INDIVIDUAL ACCOUNTABILITY INSTRUMENT 2015

Powers exercised

A. The Financial Conduct 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 59 (Approval for particular arrangements);
   (2) section 60 (Applications for approval);
   (3) section 60A (Vetting candidates by relevant authorised persons);
   (4) section 61 (Determination of applications);
   (5) section 62A (Changes to responsibilities of senior managers);
   (6) section 63ZA (Variation of senior manager’s approval at request of relevant authorised person);
   (7) section 63ZD (Statement of policy relating to conditional approval and variation);
   (8) section 63C (Statement of policy);
   (9) section 63E (Certification of employees by relevant authorised persons);
   (10) section 63F (Issuing of certificates);
   (11) section 64A (Rules of conduct);
   (12) section 64C (Requirements for relevant authorised persons to notify regulator of disciplinary action);
   (13) section 69 (Statement of policy);
   (14) section 137A (The FCA’s general rules);
   (15) section 137T (General supplementary powers);
   (16) section 139A (Power of the FCA to give guidance);
   (17) section 395 (The FCA’s and PRA’s procedures); and
   (18) articles 2, 5, 6, 7, 8, 13, 15, 17, 19 and 20 of the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order (SI 2015/492).

B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force as follows:

<table>
<thead>
<tr>
<th>Annex</th>
<th>Date comes into force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 2 of Annex A</td>
<td>7 March 2017</td>
</tr>
<tr>
<td>Part 3 of Annex B</td>
<td>7 March 2017</td>
</tr>
<tr>
<td>Part 2 of Annex D</td>
<td>7 March 2017</td>
</tr>
<tr>
<td>The remainder of this instrument</td>
<td>7 March 2016</td>
</tr>
</tbody>
</table>
Making the Code of Conduct sourcebook (COCON)

D. The Financial Conduct Authority makes the rules and gives the guidance in Annex A to this instrument.

Amendments to the FCA Handbook

E. 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) below:

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glossary of definitions</td>
<td>Annex B</td>
</tr>
<tr>
<td>Senior Management Arrangements, Systems and Controls sourcebook (SYSC)</td>
<td>Annex C</td>
</tr>
<tr>
<td>The Fit and Proper test for Approved Persons (FIT)</td>
<td>Annex D</td>
</tr>
<tr>
<td>Supervision manual (SUP)</td>
<td>Annex E</td>
</tr>
</tbody>
</table>

Notes

F. In Annex E 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

G. This instrument may be cited as the Individual Accountability Instrument 2015.

H. The sourcebook referred to in paragraph D above may be cited as the Code of Conduct sourcebook, or COCON.

By order of the Board of the Financial Conduct Authority
2 July 2015
Annex A

Making of the Code of Conduct sourcebook (COCON)

Insert the following new sourcebook after the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) in the block of the Handbook titled ‘High Level Standards’. The text is not underlined.


1 Application and purpose

1.1 Application

1.1.1 G Under section 64A of the Act, the FCA may make rules about the conduct of approved persons and persons who are employees of relevant authorised persons.

To whom does it apply?

1.1.2 R (1) COCON applies to:

(a) an SMF manager;

(b) an employee (“P”) of a relevant authorised person who:

(i) performs the function of an SMF manager;

(ii) is not an approved person to perform the function in question; and

(iii) is required to be an approved person at the time P performs that function; and

(c) an employee of a relevant authorised person who would be an SMF manager but for SUP 10C.3.13R (The 12-week rule);

(d) a certification employee employed by a relevant authorised person, even if the certification employee has not been notified that COCON applies to them or notified of the rules that apply to them; and

(e) an employee of a relevant authorised person who would be a certification employee but for SYSC 5.2.27R(1) (Scope: emergency appointments).

(2) [Not used]

1.1.3 R Rules 1 to 5 in COCON 2.1 apply to all conduct rules staff.
1.1.4  R  Rules SC1 to SC4 in COCON 2.2 apply to all senior conduct rules staff members.

1.1.5  G  (1)  The guidance in COCON 2.3 applies to relevant authorised persons.

(2)  The persons in COCON 1.1.2R(1)(a) and (b) are referred to as senior conduct rules staff members.

(3)  SYSC 5.2.26R provides that a function performed by a non-executive director of a firm acting as such is not an FCA-specified significant-harm function for that firm.

To what conduct does it apply?

1.1.6  R  For a person (P) who is an approved person, COCON applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not regulated activities) by the firm on whose application approval was given to P.

[Note: sections 64A(4) and (5)(a) of the Act (Rules of conduct)]

1.1.7  R  For a person (P) subject to COCON who is not an approved person, COCON applies to the conduct of P in relation to the performance by P of functions relating to the carrying on of activities (whether or not regulated activities) by P’s employer.

[Note: sections 64A(4) and (5)(b) of the Act (Rules of conduct)]

1.1.8  G  (1)  Both COCON 1.1.6R and COCON 1.1.7R may apply to the same individual performing several roles.

(2)  For example, say that an individual (A) is an approved person for firm X and is employed by firm Y in a role that does not involve a controlled function. Firm Y is a relevant authorised person.

(3)  COCON 1.1.6R applies to A’s role with firm X and COCON 1.1.7R applies to A’s role with firm Y.

Where does it apply?

1.1.9  R  COCON applies to the conduct of a senior conduct rules staff member wherever it is performed.

1.1.10  R  COCON only applies to the conduct of persons other than senior conduct rules staff members if that conduct:

(1)  is performed from an establishment maintained by that person’s employer in the United Kingdom; or

(2)  involves dealing with a client in the United Kingdom from an establishment overseas.
The FCA interprets the phrase ‘dealing with’ in COCON 1.1.10R as including having contact with customers and extending beyond ‘dealing’ as used in the phrase ‘dealing in investments’. ‘Dealing in’ is used in Schedule 2 to the Act to describe, in general terms, the regulated activities which are specified in Part II of the Regulated Activities Order.

A person will not be subject to COCON to the extent that it would be contrary to the UK’s obligations under a Single Market Directive or the auction regulation.

The purpose of COCON is to set out rules for conduct rules staff and to provide guidance to relevant authorised persons about the conduct rules.

COCON 1 Annex 1 has guidance on the role and responsibilities of non-executive directors of relevant authorised persons.

### Guidance on the role and responsibilities of NEDs for relevant authorised persons

<table>
<thead>
<tr>
<th>1</th>
<th>Introduction</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>This annex applies to non-executive directors (NEDs) who are performing a designated senior management function. It only applies where the individual performing that function is also a NED.</td>
</tr>
</tbody>
</table>
| 1.2 | This annex covers the role of a NED in performing the roles in (1) to (4), below:

| (1) | the role of chairman of the board of directors; |
| (2) | the role of chairman of the nomination committee; |
| (3) | the role of chairman of any other committee (irrespective of whether performing that role is itself a designated senior management function); |
| (4) | the general NED role. |
| 1.3 | The FCA’s view of the role of a NED is consistent with the duties of directors included in UK company law and the description of the role of a NED in the UK Corporate Governance Code. |

### The general role of a NED

2.1 The role of a NED performing the general NED role is to:

| (1) | provide effective oversight and challenge; and |
| (2) | help develop proposals on strategy. |
2.2 To deliver this, their responsibilities include:

(1) attending and contributing to board and committee meetings and discussions;

(2) taking part in collective board and committee decisions, including voting and providing input and challenge; and

(3) ensuring they are sufficiently and appropriately informed of the relevant matters prior to taking part in board or committee discussions and decisions.

2.3 Other key roles of a NED include:

(1) scrutinising the performance of management in meeting agreed goals and objectives;

(2) monitoring the reporting of performance;

(3) satisfying themselves on the integrity of financial information;

(4) satisfying themselves that financial controls and systems of risk management are robust and defensible;

(5) scrutinising the design and implementation of the remuneration policy;

(6) providing objective views on resources, appointments and standards of conduct; and

(7) being involved in succession planning.

3 Role of a NED as chair of the board or a committee

3.1 Subject to any specific governance arrangements, rules or requirements applicable to the board or particular committees, a NED’s responsibility as chairman of the board or a committee includes:

(1) ensuring that the board or committee meets with sufficient frequency;

(2) fostering an open, inclusive discussion which challenges executives, where appropriate;

(3) ensuring that the board or committee devotes sufficient time and attention to the matters within its remit;

(4) helping to ensure that the board or committee and its members have the information necessary to its and their tasks;

(5) reporting to the main board on the committee’s activities; and

(6) facilitating the running of the board or committee to assist it in providing independent oversight of executive decisions;
<table>
<thead>
<tr>
<th>3.2</th>
<th>The chair of the nomination committee should take reasonable steps to ensure that the nomination committee complies with:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>the requirements in SYSC 4.3A about the nomination committee (if that part of SYSC applies to the firm); and</td>
</tr>
<tr>
<td>(2)</td>
<td>any specific and relevant requirements relating to the committee or to the matters within the committee’s responsibilities.</td>
</tr>
</tbody>
</table>

| 3.3 | SYSC 4.3A.8R and SYSC 4.3A.9R deal with the nomination committee for relevant authorised persons. |

## 4 General approach to the role of a NED

### 4.1
The FCA recognises that NEDs individually do not manage a firm’s business in the same way as executive directors. Therefore, the responsibilities for which NEDs are accountable are likely to be more limited.

### 4.2
A NED is neither required nor expected to assume executive responsibilities.

### 4.3
Although NEDs who are subject to the senior management regime for SMF managers have individual duties under that regime, the FCA views the regime and its application as consistent with the principle of collective decision-making.

### 4.4
The standard of care, skill and diligence that the FCA would expect from a NED is the care, skill and diligence that would be exercised by a reasonably diligent person with:

- the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the NED in relation to the firm, taking into account the standards in the Handbook (especially COCON and DEPP); and
- the general knowledge, skill and experience that the NED has.

## 2 Conduct rules

### 2.1 Individual conduct rules

| 2.1.1 | R | Rule 1: You must act with integrity. |
| 2.1.2 | R | Rule 2: You must act with due skill, care and diligence. |
| 2.1.3 | R | Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators. |
2.1.4 R Rule 4: You must pay due regard to the interests of customers and treat them fairly.

2.1.5 R Rule 5: You must observe proper standards of market conduct.

2.2 Senior manager conduct rules

2.2.1 R SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.

2.2.2 R SC2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.

2.2.3 R SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.

2.2.4 R SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.

2.3 Firms: training and breaches

2.3.1 G Under section 64B of the Act, a relevant authorised person must:

(1) ensure that all persons subject to the rules in COCON are notified of the rules that apply to them; and

(2) take all reasonable steps to ensure that those persons understand how the rules in COCON apply to them.

2.3.2 G (1) The steps that a relevant authorised person must take to secure that its conduct rules staff understand how the rules in COCON apply to them include the provision of suitable training.

(2) Suitable training should always ensure that those who are subject to the rules in COCON have an awareness and broad understanding of all of the rules in COCON, and that they also have a deeper understanding of the practical application of the specific rules which are relevant to their work.

(3) For example:

(a) for individuals who trade in the markets, rule 5 in COCON 2.1.5R may apply in various circumstances arising in the individual’s day-to-day activities and additional training may be appropriate to ensure that the individual knows how that rule applies to those activities in those various
(b) for individuals who deal directly with customers, rule 4 in \textit{COCON} 2.1.4R may apply in various circumstances which makes additional training appropriate for such individuals.

2.3.3 G Section 64B(5) of the \textit{Act} requires a \textit{relevant authorised person} to notify the FCA if it knows, or suspects, that any member of its \textit{conduct rules staff} has failed to comply with any of the \textit{rules} in \textit{COCON}. Further \textit{rules} and \textit{guidance} on notifications to the FCA by a \textit{relevant authorised person} can be found in \textit{SUP} 15.11 (Notification of \textit{COCON} breaches and disciplinary action).

3.1 General factors for assessing compliance

3.1.1 G Where descriptions of conduct are provided in this chapter which exemplify breaches of the \textit{rules} in \textit{COCON}, they are not intended to be an exhaustive list of the kind of conduct that may contravene the relevant \textit{rule}.

3.1.2 G In assessing compliance with, or a breach of, a \textit{rule} in \textit{COCON}, the FCA will have regard to the context in which a course of conduct was undertaken, including:

(1) the precise circumstances of the individual case;

(2) the characteristics of the particular function performed by the individual in question; and

(3) the behaviour expected in that function.

3.1.3 G Without prejudice to section 66A of the \textit{Act}, a \textit{person} will only be in breach of any of the \textit{rules} in \textit{COCON} where they are personally culpable. Personal culpability arises where:

(1) a \textit{person}'s conduct was deliberate; or

(2) the \textit{person}'s standard of conduct was below that which would be reasonable in all the circumstances.

3.1.4 G In determining whether or not the particular conduct of a \textit{person} complies with the \textit{rules} in \textit{COCON}, factors the FCA would expect to take into account include:

(1) whether that conduct relates to activities that are subject to other provisions of the \textit{Handbook};

(2) whether that conduct is consistent with the requirements and standards of the \textit{regulatory system} relevant to the \textit{person}'s firm.

3.1.5 G In determining whether or not the conduct of a \textit{senior conduct rules staff}
member complies with rules SC1 to SC4 in COCON, factors the FCA would expect to take into account include:

(1) whether they exercised reasonable care when considering the information available to them;

(2) whether they reached a reasonable conclusion upon which to act;

(3) the nature, scale and complexity of the firm’s business;

(4) their role and responsibility as determined by reference to the relevant statement of responsibility;

(5) the knowledge they had, or should have had, of regulatory concerns, if any, relating to their role and responsibilities.

3.1.6 G In assessing whether a senior conduct rules staff member may have breached a rule in COCON, the nature, scale and complexity of the business and the role and responsibility of the individual undertaking the activity in question within the firm will be relevant in assessing whether that person’s conduct was reasonable. For example, the smaller and less complex the business, the less detailed and extensive the systems of control need to be.

3.1.7 G UK domestic firms listed on the London Stock Exchange are subject to the UK Corporate Governance Code, whose internal control provisions are explained in the publication entitled ‘Internal Control: Revised Guidance for Directors on the Combined Code (October 2005)’ issued by the Financial Reporting Council. Therefore, firms in this category will be subject to that code, as well as to the rules in COCON. In forming an opinion as to whether a senior conduct rules staff member has complied with the rules in COCON, the FCA will give due credit if they followed corresponding provisions in the UK Corporate Governance Code and related guidance.

4.1 Specific guidance on individual conduct rules

Rule 1: You must act with integrity

4.1.1 G The following is a non-exhaustive list of examples of conduct that would be in breach of rule 1.

(1) Misleading (or attempting to mislead) by act or omission:

(a) a client; or

(b) the firm for whom the person works (or its auditors); or

(c) the FCA or;
(d) the PRA.

(2) Falsifying documents.

(3) Misleading a client about:
   (a) the risks of an investment;
   (b) the charges or surrender penalties of products;
   (c) the likely performance of products by providing inappropriate projections of future returns.

(4) Misleading a client by informing the client that products, require only a single payment when that is not the case.

(5) Mismarking the value of investments or trading positions.

(6) Procuring the unjustified alteration of prices on illiquid or off-exchange contracts, or both.

(7) Misleading others within the firm about the credit-worthiness of a borrower.

(8) Providing false or inaccurate documentation or information, including details of training, qualifications, past employment record or experience.

(9) Providing false or inaccurate information to:
   (a) the firm (or to the firm's auditors); or
   (b) the FCA or the PRA.

(10) Destroying, or causing the destruction of, documents (including falsified documentation), or tapes or their contents, relevant to misleading (or attempting to mislead) a client, the firm for whom the person works, or the FCA or the PRA.

(11) Failing to disclose dealings where disclosure is required by the firm's personal account dealing rules.

(12) Misleading others in the firm about the nature of risks being accepted.

(13) Recommending an investment to a customer, or carrying out a discretionary transaction for a customer where the person knows that they are unable to justify its suitability for that customer.

(14) Failing to inform, without reasonable cause:
   (a) a customer; or
(b) the firm for whom the person works (or its auditors); or
(c) the FCA; or
(d) the PRA.

of the fact that their understanding of a material issue is incorrect, despite being aware of their misunderstanding, including, but not limited to, deliberately failing to:

(i) disclose the existence of falsified documents; and
(ii) rectify mismarked positions immediately.

(15) Preparing inaccurate or inappropriate records or returns, including, but not limited to preparing:

(a) performance reports for transmission to customers which are inaccurate or inappropriate (for example, by relying on past performance without appropriate warnings);
(b) inaccurate training records or inaccurate details of qualifications, past employment record or experience; and
(c) inaccurate trading confirmations, contract notes or other records of transactions or holdings of securities for a customer, whether or not the customer is aware of these inaccuracies or has requested such records.

(16) Misusing the assets or confidential information of a client or of their firm including, but not limited to, deliberately:

(a) front running client orders;
(b) carrying out unjustified trading on client accounts to generate a benefit (whether direct or indirect) to the person (that is, churning);
(c) misappropriating a client's assets, including wrongly transferring to personal accounts cash or securities belonging to clients;
(d) wrongly using one client's funds to settle margin calls or to cover trading losses on another client's account or on firm accounts;
(e) using a client's funds for purposes other than those for which they were provided;
(f) retaining a client's funds wrongly; and
(g) pledging the assets of a client as security or margin in circumstances where the firm is not permitted to do so.

(17) Designing transactions to disguise breaches of requirements and standards of the regulatory system.

(18) Not paying due regard to the interests of a customer.

(19) Acts, omissions or business practices that could be reasonably expected to cause customer detriment.

Rule 2: You must act with due skill, care and diligence

4.1.2 Due skill, care and diligence are required, especially where activities might affect customers or the integrity of the financial system.

4.1.3 The following is a non-exhaustive list of examples of conduct by any conduct rules staff that would be in breach of rule 2.

(1) Failing to inform:
   
   (a) a customer; or
   
   (b) their firm (or its auditors);
   
   of material information in circumstances where the member of conduct rules staff was aware, or ought to have been aware, of such information, and of the fact that they should provide it, including the following:
   
   (i) failing to explain the risks of an investment to a customer;
   
   (ii) failing to disclose to a customer details of the charges or surrender penalties of investment products;
   
   (iii) mismarking trading positions;
   
   (iv) providing inaccurate or inadequate information to a firm or its auditors;
   
   (v) failing to disclose dealings where disclosure is required by the firm’s personal account dealing rules.
   
(2) Recommending an investment to a customer, or carrying out a discretionary transaction for a customer, where they do not have reasonable grounds to believe that it is suitable for that customer.

(3) Undertaking, recommending or providing advice on transactions without a reasonable understanding of the risk exposure of the
4.1.4 G It is important for a manager to understand the business for which they are responsible. A manager is unlikely to be an expert in all aspects of a complex financial services business. However, they should understand and inform themselves about the business sufficiently to understand the risks of its trading, credit or other business activities.

4.1.5 G It is important for a manager to understand the risks of expanding the business into new areas and, before approving the expansion, they should investigate and satisfy themselves, on reasonable grounds, about the risks, if any, to the business.

4.1.6 G Where unusually profitable business is undertaken, or where the profits are particularly volatile or the business involves funding requirements on the firm beyond those reasonably anticipated, a manager should require explanations from those who report to them. Where those explanations are implausible or unsatisfactory, they should take steps to test the veracity of those explanations.

4.1.7 G Where a manager is not an expert in a business area, they should consider whether they (or those with whom they work) have the necessary expertise to provide an adequate explanation of issues within that business area. If not, they should seek an independent opinion from elsewhere, within or outside the firm.

4.1.8 G The following is a non-exhaustive list of examples of conduct by a manager that would be in breach of rule 2.

(1) Failing to take reasonable steps to ensure that the business of the firm for which the manager has responsibility:
(a) is controlled effectively;

(b) complies with the relevant requirements and standards of the regulatory system applicable to that area of the business; and

(c) is conducted in such a way to ensure that any delegation of responsibilities is to an appropriate person and is overseen effectively.

(2) Failing to take reasonable steps to adequately inform themselves about the affairs of the business for which they are responsible, including:

(a) permitting transactions without a sufficient understanding of the risks involved;

(b) permitting expansion of the business without reasonably assessing the potential risks of that expansion;

(c) inadequately monitoring highly profitable transactions or business practices, or unusual transactions or business practices;

(d) accepting implausible or unsatisfactory explanations from subordinates without testing the veracity of those explanations; and

(e) failing to obtain independent, expert opinion where appropriate.

(3) Failing to take reasonable steps to maintain an appropriate level of understanding about an issue or part of the business that the manager has delegated to an individual or individuals (whether in-house or outside contractors).

Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators

4.1.9 G For the purpose of rule 3 in COCON 2.1.3R, regulators other than the FCA and the PRA are those which have recognised jurisdiction in relation to activities to which COCON applies and have a power to call for information from the firm or from individuals performing certain functions in connection with those regulated activities. This may include an exchange or an overseas regulator.

4.1.10 G There is no duty on a person to report information directly to the regulator concerned unless they are one of the persons responsible within the firm for reporting matters to the regulator concerned. However, if a person takes steps to influence the decision not to report to the regulator concerned or acts in a way that is intended to obstruct the reporting of the information to
the regulator concerned, then the appropriate regulator will, in respect of that information, view them as being one of those within the firm who has taken on responsibility for deciding whether to report that matter to the regulator concerned.

4.1.11 G The following is a non-exhaustive list of examples of conduct that would be in breach of rule 3.

(1) Failing to report promptly in accordance with their firm's internal procedures (or, if none exist, direct to the regulator concerned), information in response to questions from the FCA, the PRA, or both the PRA and the FCA.

(2) Failing without good reason to:

   (a) inform a regulator of information of which the approved person was aware in response to questions from that regulator;

   (b) attend an interview or answer questions put by a regulator, despite a request or demand having been made; and

   (c) supply a regulator with appropriate documents or information when requested or required to do so and within the time limits attaching to that request or requirement.

4.1.12 G For the purposes of COCON 4.1.11G(2), good reasons could include, where applicable, a right to preserve legal professional privilege, a right to avoid self-incrimination, complying with an order of a court or complying with an obligation imposed by law or by a regulator.

Rule 4: You must pay due regard to the interests of customers and treat them fairly.

4.1.13 G Rule 4 in COCON 2.1.4R applies to all conduct rules staff, regardless of whether that person has direct contact or dealings with customers of the firm. Persons subject to the rules in COCON should consider how their actions (or their failure to act) can affect the interests of customers or result in customers being treated unfairly.

4.1.14 G The following is a non-exhaustive list of examples of conduct that would be in breach of rule 4.

(1) Failing to inform a customer of material information in circumstances where they were aware, or ought to have been aware, of such information and of the fact that they should provide it, including the following:

   (a) failing to explain the risks of an investment to a customer;

   (b) failing to disclose to a customer details of the charges or
surrender penalties of investment products; and

(c) providing inaccurate or inadequate information to a customer about a product or service.

(2) Recommending an investment to a customer, or carrying out a discretionary transaction for a customer, where they do not have reasonable grounds to believe that it is suitable for that customer.

(3) Undertaking, recommending or providing advice on transactions without a reasonable understanding of the risk exposure of the transaction to a customer, including recommending transactions in investments to a customer without a reasonable understanding of the liability (either potential or actual) of that transaction.

(4) Failing to provide adequate control over a client's assets, including:

(a) failing to segregate a client's assets; and

(b) failing to process a client's payments in a timely manner.

(5) Providing a customer with a product which is different to the one applied for by that customer, unless the customer understands the differences and understands the product they have purchased.

(6) Failing to acknowledge, or seek to resolve, mistakes in dealing with customers.

(7) Failing to provide terms and conditions to which a product or service is subject in a way which is clear and easy for the customer to understand.

Rule 5: You must observe proper standards of market conduct.

4.1.15 G A general consideration about whether or not a person's conduct complies with the relevant requirements and standards of the market, is whether they, or the firm, complies with the Code of Market Conduct (MAR 1) or relevant market codes and exchange rules. Compliance with the Code of Market Conduct (MAR 1) or relevant market codes and exchange rules will tend to show compliance with rule 5 in COCON 2.1.5R.

4.1.16 G Manipulating or attempting to manipulate a benchmark or a market, such as a foreign exchange market, or a benchmark is an example of failing to observe proper standards of market conduct.

4.2 Specific guidance on senior manager conduct rules

SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.
4.2.1 G An SMF manager’s role and responsibilities are set out in the statement of responsibilities.

4.2.2 G Strategy and plans will often dictate the risk which the business is prepared to take on and high-level controls will dictate how the business is to be run. If the strategy of the business is to enter high-risk areas, then the degree of control and strength of monitoring reasonably required within the business will be high. In organising the business for which they are responsible, senior conduct rules staff members should bear this in mind.

4.2.3 G To comply with the obligations of rule SC1 in COCON 2.2.1R, senior conduct rules staff members may find it helpful to review whether each area of the business for which they are responsible has been clearly assigned to a particular individual or individuals.

4.2.4 G The organisation of the business and the responsibilities of those within it should be clearly defined. Reporting lines should be clear to staff. Where staff have dual reporting lines there is a greater need to ensure that the responsibility and accountability of each individual line manager is clearly set out and understood.

