders; and

[Note: paragraph 4.5 of CBG]

…

3.10 Financial promotions not in writing

…
3.10.1 R This section applies:

(1) to a financial promotion in relation to consumer credit lending, credit broking, debt counselling, debt adjusting, operating an electronic system in relation to lending in relation to prospective borrowers or borrowers under P2P agreements;

...

4 Pre-contractual requirements

...

4.1.3 R ...

(4) When a firm provides a quotation to a customer in connection with a prospective credit agreement which would or might be secured on land and under which repayments would be made in a currency other than sterling, the firm must include (or cause to be included) in the quotation the following statement …

...

4.2.7 G In deciding on the level and extent of explanation required by CONC 4.2.5R, the lender or credit broker should consider (and each of them should ensure that anyone acting on its behalf should consider), to the extent appropriate to do so, factors including:

...

(4) the channel or medium through which the credit transaction takes place.

[Note: paragraph 3.4 of ILG]

...

Refunds of brokers’ fees

6.8.5 G ...

(3) In circumstances where individuals request refunds and the firm knows, or ought to know, that agreements to which section 155 applies would not be entered into within six months, the firm should not make the individuals wait for the six-month period to elapse before making the refund.

[Note: paragraphs 6.17 and 6.18 of CBG]
7.3 Treatment of customers in default or arrears (including repossessions): lenders, owners and debt collectors

7.3.1 G …

(2) In relation to debt collecting and debt administration, the definitions of customer and borrower are given extended meanings to include, as well as those other people they generally include, a person providing a guarantee or indemnity under a credit agreement and also a person to whom rights and duties are under the agreement passed by assignment or operation of law. This reflects article 39M of the Regulated Activities Order.

8.3 Pre contract information and other advice requirements

8.3.1 R A firm must (except where the contract is a credit agreement to which the disclosure regulations apply) provide sufficient information, on a durable medium, when the customer first enquires about the firm’s services, about the following matters to enable the customer to make a reasonable decision:

…

Prudential resources requirement

10.2.7 G The definition of relevant debts under management refers to a debt due under a credit agreement or a consumer hire agreement in relation to which the firm is carrying on debt adjusting or an activity connected to that activity. The reference to "debt due" covers not only amounts that are payable at the time the prudential resources requirement is calculated but also amounts the borrower or hirer is presently obliged to pay under the credit agreement or the consumer hire agreement in the future.

12 Requirements for firms with interim permission for credit-related regulated activities

12.1.4 R …
**Threshold Conditions (COND)**

Guidance applies with necessary modifications to reflect Chapter 4 of Part 8 of the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 (see Note 1).

**Note 1**

A firm is treated as having an interim permission on and after 1 April 2014 to carry on credit-related regulated activity under the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) (No.2) Order 2013 if it met the conditions set out in Chapter 4 of Part 8 of that Order. Section 55B(3) of the Act (satisfaction of threshold conditions) does not require the FCA or PRA to ensure that the firm will satisfy, and continue to satisfy, in relation to the credit-related regulated activities for which it has an interim permission, the threshold conditions for which that regulator is responsible. The FCA or PRA can, however, exercise its power under section 55J of the Act (variation or cancellation on initiative of regulator) or under section 55L of the Act (in the case of the FCA) or section 55M of the Act (in the case of the PRA) (imposition of requirements by the regulator) in relation to a firm if, among other things, it appears to the FCA or PRA that the firm is failing, or is likely to fail, to satisfy the threshold conditions in relation to the credit-related regulated activities for which it has an interim permission for which the regulator is responsible. The guidance in COND should be read accordingly.

---

**13 Guidance on the duty to give information under sections 77, 78 and 79 of the Consumer Credit Act 1974**

... The copy agreement...

**13.1.4 G ...**

(7) Further, section 180(1)(b) of the CCA and regulation 3(2) of the Consumer Credit (Cancellation Notices and Copies of Documents) Regulations 1983 expressly allow certain matters to be omitted from the copy. There may be excluded from the copy of the executed agreement to be provided under these sections:

(a) any information relating to the borrower, hirer or surety, or information included for the use of the lender or owner only, which is not required to be included by the CCA or by any regulations made under the CCA as to the form and content of the agreement;

...
15 Second charge lending

...

15.1.6 G Where appropriate, the disclosure required by CONC 15.1.4R 15.1.5R should be explained orally to the customer.

[Note: paragraph 3.4 of SCLG]

...

Appendix 1 Total charge for credit rules

...

Statement of high net worth

1.4.7 R A statement of high net worth for the purposes of articles 60H(d) and 60Q(c) of the Regulated Activities Order must have the following form and content:

“Statement of High Net Worth

...

is an individual of high net worth because he/she*

(a) received during the previous financial year net income totalling an amount of not less **than** £150,000*; and/or

...

Schedule 1 Record keeping requirements

...

<table>
<thead>
<tr>
<th>Handbook reference</th>
<th>Subject of record</th>
<th>Contents of record</th>
<th>When record must be made</th>
<th>Retention period</th>
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<td>6.6.3R</td>
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...
Annex H

Amendments to the Investment Funds sourcebook (FUND)

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

3.11 Depositaries

... Appointment of a single depositary

3.11.4 R An AIFM must, for each AIF it manages, ensure that:

... (2) the assets of the AIF are entrusted to the depositary for safekeeping in accordance with:

(a) for a UK AIF, FUND 3.11.21R and FUND 3.11.23R; or

(b) for an EEA AIF, the national laws and regulations in the Home State of the AIF implementing article 21(8) of AIFMD.

... TP 1 Transitional Provisions

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<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
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<td>Transitional provision</td>
<td>Transitional provision: date in force</td>
<td>Handbook provisions: coming into force</td>
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<td>1A</td>
<td>FUND 3.11.4R(2)</td>
<td>R</td>
<td>An AIFM that appoints a depositary in accordance with article 61(5) of AIFMD must ensure the assets of the AIF are entrusted to the depositary for safekeeping in accordance with the national laws and regulations of the EEA State of the competent authority of the depositary (as defined in article 4(1)(g) of AIFMD).</td>
<td>From 1 July 2014 until 22 July 2017.</td>
<td>1 July 2014</td>
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Annex I

Amendments to the Perimeter Guidance manual (PERG)

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

1.4 General guidance to be found in PERG

\ldots

1.4.2 G \ldots

<table>
<thead>
<tr>
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<th>Applicable to:</th>
<th>About:</th>
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<td></td>
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<tr>
<td>\textit{PERG 13:}</td>
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<td>Guidance on the scope of the Market in Financial Instruments Directive MiFID and the CRD IV (Directive on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and the Regulation on prudential requirements for credit institutions and investment firms)</td>
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13 Guidance on the scope of the Market in Financial Instruments Directive MiFID and the CRD IV (Directive on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms and the Regulation on prudential requirements for credit institutions and investment firms)

\ldots