4.2.5 G Where members of staff have particular levels of authorisation, these should be clearly set out and communicated to staff. It may be appropriate for each member of staff to have a job description of which they are aware.

4.2.6 G Senior conduct rules staff members should take reasonable steps to satisfy themselves, on reasonable grounds, that each area of the business for which they are responsible has appropriate policies and procedures for reviewing the competence, knowledge, skills and performance of each individual member of staff.

4.2.7 G If an individual’s performance is unsatisfactory, the relevant senior conduct rules staff member should review carefully whether to allow that individual to continue in their position. In particular:

(1) If the senior conduct rules staff member is aware of concerns relating to the compliance with requirements and standards of the regulatory system (or internal controls) of the individual concerned, or of staff reporting to that individual, the senior conduct rules staff member should take care not to give undue weight to the financial performance of the individual or group concerned when considering whether any action should be taken.

(2) An adequate investigation of the concerns should be undertaken (including, where appropriate, adherence to internal controls). The senior conduct rules staff member should be satisfied, on reasonable grounds, that the investigation is appropriate, the results are accurate and that the concerns do not pose an unacceptable risk to compliance with the requirements and standards of the
As part of organising the business, a senior conduct rules staff member should ensure that there is an orderly transition when another senior conduct rules staff member under their oversight or responsibility ceases to perform that function and someone else takes up that function. It would be appropriate for the individual vacating such a position to prepare a comprehensive set of handover notes for their successor. Those notes should, at a minimum, specify any matter that is ongoing which the successor would reasonably expect to be aware of to:

1. perform their function effectively;
2. ensure compliance with the requirements and standards of the regulatory system; and
3. ensure that the individual with overall responsibility for that part of the business of the firm maintains effective control.

In organising the business, a senior conduct rules staff member should pay attention to any temporary vacancies which exist. They should take reasonable steps to ensure that suitable cover for responsibilities is arranged. This could include taking on temporary staff or external consultants. The senior conduct rules staff member should assess the risk to compliance with the requirements and standards of the regulatory system as a result of the vacancy, and the higher the risk the greater the steps they should take to fill the vacancy. It may be appropriate to limit or suspend the activity if adequate cover for responsibilities cannot be arranged. To the extent that those vacancies are for controlled functions, they may only be filled by persons approved for that function.

The following is a non-exhaustive list of examples of conduct that would be in breach of rule SC1.

1. Failing to take reasonable steps to apportion responsibilities for all areas of the business under the approved person's control.
2. Failing to take reasonable steps to apportion responsibilities clearly among those to whom responsibilities have been delegated, which includes establishing confusing or uncertain:
   a. reporting lines; or
   b. authorisation levels; or
   c. job descriptions and responsibilities.
3. In the case of a manager who is responsible for dealing with the apportionment of responsibilities, failing to take reasonable care to maintain a clear and appropriate apportionment of responsibilities including:
(a) failing to review regularly the responsibilities which have been apportioned; and

(b) failing to act where that review shows that those responsibilities have not been clearly apportioned.

(4) Failing to take reasonable steps to ensure that suitable individuals are responsible for those aspects of the business under the control of senior conduct rules staff member, including the following:

(a) failing to review the competence, knowledge, skills and performance of staff to assess their suitability to fulfil their duties, despite evidence that their performance is unacceptable;

(b) giving undue weight to financial performance when considering the suitability or continuing suitability of an individual for a particular role; and

(c) allowing managerial vacancies which put compliance with the requirements and standards of the regulatory system at risk to remain, without arranging suitable cover for the responsibilities.

SC2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with the relevant requirements and standards of the regulatory system.

4.2.11 G A senior conduct rules staff member must take reasonable steps to ensure their firm's compliance with the relevant requirements and standards of the regulatory system and to ensure that all staff are aware of the need for compliance.

4.2.12 G Senior conduct rules staff members do not themselves need to put in place the systems of control for the business, unless it is within their role and responsibilities. However, they should take reasonable steps to ensure that the business for which they are responsible has operating procedures and systems with well-defined steps for complying with the detail of relevant requirements and standards of the regulatory system and for ensuring that the business is run prudently. The nature and extent of the systems of control that are required will depend upon the relevant requirements and standards of the regulatory system, and the nature, scale and complexity of the business.

4.2.13 G Where a senior conduct rules staff member becomes aware of actual or suspected problems that involve possible breaches of relevant requirements and standards of the regulatory system within their area of responsibility, they should take reasonable steps to ensure that they are dealt with in a timely and appropriate manner. This may involve an adequate investigation to find out whether any systems or procedures have failed and why. They may need to obtain expert opinion on the adequacy
and efficacy of the systems and procedures.

4.2.14 G If an issue raises questions of law or interpretation, *senior conduct rules staff members* may need to take legal advice. If appropriate legal expertise is not available in-house, they may need to consider appointing an appropriate external adviser.

4.2.15 G Where independent reviews of systems and procedures have been undertaken and result in recommendations for improvement, the *senior conduct rules staff member* responsible for that business area should ensure that, unless there are good reasons not to, any reasonable recommendations are implemented in a timely manner. What is reasonable will depend on the nature of the issue to be addressed and the cost of the improvement. It will be reasonable for a *senior conduct rules staff member* to carry out a cost benefit analysis when assessing whether the recommendations are reasonable.

4.2.16 G The following is a non-exhaustive list of examples of conduct that would be in breach of *rule SC2*.

1. Failing to take reasonable steps to implement (either personally or through a compliance department or other departments) adequate and appropriate systems of control to comply with the relevant requirements and standards of the *regulatory system* for the activities of the *firm*.

2. Failing to take reasonable steps to monitor (either personally or through a compliance department or other departments) compliance with the relevant requirements and standards of the *regulatory system* for the activities of the *firm* in question.

3. Failing to take reasonable steps to inform themselves adequately about the reason why significant breaches (suspected or actual) of the relevant requirements and standards of the *regulatory system* for the activities of the *firm* may have arisen (taking account of the systems and procedures in place). This would include failing to investigate whether systems or procedures may have failed and failing to obtain expert opinion on the adequacy of the systems and procedures where appropriate.

4. Failing to take reasonable steps to ensure that procedures and systems of control are reviewed and, if appropriate, improved, following the identification of significant breaches (suspected or actual) of the relevant requirements and standards of the *regulatory system* relating to the activities of the *firm*, including:

(a) unreasonably failing to implement recommendations for improvements in systems and procedures; and

(b) unreasonably failing to implement recommendations for improvements to systems and procedures in a timely
manner.

(5) For a manager with responsibility for overseeing the establishment and maintenance of appropriate systems and controls or the apportionment of responsibilities, any failure to take reasonable care to ensure that those obligations are discharged effectively.

(6) For a proprietary trader, failing to maintain and comply with appropriate systems and controls in relation to that activity.

(7) For a money laundering reporting officer, failing to discharge the responsibilities imposed on them by the firm for oversight of its compliance with the FCA’s rules on systems and controls against money laundering.

(8) For a senior conduct rules staff member who is responsible for the compliance function, failing to ensure that:

(a) the compliance function has the necessary authority, resources, expertise and access to all relevant information; or

(b) a compliance officer is appointed and is responsible for the compliance function and for any reporting as to compliance; or

(c) the persons involved in the compliance functions are not involved in the performance of services or activities they monitor; or

(d) the method of determining the remuneration of the persons involved in the compliance function does not compromise their objectivity; or

(e) the method of determining the remuneration complies, where applicable, with the Remuneration Code.

SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.

4.2.17 G An SMF manager may delegate the investigation, resolution or management of an issue or authority for dealing with a part of the business to individuals who report to them or to others.

4.2.18 G A senior conduct rules staff member should have reasonable grounds for believing that the delegate has the competence, knowledge, skill and time to deal with the issue. For instance, if the compliance department only has sufficient resources to deal with day-to-day issues, it would be unreasonable to delegate to it the resolution of a complex or unusual issue without ensuring it had sufficient capacity to deal with the matter.
adequately.

4.2.19 G The FCA recognises that a senior conduct rules staff member will have to exercise their own judgement in deciding how issues are dealt with and sometimes that judgement will, with the benefit of hindsight, be shown to have been wrong. The senior conduct rules staff member will not be in breach of rule SC3 in COCON 2.2.3R unless they fail to exercise due and reasonable consideration before they delegate the resolution of an issue or authority for dealing with a part of the business and fail to reach a reasonable conclusion. If they are in doubt about how to deal with an issue or the seriousness of a particular compliance problem then, although they cannot delegate to the FCA the responsibility for dealing with the problem or issue, they can speak to the FCA to discuss his approach.

4.2.20 G Senior conduct rules staff members will not always manage the business on a day-to-day basis themselves. The extent to which they do so will depend on a number of factors, including the nature, scale and complexity of the business and their position within it. The larger and more complex the business, the greater the need for clear and effective delegation and reporting lines, which may involve documenting the scope of that delegation and the reporting lines in writing. The FCA will look to the senior conduct rules staff member to take reasonable steps to ensure that systems are in place to ensure that issues are being addressed at the appropriate level. When issues come to their attention, they should deal with them in an appropriate way.

4.2.21 G Delegating the authority for dealing with an issue or a part of the business to an individual or individuals (whether in-house or outside contractors) without reasonable grounds for believing that the delegate has the necessary capacity, competence, knowledge, seniority or skill to deal with the issue or to take authority for dealing with part of the business indicates a failure to comply with rule SC3 in COCON 2.2.3R.

4.2.22 G Although a senior conduct rules staff member may delegate the resolution of an issue, or authority for dealing with a part of the business, they cannot delegate responsibility for it. It is that person’s responsibility to ensure that they receive reports on progress and question those reports where appropriate. For instance, if progress appears to be slow or if the issue is not being resolved satisfactorily, the senior conduct rules staff member may need to challenge the explanations they receive and, if necessary, take action personally to resolve the problem. This may include increasing the resource applied to it, reassigning the resolution internally or obtaining external advice or assistance. Where an issue raises significant concerns, senior conduct rules staff members should act clearly and decisively. If appropriate, this may be by suspending members of staff or relieving them of all or part of their responsibilities.

4.2.23 G The following is a non-exhaustive list of examples of conduct that would be in breach of rule SC3.
(1) Failing to take reasonable steps to maintain an appropriate level of understanding about an issue or part of the business that the senior conduct rules staff member has delegated to an individual(s) (whether in-house or outside contractors) including:

(a) disregarding an issue or part of the business once it has been delegated;

(b) failing to require adequate reports once the resolution of an issue or management of part of the business has been delegated; and

(c) accepting implausible or unsatisfactory explanations from delegates without testing their accuracy.

(2) Failing to supervise and monitor adequately the individual(s) (whether in-house or outside contractors) to whom responsibility for dealing with an issue or authority for dealing with a part of the business has been delegated including any failure to:

(a) take personal action where progress is unreasonably slow, or where implausible or unsatisfactory explanations are provided; or

(b) review the performance of an outside contractor in connection with the delegated issue or business.

4.2.24 G In determining whether or not the conduct of a senior conduct rules staff member complies with rule SC3 in COCON 2.2.3R, the factors which the FCA would expect to take into account include:

(1) the competence, knowledge or seniority of the delegate; and

(2) the past performance and record of the delegate.

SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice

4.2.25 G For the purpose of rule SC4 in COCON 2.2.4R, regulators in addition to the FCA and the PRA are those which have recognised jurisdiction in relation to activities to which COCON applies and have a power to call for information from the relevant person in connection with their function or the business for which they are responsible. This may include an exchange or an overseas regulator.

4.2.26 G SC4 applies to senior conduct rules staff members in addition to rule 3 in COCON 2.1.3R. Although, the rules have some overlap, they are different. Rule 3 normally relates to responses from individuals to requests from the regulator, whereas rule SC4 imposes a duty on a senior conduct rules staff member to disclose appropriately any information of which the appropriate regulator would reasonably expect, including making a
disclosure in the absence of any request or enquiry from the appropriate regulator. An SMF manager is likely to have access to greater amounts of information of potential regulatory importance and to have the expertise to recognise when this may be something of which the appropriate regulator would reasonably expect notice.

4.2.27 G Where a senior conduct rules staff member is responsible within the firm (individually or with other senior conduct rules staff members) for reporting matters to the regulator, failing promptly to inform the regulator concerned of information of which they are aware and which it would be reasonable to assume would be of material significance to the regulator concerned, whether in response to questions or otherwise, constitutes a breach of rule SC4 in COCON 2.2.4R.

4.2.28 G If a senior conduct rules staff member comes across a piece of information that is something in relation to which they think the FCA or PRA could reasonably expect notice, they should determine whether that information falls within the scope of their responsibilities (for an SMF manager, by virtue of that person’s statement of responsibilities). If it does, then they should ensure that, if it is otherwise appropriate to do so, it is disclosed to the appropriate regulator. If it does not fall within the scope of their responsibilities then, in the absence of any reason to the contrary, they might reasonably assume that its disclosure to the appropriate regulator was being dealt with by the senior conduct rules staff member with responsibility for dealing with information of that nature. If a senior conduct rules staff member was not sure that the matter was being dealt with by another senior conduct rules staff member, or if they were not sure whether this was in their area or not, the FCA would expect them to make enquiries to inform themselves, rather than disregard the matter.

4.2.29 G In determining whether or not a person's conduct complies with rule SC4 in COCON 2.2.4R, the factors which the FCA would expect to take into account include:

1. whether it would be reasonable for the individual to assume that the information would be of material significance to the regulator concerned;
2. whether the information related to the individual themselves or to their firm; and
3. whether any decision not to report the matter was taken after reasonable enquiry and analysis of the situation.

Sch 1 Record-keeping requirements

Sch 1.1 G There are no record keeping requirements in COCON.
Sch 2 Notification requirements

Sch 2.1 G The aim of the guidance in the following table is to give the reader a quick overall view of the relevant requirements for notification and reporting.

Sch 2.2 G It is not a complete statement of those requirements and should not be relied on as if it were.

<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>COCON 2.2.4R</td>
<td>Any information of which the FCA or PRA would reasonably expect notice.</td>
<td>Appropriate disclosure</td>
<td>Any information of which the FCA or PRA would reasonably expect notice.</td>
<td>Appropriate</td>
</tr>
</tbody>
</table>

Sch 3 Fees and required payments

Sch 3.1 G There are no requirements for fees or other payments in COCON.

Sch 4 Powers exercised

Sch 4.1 G Section 64A (Rules of conduct)

Section 139A (Power of the FCA to give guidance)

Sch 5 Rights of action for damages

Sch 5.1 G There is no right of action under section 138D of the Act (Actions for damages) for breach of the rules in COCON.

Sch 6 Rules that can be waived

Sch 6.1 G Section 138A (Modification or waiver of rules) does not apply to COCON.

Amend the following text as shown.

1 Application and purpose

To whom does it apply?

1.1.2 R (1) COCON applies to:

... 

(d) a certification employee employed by a relevant authorised person, even if the certification employee has not been notified that COCON applies to them or of the rules that apply in relation to them; and

(e) an employee of a relevant authorised person who would be a certification employee but for SYSC 5.2.27R(1) (Scope: emergency appointments); and

(f) any other employee of a relevant authorised person, except:

(i) a non-executive director other than a senior conduct rules staff member; and

(ii) an employee whose role is listed under COCON 1.1.2R(2).

(2) [Not used] COCON does not apply to an employee of a relevant authorised person who only performs functions falling within the scope of the following roles:

(a) receptionists;

(b) switchboard operators;

(c) post room staff;

(d) reprographics/print room staff;

(e) property/facilities management;

(f) events management;

(g) security guards;

(h) invoice processing;

(i) audio visual technicians;
(j) vending machine staff;
(k) medical staff;
(l) archive records management;
(m) drivers;
(n) corporate social responsibility staff;
(o) data controllers or processors under the Data Protection Act 1998;
(p) cleaners;
(q) catering staff;
(r) personal assistant or secretary;
(s) information technology support (ie, helpdesk); and
(t) human resources administrators /processors.

…
Annex B

Amendments to the Glossary of definitions

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

Part 1: Comes into force on 13 July 2015

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

*relevant authorised person* has the meaning in section 71A of the Act (‘relevant authorised person’) which, in summary, is an institution that meets the following conditions:

(a) it is incorporated in, or formed under the law of any part of, the United Kingdom;

(b) it does not have permission for effecting contracts of insurance or carrying out contracts of insurance; and

(c) it meets one of the following conditions:

(1) its *Part 4A permission* includes accepting deposits; or

(2) it meets all the following conditions:

(A) the institution is an *investment firm*; and

(B) its *Part 4A permission* covers dealing in investments as principal; and

(C) when carried on by it, that activity is a *PRA-regulated activity*.

Part 2: Comes into force on 7 March 2016

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

*certification employee* (as described in more detail in section 63E(1) of the Act (Certification of employees by relevant authorised person)) an employee (as defined) of a *relevant authorised person* who performs a *significant-harm function* under an arrangement entered into by the *relevant authorised person* in relation to the carrying on by the *relevant authorised person* of a *regulated activity*, even though the obligation of the *relevant authorised person* to issue a
certificate under section 63F of the Act has not yet come into force.

A person is not a certification employee of a firm if the firm would not have to issue a certificate to them under section 63E(7) of the Act (fitness is the responsibility of another authority under the Single Market Directives or the auction regulation).

chair of the nomination committee function

FCA controlled function SMF13 in Part 1 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons), described more fully in SUP 10C.5.2R.

COCON

the Code of Conduct for Staff sourcebook, part of the Handbook in High Level Standards.

conduct rules staff

any persons who are subject to COCON, as set out in COCON 1 (Application).

designated senior management function

a controlled function that has been designated by the FCA or the PRA as a senior management function under section 59 of the Act (Approval for particular arrangements).

employer

(for the purposes of SUP 15.11 (Notification of conduct rule breaches and disciplinary action), SYSC 5.3 (References and accurate information) and COCON, and as defined in more detail in section 64A of the Act (Rules of conduct)), the person described as the “employer” in paragraph (4) of the Glossary definition of employee.

FCA-approved SMF manager

an SMF manager whose approval to perform a designated senior management function is from the FCA.

FCA-designated senior management function

an FCA controlled function that is a designated senior management function.

FCA-prescribed senior management responsibilities

the responsibilities in SYSC 4.7.7R (Table: FCA-prescribed senior management responsibilities).

FCA-specified significant-harm function

a specified significant-harm function that has been specified under section 63E of the Act (Certification of employees by relevant authorised persons) by the FCA (see SYSC 5.2.30R (Table: FCA-specified significant-harm functions)).

management responsibilities map

the document describing the management arrangements of a relevant authorised person required by SYSC 4.5.4R.

other conduct rules staff

a person who:

(a) meets the requirement in COCON 1.1.2R(1)(b) (employee of a relevant authorised person who performs the function of an SMF manager);
(b) meets the requirement in COCON 1.1.2R(1)(c) (employee of a relevant authorised person who would be an SMF manager but for SUP 10C.3.13R (The 12-week rule)); or

(c) meets the requirement in COCON 1.1.2R(1)(e) (employee of a relevant authorised person who would be a certification employee but for SYSC 5.2.27R(1) (Scope: emergency appointments)).

other overall responsibility function

FCA controlled function SMF18 in Part 1 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons), described more fully in SUP 10C.7.1R.

PRA-designated senior management function

a PRA controlled function that is a designated senior management function.

PRA-prescribed senior management responsibilities

one of the functions described as:

(a) a ‘prescribed responsibility’ in Chapter 4; or

(b) a ‘small firm prescribed responsibility’ in Chapter 5;

of the part of the PRA’s rulebook called Allocation of Responsibilities.

relevant senior management application

has the meaning in section 61(1)(b) of the Act (Determination of applications) which, in summary, is an application for approval to perform a designated senior management function in relation to the carrying on of a regulated activity by a relevant authorised person.

senior conduct rules staff member

(in COCON) a person who is:

(a) an SMF manager; or

(b) an employee of a relevant authorised person who performs the function of an SMF manager as specified in COCON 1.1.2R(1)(b).

senior management function

a function defined in section 59ZA of the Act (Senior management functions) which means, in summary (in relation to the carrying on of a regulated activity by an authorised person), any function if:

(a) the function will require the person performing it to be responsible for managing one or more aspects of the firm’s affairs, so far as relating to the activity; and

(b) those aspects involve, or might involve, a risk of serious consequences:

(i) for the firm; or
(ii) for business or other interests in the United Kingdom.

**significant-harm function** a function defined in section 63E(5) of the Act (Certification of employees by relevant authorised persons) which is, in summary (in relation to the carrying on of a regulated activity by a relevant authorised person), a function that meets the following conditions:

(a) it requires the person performing it to be involved in one or more aspects of the relevant authorised person's affairs, so far as relating to the activity; and

(b) those aspects involve, or might involve, a risk of significant harm to the relevant authorised person or to anyone who is using, or who is or may be contemplating using, any of the services provided by the relevant authorised person.

**SMF manager** (in relation to a relevant authorised person) a person who has approval under section 59 of the Act (Approval for particular arrangements) to perform a designated senior management function in relation to the carrying on by that relevant authorised person of a regulated activity.

**specified significant-harm function** a significant-harm function that has been specified by the FCA or the PRA further to section 63E(2) of the Act (Certification of employees by relevant authorised persons).

**staff being assessed under FIT** (in FIT and in relation to a relevant authorised person) an FCA-approved SMF manager or a candidate for an FCA-designated senior management function whose fitness is being assessed by the FCA or the relevant authorised person.

**statement of responsibilities** a statement provided under section 60(2A) of the Act (Applications for approval), including:

(a) a statement revised under section 62A of the Act (Changes in responsibilities of senior managers); and

(b) a statement required under articles 2 or 11 of the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015 (SI 2015/492) (including one revised under that Order).

Amend the following definitions as shown.

**compliance oversight function** (in the FCA Handbook):

(1) (for relevant authorised persons) FCA controlled function SMF16 in Part 1 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons).
described more fully in SUP 10C.6.1R; and

(2) (for other firms) FCA controlled function CF10 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.8R.

controlled function a function, relating to the carrying on of a regulated activity by a firm, which is specified by:

(a) either the FCA in:

(i) (for relevant authorised persons) the tables in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons); or

(ii) (for other firms) in the table of FCA controlled functions for the PRA (in the table of PRA controlled functions); or

(b) the PRA in:

(i) (for relevant authorised persons) the part of the PRA’s rulebook titled ‘Senior Management Functions’, which specifies controlled functions; or

(ii) (for other firms) the table of PRA controlled functions; or

under section 59 of the Act (Approval for particular arrangements).

director (1) …

(c) (in SYSC, MIPRU 2 (Insurance mediation activity: responsibility, knowledge, ability and good repute), and SUP 40 10A (FCA Approved persons) and SUP 10C (FCA senior management regime for approved persons in relevant authorised persons) a partnership;

…

employee (1) (for all purposes except those in (2), (3) and (4)):

…

(2) …

(3) (for the purposes of SYSC 5.2 (Certification regime) and the definition of certification employee) has the meaning in section 63E(9) of the Act (Certification of employees by relevant authorised persons) which, in summary, says an employee of a person (“A”) includes a reference to a person who:
(a) personally provides, or is under an obligation personally to provide, services to A under an arrangement made between A and the person providing the services or another person, and

(b) is subject to (or to the right of) supervision, direction or control by A as to the manner in which those services are provided.

(4) (for the purposes of SUP 15.11 (Notification of conduct rule breaches and disciplinary action), SYSC 5.3 (References and accurate information) and COCON) has the meaning in section 64A(6) of the Act (Rules of conduct) which, in summary, says an employee of a person (the ‘employer’) includes a reference to a person who:

(a) personally provides, or is under an obligation personally to provide, services to the employer under an arrangement made between the employer and the person providing the services or another person; and

(b) is subject to (or to the right of) supervision, direction or control by the employer as to the manner in which those services are provided.

However, where a Handbook provision in (4) refers to certification employees, (3) still applies to the definition of certification employee.

---

**FCA controlled function**

A controlled function which is specified by the FCA under section 59 of the Act (Approval for particular arrangements) in:

(a) (for relevant authorised persons) the tables in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons); or

(b) (for other firms) the table of FCA controlled functions.

**FCA governing functions**

Any of the following FCA controlled functions:

(a) (for relevant authorised persons) FCA controlled functions SMF3 and SMF13 in Part 1 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons);

(b) (for other firms) FCA controlled functions 1 to 6 in Part 1 of the table of FCA controlled functions.

**FCA required functions**

Any of the following FCA controlled functions:

(a) (for relevant authorised persons) FCA controlled functions
SMF16 and SMF17 in Part 1 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons); and

(b) (for other firms) FCA controlled functions 8 to 11 in Part 1 or Part 2 of the table of FCA controlled functions.

money laundering reporting function (in the FCA Handbook):

(1) (for relevant authorised persons) FCA controlled function SMF17 in Part 1 of the table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons), described more fully in SUP 10C.6.2R; and

(2) (for other firms) FCA controlled function CF11 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.10R.

PRA controlled function a controlled function which is specified by the PRA under section 59 of the Act (Approval for particular arrangements) in:

(1) (for relevant authorised persons) the part of the PRA’s rulebook titled ‘Senior Management Functions’.

(2) (for other firms) the table of PRA controlled functions.


Amend the following definitions as shown.

certification employee (as described in more detail in section 63E(1) of the Act (Certification of employees by relevant authorised person)) an employee (as defined) of a relevant authorised person who performs a significant-harm function under an arrangement entered into by the relevant authorised person in relation to the carrying on by the relevant authorised person of a regulated activity, even though the obligation of the relevant authorised person to issue a has a valid certificate under section 63F of the Act has not yet come into force has a valid certificate issued by that relevant authorised person.

A person is not a certification employee of a firm if the firm would not have to issue a certificate to them under section 63E(7) of the Act (fitness is the responsibility of another authority under the Single Market Directives or the auction regulation).

FIT the part of the Handbook in High Level Standards which has the title the Fit and Proper test for Approved Persons and Specified significant-harm functions.
other conduct rules
staff

a person who:

(a) …

(b) comes within \textit{COCON} 1.1.2R(1)(c) (employee of a relevant authorised person who would be an SMF manager but for \textit{SUP} 10C.3.13R (The 12-week rule)); or

(c) comes within \textit{COCON} 1.1.2R(1)(e) (employee of a relevant authorised person who would be a certification employee but for \textit{SYSC} 5.2.27R(1) (Scope: emergency appointments)); or

(d) comes within \textit{COCON} 1.1.2R(1)(f).

staff being assessed under FIT

staff being assessed under FIT

(in \textit{FIT} and in relation to a relevant authorised person):

(a) any of the following, an FCA-approved SMF manager or a candidate for an FCA-designated senior management function whose fitness is being assessed by the FCA or the relevant authorised person:

(i) an FCA-approved SMF manager; or

(ii) a candidate for an FCA-designated senior management function; or

(b) a person whose fitness to perform an FCA-specified significant harm function is being assessed by the relevant authorised person under section 63F of the \textit{Act} (Issuing of certificates), whether or not that person is already a certification employee in relation to that FCA-specified significant harm function.
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, unless otherwise stated.

## Annex 1  Detailed application of SYSC

### Part 2 Application of the common platform requirements (SYSC 4 to 10)

<table>
<thead>
<tr>
<th>Part 2</th>
<th>Application of the common platform requirements (SYSC 4 to 10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
</tr>
</tbody>
</table>

| 2.13C  | G     | ...                                 |
| 2.13D  | R     | SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material), SYSC 5.2 (Certification regime) and SYSC 5.3 (References and accurate information) also: |

1. Apply to the carrying on of unregulated activities; and
2. Take into account any activity of other members of a group of which the firm is a member.

| 2.15   | R     | The common platform requirements, except the common platform record-keeping requirements, apply to a firm in relation to activities carried on by it from an establishment in the United Kingdom. However, SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material), SYSC 5.2 (Certification regime) and SYSC 5.3 (References and accurate information) apply in accordance with the rules in those sections. |

| 2.18   | R     | The common platform organisational requirements, except the common platform requirements on financial crime, also apply in a prudential context to a UK domestic firm and to an overseas firm (other than an incoming EEA firm or an incoming Treaty firm) with respect to activities wherever they are carried on. However, SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities), SYSC 4.9 |

Page 37 of 332
(Handover procedures and material), SYSC 5.2 (Certification regime) and SYSC 5.3 (References and accurate information) apply in accordance with the rules in those sections.

<table>
<thead>
<tr>
<th>Provision</th>
<th>COLUMN A</th>
<th>COLUMN A+</th>
<th>COLUMN A++</th>
<th>COLUMN B</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYSC 4</td>
<td>Application to a common platform firm other than to a UCITS investment firm</td>
<td>Application to a UCITS management company</td>
<td>Application to a full-scope UK AIFM of an authorised AIF</td>
<td>Application to all other firms apart from insurers, managing agents, the Society, and full-scope UK aifms of unauthorised aifs</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provision</th>
<th>Whole section applies to relevant authorised persons only</th>
<th>Not applicable</th>
<th>Not applicable</th>
<th>Whole section applies to relevant authorised persons only</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYSC 4.5</td>
<td>Whole section applies to relevant authorised persons only</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Whole section applies to relevant authorised persons only</td>
</tr>
<tr>
<td>SYSC 4.7</td>
<td>Whole section applies to relevant authorised persons only</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Whole section applies to relevant authorised persons only</td>
</tr>
<tr>
<td>SYSC 4.9</td>
<td>Whole section applies to relevant authorised persons only</td>
<td>Not applicable</td>
<td>Not applicable</td>
<td>Whole section applies to relevant authorised persons only</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Provision</th>
<th>COLUMN A</th>
<th>COLUMN A+</th>
<th>COLUMN A++</th>
<th>COLUMN B</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYSC 5</td>
<td>Application to a common platform firm other than to a UCITS investment</td>
<td>Application to a UCITS management company</td>
<td>Application to a full-scope UK AIFM of an authorised AIF</td>
<td>Application to all other firms apart from insurers, managing agents, the Society, and full-scope UK aifms of unauthorised aifs</td>
</tr>
</tbody>
</table>
Insert SYSC 4.5, SYSC 4.7 and SYSC 4.9 as new sections in the appropriate chronological place. All the text is new and is not underlined.

4.5  Management responsibilities maps for relevant authorised persons

Application

4.5.1  R This section applies to relevant authorised persons.

4.5.2  R There is no territorial limitation on the application of this section.

4.5.3  R This section is not limited to regulated activities or other specific types of activities.

General rule

4.5.4  R A firm must, at all times, have a comprehensive and up-to-date document (the management responsibilities map) that describes its management and governance arrangements, including:

(1) details of the reporting lines and the lines of responsibility; and

(2) reasonable details about:

(a) the persons who are part of those arrangements; and

(b) their responsibilities.
(See further requirements in SYSC 4.5.7R.)

4.5.5 R The firm's management responsibilities map must show clearly how any responsibilities covered by a firm’s management responsibilities map are shared or divided between different persons.

4.5.6 G (1) One purpose of the management responsibilities map is to help the firm and the FCA satisfy themselves that the firm has a clear organisational structure (as required by SYSC).

(2) It also helps the FCA to identify who it needs to speak to about particular issues and who is accountable if something goes wrong.

Specific requirements

4.5.7 R A management responsibilities map must include:

(1) (a) the names of all the firm’s:

   (i) approved persons (including PRA approved persons);

   (ii) members of its governing body and (if different) management body who are not approved persons;

   (iii) senior management; and

   (iv) senior personnel; and

(b) details of the responsibilities which they hold;

(2) all responsibilities described in any current statement of responsibilities;

(3) details of the management and governance arrangements relating to:

   (a) the FCA-prescribed senior management responsibilities; and

   (b) the PRA-prescribed senior management responsibilities;

including the identity of the persons to whom those functions are allocated;

(4) the reasons why (if it has done any of these things) the firm:

   (a) allocates responsibility for an FCA-prescribed senior management responsibility to more than one person jointly; or

   (b) divides responsibility for an FCA-prescribed senior management responsibility between different persons;

(5) details about the functions allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and
management functions), including:

(a) what those activities, business areas and management functions are;

(b) the management and governance arrangements relating to them;

(c) details about whether and how they are shared or divided up;

(d) the reasons why (if it has done this) the firm allocates responsibility for any such function to more than one person jointly; and

(e) the identity of the persons to whom those functions are allocated;

(6) matters reserved to the governing body (including the terms of reference of its committees) and, if different, the management body;

(7) details of how the firm’s management and governance arrangements fit together with:

(a) its group; and

(b) any other person in (8);

(8) details of the extent to which the firm’s management and governance arrangements are provided by, or shared with, other members of its group or others;

(9) details of the reporting lines and the lines of responsibility (if any) between the firm and those who carry out functions in relation to them and:

(a) other members of its group or other third parties;

(b) persons acting as employees or officers of, or otherwise acting for, anyone in (a); or

(c) committees or other bodies of anyone in (a);

(10) reasonable information about the persons described or identified in the management responsibilities map, including:

(a) whether they are employees of the firm and, if not, by whom they are employed;

(b) if they are certification employees of the firm; and

(c) the responsibilities they have in relation to other group members or any other person in (8); and
(11) details of how (1) to (10) fit together and fit into the firm’s management and governance arrangements as a whole.

4.5.8 R SYSC 4.5.7R(1) does not require the firm to include the names of approved persons under SUP 10A.1.16BR (Appointed representatives).

Guidance about what should be in a management responsibilities map

4.5.9 G (1) The management responsibilities map should be consistent with the statements of responsibilities.

(2) The statements of responsibilities and the management responsibilities map should all be prepared in a way that makes it simple to see how the responsibilities allocated in a particular statement of responsibilities fit into the overall system of management and governance of the firm.

4.5.10 G The management responsibilities map should include functions that are:

(1) included in a PRA controlled function under SUP 10C.9 (Minimising overlap with the PRA approved persons regime); or

(2) excluded from the other overall responsibility function under SUP 10C.7.1R(2) (Exclusion for approved person with approval to perform other designated senior management functions).

4.5.11 G A firm’s management responsibilities map should demonstrate that there are no gaps in the allocation of responsibilities among its management.

4.5.12 G (1) This provision gives guidance on specific aspects of SYSC 4.5.5R and SYSC 4.5.7R.

(2) A firm need only include summary details of the persons in SYSC 4.5.7R(1).

(3) A firm’s SMF managers and members of its governing body may overlap with its senior management and senior personnel. If so, the firm does not have to give the same details twice.

(4) A firm should include details of individuals in addition to those in SYSC 4.5.7R(1), (3) and (5) if they are needed to make the management responsibilities map clear. For example, it may be necessary to include these details if the same individual has responsibilities in a number of different areas of the firm.

(5) A firm should only include summary details about statements of responsibilities under SYSC 4.5.7R(2). There is no need to duplicate the statements of responsibilities. The main aim of including material about statements of responsibilities in the management responsibilities map is to show how the material:
(a) fits into the firm’s overall governance structure; and

(b) for each statement of responsibilities, fits with the others.

(6) The executive director function and the other overall responsibility function are defined generally and generically and can be performed by several people. Therefore, there is no need to explain why several people perform one of the functions.

(7) A management responsibilities map should include a checklist confirming that all FCA-prescribed senior management responsibilities have been allocated or, if some have not been allocated, the reason why.

(8) If:

(a) any designated senior management function is performed by; or

(b) any FCA-prescribed senior management responsibility is allocated to;

more than one person, a firm’s management responsibilities map should give details of how the performance or discharge of the responsibilities is to be carried out by those persons.

(9) The material in SUP 10C.11.31G and SUP 10C.11.32G (recording sharing and splitting of responsibilities in statements of responsibilities) also applies to a management responsibilities map.

Small firms

4.5.13 G (1) The FCA expects that the management responsibilities map of a small and non-complex firm is likely to be simple and short. It may be no more than a single sheet of paper.

(2) A firm is likely to be small and non-complex for these purposes if:

(a) it is:

   (i) a small CRR firm as defined in the part of the PRA’s rulebook called “Allocation of responsibilities”; or

   (ii) a credit union that meets the size requirements for small CRR firms under the PRA’s requirements in (a)(i);

(b) it conducts a limited number of simple business lines; and

(c) it does not rely on group governance arrangements.
4.5.14 R A management responsibilities map must be a single document.

4.5.15 G (1) The requirement for a management responsibilities map to be a single document does not mean that it has to be a single sheet of paper or must be capable of being reproduced as one.

(2) A management responsibilities map may be made up of a folder with several files or items in it.

(3) However, a firm that creates a management responsibilities map in this way should ensure that its approach is compatible with it being a single document. In particular:

(a) there should be a single item that identifies every item making up the management responsibilities map and shows where each item can be found;

(b) for example, this could be a contents list of the items making up the management responsibilities map with electronic links to each of them;

(c) the management responsibilities map should be complete by itself and should not refer to documents not forming part of it;

(d) every item in the management responsibilities map should only contain material about the matters required by this section;

(e) for example, if there is relevant material in the firm’s report and accounts, the folder should only contain the relevant parts or a link to those parts.

(4) The folder and its contents should be easily identifiable as the firm’s management responsibilities map.

(5) Although a management responsibilities map can be large and complex, SYSC 4.5.13G explains that, for small non-complex firms, it may be small and simple.

Purpose of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)

4.5.16 G (1) This provision explains the purpose of SYSC 4 Annex 1G.

(2) A firm may use it as a checklist to see whether its management responsibilities map covers all its business activities.

(3) A firm may wish to prepare its management responsibilities map using the same split of activities.
(4) If a firm uses SYSC 4 Annex 1G to help it prepare its management responsibilities map, it should bear in mind that it is not comprehensive (see SYSC 4.5.20G).

(5) As mentioned in SYSC 4.7.37G, a firm may also use it as a checklist when allocating responsibilities under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions).

4.5.17 G There is no direct link between SYSC 4 Annex 1G and the senior management regime for relevant authorised persons.

Contents of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)

4.5.18 G SYSC 4 Annex 1G sets out the main business activities and functions that the FCA thinks are likely to be relevant to most firms, although the FCA does not require firms to organise themselves in this way.

4.5.19 G Most or all of these activities and functions will normally apply to a complex firm. Many of them may not apply to a non-complex firm.

4.5.20 G (1) SYSC 4 Annex 1G is not comprehensive. While it is intended to cover most front-line business activities of a relevant authorised person, it does not cover all internal oversight and monitoring functions.

(2) For example, it does not cover compliance or internal audit or the firm’s governing body or its committees.

Records

4.5.21 G A firm should consider past versions of its management responsibilities map as an important part of its records and as an important resource for the FCA in supervising the firm.

4.5.22 G Past versions of a firm’s management responsibilities map form part of its records under SYSC 9.1 (General rules on record-keeping).

4.6 [not used]

4.7 Senior management responsibilities for relevant authorised persons: allocation of responsibilities

Application
4.7.1 R This section applies to relevant authorised persons.

4.7.2 R There is no territorial limitation on the application of this section.

4.7.3 R This section is not limited to regulated activities or other specific types of activities.

Purpose of this section

4.7.4 G The purpose of this section is to ensure, together with the equivalent PRA requirements, that an SMF manager is responsible and accountable for every area of a firm’s activities.

Allocation of FCA-prescribed senior management responsibilities

4.7.5 R (1) A firm must allocate each of the FCA-prescribed senior management responsibilities in Part 1 of the table in SYSC 4.7.7R to one or more SMF managers of the firm.

(2) Except as described in (3), a firm must allocate each of the FCA-prescribed senior management responsibilities in Part 2 of the table in SYSC 4.7.7R to one or more SMF managers of the firm.

(3) Paragraph (2) does not apply to:

(a) a firm that is a small CRR firm as defined in the part of the PRA’s rulebook called “Allocation of responsibilities”; or

(b) a credit union.

(4) If an FCA-prescribed senior management responsibility in Part 3 of the table in SYSC 4.7.7R applies to a firm as described in column (2) of that Part, the firm must allocate that FCA-prescribed senior management responsibility to one or more SMF managers of the firm.

(5) A firm may not allocate an FCA-prescribed senior management responsibility to an SMF manager who is only approved to perform the other overall responsibility function for that firm, subject to (6).

(6) A firm may allocate the FCA-prescribed senior management responsibility in row (11) of the table in SYSC 4.7.7R (functions in relation to CASS) to an SMF manager who is only approved to perform the other overall responsibility function.

(7) A firm must make the allocations of FCA-prescribed senior management responsibilities in this rule in such a way that it is clear who has which of those responsibilities.

4.7.6 R The FCA-prescribed senior management responsibilities are set out in the table in SYSC 4.7.7R.
### 4.7.7 R Table: FCA-prescribed senior management responsibilities

<table>
<thead>
<tr>
<th>FCA-prescribed senior management responsibility</th>
<th>Explanation</th>
<th>Equivalent PRA-prescribed senior management responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Responsibility for the firm’s performance of its obligations under the senior management regime</td>
<td>The senior management regime means the requirements of the regulatory system applying to relevant authorised persons insofar as they relate to SMF managers performing designated senior management functions, including SUP 10C (FCA senior management regime for approved persons in relevant authorised persons). This responsibility includes: (1) compliance with conditions and time limits on approval; (2) compliance with the requirements about the statements of responsibilities (but not the allocation of responsibilities recorded in them); and (3) compliance by the firm with its obligations under section 60A of the Act (Vetting of candidates by relevant authorised persons).</td>
<td>PRA-prescribed senior management responsibility 4.1(1)</td>
</tr>
<tr>
<td>(2) Responsibility for the firm’s performance of its obligations under the employee certification regime</td>
<td>The employee certification regime means the requirements of sections 63E and 63F of the Act (Certification of employees) and all other requirements of the regulatory system about the matters dealt with in those sections, including SYSC 5.2</td>
<td>PRA-prescribed senior management responsibility 4.1(2)</td>
</tr>
<tr>
<td>(3) Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map</td>
<td>This responsibility does not include allocating responsibilities recorded in it</td>
<td>PRA-prescribed senior management responsibility 4.1(3)</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| (4) Overall responsibility for the firm’s policies and procedures for countering the risk that the firm might be used to further financial crime | (A) This includes the function in SYSC 6.3.8R (firm must allocate to a director or senior manager overall responsibility within the firm for the establishment and maintenance of effective anti-money laundering systems and controls), if that rule applies to the firm.  
(B) The firm may allocate this FCA-prescribed senior management responsibility to the MLRO but does not have to.  
(C) If the firm does not allocate this FCA-prescribed senior management responsibility to the MLRO, this FCA-prescribed senior management responsibility includes responsibility for supervision of the MLRO. | None |

Part Two (applies to all firms except for small CRR firms and credit unions)

| (5) Responsibility for:  
(a) leading the development of; and  
(b) monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the firm’s governing body. | PRA-prescribed senior management responsibility 4.1(13) |
(6) Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing designated senior management functions on behalf of the firm other than members of the governing body.

<table>
<thead>
<tr>
<th>PRA-prescribed senior management responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1(5)</td>
</tr>
</tbody>
</table>

(7) Responsibility for:
(a) safeguarding the independence of; and
(b) oversight of the performance of;
the internal audit function, in accordance with SYSC 6.2 (Internal Audit)

This responsibility includes responsibility for:
(a) safeguarding the independence of; and
(b) oversight of the performance of;
a person approved to perform the PRA’s Head of Internal Audit designated senior management function for the firm.

<table>
<thead>
<tr>
<th>PRA-prescribed senior management responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1(15)</td>
</tr>
</tbody>
</table>

(8) Responsibility for:
(a) safeguarding the independence of; and
(b) oversight of the performance of;
the compliance function in accordance with SYSC 6.1(Compliance).

This responsibility includes responsibility for:
(a) safeguarding the independence of; and
(b) oversight of the performance of;
the person performing the compliance oversight function for the firm.

<table>
<thead>
<tr>
<th>PRA-prescribed senior management responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1(16)</td>
</tr>
</tbody>
</table>

(9) Responsibility for:
(a) safeguarding the independence of; and
(b) oversight of the performance of;
the risk function, in accordance with SYSC 7.1.21R and SYSC 7.1.22R (Risk control).

This responsibility includes responsibility for:
(a) safeguarding the independence of; and
(b) oversight of the performance of;
a person approved to perform the PRA’s Chief Risk designated senior management function.

<table>
<thead>
<tr>
<th>PRA-prescribed senior management responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1(17)</td>
</tr>
<tr>
<td>(10) Responsibility for overseeing the development of and implementation of the <em>firm’s</em> remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>PRA-prescribed senior management responsibility 4.1(18)</td>
</tr>
<tr>
<td><strong>Part Three (applies in specified circumstances)</strong></td>
</tr>
<tr>
<td>(11) Overall responsibility for the <em>firm’s</em> compliance with CASS</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>None</td>
</tr>
</tbody>
</table>
Allocation of overall responsibility for a firm’s activities, business areas and management functions

4.7.8 R (1) A firm must ensure that, at all times, one or more of its SMF managers have overall responsibility for each of the activities, business areas and management functions of the firm.

(2) This rule does not require a firm to ensure that SMF managers have overall responsibility for any activity, business area or management function that is:

(a) included in an FCA-prescribed senior management responsibility;

(b) included in an PRA-prescribed senior management responsibility; or

(c) managed (as part of the PRA-designated senior management function concerned) by any of the firm’s SMF managers approved to perform any of the following PRA-designated senior management functions for the firm:

(i) the Chief Finance function;

(ii) the Chief Risk function;

(iii) the Head of Internal Audit function;

(iv) the Head of Key Business Area function; or

(v) the Group Entity Senior Manager function.

(3) A firm must make the allocations of responsibilities in this rule in such a way that it is clear who has which of those responsibilities.

4.7.9 G The purpose of SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) is to avoid gaps. It is to make sure that an SMF manager has responsibility for every part of a firm’s activities, business areas and management functions not otherwise covered by other parts of this section or by the equivalent PRA requirements.

4.7.10 G As explained in SYSC 4.7.18G, SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) does not apply to non-executive functions.

Meaning of overall responsibility

4.7.11 G When SYSC 4.7 refers to a person having overall responsibility for a function, it means a person who has:

(1) ultimate responsibility (under the governing body) for managing or
supervising that function; and

(2) primary and direct responsibility for:

(a) briefing and reporting to the governing body about that function; and

(b) putting matters for decision about that function to the governing body.

4.7.12 G Having overall responsibility for a matter does not mean having ultimate authority over it. The ultimate decision-making body of a firm is its governing body, acting collectively.

4.7.13 G (1) A person with overall responsibility for a matter will either be a member of the governing body or will report directly to the governing body for that matter.

(2) For example, a firm appoints A to be head of sales. A is not on the governing body. A reports to an executive director (B) and B reports to the governing body about the sales function. In this example B, rather than A, has overall responsibility for sales.

4.7.14 G (1) A person who reports to another, or is subject to oversight by another, may still have overall responsibility for a function.

(2) For example, a head of compliance may report direct to the governing body but be subject to performance appraisal by the chief executive. In this example, the head of compliance will still have overall responsibility for compliance.

(3) If a person (A):

(a) reports directly to the firm’s governing body about a particular matter; but

(b) is not a member of the governing body; and

(c) reports to a member of the governing body (B) about that matter;

B has overall responsibility for that matter.

(4) If:

(a) a person (A) reports directly to the firm’s governing body about a particular matter;

(b) A also reports to another person (B) about that matter;

(c) neither A nor B is a member of the governing body; and
(d) B also reports directly to the firm’s governing body about that matter;

B has overall responsibility for that matter.

(5) A member of the governing body who reports to the chief executive may still have overall responsibility for a function.

(6) If:

(a) a person (A) reports directly to the firm’s governing body about a particular matter; and

(b) A’s function is subject to oversight by a non-executive director (B) or by a committee of the firm’s governing body chaired by B;

A (not B) has overall responsibility for that matter.

4.7.15 G When this section refers to a person having overall responsibility for a function, it does not mean that that person has day-to-day management control of that function.

4.7.16 G In general, the FCA expects that a person to whom overall responsibility for an area of a firm is allocated under SYSC 4.7.8R will be the most senior employee or officer responsible for managing that area.

4.7.17 G (1) SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) does not mean that the firm has to allocate overall responsibility for the running of the governing body itself.

(2) This is because SYSC 4.7.8R is about assigning responsibility subject to the overall control of the governing body (see SYSC 4.7.12G).

(3) This means that a person does not have overall responsibility for a function under SYSC 4.7.8R just by being a member of a firm’s governing body.

4.7.18 G (1) A person who just provides oversight of a function does not have overall responsibility for that function under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions).

(2) Paragraph (1) and SYSC 4.7.17G mean that a non-executive director acting as such does not have overall responsibility for a function under SYSC 4.7.8R or perform the other overall responsibility function.

(3) Paragraph (1) and SYSC 4.7.17G mean that a non-executive director:

(a) providing oversight of a function; or
being responsible for the independence of a function;

does not have overall responsibility for that function under SYSC 4.7.8R or perform the other overall responsibility function.

Who functions should be allocated to

4.7.19 G The FCA expects a firm to allocate all the functions in SYSC 4.7.5R (Allocation of FCA-prescribed senior management responsibilities) and SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) to an individual and not to a legal person.

4.7.20 G The FCA would not consider it unusual if a person who has overall responsibility for a particular function was not a member of the governing body. For example, in some firms, the head of compliance reports directly to the governing body even though the head compliance is not a member of the governing body.

4.7.21 G (1) A person may have overall responsibility for a matter without being a member of the firm’s governing body, which means that (ignoring (2)) a relatively junior person could have overall responsibility for an activity of a firm.

(2) However, the FCA expects that anyone who has overall responsibility for a matter:
(a) will be sufficiently senior and credible; and
(b) will have sufficient resources and authority;

to be able to exercise his management and oversight responsibilities effectively.

4.7.22 G SYSC 4.7.21G(2) also applies to someone who has responsibility for an FCA-prescribed senior management responsibility.

4.7.23 G (1) It will be common for a small non-complex firm to divide overall responsibility for its activities between members of its governing body and not to assign overall responsibility for any activity to someone who is not a member.

(2) However, when deciding how to divide up overall responsibility for its activities, a firm should avoid assigning such a wide range of responsibilities to a particular person so that the person is not able to carry out those responsibilities effectively.

(3) Therefore, in a large or complex firm, the FCA expects overall responsibility for some functions to be assigned to persons in the layer of management below the governing body. Anyone in that layer having overall responsibility for an activity will be performing a designated senior management function.
4.7.24 G (1) The FCA expects that normally a firm will allocate the FCA-prescribed senior management responsibility in rows (5), (7), (8), (9) and (10) of the table in SYSC 4.7.7R to an SMF manager who is a non-executive director of the firm.

(2) The FCA expects that normally a firm will allocate:

(a) the other FCA-prescribed senior management responsibilities; and

(b) functions under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions);

to an SMF manager who performs executive functions for the firm.

(3) In general, the FCA expects that a person who has responsibility for an FCA-prescribed senior management responsibility in (2) will be the most senior employee or officer responsible for managing that area.

(4) Paragraphs (1) to (3) do not apply to a small non-complex firm to the extent that they deal with those FCA-prescribed senior management responsibilities that, under the table in SYSC 4.7.7R, do not apply to small firms.

(5) The FCA accepts that it may not be practical for a small non-complex firm (see SYSC 4.5.13G) to comply with the parts of (1), (2) and (3) that would otherwise apply to it.

Dividing and sharing management functions between different people

4.7.25 G (1) The FCA expects that a firm will not normally split an FCA-prescribed senior management responsibility between several SMF managers, with each only having responsibility for part.

(2) The FCA expects that a firm will not normally allocate responsibility for:

(a) an FCA-prescribed senior management responsibility; or

(b) a function under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions);

to two or more SMF managers jointly.

4.7.26 G (1) Although the norm should be for a firm to have a single individual performing each FCA-prescribed senior management responsibility or function allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management
functions), there may be circumstances in which responsibilities can be divided or shared (see (2)).

(2) A firm should only divide or share a responsibility where this is appropriate and can be justified.

(3) For example, it would be justified to share a function or responsibility if that is done:

(a) as part of a job share; or

(b) where departing and incoming senior managers work together temporarily as part of a handover.

(4) A firm may have co-heads of a department or business unit if this can be justified under (1) to (3).

4.7.27 G (1) The FCA expects a firm to divide and allocate responsibilities under:

(a) SYSC 4.7.5R (Allocation of FCA-prescribed senior management responsibilities); and

(b) SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions);

between its SMF managers so that responsibilities are grouped together appropriately.

(2) The firm should make the judgement:

(a) in (1); and

(b) about whether and how responsibilities and functions should be shared;

under:

(c) SYSC 4.1.1R (robust governance arrangements); and

(d) any other applicable Handbook requirements, including SYSC 4.7.25G and SYSC 4.7.26G.

(3) The firm should take into account the way it is organised, the business it carries out and the need not to allocate too many responsibilities to one individual (see SYSC 4.7.23G).

(4) The FCA expects a firm to allocate FCA-prescribed senior management responsibilities and responsibilities allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) to the SMF managers they are most closely linked to.
4.7.28 G  *SUP 10C.11.31G to SUP 10C.11.33G (Statements of responsibilities)* contains material about:

(1) how to prepare *statements of responsibilities* where a responsibility or function is shared or divided between several *SMF managers*; and

(2) dividing and sharing responsibilities.

4.7.29 G  (1) A *firm* may allocate more than one *FCA-prescribed senior management responsibility* to the same *SMF manager*.

(2) This is subject to:

(a) *SYSC 4.7.23G* (should not give too many responsibilities to one person); and

(b) *SYSC 4.7.27G* (what responsibilities should be grouped together).

Allocation of responsibilities and territorial scope.

4.7.30 G  (1) As explained in *SYSC 4.7.2R*, there is no territorial limitation to the application of this section.

(2) This means that a *firm* should allocate:

(a) the *FCA-prescribed senior management responsibilities*; and

(b) overall responsibilities under *SYSC 4.7.8R*;

so that they cover activities, transactions, business areas and management functions that are located or take place wholly or partly outside, as well as ones in, the *United Kingdom*.

Group management arrangements and outsourcing

4.7.31 G  (1) *SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions)* requires overall responsibility for various aspects of a *firm’s affairs* to be allocated to an *SMF manager*.

(2) This requirement does not prevent a *firm* from relying on an employee of a company in the same group to perform the function.

(3) A *firm* has two main choices about how to fit such arrangements into the senior management regime for *relevant authorised persons*.

(a) The group employee is appointed by the *firm’s governing body* to perform the function. This means that the *firm* will have entered into an arrangement with that *person*. As explained in *SUP 10C.3.9G*, an arrangement with the *firm* is one of the factors that makes the senior management regime for *relevant*
authorised persons apply. The result is that the group official will be performing a controlled function and will need to be approved as an SMF manager.

(b) The firm appoints someone (A) to oversee what the group employee does (so far as it concerns the firm) and to take overall responsibility for the function. A will need to be approved as an SMF manager.

4.7.32 G (1) SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) does not cover responsibility for an aspect of a firm’s affairs managed by an individual approved to perform the Group Entity Senior Manager PRA-designated senior management function.

(2) Where a responsibility is held by someone approved to perform the Group Entity Senior Manager PRA-designated senior management function for the firm, there is no need to apply the arrangements in SYSC 4.7.31G.

(3) (a) The statement of responsibilities for the individual performing the Group Entity Senior Manager PRA-designated senior management function; and

(b) the firm’s management responsibilities map;

should clearly show what responsibilities are held by that individual.

4.7.33 G A firm may rely on an employee of a company in the same group to perform an FCA-prescribed senior management responsibility. However, SYSC 4.7.5R (Allocation of FCA-prescribed senior management responsibilities) also requires this to be arranged in such a way that the person performing the responsibility is approved as an SMF manager of the firm.

4.7.34 G SYSC 4.7.31G and SYSC 4.7.33G also apply to a firm that outsources functions to a third party and is relying on an individual from the outsourced services provider to carry out the functions in those paragraphs.

Link between the senior management regime and this section

4.7.35 G (1) A firm should allocate between its SMF managers responsibility for every area of its activities.

(2) This is required by a mixture of:

(a) SYSC 4.7.5R (Allocation of FCA-prescribed senior management responsibilities);

(b) SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions);
(c) the requirements for *FCA-designated senior management functions*; and

(d) the corresponding *PRA* requirements.

4.7.36 (1) Having overall responsibility for an activity under *SYSC 4.7.8R* requires approval as an *SMF manager*. This is because a *person* who has overall responsibility for an activity will be:

(a) performing the *other overall responsibility function*; or

(b) approved to perform another *designated senior management function*.

(2) The *other overall responsibility function* applies because this is the effect of *SUP 10C.7.1R* (definition of *other overall responsibility function*).

(3) *SUP 10C.7.1R* says that the *other overall responsibility function* does not apply to a person who is approved to perform another *designated senior management function*.

Link between *SYSC 4 Annex 1G* and this section

4.7.37 (1) The purpose of *SYSC 4 Annex 1G* (The main business activities and functions of a relevant authorised person) is to help a *firm* to prepare its *management responsibilities map* (see *SYSC 4.5.16G*).

(2) There is no direct link between *SYSC 4 Annex 1G* and this section.

(3) However, a *firm* may find *SYSC 4 Annex 1G* useful as a checklist to help it make sure that it has not failed to allocate overall responsibility under *SYSC 4.7.8R* for a particular activity of the *firm*.

(4) If a *firm* uses *SYSC 4 Annex 1G* to help it check whether it has allocated overall responsibility as described in (3), it should bear in mind that it is not comprehensive (see *SYSC 4.5.20G*).

4.7.38 *SYSC 4.7.26G* (a *firm* should normally allocate responsibility for particular areas to a single *SMF manager*) does not mean that the *FCA* expects there to be a separate *person* with overall responsibility for each individual business area in *SYSC 4 Annex 1G* (The main business activities and functions of a relevant authorised person).

4.8 [not used]

4.9 **Handover procedures and material**
Application

4.9.1 R This section applies to relevant authorised persons.

4.9.2 R There is no territorial limitation on the application of this section.

4.9.3 R This section is not limited to regulated activities or other specific types of activities.

Rules about handover material

4.9.4 R A firm must take all reasonable steps to ensure that:

(1) a person who is becoming an SMF manager;

(2) an SMF manager:

(a) taking on a new job or new responsibilities; or

(b) whose responsibilities or job are being changed; and

(3) anyone who has management or supervisory responsibilities for the SMF manager in (1) or (2);

has, when the SMF manager starts to perform his new or revised responsibilities or job, all information and material that a person in (1) to (3) could reasonably expect to have to perform those responsibilities or that job effectively and in accordance with the requirements of the regulatory system.

4.9.5 R (1) A firm must have a policy about how it complies with SYSC 4.9.4R, including the systems and controls it uses.

(2) A firm must make and maintain adequate records of the steps taken to comply with SYSC 4.9.4R.

4.9.6 G The information and material in SYSC 4.9.4R that should be made available includes details:

(1) about unresolved or possible breaches of the requirements of the regulatory system; and

(2) of any unresolved concerns expressed by the FCA, the PRA or another regulatory body.

4.9.7 G (1) The main purpose of SYSC 4.9.4R is to help the SMF manager with his new or revised responsibilities or job and to help the managers of SMF managers.

(2) It should be a practical and helpful document and not just a record.

(3) The material should include an assessment of what issues should be prioritised.
(4) It should include judgement and opinion, not just facts and figures.

Handover arrangements and certificates

4.9.8 G (1) Where the responsibilities or job in SYSC 4.9.4R are being taken over from another person, the firm should have arrangements for an orderly transition.

(2) As part of these arrangements, the firm should take reasonable steps to ensure that the predecessor contributes to the information and material in SYSC 4.9.4R all that would be reasonable to expect the predecessor to know and consider relevant, including the predecessor’s opinions.

(3) One way of doing this could be for the predecessor to prepare a handover certificate.

(4) However, the FCA accepts that there will be cases in which it will be impractical to ask the predecessor to prepare a handover certificate.

Application of this section to other parts of a firm’s management

4.9.9 G A firm should consider whether to apply the procedures in this section to other parts of its management.

4 Annex 1G The main business activities and functions of a relevant authorised person

<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Payment services</td>
<td>This means:</td>
</tr>
<tr>
<td>(1) payment services;</td>
<td></td>
</tr>
<tr>
<td>(2) issuing and administering other means of payment (for example, cheques and bankers’ drafts);</td>
<td></td>
</tr>
<tr>
<td>(3) issuing electronic money; and</td>
<td></td>
</tr>
<tr>
<td>(4) current accounts.</td>
<td></td>
</tr>
<tr>
<td>(2) Settlement</td>
<td>This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex, in relation to the assets covered</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>
| **(3) Investment management** | This has the same meaning as *managing investments* with the following adjustments:  
(a) it covers all types of assets; and  
(b) the exclusions in the *Regulated Activities Order* do not apply.  
It also covers fund management. |
| **(4) Financial or investment advice** | This includes *advising on investments*. |
| **(5) Mortgage advice** | This has the same meaning as *advising on regulated mortgage contracts* but is expanded to cover land anywhere in the world and to cover security of any kind over land. |
| **(6) Corporate investments** | This means acquiring, holding, managing and disposing a firm’s investments made for its own account. |
| **(7) Wholesale sales** | This means the *selling* of any investment to a person other than a retail customer.  
It does not include the activities in (1). |
| **(8) Retail sales** | This means the *selling* of any investment to a retail customer.  
It includes savings accounts. It does not include the activities in (1). |
| **(9) Trading for clients** | This means *dealing in investments as agent* and *execution of orders on behalf of clients* but the list of products includes money market instruments and foreign exchange. |
| **(10) Market making** | This has the same meaning as it does in *MIFID* (see the definition of market maker in article 4.1(8)). |
| **(11) Investment research** |   |
| **(12) Origination/syndication and underwriting** | Origination and syndication include:  
(1) entering into or acquiring (directly or indirectly) any commitment or investment with |
(2) sub-participation; and

(3) any transaction described in the *Glossary* definition of *originator*.

Underwriting includes underwriting that is not on a firm commitment basis.

A commitment or *investment* includes an economic interest in some or all of it.

This activity also includes the provision of services relating to such transactions.

| (13) Retail lending decisions | Deciding whether, and on what terms, to lend to *retail customers*.
|                             | Lending includes granting credit, leasing and hire (including finance leasing). |
| (14) Wholesale lending decisions | Deciding whether, and on what terms, to lend to *persons* who are not *retail customers*.
|                             | Lending includes granting credit, leasing and hire (including finance leasing). |
| (15) Design and manufacturing of products intended for wholesale customers | Wholesale customers mean *persons* who are not *retail customers* |
| (16) Design and manufacture of products intended for *retail customers* | |
| (17) Production and distribution of marketing materials and communications | This includes *financial promotions* |
| (18) Customer service | This means dealing with *clients* after the point of sale, including queries and fulfilment of *client* requests |
| (19) Customer complaints handling | This includes the firm’s compliance with *DISP*. It also includes: |
(1) any similar procedures relating to activities that do not come under the jurisdiction of the Financial Ombudsman Service;

(2) activities that take place outside the UK; and

(3) activities that are not subject to any ombudsman service.

| (20) Collection and recovering amounts owed to a **firm** by its customers |
| Dealing with customers in arrears |
| ‘Customer’ means any person falling into any of the definitions of client in the Glossary so far as they apply to the FCA’s Handbook. The definition is extended to cover all services provided by the firm and not just those that are provided in the course of carrying on a regulated activity or an ancillary service. |

| (21) Middle office |
| This means risk management and controls in relation to, and accounting for, transactions in securities or derivatives |

| (22) The **firm**’s information technology |

| (23) Business continuity planning |
| This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R |

| (24) Human resources |
| This includes recruitment, training and competence and performance monitoring |

| (25) Incentive schemes for the **firm**’s staff |
| This is not limited to schemes based on sales. |

| (26) Providing information in relation to a specified benchmark |

| (27) Administering a specified benchmark |

Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for relevant authorised persons) and SYSC 4.7.37G.

Note (2): A firm does not have to use the split of activities in this annex for the purposes in Note (1). If a firm does decide to use it, it may adapt it to suit its management arrangements better.

For example, a firm may find the split of activities into retail and wholesale activities unsuitable. If so, the firm might:

(a) treat retail and wholesale activities together; or
(b) use its own definition of retail and wholesale activities.

Insert the following new section after SYSC 5.1. The text is not underlined.

5.2 Certification regime

Application

5.2.1 R This section applies to a relevant authorised person.

5.2.2 G This section is also relevant to employees of relevant authorised persons performing functions specified as FCA-specified significant-harm functions.

Purpose

5.2.3 G (1) This section is about the FCA’s certification regime.

(2) Under this regime, a firm should ensure that its employees only perform an FCA-specified significant-harm function if they have a certificate issued by that firm to perform that function.

(3) The purpose of this section is to specify ‘FCA-specified significant-harm functions’ and to give guidance on the FCA’s certification regime.

General requirements

5.2.4 G Under section 63E(1) of the Act, a firm must take reasonable care to ensure that no employee of the firm performs an FCA-specified significant-harm function under an arrangement entered into by the firm in relation to the carrying on by that firm of a regulated activity, unless the employee has a valid certificate issued by that firm to perform the function to which certificate relates.

5.2.5 G (1) The requirement in SYSC 5.2.4G comes into force on 7 March 2017.

(2) SYSC TP 5 explains how the certification regime applies before then.

Fitness to act

5.2.6 G Under section 63F of the Act, a firm may issue a certificate to a person only if the firm is satisfied that the person is a fit and proper person to perform the FCA-specified significant-harm function to which the certificate relates.

5.2.7 G Under section 63F of the Act, in assessing if a person is fit and proper to perform an FCA-specified significant-harm function, a firm must have regard, in particular, to whether that person:

(1) has obtained a qualification;

(2) has undergone, or is undergoing, training;
(3) possesses a level of competence; or

(4) has the personal characteristics, required by general rules made by the FCA.

5.2.8 G FIT 1.3 provides guidance to firms about the criteria that the FCA would expect the firm to consider in assessing if a person is fit and proper to perform an FCA-specified significant-harm function.

5.2.9 G SYSC 5.3 (References and accurate information) deals with obtaining references from a previous employer when a firm is planning to appoint someone to perform a specified significant-harm function as part of its assessment of whether that person is fit and proper.

5.2.10 G (1) A person seconded from a contractor may fall into the certification regime. The material in SYSC 5.2.21G is relevant to when this is the case.

(2) In deciding if a person seconded from a contractor is fit and proper, the firm may take into account information and references from the contractor.

(2) In deciding how much reliance to put on the contractor, the firm should take into account:

(a) the familiarity of the contractor with the obligations of firms under SYSC 5.2, the corresponding PRA requirements and the requirements of the Act described in this section;

(b) whether any reference directly addresses the criteria in FIT; and

(c) the degree to which the firm believes it can rely on the contractor’s judgement about the secondee’s fitness and properness and the grounds for that belief.

Issuing and renewing certificates

5.2.11 G Under section 63F of the Act, a certificate issued by a firm to a person must:

(1) state that the firm is satisfied that the person is fit and proper to perform the function to which the certificate relates; and

(2) set out the aspects of the affairs of the firm in which the person will be involved in performing the function.

5.2.12 G A certificate is valid for a period of 12 months, beginning with the day on which it is issued.

5.2.13 G Under section 63F of the Act, if, after having considered if a person is fit and proper to perform an FCA-specified significant-harm function, a firm decides not to issue a certificate to that person, the firm must give the person a notice in
writing stating:

(1) what steps (if any) the firm proposes to take in relation to the person as a result of the decision; and

(2) the reasons for proposing to take those steps.

5.2.14 G If, after having considered whether a person is fit and proper to perform an FCA-specified significant-harm function, a firm decides not to issue a certificate to that person, it should consider if the circumstances warrant making a notification to the FCA for a breach of the rules in COCON pursuant to section 64B(5) of the Act.

5.2.15 G Under section 63F of the Act, a firm must maintain a record of every employee who has a valid certificate issued by it.

5.2.16 G (1) The FCA’s approach to specifying FCA-specified significant-harm functions has the effect that several elements of a person’s job may involve an FCA-specified significant-harm function or that a person may perform several FCA-specified significant-harm functions as part of the same job.

(2) However, this does not mean that the FCA expects a firm to issue multiple certificates to each certification employee. Rather, in a certificate, a firm may describe the employee’s functions that involve an FCA-specified significant-harm function in broad terms, and without listing all the activities that the function may involve.

(3) A firm should assess whether the employee is fit and proper to perform all aspects of the employee’s functions that involve an FCA-specified significant-harm function as described by a certificate.

5.2.17 G (1) In cases where a certification employee’s role changes to involve a new function involving an FCA-specified significant-harm function part way through the twelve-month period for which their certificate is valid, and that new function may have different requirements relating to:

(a) personal characteristics;

(b) the level of competence, knowledge and experience;

(c) qualifications; or

(d) training;

the FCA would expect the firm to assess whether the employee is fit and proper to perform that new function before they start it.

(2) A firm should not wait until the point of annual reassessment to determine whether the employee is fit and proper for the new function.

(3) Paragraphs (1) and (2) also apply if a certification employee’s role
changes to involve a new *FCA-specified significant-harm function* part way through the twelve-month period. A *firm* may not need to issue a new certificate if:

(a) the conditions in paragraph (1) are met; and

(b) the certificate is drafted broadly enough to cover the new *FCA-specified significant-harm function*.

### Scope: general requirements

5.2.18 R In accordance with section 63E of the *Act* (Certification of employees by relevant authorised persons), a function is an *FCA-specified significant-harm function* only if, in relation to the carrying on of a *regulated activity* by a *firm*, that function:

1. is not a *controlled function* in relation to the carrying on of that *regulated activity* by that *firm*; and
2. will require the *person* performing it to be involved in one or more aspects of the *firm’s* affairs, so far as relating to that *regulated activity*.

5.2.19 R A function is an *FCA-specified significant-harm function* for a *firm* only to the extent:

1. it is performed by a *person* from an establishment of the *firm* (or its *appointed representative*) in the *United Kingdom*; or
2. the *person* performing that function is dealing with a *client* of the *firm* in the *United Kingdom* from an establishment of the *firm* (or its *appointed representative*) overseas.

5.2.20 G The *FCA* interprets the phrase ‘dealing with’ in SYSC 5.2.19R as including having contact with *clients* and extending beyond ‘dealing’ as used in the phrase ‘dealing in investments’. ‘Dealing in’ is used in Schedule 2 to the *Act* to describe in general terms the *regulated activities* which are specified in Part II of the *Regulated Activities Order*.

5.2.21 G (1) The certification regime only applies to an *employee*.

(2) This definition includes a *person* who:

(a) personally provides, or is under an obligation personally to provide, services to the *firm* in question under an arrangement made between the *firm* and the *person* providing the services or another *person*; and

(b) is subject to (or to the right of) supervision, direction or control by the *firm* as to the manner in which those services are provided.

5.2.22 G (1) A *person* who works for an *appointed representative* of a *firm* may fall into the certification regime. In practice, however, they may not meet the
conditions for the certification regime to apply.

(2) One condition for the certification regime to apply to a person is that the person performs a specified significant-harm function under an arrangement entered into by the firm (see SYSC 5.2.4G). However, unlike the equivalent parts of the Act for the approved persons regime, the Act does not say that the certification regime applies if the function is performed under an arrangement entered into by the employee with a contractor of the firm instead of the firm.

(3) The certification regime only applies if the person concerned is an employee. This is defined in SYSC 5.2.21G. In many cases, a person working for an appointed representative will not fall into this definition as they may not:

(a) provide services to the firm; or

(b) be subject to (or to the right of) supervision, direction or control by the firm.

(4) If none of these limitations on the scope of the certification regime apply, a person working for an appointed representative will be subject to the certification regime, as long as the other conditions in this section are met.

5.2.23 G A specified significant-harm function does not cease to be an FCA-specified significant-harm function if the PRA also specifies that function as a specified significant-harm function.

Scope: exclusions

5.2.24 G Under section 63E(7) of the Act, SYSC 5.2 does not apply to an arrangement which allows an employee to perform a function if the question of whether the employee is fit and proper to perform the function is reserved under any of the Single Market Directives or the auction regulation to an authority in a country or territory outside the United Kingdom.

5.2.25 R This section does not apply to a function performed by a person acting as:

(1) an insolvency practitioner under section 388 of the Insolvency Act 1986;

(2) a nominee in relation to a voluntary arrangement under Part I (Company Voluntary Arrangements) of the Insolvency Act 1986;

(3) an insolvency practitioner under article 3 of the Insolvency (Northern Ireland) Order 1989; or

(4) a nominee in relation to a voluntary arrangement under Part II (Company Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

5.2.26 R A function performed by a non-executive director of a firm acting as such is not
an *FCA-specified significant-harm function* for that *firm*.

Scope: emergency appointments

5.2.27 R (1) If:

(a) a *firm* appoints an individual to perform a function which, but for this *rule*, would be an *FCA-specified significant-harm function*;

(b) the appointment is to provide cover for a *certification employee* whose absence is reasonably unforeseen; and

(c) the appointment is for less than four weeks;

then the performance by that individual of such function does not constitute an *FCA-specified significant-harm function*.

(2) This *rule* does not apply to *FCA-specified significant-harm function* (5) (functions requiring qualifications).

5.2.28 G *SYSC* 5.2.27R does not apply to *FCA-specified significant-harm function* (5) (functions requiring qualifications). Where there is an unforeseen absence of an *employee* performing a function for which there is a qualification requirement:

(1) the *firm* should take reasonable care to ensure that no *employee* of that *firm* performs that function without a valid certificate; and

(2) the certificate should be issued before the *person* starts to perform the function.

Scope: *FCA-specified significant-harm functions*

5.2.29 R In accordance with section 63E(3) of the *Act*, the functions in the table in *SYSC* 5.2.30R are *FCA-specified significant-harm functions*.

5.2.30 R Table: *FCA-specified significant-harm functions*

<table>
<thead>
<tr>
<th>Function</th>
<th>Where defined</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) CASS oversight</td>
<td><em>SYSC</em> 5.2.32R</td>
</tr>
<tr>
<td>(2) Benchmark submission and administration</td>
<td><em>SYSC</em> 5.2.33R</td>
</tr>
<tr>
<td>(3) Proprietary trader</td>
<td><em>SYSC</em> 5.2.34R</td>
</tr>
<tr>
<td>(4) Significant management</td>
<td><em>SYSC</em> 5.2.35R</td>
</tr>
<tr>
<td>(5) Functions requiring qualifications</td>
<td><em>SYSC</em> 5.2.39R</td>
</tr>
</tbody>
</table>
(6) Managers of certification employees

SYSC 5.2.41R

(7) Material risk takers

SYSC 5.2.42R

5.2.31 G  (1) If a function falls into more than one of the FCA-specified significant-harm functions in the table in SYSC 5.2.30R, all of those FCA-specified significant-harm functions apply to it.

(2) For example, if a person's job involves both FCA-specified significant-harm function (5) (functions requiring qualifications) and (7) (material risk takers), the emergency appointments rule (SYSC 5.2.27R) does not apply to that job.

CASS oversight function

5.2.32 R  (1) Each of the following is an FCA-specified significant-harm function:

(a) in relation to a CASS medium firm and a CASS large firm (other than a CASS large debt management firm), the function of acting in the capacity of a person who is allocated the function in CASS 1A.3.1AR (oversight of operational effectiveness);

(b) in relation to a CASS large debt management firm, the function of acting in the capacity of a person who is allocated the function in CASS 11.3.4R (oversight of operational effectiveness).

(2) A function in (1) is not an FCA-specified significant-harm function for that firm if it is performed by an SMF manager of that firm.

Benchmark submission and administration function

5.2.33 R Each of the following is an FCA-specified significant-harm function:

(1) acting in the capacity of a person who is allocated the function in MAR 8.2.3R(1) (benchmark manager); and

(2) acting in the capacity of a person who is allocated the function in MAR 8.3.5R(1) (benchmark administration manager).

Proprietary trader function

5.2.34 R The function of acting as a proprietary trader whose activity involves, or might involve, a risk of significant harm to the firm or any of its customers is an FCA-specified significant-harm function.

Significant management function

5.2.35 R The function of acting as a senior manager, with significant responsibility for a significant business unit is an FCA-specified significant-harm function.
5.2.36 G A senior manager carrying on the significant management FCA-specified significant-harm function under SYSC 5.2.35R could, for example, be:

(1) the head of a unit carrying on the activities of:
   (a) retail banking;
   (b) personal lending;
   (c) corporate lending;
   (d) salvage or loan recovery; or
   (e) proprietary trading; or

(2) a member of a committee (that is, a person who, together with others, has authority to commit the firm) making decisions in these functions.

5.2.37 G For the purposes of the definition of the significant management FCA-specified significant-harm function, the following additional factors about the firm should be considered:

(1) the size and significance of the firm’s business in the United Kingdom – for example, a firm carrying on designated investment business may have a large number of certification employees (for example, in excess of 100 individuals);

(2) the number of regulated activities carried on, or proposed to be carried on, by the firm and (if relevant) other members of the group;

(3) its group structure (if it is a member of a group);

(4) its management structure (for example, matrix management); and

(5) the size and significance of its international operations, if any.

5.2.38 G When considering whether a business unit is significant for the purposes of SYSC 5.2.35R, the firm should take into account all relevant factors in the light of the firm’s current circumstances and its plans for the future, including:

(1) the risk profile of the unit;

(2) its use or commitment of the firm’s capital;

(3) its contribution to the profit and loss account;

(4) the number of employees, certification employees or SMF managers in the unit;

(5) the number of customers of the unit; and

(6) any other factor which makes the unit significant to the conduct of the
firm's affairs so far as relating to the regulated activity.

Functions requiring qualifications

5.2.39 R Each function involving an activity for which there is a qualification requirement as specified in TC App 1.1.1R (Activities and Products/Sectors to which TC applies) is an FCA-specified significant-harm function.

5.2.40 G SYSC 5.2.39R (Functions requiring qualifications) does not apply to a firm where TC does not apply.

Managers of certification employees

5.2.41 R (1) The function of managing or supervising a certification employee, directly or indirectly, is an FCA-specified significant-harm function.

(2) A function in (1) is not an FCA-specified significant-harm function for that firm if it is performed by an SMF manager of that firm.

Material risk takers

5.2.42 R Each function performed by a member of a firm’s dual-regulated firms Remuneration Code staff (including any person who meets any of the criteria set out in articles 3 to 5 of Commission delegated regulation (EU) No 604/2014 (criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile)) is an FCA-specified significant-harm function.

5.2.43 G SYSC 5.2.42R (Material risk takers) does not apply to a firm to which the dual-regulated firms Remuneration Code does not apply.

Amend the following as shown.

6 Compliance, internal audit, financial crime

6.1 Compliance

...  

6.1.4-C G (1) This guidance is relevant to a relevant authorised person required to appoint a compliance officer under SYSC 6.1.4R.

(2) Taking account of the nature, scale and complexity of its activities, the firm should have appropriate procedures to ensure that the removal or any other disciplinary sanctioning of the compliance officer does not undermine the independence of the compliance function.

(3) In the FCA’s view, it will be appropriate, in many cases, for the removal or any other disciplinary sanctioning of the compliance officer to require the approval of a majority of the management
body, including at least a majority of its members who do not perform any executive function in the firm.

6.2 Internal audit

6.2.1 G (1) This guidance is relevant to a relevant authorised person required to establish and maintain an internal audit function under SYSC 6.2.1R.

(2) Taking account of the nature, scale and complexity of its activities, the firm should have appropriate procedures to ensure that the removal or any other disciplinary sanctioning of the head of the internal audit function does not undermine the independence of the internal audit function.

(3) In the FCA’s view, it will be appropriate, in many cases, for the removal or any other disciplinary sanctioning of the head of the internal audit function to require the approval of a majority of the management body, including at least a majority of its members who do not perform any executive function in the firm.

6.2.2 G (1) The term 'internal audit function' in SYSC 6.2.1R (and SYSC 4.1.11G) refers to the generally understood concept of internal audit within a firm, that is, the function of assessing adherence to and the effectiveness of internal systems and controls, procedures and policies. The internal audit function is not a controlled function itself, but is part of the systems and controls function (CF28).

(2) For a firm that is not a relevant authorised person, the internal audit function is not a controlled function itself, but is part of the systems and controls function or the PRA’s systems and controls controlled function (CF28).

(3) For a relevant authorised person, the internal audit function is a PRA controlled function (SMF5).

6.3 Financial crime

6.3.8 R (1) A firm must allocate to a director or senior manager (who may also be the money laundering reporting officer) overall responsibility within the firm for the establishment and maintenance of effective anti-money laundering systems and controls.
(2) A firm may not allocate overall responsibility under (1) to a person who is approved to perform the other overall responsibility function.

... 

7 Risk control

7.1 Risk control

... 

7.1.8 G (2) The term ‘risk management function in SYSC 7.1.6R and SYSC 7.1.17R refers to the generally understood concept of risk assessment within a firm, that is the function of setting and controlling risk exposure. The risk management function is not a controlled function itself, but is part of the systems and controls controlled function (CF28).

(3) For a firm that is not a relevant authorised person, the risk management function is not a controlled function itself, but is part of the systems and controls function or the PRA’s systems and controls controlled function (CF28).

(4) For a relevant authorised person, the risk management function is a PRA controlled function (SMF4).

... 

7.1.23 G (1) This guidance is relevant to a relevant authorised person that has appointed a head of the risk management function.

(2) Taking account of the nature, scale and complexity of its activities, the firm should have appropriate procedures to ensure that the removal or any other disciplinary sanctioning of the head of the risk management function does not undermine the independence of the risk management function.

(3) It will be appropriate, in many cases, for the procedures in (2) to include that any approval for the removal of the head of the risk management function requires the approval of a majority of the management body, including at least a majority of its members who do not perform any executive function in the firm.

(4) It will also be appropriate, in many cases, for any other disciplinary sanctioning of the head of the risk management function to require the approval of a majority of the management body, including at least a majority of its members who do not perform any executive...
function in the firm.

...

21 Risk control: additional guidance

21.1 Risk control: guidance on governance arrangements

...

21.1.2 G ...

(2) Firms will need to seek the appropriate regulator's approval for a Chief Risk Officer to perform:

(a) (for a relevant authorised person) the PRA’s Chief Risk Function controlled function; or

(b) (for any other firm) the systems and controls function (see SUP 40 10A (FCA approved persons)) or the PRA’s systems and controls controlled function.

...

21.1.4A G (1) This guidance is relevant to a relevant authorised person that has appointed a chief risk officer.

(2) Taking account of the nature, scale and complexity of its activities, the firm should have appropriate procedures to ensure that the removal or any other disciplinary sanctioning of the chief risk officer does not undermine the independence of the chief risk officer.

(3) It will be appropriate, in many cases, for the procedures in (2) to include that any approval for the removal of the chief risk officer requires the approval of a majority of the governing body, including at least a majority of its members who do not perform any executive function in the firm.

(4) Similarly, it will also be appropriate, in many cases, for any other disciplinary sanctioning of the chief risk officer to require the approval of a majority of the governing body, including at least a majority of its members who do not perform any executive function in the firm.

After SYSC TP 4 insert the following new section. The text is not underlined.

TP 5 Financial Services (Banking Reform) Act 2013: Certification
### Purpose of SYSC TP 5

#### 5.1.1 G

SYSC TP 5 explains how the certification regime described in SYSC 5.2 applies during the transitional period between 7 March 2016 and 7 March 2017.

### Application

#### 5.2.1 G

SYSC TP 5 applies to relevant authorised persons.

### The transitional period

#### 5.3.1 G

The obligation in section 63E(1) of the Act for a relevant authorised person to take reasonable care to ensure that no employee of the firm performs an FCA specified significant-harm function, unless the firm has issued the employee with a valid certificate, does not apply until the end of the transitional period.

#### 5.3.2 G

However, other parts of the Handbook and the Act about certification employees apply in the transitional period.

#### 5.3.3 G

The table in SYSC TP 5.3.4G explains how the requirements of the Handbook and the Act about certification employees apply in the transitional period.

#### 5.3.4 G

Table: How the certification regime applies in the transitional period

<table>
<thead>
<tr>
<th>Provision in the Act or the Handbook</th>
<th>What that provision is about</th>
<th>How it applies in the transitional period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Definition of certification employee</td>
<td></td>
<td>During the transitional period, the Glossary definition of certification employee covers everyone who would need a certificate to perform their job if the obligation to issue certificates was in force</td>
</tr>
<tr>
<td>SYSC 5.2.4G to SYSC 5.2.17G</td>
<td>Guidance about issuing certificates and fitness</td>
<td>Does not apply</td>
</tr>
<tr>
<td>SYSC 5.2.18R to SYSC 5.2.43G</td>
<td>Definition of who falls into the certification regime</td>
<td>Applies for the purpose of those parts of the Handbook and the Act that are in force as described in this table.</td>
</tr>
<tr>
<td>The parts of SYSC 4.5 dealing with the management</td>
<td>SYSC 4.5 says that the management</td>
<td>Applies to everyone who would need a certificate</td>
</tr>
<tr>
<td><strong>management responsibilities map</strong></td>
<td><strong>responsibilities map</strong> should say if persons described or identified in the <strong>management responsibilities map</strong> are certification employees</td>
<td>to perform their job if the obligation to issue certificates was in force.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>COCON</strong></td>
<td>Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force. This applies even if they have not been notified that: (a) COCON applies to them; or (b) of the rules that apply to them. Applies to those who would have been excluded from the certification regime by SYSC 5.2.27R (Scope: emergency appointments).</td>
<td></td>
</tr>
<tr>
<td>Section 64B of the Act</td>
<td><strong>Firm</strong> should ensure that all persons subject to COCON are notified. <strong>Firm</strong> should take reasonable steps to ensure that those persons understand how COCON applies to them.</td>
<td>Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.</td>
</tr>
<tr>
<td>Section 64B of the Act and <strong>SUP 15.11</strong></td>
<td>Notifying a breach of COCON to the FCA</td>
<td>Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.</td>
</tr>
<tr>
<td>Section 64C of the Act and <strong>SUP 15.11</strong></td>
<td>Notifying the FCA of disciplinary action</td>
<td>Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.</td>
</tr>
</tbody>
</table>
Annex D

Amendments to the Fit and Proper test for Approved Persons (FIT)

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

Part 1: Comes into force on 7 March 2016

The Fit and Proper test for Approved Persons

1 General

1.1 Application and purpose

1.1.1 FIT applies to:

(1) a firm (including a relevant authorised person);

(2) an applicant for Part 4A permission;

(3) and EEA firm, a Treaty firm or a UCITS qualifier that wishes to establish a branch into the United Kingdom using EEA rights, Treaty rights or UCITS directive rights (see SUP 10A.1.10G and SUP 10B.1.10G and SUP 10A.1.11G and SUP 10B.1.11G), or apply for a top-up permission (see SUP 10A.1.13G and SUP 10B.1.12G);

(4) an approved person; and

(5) a candidate.

1.1.2 The purpose of FIT is to set out and describe the criteria that: the appropriate regulator will consider when assessing the fitness and propriety of a candidate for a controlled function (see generally SUP 10A and SUP 10B on approved persons). The criteria are also relevant in assessing the continuing fitness and propriety of approved persons.

(1) a relevant authorised person should consider when:

(a) assessing the fitness and propriety of a candidate whom the firm is proposing to put forward for approval as an FCA-approved SMF manager;

(b) assessing the continuing fitness and propriety of a person approved to perform the function of an FCA-approved SMF manager, including for formulating an opinion about whether there are any grounds on which the regulator could withdraw the approval given to that individual to perform that function under section 63(2A) of the Act; and
the FCA will consider when assessing the fitness and propriety of a candidate for a controlled function, including a designated senior management function (see generally SUP 10A and SUP 10C on approved persons), and may consider when assessing the continuing fitness and propriety of approved persons.

1.1.3  

The table in FIT 1.1.4G summarises the situations to which FIT applies.

### Table: Situations to which FIT applies

<table>
<thead>
<tr>
<th>What FIT applies to</th>
<th>Does it apply to relevant authorised persons?</th>
<th>Does it apply to firms that are not relevant authorised persons?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) A firm assessing the fitness and propriety of a candidate whom the firm is proposing to put forward for approval</td>
<td>Yes</td>
<td>No</td>
<td>However, the answer to Question 11 in SUP 10A Annex 1 (Frequently asked questions) says that the FCA’s approval process is not a substitute for the checks that a firm should be carrying out on its prospective recruits. FIT may be a useful guide to matters that a firm that is not a relevant authorised person should take into account.</td>
</tr>
<tr>
<td>(2) A firm assessing the continuing fitness and propriety of an approved person</td>
<td>Yes</td>
<td>No</td>
<td>However, a firm should employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them (SYSC 5.1). FIT may be a useful</td>
</tr>
</tbody>
</table>
1.2 Introduction

1.2.1 The FCA assessing the fitness and propriety of a candidate for approval as an approved person Yes Yes

1.2.1B Under section 60A of the Act, in assessing whether a person is a fit and proper person to perform an FCA designated senior management function, a relevant authorised person must have particular regard to whether that person:

(1) has obtained a qualification; or

(2) has undergone, or is undergoing, training; or

(3) possesses a level of competence; or

(4) has the personal characteristics required by general rules made by the FCA.

1.2.1C The key general rules relating to the criteria listed in FIT 1.2.1B include:

(1) in the case of very senior employees, SYSC 4.2 (persons who effectively direct the business) and SYSC 4.3A.3R (management body);
(2) for employees of firms generally, SYSC 5.1.1R (the competent employees rule); and

(3) in relation to retail activities, TC 2.1.12R (employees' competence).

... 1.2.4 G The Act does not prescribe the matters which the appropriate regulator FCA should take into account when determining fitness and propriety. However, section 61(2) states that the appropriate regulator FCA may have regard (among other things) to whether the candidate or approved person: is competent to carry out a controlled function:

(1) has obtained a qualification; or

(2) has undergone, or is undergoing, training; or

(3) possesses a level of competence; or

(4) has the personal characteristics;

required by general rules made by the FCA.

... 1.3 Assessing fitness and propriety

1.3.1 G The appropriate regulator FCA will have regard to a number of factors when assessing the fitness and propriety of a person to perform a particular controlled function, as more particularly described in FIT 2 (Main assessment criteria). The most important considerations will be the person’s:

(1) honesty, integrity and reputation;

(2) competence and capability; and

(3) financial soundness.

1.3.1A G The FCA would expect firms that are required to assess the fitness and propriety of staff being assessed under FIT to have regard to substantially the same factors as those outlined in FIT 2.

1.3.1B G In the FCA’s view, the most important considerations will be the person’s:

(1) honesty, integrity and reputation;

(2) competence and capability; and

(3) financial soundness.

1.3.2 G In assessing fitness and propriety, the appropriate regulator FCA will also take account of the activities of the firm for which the controlled function is
or is to be performed, the *permission* held by that *firm* and the markets within which it operates.

1.3.2A G A relevant authorised person assessing the fitness and propriety of *staff being assessed under FIT* should consider:

(1) the nature, scale and complexity of its business, the nature and range of financial services and activities undertaken in the course of that business; and

(2) whether the *candidate* or *person* has the knowledge, skills and experience to perform the specific role that the *candidate* or *person* is intended to perform.

1.3.2B G A relevant authorised person is reminded that, in assessing a *candidate* for a position within the *management body* of the *firm*, SYSC 4.3A.3R(3) requires the *firm* to ensure that the management body, as a collective, possesses adequate knowledge, skills and experience to understand the *firm’s* activities.

1.3.3 G The criteria listed in *FIT 2.1 to FIT 2.3* are *guidance* and will be applied in general terms when the *appropriate regulator* FCA is determining a *person’s* fitness and propriety. It would be impossible to produce a definitive list of all the matters which would be relevant to a particular determination. A relevant authorised person assessing the fitness and propriety of *staff being assessed under FIT* should be guided by substantially the same criteria in *FIT 2.1 to FIT 2.3* (to the extent applicable to the *firm*), recognising that this is not intended to be a definitive list of matters to be considered.

1.3.4 G If a matter comes to the *appropriate regulator’s* FCA’s attention which suggests that the *person* might not be fit and proper, the *appropriate regulator* FCA will take into account how relevant and how important it is. In the same way, if a matter comes to the attention of a relevant authorised person which suggests that any *staff being assessed under FIT* might not be fit and proper, the *firm* should take into account how relevant and how important that matter is.

1.3.4A G A relevant authorised person assessing the continuing fitness and propriety of an *approved person* is required to notify the FCA under section 63(2A) of the *Act* if it forms the opinion that there are grounds on which the FCA could withdraw its approval (see *SUP 10C.14.24R*). In discharging its obligation to notify the FCA, a relevant authorised person should take into account how relevant and how important the matter is that comes to its attention which suggests an approved person might not be fit and proper before determining that a notification should be made.

1.3.4B G A relevant authorised person assessing the continuing fitness and propriety of *staff being assessed under FIT* should assess the role that the individual is actually performing at the time the assessment is done. For this purpose, the assessor(s) should be provided with an up-to-date job description for that
individual in advance of the assessment.

1.3.5 G During the application process for a controlled function, the appropriate regulator FCA may discuss the assessment of the candidate’s fitness and propriety informally with the firm making the application and may retain any notes of those discussions.

2 Main assessment criteria

2.1 Honesty, integrity and reputation

2.1.1 G In determining a person’s honesty, integrity and reputation, the appropriate regulator FCA will have regard to all relevant matters including, but not limited to, those set out in FIT 2.1.3G which may have arisen either in the United Kingdom or elsewhere. The appropriate regulator FCA should be informed of these matters (see SUP 10A.14.1R and SUP 10B.12.18 10C14.18R), but will consider the circumstances only where relevant to the requirements and standards of the regulatory system. For example, under FIT 2.1.3G(1), conviction for a criminal offence will not automatically mean an application will be rejected. The appropriate regulator FCA treats each candidate’s application on a case-by-case basis, taking into account the seriousness of, and circumstances surrounding, the offence, the explanation offered by the convicted person, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual’s rehabilitation.

2.1.1A G A relevant authorised person determining the honesty, integrity and reputation of staff being assessed under FIT, should consider all relevant matters, including those set out in FIT 2.1.3G, which may have arisen either in the United Kingdom or elsewhere. Firms should inform themselves of relevant matters, including checking for convictions for criminal offences (where possible) and contacting previous employers who have employed that candidate or person. If any staff being assessed under FIT has a conviction for a criminal offence, the firm should consider the seriousness of and circumstances surrounding the offence, the explanation offered by that person, the relevance of the offence to the proposed role, the passage of time since the offence was committed and evidence of the individual’s rehabilitation.

2.1.2 G In considering the matters in FIT 2.1.1G, the appropriate regulator FCA will look at whether the person’s reputation might have an adverse impact upon the firm for which the controlled function is or is to be performed and at the person’s responsibilities.

2.1.2A G In considering the reputation of staff being assessed under FIT 2.1.1AG a relevant authorised person should have regard to whether that person’s reputation might have an adverse impact upon the firm for which the function is to be performed and the person’s responsibilities.
2.1.3 G The matters referred to in FIT 2.1.1G to which the appropriate regulator FCA will have regard, and to which a relevant authorised person should also have regard, include, but are not limited to:

…

2.2 Competence and capability

2.2.1 G In determining a person’s competence and capability, the FCA will have regard to all relevant matters including but not limited to:

(1) whether the person satisfies the relevant FCA training and competence requirements in relation to the controlled function the person performs or is intended to perform;

(2) whether the person has demonstrated by experience and training that the person is they are suitable, or will be suitable if approved to perform the controlled function;

(3) whether the person has adequate time to perform the controlled function and meet the responsibilities associated with that function.

2.2.1A G In determining a person’s competence and capability to perform an FCA designated senior management function, a relevant authorised person should have regard to all relevant matters including but not limited to:

(1) whether the person satisfies any applicable training and competence requirements (in relation to the function that the person performs or is intended to perform);

(2) whether the person has demonstrated by experience and training that they are suitable to perform the function they are intended to perform;

(3) whether the person has adequate time to perform the function in question and meet the responsibilities associated with that function.

2.2.2 G A person may have been convicted of, or dismissed or suspended from employment for, drug or alcohol abuses or other abusive acts. This will be considered by the FCA only in relation to a person’s continuing ability to perform the particular controlled function for which the person is or is to be employed.

2.2.2A G The FCA would expect a relevant authorised person determining the competence and capability of staff being assessed under FIT to consider convictions, dismissals and suspensions from employment for drug or alcohol abuses or other abusive acts only in relation to a person’s continuing ability to perform the particular FCA designated senior management function for which the person is, or is to be, employed.
2.3 Financial soundness

2.3.1 In determining a person’s financial soundness, the appropriate regulator FCA will have regard, and a relevant authorised person should also have regard, to any factors including, but not limited to:

... 

2.3.2 The appropriate regulator FCA will not normally require the candidate to supply a statement of assets or liabilities. The fact that a person may be of limited financial means will not, in itself, affect his their suitability to perform a controlled function. The FCA would expect a relevant authorised person to take a similar view in assessing whether staff being assessed under FIT, are fit and proper.

Part 2 Comes into force on 7 March 2017

The Fit and Proper test for Approved Persons and specified significant-harm functions

1 General

1.1 Application and purpose

1.1.1 FIT applies to:

... 

(4) an approved person; and

(5) a candidate;

(6) a certification employee performing an FCA specified significant-harm function; and

(7) a person whom a firm is proposing to certify to perform an FCA specified significant-harm function.

1.1.2 The purpose of FIT is to set out and describe the criteria that:

(1) a relevant authorised person should consider when:

... 

(b) assessing the continuing fitness and propriety of a person approved to perform the function of an FCA-approved SMF manager, including for formulating an opinion about whether
there are any grounds on which the regulator could withdraw the approval given to that individual to perform that function under section 63(2A) of the Act; and

(c) assessing the fitness and propriety of a person whom the firm is proposing to certify to perform an FCA specified significant-harm function; and

(d) assessing the continuing fitness and propriety of a person whom the firm has certified to perform an FCA specified significant-harm function; and

...

1.1.4 G Table: Situations to which FIT applies

<table>
<thead>
<tr>
<th>What FIT applies to</th>
<th>Does it apply to relevant authorised persons?</th>
<th>Does it apply to firms that are not relevant authorised persons?</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) A firm assessing the fitness and propriety of a person whom a firm is proposing to certify to perform an FCA specified significant-harm function</td>
<td>Yes</td>
<td>No</td>
<td>See the comment on row (2)</td>
</tr>
<tr>
<td>(6) A firm assessing the continuing fitness and propriety of a person whom a firm has certified to perform an FCA specified significant-harm function</td>
<td>Yes</td>
<td>No</td>
<td>See the comment on row (2)</td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1.2.1A G [Not used] Under section 63F of the Act, a relevant authorised person may issue a certificate to a person to perform a specified significant-harm function only if it is satisfied that the person is a fit and proper person to perform that function.
1.2.1B G Under sections 60A and 63F of the Act, in assessing whether a person is a fit and proper person to perform an FCA designated senior management function or an FCA specified significant-harm function, a relevant authorised person must have particular regard to whether that person:

...

2.2 Competence and capability

...

2.2.1A G In determining a person's competence and capability to perform an FCA designated senior management function or an FCA-specified significant-harm function, a relevant authorised person should have regard to all relevant matters including but not limited to:

...

2.2.2A G The FCA would expect a relevant authorised person determining the competence and capability of staff being assessed under FIT to consider convictions, dismissals and suspensions from employment for drug or alcohol abuses or other abusive acts only in relation to a person's continuing ability to perform the particular FCA designated senior management function or an FCA-specified significant-harm function for which the person is, or is to be, employed.
**Annex E**

**Amendments to the Supervision manual (SUP)**

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

**Part 1: Comes into force on 13 July 2015**

After SUP TP 5 insert the following new section. The text is all new and is not underlined.

**TP 6 Financial Services (Banking Reform) Act 2013: Approved persons**

<table>
<thead>
<tr>
<th></th>
<th>Purpose and application</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1.1</td>
<td>G</td>
</tr>
<tr>
<td>6.1.2</td>
<td>R</td>
</tr>
<tr>
<td>6.1.3</td>
<td>G</td>
</tr>
</tbody>
</table>

Grandfathering of approved persons: mapping of old functions onto new

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.1</td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td></td>
<td>(3)</td>
</tr>
</tbody>
</table>

[Note: article 2(2) of the Transitionals and Grandfathering Order]

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.2.2</td>
<td>G</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
</tr>
</tbody>
</table>
(3) An example of SUP TP 6.2.1R(3) is an approved person who plans to resign before the commencement date.

(4) If plans change, and the approved person in (3) plans to carry on performing the function, the firm should update the grandfathering notice.

(5) The electronic version of the notification form will include approved persons in SUP TP 6.2.1R(3). However, that does not mean that the firm has included them in its notification. The names are supplied by the system to help the firm reconcile its records with the regulators’ records and to help the firm check whether it has missed out someone it wants to include.

(6) If:

(a) SUP TP 6.2.1R applies to some of an approved person’s approvals or potential new designated senior management functions; but

(b) it does not apply to others; and

(c) as a result, some of the approved person’s existing functions are potentially grandfathered and some are not;

then the notification should:

(d) include the approved person; but

(e) exclude the approvals and potential new designated senior management functions in SUP TP 6.2.1R.

6.2.3 R (1) Each FCA-designated senior management function listed in column three of the table in SUP TP 6.2.7R is specified as equivalent to the pre-commencement controlled function in the first column of the same row of that table.

(2) Each PRA-designated senior management function listed in column two of the table in SUP TP 6.2.7R is specified as equivalent to any FCA pre-commencement controlled function in the first column of the same row of that table.

(3) Paragraph (2) is subject to the PRA Transitional Rules.

[Note: article 17 of the Transitionals and Grandfathering Order]

6.2.4 R If:

(1) the result of SUP TP 6.2.3R (together with the PRA Transitionals Rules and the Transitionals and Grandfathering Order) would be that an approved person is deemed to be approved to perform the other
overall responsibility function (SMF18) for a firm; and

(2) that approved person is deemed by the Transitionals and Grandfathering Order (together with SUP TP 6 and the PRA Transitionals Rules) to be approved to perform any other designated senior management function for the same firm;

then, for that approved person and that firm, the other overall responsibility function is not treated as equivalent to the pre-commencement controlled function to which it would otherwise have been equivalent under SUP TP 6.2.3R.

[Note: article 17 of the Transitionals and Grandfathering Order]

6.2.5 G The effect of SUP TP 6.2.4R is that a person will not be grandfathered with the new FCA ‘other overall responsibility function’ (SMF18) if they have any other grandfathered approval for the same firm.

6.2.6 R SUP TP 6.2.3R and SUP TP 6.2.4R also apply to applications for approval covered by Part 3 of the Transitionals and Grandfathering Order.

[Note: articles 11 and 17 of the Transitionals and Grandfathering Order]

6.2.7 R Table of functions for grandfathering

<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
<th>Column 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current controlled function</td>
<td>New PRA-designated senior management function</td>
<td>New FCA-designated senior management function</td>
</tr>
</tbody>
</table>

All firms apart from credit unions

The following PRA controlled functions:
- Director function (CF1)
- Partner function (CF4)
- Director of unincorporated association function (CF5)

The following PRA-designated senior management functions:
- Chief Finance function (SMF2)
- Chief Risk function (SMF4)
- Head of Internal Audit (SMF5)
- Head of Key Business Area (SMF6)
- Group Entity Senior Manager (SMF7)

Executive director function (SMF3)

The PRA’s non-executive director controlled

Group Entity Senior Manager (SMF7)

Chair of the nominations committee function
<table>
<thead>
<tr>
<th>function (CF2)</th>
<th>Chairman (SMF9)</th>
<th>(SMF13)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Chair of the Risk Committee (SMF10)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chair of the Audit Committee (SMF11)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chair of the Remuneration Committee (SMF12)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Senior independent director (SMF14)</td>
<td></td>
</tr>
<tr>
<td>The significant management function (CF29)</td>
<td>Head of Key Business Area (SMF6)</td>
<td>Other overall responsibility function (SMF18)</td>
</tr>
<tr>
<td></td>
<td>Group Entity Senior Manager (SMF7)</td>
<td></td>
</tr>
<tr>
<td>All firms to which the function in the first column applies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance oversight function (CF10)</td>
<td>None</td>
<td>Compliance oversight function (SMF16)</td>
</tr>
<tr>
<td>CASS operational oversight function (CF 10A)</td>
<td>None</td>
<td>Other overall responsibility function (SMF18)</td>
</tr>
<tr>
<td>Money laundering reporting function (CF11)</td>
<td>None</td>
<td>Money laundering reporting function (SMF17)</td>
</tr>
<tr>
<td>Credit unions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The PRA’s director controlled function (CF1)</td>
<td>Credit Union Senior Manager (SMF8)</td>
<td>Executive director function (SMF3)</td>
</tr>
<tr>
<td>The PRA’s non-executive director controlled function (CF2)</td>
<td>Credit Union Senior Manager (SMF8)</td>
<td>Chair of the nominations committee function (SMF13)</td>
</tr>
</tbody>
</table>

Note (1): All references to designated senior management functions in columns Two and Three are to FCA-designated senior management functions and PRA-designated senior management functions brought into force by the FCA’s Individual Accountability Instrument 2015 and the PRA Transitional Rules.

Note (2): This table does not apply to an approval under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives).

6.2.8 G (1) A firm should not make a grandfathering notification for an application for approval for a controlled function for which there is
no potential new designated senior management function.

(2) So for example a firm applying for approval for a controlled function under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives) should not include that application in a grandfathering notice. The FCA will consider that application outside the grandfathering arrangements in SUP TP 6.

Grandfathering of approved persons: forms

6.3.1 D (1) A firm, other than a credit union, must submit a document in column 1 of the table in SUP TP 6.3.3D in accordance with the corresponding requirement in column 3 of that table.

(2) A credit union must submit a document in column 1 of the table in SUP TP 6.3.3D in accordance with the corresponding requirement in column 4 of that table.

6.3.2 G If more than one method of submission is available to a credit union within the table in SUP TP 6.3.3D, the credit union can decide which one to use.

6.3.3 D Table: Grandfathering notifications

<table>
<thead>
<tr>
<th>Purpose of notification</th>
<th>Article of Transitionals and Grandfathering Order</th>
<th>Method of notification by firms other than credit unions</th>
<th>Method of notification by credit unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Notification of grandfathering</td>
<td>Article 2(1)</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP TP 6.3.6D</td>
</tr>
<tr>
<td>(2) Amendment to grandfathering notification in (1) to add a new approved person</td>
<td>Article 6(1)</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP TP 6.3.6D</td>
</tr>
<tr>
<td>(3) Any other amendment to grandfathering notification in (1)</td>
<td>Article 6(1)</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP TP 6.3.6D</td>
</tr>
<tr>
<td>(4) Notification of applications for approval</td>
<td>Article 11</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP TP 6.3.6D</td>
</tr>
<tr>
<td>(5) Amendment to grandfathering notification in (4)</td>
<td>Article 14</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP TP 6.3.6D</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td><strong>to add a new candidate</strong></td>
<td>(6) Any other amendment to grandfathering notification in (4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Article 14</td>
<td><strong>SUP 10C.15.11R</strong> or <strong>SUP TP 6.3.6D</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

(1) **SUP 10C.15.11R** does not apply if the electronic system referred to in that rule has not been made available yet by the **FCA** and the **PRA** – **SUP TP 6.3.6D** applies instead.

(2): A reference to **SUP 10C** is to the chapter of **SUP** as inserted by the **FCA’s Individual Accountability Instrument 2015**.

<table>
<thead>
<tr>
<th>6.3.4</th>
<th>D</th>
<th>(1) <strong>A firm</strong> making a notification under <strong>SUP TP 6.3.1D</strong> in accordance with <strong>SUP 10C.15.11R</strong> must use the version of the notification form made available on the electronic system referred to in <strong>SUP 10C.15.11R</strong>, based on the version in <strong>SUP TP 6.11.1D</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2)</td>
<td><strong>A firm</strong> making a notification under <strong>SUP TP 6.3.1D</strong> in accordance with <strong>SUP TP 6.3.6D</strong> must use the notification form in <strong>SUP TP 6.11.1D</strong>.</td>
<td></td>
</tr>
</tbody>
</table>

| 6.3.5 | D | A notification under row (1) (first grandfathering notification for **approved persons**) and row (4) (first grandfathering notification for **candidates**) of the table in **SUP TP 6.3.3D** should be made at the same time and on the same notification form. |

<table>
<thead>
<tr>
<th>6.3.6</th>
<th>D</th>
<th>(1) <strong>A firm</strong> making a notification under this paragraph (<strong>SUP TP 6.3.6D</strong>) must:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>send it to the <strong>PRA</strong>;</td>
<td></td>
</tr>
<tr>
<td>(b)</td>
<td>not use the electronic system referred to in <strong>SUP 10C.15.11R</strong>; and</td>
<td></td>
</tr>
<tr>
<td>(c)</td>
<td>subject to (b), submit it in the way required by chapter 7 of the part of the <strong>PRA’s Rulebook</strong> called “Notifications”.</td>
<td></td>
</tr>
<tr>
<td>(2)</td>
<td><strong>Paragraph (1)</strong> also applies when <strong>SUP 10C.15.11R(2)</strong> (unavailability of electronic submission) applies.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.3.7</th>
<th>G</th>
<th>(1) If a <strong>firm</strong> notifies an application for approval and that application is refused before the commencement date, the <strong>firm</strong> should update the notification under row (6) of the table in <strong>SUP TP 6.3.3D</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2)</td>
<td>There is no need to update if the application is granted.</td>
<td></td>
</tr>
</tbody>
</table>

<p>| 6.3.8 | G | If a <strong>firm</strong> gives a grandfathering notification for an <strong>approved person</strong> and that |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th>approved person leaves the firm or gives up performing some of their controlled functions, the firm should notify the appropriate regulator using Form C as well as under SUP TP 6.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Grandfathering of approved persons: statements of responsibilities</td>
</tr>
<tr>
<td>6.4.1</td>
<td>D</td>
<td>A notification under the table in SUP TP 6.3.3D must be accompanied by a statement of responsibilities for each approved person or candidate covered by the notification.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Grandfathering of approved persons: management responsibilities maps</td>
</tr>
<tr>
<td>6.5.1</td>
<td>D</td>
<td>A notification under rows (1) and (4) of the table in SUP TP 6.3.3D (first grandfathering notification for approved persons and candidates) must be accompanied by a management responsibilities map.</td>
</tr>
<tr>
<td>6.5.2</td>
<td>G</td>
<td>(1) If there has been a change relating to any information in a management responsibilities map, the firm should submit a revised version.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) This is the effect of articles 6 and 14 of the Transitionals and Grandfathering Order.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Statements of responsibilities and responsibilities maps: general requirements</td>
</tr>
<tr>
<td>6.6.1</td>
<td>D</td>
<td>The statements of responsibilities and the management responsibilities map covered by SUP TP 6 must be prepared as of the commencement date.</td>
</tr>
<tr>
<td>6.6.2</td>
<td>D</td>
<td>(1) A statement of responsibilities must comply with the requirements of SUP 10C.11 (Statements of responsibilities).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(2) However the version in SUP TP 6.11.1D applies instead of the version in SUP 10C Annex 5D.</td>
</tr>
<tr>
<td>6.6.3</td>
<td>G</td>
<td>A firm should not assume that the FCA has reviewed statements of responsibilities and the management responsibilities map for completeness, quality or accuracy. It is the firm’s responsibility to ensure that they have been prepared in accordance with the FCA’s rules and the Act.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Criminal record checks for approved persons</td>
</tr>
<tr>
<td>6.7.1</td>
<td>R</td>
<td>SUP 10C.10.16R (Criminal record checks) applies to any application for approval continued in effect by the Transitionals and Grandfathering Order after the commencement date.</td>
</tr>
<tr>
<td>6.7.2</td>
<td>G</td>
<td>Except for SUP TP 6.7.1R, SUP 10C.10.16R (Criminal record checks) does not apply to any application for approval made before the commencement date.</td>
</tr>
<tr>
<td>6.7.3</td>
<td>G</td>
<td>SUP 10C.10.16R (Criminal record checks) will apply to any application for approval made under SUP TP 6.8.1D.</td>
</tr>
</tbody>
</table>
### Applications of approved persons to take effect from the commencement date

<table>
<thead>
<tr>
<th>Rule</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.8.1 D</td>
<td>(1)</td>
<td>A <em>firm</em> may apply for the FCA's approval under section 59 of the Act (Approval for particular arrangements) for the performance of an FCA-designated senior management function which comes into force on the commencement date.</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
<td>Any application must be made between 1 January 2016 and the day before the commencement date.</td>
</tr>
<tr>
<td></td>
<td>(3)</td>
<td>Any such application is made on the basis that it is treated as being made on the commencement date.</td>
</tr>
<tr>
<td></td>
<td>(4)</td>
<td>The application must be made using the version of Form A or Form E applicable from the commencement date and (subject to (5)) in accordance with the other requirements to be in effect on that date.</td>
</tr>
<tr>
<td></td>
<td>(5)</td>
<td>The application must be made in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).</td>
</tr>
<tr>
<td>6.8.2 G</td>
<td></td>
<td>The Transitionals and Grandfathering Order will not apply to an application under SUP TP 6.8.1D.</td>
</tr>
<tr>
<td>6.8.3 G</td>
<td></td>
<td><em>A firm</em> does not have to make an application under SUP TP 6.8.1D. It can make an application before the commencement date under the rules and directions in force at the time of the application. The Transitionals and Grandfathering Order will apply to such applications.</td>
</tr>
</tbody>
</table>

### Application of ongoing requirements to documents submitted as part of grandfathering

<table>
<thead>
<tr>
<th>Rule</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.9.1 R</td>
<td>(1)</td>
<td>The requirements of the Handbook apply to approvals that are continued in force by the Transitionals and Grandfathering Order, as they do to approvals granted after the commencement date.</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
<td>The requirements of the Handbook apply to an application for approval that is grandfathered under the Transitionals and Grandfathering Order and has not been finally determined before the commencement date, as they do to applications made after the commencement date.</td>
</tr>
<tr>
<td></td>
<td>(3)</td>
<td>This paragraph is subject to the other provisions of SUP TP 6.</td>
</tr>
<tr>
<td>6.9.2 D</td>
<td></td>
<td>SUP TP 6.9.1R applies to directions in SUP 10C in the same way as it does to the other requirements of that chapter.</td>
</tr>
<tr>
<td>6.9.3 G</td>
<td></td>
<td>The table in SUP TP 6.9.4G gives examples of how various provisions of SUP 10C and other parts of the Handbook apply in the light of:</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>the Transitionals and Grandfathering Order; and</td>
</tr>
</tbody>
</table>

---

Page 96 of 332
6.9.4 G Table: Examples of how ongoing requirements apply to grandfathered approvals

<table>
<thead>
<tr>
<th>Requirement in SUP 10C</th>
<th>Summary of the requirement in column (1)</th>
<th>How SUP 10C applies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revised statements of responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.11.7D</strong> Submission of revised statement of responsibilities</td>
<td>Article 8 of the Transitionals and Grandfathering Order says that the requirements in the Act about revised statements of responsibilities apply to approvals continued under the Order. Article 15 of the Order says the same about statements of responsibilities submitted as part of a notice about applications for approvals that are to be grandfathered under the Order. The SUP 10C requirements about revised statement of responsibilities apply.</td>
<td></td>
</tr>
<tr>
<td>Varying an approval</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.11.10D</strong> Statements of responsibilities</td>
<td>Article 7 of the Transitionals and Grandfathering Order says that the requirements in the Act about variation of approvals at the request of the firm apply to approvals continued under the Order. The power of the FCA to vary an approval on its initiative applies to approvals continued under the Order. The parts of SUP 10C that deal with variation of approvals apply, including the requirements for applications by the firm to vary approvals.</td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.13</strong> Other material about variations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single statement of responsibilities document</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.11.13D</strong> One statement of responsibilities document for each SMF manager for each firm</td>
<td>Applies to statements of responsibilities for approvals grandfathered under the Transitionals and Grandfathering Order</td>
<td></td>
</tr>
<tr>
<td>Section</td>
<td>Description</td>
<td>Notes</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>responsibilities covering approvals continued in force by the Transitionals and Grandfathering Order</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complete set of statements of responsibilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.11.20R</strong></td>
<td>Complete set of current statements of responsibilities</td>
<td>Takes into account statements of responsibilities submitted under the Transitionals and Grandfathering Order</td>
</tr>
<tr>
<td><strong>Ceasing to carry on functions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.11.12R</strong></td>
<td>Statements of responsibilities to be included in notification</td>
<td>Applies to ceasing to carry on a function continued in force by the Transitionals and Grandfathering Order</td>
</tr>
<tr>
<td><strong>SUP 10C.14.5R</strong></td>
<td>Notification of ceasing to perform the function</td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.7R</strong></td>
<td>Qualified Form C</td>
<td></td>
</tr>
<tr>
<td><strong>Form D</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.13R</strong></td>
<td>Changes to details</td>
<td>Applies to notification relating to fitness of an FCA-approved SMF manager whose approval is continued in force by the Transitionals and Grandfathering Order. The Form D requirements also apply to a candidate whose application is continued in force by the Order. Before the commencement date, the existing requirements of <strong>SUP 10A</strong> apply to changes in a candidate’s fitness.</td>
</tr>
<tr>
<td><strong>SUP 10C.14.15R</strong></td>
<td>Changes to arrangements</td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.18R</strong></td>
<td>Fitness</td>
<td></td>
</tr>
<tr>
<td><strong>Notifications under the Act</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.22R</strong></td>
<td>Notifications under the Act</td>
<td>Applies to notification about an FCA-approved SMF manager whose approval is continued in force by the Transitionals and Grandfathering Order</td>
</tr>
<tr>
<td><strong>PRA</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.28R</strong></td>
<td>PRA-approved SMF manager</td>
<td>Applies to notification about an SMF manager whose approval is continued in force by the Transitionals and Grandfathering Order</td>
</tr>
</tbody>
</table>
General

<table>
<thead>
<tr>
<th>Requirements referring to a <em>current approved person approval</em> (whether from the FCA or the PRA)</th>
<th>Includes an approval that is continued in force by the Transitionals and Grandfathering Order</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements referring to a <em>current approved person approval</em> held within the last six months</td>
<td>Applies to an approval that ceased to have effect under the Transitionals and Grandfathering Order within the last six months. Applies to an approval given up within the last six months even though the <em>controlled function</em> ceases to exist after the commencement date</td>
</tr>
</tbody>
</table>

6.10.1 Terms used in *SUP TP 6*

6.10.1 R The terms in the first column of the table in *SUP TP 6.10.2R* have the meaning in the corresponding row of column 2.

6.10.2 R Table: glossary of bespoke terms used in *SUP TP 6*

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>commencement date</td>
<td>(in accordance with the Financial Services (Banking Reform) Act 2013 (Commencement No. 9) Order 2015 (SI 2015/490)) 7 March 2016</td>
</tr>
<tr>
<td>designated senior management function</td>
<td>has the meaning in the new <em>Glossary</em></td>
</tr>
<tr>
<td>FCA-approved SMF manager</td>
<td>has the meaning in the new <em>Glossary</em></td>
</tr>
<tr>
<td>grandfathering notice</td>
<td>a notice described in the table in <em>SUP TP 6.3.3D</em> (including any revised notice)</td>
</tr>
<tr>
<td>management responsibilities map</td>
<td>has the meaning in the new <em>Glossary</em></td>
</tr>
<tr>
<td>potential grandfathered function</td>
<td>(in relation to an <em>approved person</em> and <em>firm</em> at a particular date) a pre-commencement controlled function:</td>
</tr>
<tr>
<td>(1)</td>
<td>for which that <em>person</em> has approval for the <em>firm</em>;</td>
</tr>
<tr>
<td>(2)</td>
<td>for which there is an equivalent designated senior management function for the purposes</td>
</tr>
</tbody>
</table>
of the Transitionals and Grandfathering Order; and

(3) that therefore, potentially qualifies for grandfathering under the Transitionals and Grandfathering Order (together with SUP TP 6.2 and the PRA Transitional Rules) for that firm, as long as the other conditions in the Transitionals and Grandfathering Order are met

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>potential new designated senior management function</td>
<td>(in relation to an approved person and firm) the new designated senior management function that is deemed to apply after the commencement date under the Transitionals and Grandfathering Order and is referred to in paragraph (2) of the definition of potential grandfathered function</td>
</tr>
<tr>
<td>PRA-approved SMF manager</td>
<td>has the meaning in the new Glossary</td>
</tr>
<tr>
<td>PRA-designated senior management function</td>
<td>has the meaning in the new Glossary</td>
</tr>
<tr>
<td>PRA Transitional Rules</td>
<td>The part of the PRA Rulebook called Senior Managers Regime – Transitionals</td>
</tr>
<tr>
<td>pre-commencement controlled function</td>
<td>(as at any time before the commencement date) an FCA controlled function or a PRA controlled function in force at that time</td>
</tr>
<tr>
<td>SMF manager</td>
<td>has the meaning in the new Glossary</td>
</tr>
<tr>
<td>statement of responsibilities</td>
<td>has the meaning in the new Glossary</td>
</tr>
<tr>
<td>SUP 10C (and any reference to a particular provision of SUP 10C)</td>
<td>chapter 10C of SUP as inserted by the FCA’s Individual Accountability Instrument 2015</td>
</tr>
<tr>
<td>Transitionals and Grandfathering Order</td>
<td>the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015 (SI 2015/492)</td>
</tr>
</tbody>
</table>

Note: A reference in column 2 to the meaning in the new Glossary is to the meaning in the Glossary as inserted by the FCA’s Individual Accountability Instrument 2015.
6.11.1 D Form K: Grandfathering notification
Application number
(for FCA/PRA use only)

Grandfathering Notification Form (Form K)

Date: 13 July 2015

Name of firm

Firm Reference Number (FRN)
### Contact Details

Contact for this notification

<table>
<thead>
<tr>
<th>Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Name</td>
<td></td>
</tr>
<tr>
<td>Surname</td>
<td></td>
</tr>
<tr>
<td>Job Title</td>
<td></td>
</tr>
<tr>
<td>Business address</td>
<td></td>
</tr>
<tr>
<td>Post code</td>
<td></td>
</tr>
<tr>
<td>Phone number (including STD code)</td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
</tr>
<tr>
<td>Mobile No</td>
<td></td>
</tr>
<tr>
<td>Fax No.</td>
<td></td>
</tr>
</tbody>
</table>
2.01 Provide details of each approved person who will perform a senior management function following the commencement date in accordance with the HM Treasury Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order, section SUP TP 6 of the FCA Handbook, and the Senior Managers Regime- Transitional Provisions Part of the PRA Rulebook, and provide details of which senior management functions are to be carried out by each such approved person. If this is an update to a previous grandfathering notification please complete section 3.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.02 If you have submitted any applications for approval of individuals to perform one or more significant influence functions that are currently subject to determination by the FCA and/or PRA, and any of these individuals will perform a senior management function following commencement date in accordance with the HM Treasury Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order, section SUP TP 6 of the FCA Handbook, and the Senior Managers Regime – Transitional Provisions Part of the PRA Rulebook, provide details below of which senior management functions are to be carried out by each such approved person.

<table>
<thead>
<tr>
<th>IRN [or application ref]</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlled Function applied for</td>
<td>Proposed Senior Management Function(s)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IRN [or application ref]</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlled Function applied for</td>
<td>Proposed Senior Management Function(s)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IRN [or application ref]</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controlled Function applied for</td>
<td>Proposed Senior Management Function(s)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.03 If there are one or more individuals currently approved to perform significant influence function CF2 who will remain at the firm in the capacity of a non-executive director following commencement date, and such individuals are not listed above in section 2.01, please list them below.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.04 If you have submitted any applications for approval of individuals to significant influence function CF2 under the approved persons regime that are currently subject to determination by the FCA and/or PRA, who will remain at the firm in the capacity of a non-executive director following commencement date, and such individuals are not listed above in section 2.02, please list them below.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.00 If you need to update or correct a previous grandfathering notification, please provide details of these amendments below.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Details of change and reasons for such change.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Details of change and reasons for such change.
Statements of Responsibilities and Management Responsibilities
Map Section 4

4.00 Please attach a Statement of Responsibilities for each individual identified in this form as being grandfathered to perform one or more senior management functions. Please also attach the Firm’s Management Responsibilities Map

4.01 How many additional sheets are being submitted?
Declarations and signatures

Section 5

Declaration

In this declaration, the firm making the notification in relation to each individual is referred to as the “applicant”. The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for grandfathering to a senior management function to cause the information contained in this Form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the FCA’s Code of Conduct (COCON) and/or the PRA Conduct Rules (as applicable).

It is a criminal offence, knowingly or recklessly, to give the FCA and/or PRA information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000).

The applicant must notify the FCA and/or PRA immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

For the purpose of complying with the Data Protection Act 1998, the personal data provided in this Form will be used by the FCA and PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of his/her knowledge, and that each Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant individual will be responsible for managing in performing his/her proposed senior management functions.

Name of the applicant

Name of person signing on behalf of the applicant

Position

Signature

Date
Statement of responsibilities to be included with Form K

Application number or IRN
(for FCA/PRA use only)

Senior Management Regime:
Statement of Responsibilities at grandfathering

This form applies to UK relevant authorised persons. It does not apply to incoming EEA relevant authorised persons, third country relevant authorised persons, or appointed representatives of any relevant authorised person.

A statement provided under the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order.

This form must be submitted as an attachment to a Form K grandfathering notification form.

FCA Handbook Reference: SUP TP6

Date 13 July 2015

Name of individual (to be completed by firm)

Name of firm (as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website http://www.fca.org.uk

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7
Long Form A – Incoming EEA
Application to perform controlled functions under the approved persons regime
Version June 2015
### Personal identifications details  
**Section 1**

1. **01** Individual Reference Number (IRN)†

1. **02** Title
   (e.g. Mr, Mrs, Ms, etc)†

1. **03** Surname†

1. **04** ALL forenames†

1. **05** Date of birth†

1. **06** National Insurance number†

### Firm identification details  
**Section 2**

2. **01** Name of firm

2. **02** Firm Reference Number (FRN)

2. **03** a Who should the FCA/PRA contact at the firm in relation to this statement of responsibilities?

   b Position

   c Telephone

   d Fax

   e E-mail

> I have supplied further information related to this page in Section 4

YES [ ]  NO [ ]

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Long Form A – Incoming EEA**

Application to perform controlled functions under the approved persons regime

**Version June 2015**
Senior Management Functions  

Section 3

A statement of responsibilities should be drafted to clearly show the responsibilities that the candidate or senior manager is to perform as part of their controlled function and how they fit in with the firm’s overall governance and management arrangements. A statement of responsibilities should also be consistent with the firm’s management responsibilities map.

A statement of responsibilities should be drafted in such a way as to be practical and useable by regulators. The FCA and the PRA consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the PRA and FCA would not usually expect the description of each responsibility to exceed 300 words.

A statement of responsibilities must be a self-contained document. There should be one statement per senior manager per firm. Where an individual performs a senior management function on behalf of more than one firm within a group, one statement of responsibilities is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a single attachment). A statement of responsibilities must not cross refer to other documents, attachments or links.

(SUP10C.11)

If the appropriate regulator considers that the statement of responsibilities is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate’s application for approval, or in ongoing supervision.

Details of the individual’s responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers prescribed responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, and management functions of the firm.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their FCA and/or PRA senior management function(s) role.

3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this statement of responsibilities: 

Please note that where this is a revised statement of responsibilities, i.e. since the granting of the application, there has been a significant change in the aspects of the firm’s affairs which the individual is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior management function), then this statement of responsibilities supersedes any previous versions.

3.1.2 List all senior management functions which the approved person is to perform and the effective date the person commenced or will commence the performance of the functions.

<table>
<thead>
<tr>
<th>SMF</th>
<th>Description</th>
<th>Tick SMF applied for or held</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF1</td>
<td>Chief Executive function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF2</td>
<td>Chief Finance function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF</td>
<td>Description</td>
<td>Tick SMF applied for or held</td>
<td>Effective Date</td>
</tr>
<tr>
<td>------</td>
<td>-------------------------------------------------------</td>
<td>------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>SMF3</td>
<td>Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF4</td>
<td>Chief Risk function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF6</td>
<td>Head of Key Business Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF7</td>
<td>Group Entity Senior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF8</td>
<td>Credit Union SMF (small Credit Unions only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF9</td>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nominations Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other Overall Responsibility function</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

This statement of responsibilities is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.
3.2 Prescribed Responsibilities

This section deals with those responsibilities to be allocated to one or more senior managers. The allocation of responsibilities under a statement of responsibilities should not reduce or alter the scope of any applicable prescribed requirements.

If the responsibilities that the candidate or senior manager is to carry out as described in the statement of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(FCA SUP 10C.11/PRA: Allocation of Responsibilities)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.
<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to all firms)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Responsibility for the firm's performance of its obligations under the senior management regime</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>b</td>
<td>Responsibility for the firm's performance of its obligations under the employee certification regime</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>c</td>
<td>Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>d</td>
<td>Overall responsibility for the firm's policies and procedures for countering the risk that the firm might be used to further financial crime</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>e</td>
<td>Responsibility for the allocation of all prescribed responsibilities</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to all firms except small firms)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>f</td>
<td>Responsibility for: (a) leading the development of; and (b) monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the firm's governing body.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>g</td>
<td>Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing designated senior management functions on behalf of the firm other than members of the governing body.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>h</td>
<td>Responsibility for overseeing the adoption of the firm's culture in the day-to-day management of the firm.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>i</td>
<td>Responsibility for leading the development of the firm's culture by the governing body as a whole.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Ref</td>
<td>Prescribed Responsibility (Applicable to all firms except small firms)</td>
<td>Does this prescribed responsibility apply?</td>
<td>Is this prescribed responsibility shared?</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------</td>
<td>-------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
</tbody>
</table>
| j   | Responsibility for:  
(a) safeguarding the independence of; and  
(b) oversight of the performance of:  
the internal audit function in accordance with SYSC 6.2 (Internal Audit) | Yes / No | Yes / No |
| k   | Responsibility for:  
(a) safeguarding the independence of; and  
(b) oversight of the performance of:  
the compliance function in accordance with SYSC 6.1 (Compliance) | Yes / No | Yes / No |
| l   | Responsibility for:  
(a) safeguarding the independence of; and  
(b) oversight of the performance of:  
the risk function in accordance with SYSC 7.1.21R and SYSC7.1.22R (Risk control) | Yes / No | Yes / No |
| m   | Responsibility for overseeing the development of, and implementation of the firm’s  
remuneration policies and practices in accordance with SYSC 19D (Remuneration Code) | Yes / No | Yes / No |
| n   | Responsibility for the independence, autonomy and effectiveness of the firm’s policies and  
procedures on whistleblowing, including the procedures for protection of staff who raise  
concerns from detrimental treatment | Yes / No | Yes / No |
| o   | Management of the allocation and maintenance of capital, funding and liquidity | Yes / No | Yes / No |
| p   | The firm’s treasury management functions | Yes / No | Yes / No |
| q   | The production and integrity of the firm’s financial information and its regulatory reporting in  
respect of its regulated activities | Yes / No | Yes / No |
| r   | The firm’s recovery plan and resolution pack and overseeing the internal processes  
regarding their governance | Yes / No | Yes / No |
| s   | Responsibility for managing the firm’s internal stress-tests and ensuring the accuracy and  
timeliness of information provided to the PRA and other regulatory bodies for the purposes of  
stress-testing; | Yes / No | Yes / No |
<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to all firms except small firms)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>t</td>
<td>Responsibility for the development and maintenance of the firm’s business model by the governing body;</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>u</td>
<td>Responsibility for the firm’s performance of its obligations under <em>Fitness and Propriety</em> (in the PRA Rulebook) in respect of its notified non-executive directors</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to specific types of firm)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>v</td>
<td>If the firm carries out proprietary trading, responsibility for the firm’s proprietary trading activities;</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>w</td>
<td>If the firm does not have an individual performing the Chief Risk function, overseeing and demonstrating that the risk management policies and procedures which the firm has adopted in accordance with SYSC 7.1.2 R to SYSC 7.1.5 R satisfy the requirements of those rules and are consistently effective in accordance with SYSC 4.1.1R.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>x</td>
<td>If the firm outsources its internal audit function taking reasonable steps to ensure that every person involved in the performance of the service is independent from the persons who perform external audit, including (a) Supervision and management of the work of outsourced internal auditors and (b) Management of potential conflicts of interest between the provision of external audit and internal audit services</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>y</td>
<td>If the firm is a ring-fenced body, responsibility for ensuring that those aspects of the firm’s affairs for which a person is responsible for managing are in compliance with the ring-fencing requirements.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>z</td>
<td>Overall responsibility for the firm’s compliance with CASS</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Ref</td>
<td>Prescribed Responsibility (Applicable to small firms only(^2))</td>
<td>Does this prescribed responsibility apply?</td>
<td>Is this prescribed responsibility shared?</td>
</tr>
<tr>
<td>-----</td>
<td>-------------------------------------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td>aa</td>
<td>Responsibility for implementing and management of the firm’s risk management policies and procedures</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>bb</td>
<td>Responsibility for managing the systems and controls of the firm</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>cc</td>
<td>Responsibility for managing the firm’s financial resources.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>dd</td>
<td>Responsibility for ensuring the governing body is informed of its legal and regulatory obligations</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

\(^2\) Small firms are firms with gross total assets of £250 million or less (determined on the basis of the annual average amount calculated across a rolling period of 5 years (calculated by reference to the firm’s annual accounting date)).
3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and

- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility</th>
<th>Further Relevant Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

➡️ I have supplied further information related to this page in Section 4

YES ☐ NO ☐
3.3 Overall Responsibility
This section deals with having overall responsibility for any of the business areas, activities, or management functions of the firm.

By overall responsibility we mean the ultimate responsibility (under the governing body) for managing or supervising that function, and primary and direct responsibility for briefing and reporting to the governing body about that function and putting matters for decision about that function to the governing body of the firm.

(SYSC 4.7)

3.3.1 If the individual has overall responsibility for any or part of the business areas, activities, or management functions of a firm, please provide details of each in the table below. Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the individual does not have overall responsibility for a business area, activity or management function of the firm, please go to section 3.4

A firm may wish to refer to SYSC 4 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate overall responsibility for a particular activity of the firm. Please note that the FCA does not require firms to organise themselves by the functions in SYSC 4 Annex 1G, and that the Annex is not comprehensive. It is important that a firm does not fail to allocate overall responsibility for business areas, activities and management functions, in line with SYSC 4.7.8R.
<table>
<thead>
<tr>
<th>Please provide a title for this overall responsibility</th>
<th>Please provide further details of this overall responsibility.</th>
<th>Is this overall responsibility shared? If ‘Yes’ please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

➡️  I have supplied further information related to this page in Section 4  YES ☐ NO ☐
3.4 Other Responsibilities

3.4.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their FCA and/or PRA controlled function(s) role. For example, responsibilities outside the normal course of business such as those linked to high profile projects or initiatives.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.
<table>
<thead>
<tr>
<th>Please provide a title for this other responsibility</th>
<th>Please provide further details of this other responsibility</th>
<th>Is this other responsibility shared? If ‘Yes’ please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4  

YES [ ]  NO [ ]
**Supplementary Information**

Section 4

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?  
If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</table>

4.2 How many additional sheets are being submitted?
### The main business activities and functions of a relevant authorised person

**Business areas and management functions**

<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| (1) Payment services                   | This means:  
  (1) payment services;  
  (2) issuing and administering other means of payment (for example, cheques and bankers' drafts);  
  (3) issuing electronic money; and  
  (4) current accounts. |
| (2) Settlement                         | This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9). It also includes clearing and settlement of any transactions described in row (10). |
| (3) Investment management              | This has the same meaning as managing investments with the following adjustments:  
  (a) it covers all types of assets; and  
  (b) the exclusions in the Regulated Activities Order do not apply. It also covers fund management. |
| (4) Financial or investment advice      | This includes advising on investments. |
| (5) Mortgage advice                    | This has the same meaning as advising on regulated mortgage contracts but is expanded to cover land anywhere in the world and to cover security of any kind over land. |
| (6) Corporate investments              | This means acquiring, holding, managing and disposing a firm’s investments made for its own account. |
| (7) Wholesale sales                    | This means the selling of any investment to a person other than a retail customer. It does not include the activities in (1). |
| (8) Retail sales                       | This means the selling of any investment to a retail customer. It includes savings accounts. It does not include the activities in (1). |
| (9) Trading for clients                | This means dealing in investments as agent and execution of orders on behalf of clients but the list of products includes money market instruments and foreign exchange. |
| (10) Market making                     | This has the same meaning as it does in MIFID (see the definition of market maker in article 4.1(8)). |
| (11) Investment research               | Origination and syndication include:  
  (1) entering into or acquiring (directly or indirectly) any commitment or investment with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;  
  (2) sub-participation; and  
  (3) any transaction described in the Glossary. |
<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>definition of originator. Underwriting includes underwriting that is not on a firm commitment basis. A commitment or investment includes an economic interest in some or all of it. This activity also includes the provision of services relating to such transactions.</td>
<td></td>
</tr>
<tr>
<td>(13) Retail lending decisions</td>
<td>Deciding whether, and on what terms, to lend to retail customers. Lending includes granting credit, leasing and hire (including finance leasing).</td>
</tr>
<tr>
<td>(14) Wholesale lending decisions</td>
<td>Deciding whether, and on what terms, to lend to persons who are not retail customers. Lending includes granting credit, leasing and hire (including finance leasing).</td>
</tr>
<tr>
<td>(15) Design and manufacturing of products intended for wholesale customers</td>
<td>Wholesale customers mean persons who are not retail customers</td>
</tr>
<tr>
<td>(16) Design and manufacture of products intended for retail customers</td>
<td></td>
</tr>
<tr>
<td>(17) Production and distribution of marketing materials and communications</td>
<td>This includes financial promotions</td>
</tr>
<tr>
<td>(18) Customer service</td>
<td>This means dealing with clients after the point of sale, including queries and fulfilment of client requests</td>
</tr>
<tr>
<td>(19) Customer complaints handling</td>
<td>This includes the firm’s compliance with DISP. It also includes: (1) any similar procedures relating to activities that do not come under the jurisdiction of the Financial Ombudsman Service; (2) activities that take place outside the UK; and (3) activities that are not subject to any ombudsman service.</td>
</tr>
<tr>
<td>(20) Collection and recovering amounts owed to a firm by its customers Dealing with customers in arrears</td>
<td>“Customer” means any person falling into any of the definitions of client in the Glossary so far as they apply to the FCA’s Handbook. The definition is extended to cover all services provided by the firm and not just those that are provided in the course of carrying on a regulated activity or an ancillary service.</td>
</tr>
<tr>
<td>(21) Middle office</td>
<td>This means risk management and controls in relation to, and accounting for, transactions in securities or derivatives</td>
</tr>
<tr>
<td>(22) The firm’s information technology</td>
<td></td>
</tr>
<tr>
<td>(23) Business continuity planning</td>
<td>This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R</td>
</tr>
<tr>
<td>(24) Human resources</td>
<td>This includes recruitment, training and competence and performance monitoring</td>
</tr>
<tr>
<td>(25) Incentive schemes for the firm’s staff</td>
<td>This is not limited to schemes based on sales.</td>
</tr>
<tr>
<td>(26) Providing information in relation to a specified benchmark</td>
<td></td>
</tr>
<tr>
<td>(27) Administering a specified</td>
<td></td>
</tr>
</tbody>
</table>
### Business areas and management functions

#### Explanation

**benchmark**

Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for relevant authorised persons) and SYSC 4.7.37G.

Note (2): A **firm** does not have to use the split of activities in this annex for the purposes in Note (1). If a **firm** does decide to use it, it may adapt it to suit its management arrangements better. For example, a **firm** may find the split of activities into *retail* and wholesale activities unsuitable. If so, the **firm** might:

(a) treat *retail* and wholesale activities together; or
(b) use its own definition of retail and wholesale activities.
Declarations and signatures

Declaration of candidate/approved person

The candidate/approved person confirms that this Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the candidate/approved person will be responsible for managing. The candidate/approved person confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

This is given as at the commencement date or, for candidates, the date of approval if later.

<table>
<thead>
<tr>
<th>Name of candidate/approved person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature³</td>
</tr>
<tr>
<td>Date⁴</td>
</tr>
</tbody>
</table>

³ The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.
⁴ The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Long Form A – Incoming EEA
Application to perform controlled functions under the approved persons regime
Version June 2015
Part 2: Comes into force on 7 March 2016

The forms in the following annexes are deleted and are replaced with the text shown on the following pages. The deleted text is not shown and the new text is not shown underlined.

…

10A  Form B: Notice to withdraw an application to perform controlled functions
Annex  (including senior management functions)
5R
Application number
(for FCA/PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA and PRA website at http://fshandbook.info/FS/html/FCA/SUP/10A/Annex5
www.bankofengland.co.uk/PRA
Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form B

Notice to withdraw an application to perform controlled functions (including senior management functions)

This form is also to be used for notice to withdraw an application to vary a conditional approval

FCA Handbook Reference: SUP 10A Annex 5R
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications/Notifications
7 March 2016

Name of candidate/approved person (as applicable)
(to be completed by applicant)

Name of firm (as entered in 2.01)
## Personal Identification Details

<table>
<thead>
<tr>
<th>Section 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.01</strong> Candidate/Approved Person Individual Reference Number (IRN)</td>
</tr>
<tr>
<td><strong>1.02</strong> Title (e.g. Mr, Mrs, Ms, etc)</td>
</tr>
<tr>
<td><strong>1.03</strong> Surname</td>
</tr>
<tr>
<td><strong>1.04</strong> ALL forenames</td>
</tr>
<tr>
<td><strong>1.05</strong> Date of birth /* /</td>
</tr>
<tr>
<td><strong>1.06</strong> National Insurance number</td>
</tr>
<tr>
<td><strong>1.07</strong> Candidate’s private address</td>
</tr>
</tbody>
</table>

→ I have supplied further information related to this page in Section 4

YES ☐ NO ☐
## Firm Identification Details

### Section 2

#### 2.01 Name of firm

#### 2.02 Firm Reference Number (FRN)

#### 2.03 a Who should the FCA/PRA contact at the firm in relation to this notice?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>b</td>
<td>Position</td>
</tr>
<tr>
<td>c</td>
<td>Telephone</td>
</tr>
<tr>
<td>d</td>
<td>Fax</td>
</tr>
<tr>
<td>e</td>
<td>E-mail</td>
</tr>
</tbody>
</table>

#### 2.04 Firms included on application Form (including applicant firm)

<table>
<thead>
<tr>
<th>FRN†</th>
<th>Name of firm‡</th>
<th>Controlled function or Senior Management Function‡</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

If this is notice to withdraw an application to perform controlled functions (including senior management functions) please complete sections 3, 5, and 6.

If this is notice to withdraw an application to vary a conditional approval for the performance of a senior management function, please complete sections 4, 5 and 6

† The above question(s) appears on an electronic form submission and a paper form submission
### Reason for Withdrawal

**Section 3**

#### 3.01

Indicate the reason for withdrawal of application to perform controlled functions including senior management functions.

<table>
<thead>
<tr>
<th></th>
<th>Reason</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Internal movement of staff</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Termination of employment or contract</td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Resignation</td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Redundancy</td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Withdrawal of offer of employment</td>
<td></td>
</tr>
<tr>
<td>f</td>
<td>End of contract</td>
<td></td>
</tr>
<tr>
<td>g</td>
<td>Suspension</td>
<td></td>
</tr>
<tr>
<td>h</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

**GIVE DETAILS IN SECTION 5**

---

I have supplied further information related to this page in Section 5

[ ] YES  [ ] NO
4.01 Only complete this section if this is notice to withdraw an application to vary a conditional approval for the performance of a senior management function.

Indicate the reason(s) for withdrawal of an application to vary a conditional approval for the performance of a senior management function (including reference number of prior application).

I have supplied further information related to this page in Section 5  ✔  NO  ☐
5.01 Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly which question supplementary information relates to.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5.02 How many additional sheets are being submitted?
Declarations

**DECLARATION OF CANDIDATE/APPROVED PERSON**

Knowingly or recklessly giving the FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

<table>
<thead>
<tr>
<th>6.01</th>
<th>Candidate/approved person's full name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.02</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>/ /</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>6.03</th>
<th>Name of appointed representative or other firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.04</th>
<th>Name of person signing on behalf of the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.05</th>
<th>Job title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>6.06</th>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>/ /</th>
</tr>
</thead>
</table>
DECLARATION BY FIRM

Knowingly or recklessly giving the FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R (FCA) and Applications and Notifications for PRA Senior Management Functions in the PRA Rulebook (PRA) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and/or PRA and to notify the FCA and/or PRA immediately if materially inaccurate information has been provided. In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the appropriate regulator matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals. It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

<table>
<thead>
<tr>
<th>6.07</th>
<th>Name of firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.08</td>
<td>Name of person signing on behalf of the firm</td>
</tr>
<tr>
<td>6.09</td>
<td>Job title</td>
</tr>
<tr>
<td>6.10</td>
<td>Signature</td>
</tr>
<tr>
<td></td>
<td>Date / /</td>
</tr>
</tbody>
</table>
10A Annex 6R  
Form C: Notice of ceasing to perform controlled functions (including senior management functions)
The FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the FCA and PRA website at http://fshandbook.info/FS/html/FCA/SUP/10A/Annex6
www.bankofengland.co.uk/PRA
Both the applicant and the approved person will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form C
Notice of ceasing to perform controlled functions (including senior management functions)
PRA Rulebook Reference: Senior Managers Regime - Applications and/or Notifications
7 March 2016

Name of approved person†

Name of firm†
### Personal identification details

<table>
<thead>
<tr>
<th>Section 1</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Individual Reference Number (IRN) †</td>
<td></td>
</tr>
<tr>
<td>1.02</td>
<td>Title†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(e.g. Mr, Mrs, Ms, etc)</td>
<td></td>
</tr>
<tr>
<td>1.03</td>
<td>Surname†</td>
<td></td>
</tr>
<tr>
<td>1.04</td>
<td>ALL forenames†</td>
<td></td>
</tr>
<tr>
<td>1.05</td>
<td>Date of birth†</td>
<td>/ /</td>
</tr>
<tr>
<td>1.06</td>
<td>National Insurance number†</td>
<td></td>
</tr>
<tr>
<td>1.07</td>
<td>Approved person’s private address†</td>
<td></td>
</tr>
</tbody>
</table>

### Firm identification detail

<table>
<thead>
<tr>
<th>Section 2</th>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Name of firm *</td>
<td></td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN) *</td>
<td></td>
</tr>
<tr>
<td>2.03 a</td>
<td>Who should the FCA/PRA contact at the firm in relation to this notice?†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Business address†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Position†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telephone†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mobile†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fax†</td>
<td></td>
</tr>
<tr>
<td></td>
<td>E-mail†</td>
<td></td>
</tr>
</tbody>
</table>

† The above question(s) appears on an electronic form submission and a paper form submission
List all controlled functions (other than senior management functions) which the approved person is ceasing to perform. The effective date is the date the person will cease to perform the functions. If the person is ceasing to perform a senior management function(s), please complete section 3.02 instead.

If the reason for ceasing to perform the controlled function is indicated in column B, the FCA and/or PRA should be notified in accordance with SUP 10A.14.10R, SUP 10A.14.11G, SUP 10B.12.12.R and SUP 10B.12.13G (that is, within one business day, by telephone, fax or email) that this Form will be submitted.

<table>
<thead>
<tr>
<th>FRN†</th>
<th>Name of firm†</th>
<th>Controlled function†</th>
<th>Effective date†</th>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† The above question(s) appears on an electronic form submission and a paper form submission
<table>
<thead>
<tr>
<th>/ /</th>
<th>Internal movement of staff</th>
<th>Resignation</th>
<th>Redundancy</th>
<th>Retirement</th>
<th>End of contract</th>
<th>Dismissal/termination of employment or contract</th>
<th>Suspension</th>
<th>Other (specify in section 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The above question(s) appears on an electronic form submission and a paper form submission

I have supplied further information related to this page in Section 4†
3.02 List all senior management functions which the approved person is ceasing to perform. The effective date is the date the person will cease to perform the functions.

If the reason for ceasing to perform the senior management function is indicated in column B, the FCA and/or PRA should be notified in accordance with SUP 10C.14.7R, SUP 10C.14.8G of the FCA Handbook and/or Senior Managers Regime - Applications and Notifications of the PRA Rulebook, as applicable (that is, within one business day, by telephone, fax or email) that this Form will be submitted.

<table>
<thead>
<tr>
<th>FRN†</th>
<th>Name of firm†</th>
<th>Senior Management function†</th>
<th>Effective date†</th>
<th>Reason†</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dismissal/ termination of employment or contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Suspension</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(specify in section 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dismissal/ termination of employment or contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Suspension</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(specify in section 4)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Internal movement of staff</td>
<td>/ /</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resignation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Redundancy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retirement</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>End of contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dismissal/ termination of employment or contract</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Suspension</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>(specify in section 4)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† The above question(s) appears on an electronic form submission and a paper form submission.
### Internal movement of staff
- Internal movement of staff
- Resignation
- Redundancy
- Retirement
- End of contract

### Dismissal/termination of employment or contract
- Dismissal/termination of employment or contract
- Suspension
- Other
  - (specify in section 4)

---

3.03. For Relevant Authorised Persons, does the firm also seek to notify the FCA and/or PRA under one or more of section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval), section 64B(5) (Breach of conduct rules) or section 64C (Requirement for Relevant Authorised Persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000.

If the firm has answered “No”, please go to section 4

If the firm has answered “Yes”, please complete the below:

3.04. If the firm is making a notification of any known or suspected breach(es) of the individual or senior manager conduct rules set out in the FCA’s COCON or PRA’s Conduct Rules, please complete the relevant boxes below.

---

*The above question(s) appears on an electronic form submission and a paper form submission*
<table>
<thead>
<tr>
<th>Individual Conduct Rules</th>
<th>Tick the rule(s) relevant to this notification</th>
<th>Tick if this is a known breach</th>
<th>Tick if this is a suspected breach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 1: You must act with integrity.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 2: You must act with due skill, care and diligence.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 4: You must pay due regard to the interests of customers and treat them fairly.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 5: You must observe proper standards of market conduct.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Manager Conduct Rules</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with relevant requirements and standards of the regulatory system.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† The above question(s) appears on an electronic form submission and a paper form submission.

3.05 For each breach please provide the following information. Please attach additional sheets as necessary.

Details of the known or suspected breach:

3.06 If the firm is making a notification under section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000), please provide details below of disciplinary action taken and the reasons for this action.
3.07 If the firm is making a notification under section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval) of the Financial Services and Markets Act 2000), please provide details below.
4.01 Is there any other information the approved person or the firm considers to be relevant to this notice?

Please provide full details†

4.02 Please indicate clearly which question the supplementary information relates to. †

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.03 How many additional sheets are being submitted? †
### Supporting Documents

Indicate the required supporting documents to accompany this form

<table>
<thead>
<tr>
<th>Documents</th>
<th>Mode (by email, fax or post)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Other information (please specify)

---

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 of the FCA Handbook and/or Senior Managers Regime – Applications and Notifications of the PRA Rulebook
Knowingly or recklessly giving the FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, SMF Managers and other approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it or they would reasonably expect to be notified. Failure to notify the FCA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or the individuals.

For the purposes of complying with the Data Protection Act 1998, the personal information in this form will be used by the FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purposes without the permission of the firm.

The firm confirms that the information in this Form is accurate and complete to the best of its knowledge and belief. The firm will notify the FCA/PRA, as applicable, immediately if there is a material change to the information provided.

If the firm submits this Form on behalf of one or more other firms, the firm confirms that is duly authorised by such firm(s) to make such submission.

The FCA and/or PRA may seek to verify the information given in this Form. The firm authorises the FCA and PRA, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form.

I confirm that a permanent copy of this application, signed by the firm, will be retained for an appropriate period, for inspection at the FCA’s and/or PRA’s request. Confirm that you have read and understood the declaration:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory note relating to the Form.

Name of the firm

Name of person signing on behalf of the firm

Position

Signature

Date
10A  Form D: Notification of changes to personal information or
Annex  application details and conduct breaches/disciplinary action related
7R  to conduct

Application number
(for FCA/PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the FCA and PRA’s website at:
www.bankofengland.co.uk/PRA
Both the applicant and the approved person will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form D Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

FCA Handbook Reference: SUP 10A Annex 7R
PRA Rulebook Reference: Senior Managers Regime - Applications and/or Notifications
7 March 2016

Name of individual
(to be completed by firm)

Name of firm
(as entered in 2.01)

Financial Conduct Authority  Prudential Regulation Authority
# What sections should you complete?

The question below will help you determine the sections of the form you must complete.

<table>
<thead>
<tr>
<th>Please select the outcome</th>
<th>YES</th>
<th>You must complete sections 1, 2, 6 (if applicable) &amp; 7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change in personal details</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in arrangements</td>
<td>YES</td>
<td>You must complete sections 1, 2, 3, 4, 6 (if applicable) &amp; 7</td>
</tr>
<tr>
<td>Change to Fitness and Propriety information</td>
<td>YES</td>
<td>You must complete sections 1, 2, 5, 6 (if applicable) &amp; 7</td>
</tr>
<tr>
<td>Notifications under Section 64B(5) or 64C of the Financial Services and Markets Act 2000</td>
<td>YES</td>
<td>You must complete sections 1, 2, 6 &amp; 7</td>
</tr>
</tbody>
</table>
### Contact Details Section 1

Contact for this notification

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Title (e.g Mr; Mrs, Ms, etc)</td>
</tr>
<tr>
<td>1.02</td>
<td>First Name</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname</td>
</tr>
<tr>
<td>1.04</td>
<td>Job Title</td>
</tr>
<tr>
<td>1.05</td>
<td>Business address</td>
</tr>
<tr>
<td></td>
<td>Post code</td>
</tr>
<tr>
<td>1.06</td>
<td>Phone number (including STD code)</td>
</tr>
<tr>
<td>1.07</td>
<td>Email address</td>
</tr>
<tr>
<td>1.08</td>
<td>Mobile No</td>
</tr>
<tr>
<td>1.09</td>
<td>Fax No.</td>
</tr>
</tbody>
</table>

→ **I have supplied further information related to this page in Section 7**  YES  □  NO  □
**Details to be changed**

**Section 2**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.01</strong></td>
<td>Approved person Individual Reference Number (IRN)</td>
</tr>
<tr>
<td><strong>2.02</strong></td>
<td>Title (e.g. Mr, Mrs, Ms, etc)</td>
</tr>
<tr>
<td><strong>2.03</strong></td>
<td>Surname</td>
</tr>
<tr>
<td><strong>2.04</strong></td>
<td>ALL forenames</td>
</tr>
<tr>
<td><strong>2.05</strong></td>
<td>National Insurance number</td>
</tr>
<tr>
<td><strong>2.06</strong></td>
<td>Nationality</td>
</tr>
<tr>
<td><strong>2.07</strong></td>
<td>Passport number</td>
</tr>
<tr>
<td><strong>2.08</strong></td>
<td>Job Title or Position</td>
</tr>
<tr>
<td><strong>2.09</strong></td>
<td>Effective date of change</td>
</tr>
<tr>
<td><strong>2.10</strong></td>
<td>Reason for change</td>
</tr>
</tbody>
</table>

**I have supplied further information related to this page in Section 7**

YES ☐  NO ☐
Arrangements and Controlled Functions  

Section 3

Add New Arrangement

3.01 State the nature of the arrangement between the candidate and the applicant firm?

- Employee [ ] Continue to Section 4
- Group Employee [ ] Continue to Question 3.02
- Contract for Services [ ] Continue to Section 4
- Appointed Representative [ ] Continue to Question 3.04
- Other Arrangement [ ] Continue to Question 3.03

3.02 Name of Group

(Once completed continue to Section 4)

3.03 Details of the Other Arrangement

(Once completed continue to Section 4)

Appointed Representatives

3.04 Please provide details of the Appointed Representatives you would like to add and/or remove.

If you are removing an Appointed Representative you will need to consider whether to submit a withdrawal of a CF and/or an Appropriate Representative termination.

You must use a separate sheet of paper if necessary.
If you have used separate sheets of paper, you must indicate how many here.

Appointed Representative 1

Are you adding or removing an Appointed Representative?

- Add [ ]
- Remove [ ]

AR FRN

Firm Name

Effective date (dd/mm/yy)
### Appointed Representative 2

**Are you adding or removing an Appointed Representative?**  
Add ☐  Remove ☐

<table>
<thead>
<tr>
<th>AR FRN</th>
<th>Firm Name</th>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Appointed Representative 3

**Are you adding or removing an Appointed Representative?**  
Add ☐  Remove ☐

<table>
<thead>
<tr>
<th>AR FRN</th>
<th>Firm Name</th>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Appointed Representative 4

**Are you adding or removing an Appointed Representative?**  
Add ☐  Remove ☐

<table>
<thead>
<tr>
<th>AR FRN</th>
<th>Firm Name</th>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Firm Identification Details

**Section 4**

<table>
<thead>
<tr>
<th>4.01</th>
<th>Name of firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4.02</th>
<th>Firm Reference Number (FRN)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Other firms for whom the individual performs controlled functions (other than senior management functions – see section 4.04)**

<table>
<thead>
<tr>
<th>FRN</th>
<th>Name of firm</th>
<th>Controlled function</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Other firms for whom the individual performs senior management functions**

<table>
<thead>
<tr>
<th>FRN</th>
<th>Name of firm</th>
<th>Senior Management function</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 7

YES □  NO □
### Fitness and Propriety (general)  Section 5

5.00 Do you want to notify us of a change to the approved person’s fitness and propriety?

<table>
<thead>
<tr>
<th>5.01 Criminal Proceedings</th>
</tr>
</thead>
<tbody>
<tr>
<td>When answering the questions in this section candidate should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the candidate is subject to the law of England and Wales, candidate must disclose spent convictions and cautions (other than a protected conviction or caution). If you answer Yes to any of the questions in Section 5 you will be asked for further details in Section 7.02</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>5.01.1a</th>
<th>Has the candidate ever been convicted of any criminal offence (whether spent or not and whether or not in the United Kingdom):</th>
</tr>
</thead>
<tbody>
<tr>
<td>i.</td>
<td>involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</td>
</tr>
<tr>
<td>ii.</td>
<td>relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</td>
</tr>
</tbody>
</table>

| 5.01.2 | Has the candidate any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)? |

| 5.01.3 | Has the candidate ever been ordered to produce documents pursuant to any criminal investigation or been the subject of a search (with or without a warrant) pursuant to any criminal investigation? |

⇒ I have supplied further information related to this page in Section 6
5.01.4 Has any firm at which the candidate holds or has held a position of influence ever:
(Please check the guidance notes for the meaning of ‘position of influence’ in the context of the questions in this part of the form.)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Been convicted of any criminal offence?</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Been the subject of any criminal proceeding which has not resulted in a conviction?</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?</td>
</tr>
</tbody>
</table>

⇒ I have supplied further information related to this page in Section 6
### 5.02 Civil Proceedings

#### 5.02.1 Has the candidate, ever been the subject of a judgement debt or award against the candidate?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

Please give a full explanation of the events in questions, ensuring that it adheres to the Disclosure Note at the beginning of this form.

Candidate should include all County Court Judgement(s) (CCJs) made against the candidate, whether satisfied or not; and

1. i) the sum and date of all judgments debts, awards or CCJs (whether satisfied or not); and
2. ii) the total number of all judgment debts, awards or CCJs ordered.

#### 5.02.2 Has the candidate ever been party to any civil proceedings which resulted in any order against the candidate (other than a judgement debt or award referred to in 5.02.1 above)? (Candidate should include, for example, injunctions and employment tribunal proceedings.)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

#### 5.02.3 Is the candidate aware of:

1. **a** Any proceedings that have begun, or anyone’s intention to begin proceedings against the candidate, for a CCJ or another judgement debt?
2. **b** More than one set of proceedings, or anyone’s intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?
3. **c** Anybody’s intention to claim more than £1,000 of CCJs or judgement debts in total from the candidate?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

#### 5.02.4 Does the candidate have any current judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

#### 5.02.5 Has the candidate ever failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

⇒ I have supplied further information related to this page in Section 6

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>
5.02.6 Has the candidate ever:

a  Filed for the candidate's own bankruptcy or had a bankruptcy petition served on the candidate?  

YES ☐  NO ☐

b  Been adjudged bankrupt?

YES ☐  NO ☐

c  Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?

YES ☐  NO ☐

d  Made any arrangements with the candidate's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?

YES ☐  NO ☐

e  Had assets sequestrated?

YES ☐  NO ☐

f  Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the candidate or result in any kind of agreement with the candidate?

YES ☐  NO ☐

5.02.7 Does the candidate, or any undertaking under their management, have any outstanding financial obligations arising from regulated activities, which have been carried out in the past? (whether or not in the UK or overseas)?

YES ☐  NO ☐

5.02.8 Has the candidate ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct?

YES ☐  NO ☐

5.02.9 Is the candidate currently:

a  Party to any civil proceedings? (including those covered in 5.02.7 above)

YES ☐  NO ☐

b  Aware of anybody’s intention to begin civil proceedings against the candidate? (candidate should include any ongoing disputes whether or not such dispute is likely to result in any order against the candidate.)

YES ☐  NO ☐

5.02.10 Has any firm at which the candidate holds or has held a position of influence ever been:

a  Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?

YES ☐  NO ☐

b  The subject of a judgement debt or award against the firm? (candidate should include all CCJs) made against the firm, whether satisfied or not.

YES ☐  NO ☐

c  Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?

YES ☐  NO ☐

→ I have supplied further information related to this page in Section 6

YES ☐  NO ☐
5.02.11 Is any firm at which the candidate currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

a. a party to civil proceedings?

b. aware of anyone’s intention to begin civil proceedings against them?

5.02.12 Has any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary, in the United Kingdom or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

I have supplied further information related to this page in Section 6
### 5.03 Business and Employment Matters

#### 5.03.1 Has the candidate ever been:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Disqualified from acting as a director or similar position (one where the candidate acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the candidate)?</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>The subject of any investigation which has led or might lead to disciplinary proceedings?</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>d</strong></td>
<td>Notified of any potential proceedings of a disciplinary nature against the candidate?</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td><strong>e</strong></td>
<td>The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (this question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)</td>
</tr>
<tr>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

#### 5.03.2 Has the candidate ever been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?  

| YES | NO |

#### 5.03.3 Does the candidate have any material written complaints made against the candidate by the candidate's clients or former clients in the last five years which the candidate has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?  

| YES | NO |

I have supplied further information related to this page in Section 6

| YES | NO |
5.04 Regulatory Matters

5.04.1 In relation to activities regulated by the FCA and/or PRA or any other regulatory body (see note section 5), has:

- The candidate, or
- Any company, partnership or unincorporated associate of which the candidate is or has been a controller, director, senior manage, partner or company secretary, during the candidate’s association with the entity and for a period of three years after the candidate ceased to be associated with it, ever –

a. Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?

b. Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?

c. Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the candidate or the firm?

d. Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the candidate or the firm?

e. Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?

f. Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?

g. Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?

h. Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?

i. Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?

j. Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?

k. Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).

I have supplied further information related to this page in Section 6

YES ☐ NO ☐
5.04.2 In relation to activities regulated by the FCA/PRA or any other regulatory body, has the candidate or any firm at which the candidate holds or has held a position of influence at any time during and within one year of the candidate’s association with the firm ever:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Been found to have carried on activities for which authorisation or registration by the FCA/PRA or any other regulatory body is required without the requisite authorisations?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>b</td>
<td>Been investigated for the possible carrying on of activities requiring authorisation or registration by the FCA/PRA or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the candidate?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>c</td>
<td>Been found to have performed a senior management function or other controlled function (or an equivalent function requiring approval by the FCA/PRA or any other regulatory body) without the requisite approval?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>d</td>
<td>Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the FCA/PRA or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the candidate?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>e</td>
<td>Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the FCA/PRA of the identity of a person acting in a position of influence over its electronic money or payment services business?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>f</td>
<td>Been the subject of disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6 YES ☐ NO ☐
5.05 Other Matters

5.05.1 Is the candidate, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the senior management functions for which approval is now being sought?

[ ] YES  [ ] NO

5.05.2 Are the candidate or the firm aware of any other information relevant to this notification that we might reasonably expect from the candidate?

[ ] YES  [ ] NO
This section should be completed by a firm that is a relevant authorised person to:

(a) make a notification under section 64B(5) (Breach of conduct rules) of the Financial Services and Markets Act 2000 of known or suspected breach of the individual or senior manager conduct rules set out in the FCA’s COCON or PRA Conduct Rules;

(b) make a notification of disciplinary action (as defined in section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000) due to any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules set out in the FCA’s COCON or PRA Conduct Rules;

(c) make a follow up notification to update a determination that has previously been the subject of a notification that has been made by the firm in relation to (a) or (b) (as appropriate and to the extent required by, in the case of the FCA, SUP15.11.8 or in the case of the PRA, Notifications 11.5 in the PRA’s Rulebook)

6.01 Initial or update on previous notification

6.01.1 Is the firm updating a previous notification made under section 64B(5) or section 64C of the Financial Services and Markets Act 2000?

YES ☐ NO ☐

If the firm has answered “No”, please go to section 6.02

If the firm has answered “Yes”, please complete the below:

| Date of previous notification: |
| Please provide brief details of prior notification including reference number: |
| Description of the update to the previous notification (this includes updates to previous notifications made under section 64B(5) (Breach of Conduct Rules) and 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000): |

6.02 Notification of breaches of the individual or senior manager conduct rules and/or disciplinary action.
6.02.1 If the firm is making a notification under section 64B(5) of the Financial Services and Markets Act 2000 of any known or suspected breach(es) of the individual or senior manager conduct rules set out in the FCA’s CO-CON or PRA Conduct Rules, please complete the relevant boxes below.

<table>
<thead>
<tr>
<th>Rule(s)</th>
<th>Tick if this is a known breach</th>
<th>Tick if this is a suspected breach</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Conduct Rules</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 1: You must act with integrity.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 2: You must act with due skill, care and diligence.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 4: You must pay due regard to the interests of customers and treat them fairly.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rule 5: You must observe proper standards of market conduct.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Senior Manager Conduct Rules</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with relevant requirements and standards of the regulatory system.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
6.02.2 For each breach please provide the following information. Please attach additional sheets as necessary.

<table>
<thead>
<tr>
<th>Relevant rule(s):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date when known or suspected breach came to the attention of the firm:</td>
</tr>
<tr>
<td>Date or period of known or suspected breach</td>
</tr>
<tr>
<td>Details of the known or suspected breach:</td>
</tr>
</tbody>
</table>

6.02.3 If the firm is making a notification under section 64C of the Financial Services and Markets Act 2000, please provide details below of disciplinary action taken and the reasons for this action.

→ I have supplied further information related to this page in Section 7

YES ☐ NO ☐
## Supporting Documents and Supplementary Information  Section 7

### 7.01
Full details must be provided here if any questions have been answered “yes” in Section 5 (Fitness and Propriety) and if there is any other information the approved person or the firm considers to be relevant to the notification?

- Please provide full details
- Please indicate clearly which question the supplementary information relates to.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 7.02
How many additional sheets are being submitted?
## Supporting Documents

7.03 Indicate the required supporting documents to accompany this form.

<table>
<thead>
<tr>
<th>Documents</th>
<th>Mode (by email, fax, post)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Declarations and signatures  Section 8

Declaration
The firm must ask the approved person to make the declaration to be given by the Individual only where the firm becomes aware of information that would reasonably be material to the assessment of the Individual's continuing fitness and propriety.

However, note that it may not be appropriate in the case of an approved person who performs a senior management function to ask that approved person to make the declaration below where the Firm becomes aware of information that would reasonably be material to the assessment of that approved person's continuing fitness and propriety.

Knowingly or recklessly giving the FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it or they would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or the approved person.

DECLARATION OF APPROVED PERSON
The approved person confirms that he or she is aware that, for the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

The approved person confirms that the information in this Form is accurate and complete to the best of his or her knowledge and belief and that he or she has read the notes to this Form. The approved person will notify the FCA/PRA, as applicable, immediately if there is a material change to the information provided.

The FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it or they consider appropriate. The approved person authorises the FCA and PRA, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. The approved person also understands that the results of these enquiries may be disclosed to the Firm / his or her employer.

8.01 Full name of approved person
i.e. Title, forenames, SURNAME

8.02 Signature

Date
DECLARATION OF FIRM

The firm confirms that the information in this Form is accurate and complete to the best of its knowledge and belief. The Firm will notify the FCA/PRA, as applicable, immediately if there is a material change to the information provided.

If the firm submits this Form on behalf of one or more other firms, the firm confirms that is duly authorised by such firm(s) to make such submission.

The FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it or they consider appropriate. The firm authorises the FCA and PRA, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form.

By signing below, the person submitting this Form on behalf of the firm confirms that this Form is accurate and complete to the best of his or her knowledge and he or she has read and understood the notes to this Form and the declaration given by the Firm.

8.03 Name of the firm

8.04 Name of person signing on behalf of the firm

8.05 Position

8.06 Signature

Date
After SUP 10B insert the following new section. The text is not underlined.

10C  **FCA senior management regime for approved persons in relevant authorised persons**

10C.1 **Application**

**General**

10C.1.1 R  This chapter applies to every *relevant authorised person*.

10C.1.2 G  This chapter is also relevant to *FCA-approved SMF managers* of a *relevant authorised person*.

[Overseas firms]

10C.1.3  [not used]

10C.1.4  [not used]

10C.1.5  [not used]

UK firm with overseas branches or providing services on a cross-border basis

10C.1.6 G  There are no territorial limitations to *SUP 10C* for:

(1) overseas branches of *UK firms*; or

(2) *UK firms* providing services into or out of the *United Kingdom* on a cross-border basis.

**Appointed representatives**

10C.1.7 R  This chapter does not deal with an *approved person* who is approved under *SUP 10A.1.16BR* (Appointed representatives).

10C.1.8 G  (1) *SUP 10A.1.15R* to *SUP 10A.1.16DG* (Appointed representatives) deal with the *approved persons* regime for *appointed representatives* of *relevant authorised persons*.

(2) In general this chapter does not apply to *appointed representatives* of *relevant authorised persons*. *SUP 10A* applies instead.

(3) In theory, a *person* employed by an *appointed representative* of a *relevant authorised person* could come within one of the *controlled functions* in this chapter. If so, that *person* will be performing a *senior management function* and this chapter would apply. However, the *FCA* thinks that such a situation should rarely, if ever, arise.

(4) If a *person* is an *approved person* under this chapter and under *SUP 10A* for the same *firm*, this chapter applies to *FCA-designated senior management functions* under this chapter and *SUP 10A* applies to
controlled functions under SUP 10A. It is unlikely that such a scenario would ever arise in practice.

Insolvency practitioners

10C.1.9 R This chapter does not apply to a function performed by a person acting as:

(1) an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986;

(2) a nominee in relation to a voluntary arrangement under Parts I (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency Act 1986;

(3) an insolvency practitioner within the meaning of article 3 of the Insolvency (Northern Ireland) Order 1989; or

(4) a nominee in relation to a voluntary arrangement under Parts II (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

10C.2 Purpose

10C.2.1 G The purpose of SUP 10C is:

(1) to specify, under section 59 of the Act, descriptions of the FCA-designated senior management functions for relevant authorised persons, which are listed in SUP 10C.4.3R;

(2) to specify the manner in which a firm must apply for the FCA’s approval under section 59 of the Act and other procedures for FCA-approved SMF managers; and

(3) describe the FCA’s senior management regime for SMF managers in relevant authorised persons.

10C.2.2 G SUP 10C does not deal with the PRA’s senior management regime for relevant authorised persons. The key parts of its regime can be found in the parts of the PRA’s rulebook called ‘Senior Management Functions’ and ‘Allocation of Responsibilities’.

10C.2.3 G (1) The FCA has certain powers in relation to PRA-approved persons, such as the requirement for FCA consent to the PRA granting approval for the performance of a PRA controlled function. SUP 10C does not deal with these.

(2) However, SUP 10C.12.1G has material about the FCA’s policy on giving its consent to applications made to the PRA about conditional and time-limited approvals.
10C.2.4  G  *SUP 10C.14* (Changes to an approved person’s details) applies, in certain cases, to *PRA-approved persons*. Where this is the case, it says so.

### 10C.3  General material about the definition of controlled functions

#### Purpose

10C.3.1  G  This section has general provisions that apply to the definition of all controlled functions.

#### Types of controlled function

10C.3.2  G  There are two types of *FCA controlled function* under the *Act*:

1. an *FCA-designated senior management function*; and
2. an *FCA controlled function* that is not a *designated senior management function*.

10C.3.3  G  All the controlled functions that the FCA has specified in this chapter are designated senior management functions. The FCA has not, in this chapter, used its power to specify controlled functions that are not designated senior management functions.

10C.3.4  G  The FCA has (in *SUP 10A*) specified controlled functions for relevant authorised persons that are not designated senior management functions. (See *SUP 10C.1.7R* to *SUP 10C.1.8G* (Appointed representatives)).

10C.3.5  G  (1)  Except as described in *SUP 10C.3.4G*, in this chapter, FCA controlled function and FCA-designated senior management function cover the same functions.

(2)  Therefore, a function is only covered by *SUP 10C.4.3R* (Table of FCA controlled functions for relevant authorised persons) if that function meets both the following sets of requirements:

(a)  the requirements of *SUP 10C.3.6R* (Definition of FCA controlled function: arrangements); and

(b)  the requirements of *SUP 10C.3.10R* (Definition of FCA-designated senior management function).

#### Definition of FCA controlled function: arrangements

10C.3.6  R  In accordance with section 59 of the *Act* (Approval for particular arrangements), a function specified in this chapter is an *FCA controlled function* only to the extent that it is performed under an *arrangement* entered into by:
(1) a firm; or

(2) a contractor of the firm;

in relation to the carrying on by the firm of a regulated activity.

10C.3.7 G Section 59(1) and (2) of the Act provide that approval is necessary for an FCA controlled function which is performed under an arrangement entered into by a firm, or its contractor (typically an appointed representative), in relation to a regulated activity.

10C.3.8 G (1) Arrangement is defined in section 59(10) of the Act as any kind of arrangement for the performance of a function which is entered into by a firm or any of its contractors with another person.

(2) Arrangement includes the appointment of a person to an office, a person becoming a partner, or a person’s employment (whether under a contract of service or otherwise).

(3) An arrangement need not be a written contract but could arise by conduct, custom and practice.

10C.3.9 G If a firm is a member of a group, a person employed elsewhere in the group (for example, by the holding company) who carries out a function in relation to the firm will only perform an FCA controlled function:

(1) if the function is performed under an arrangement entered into by the firm (under section 59(1)); or

(2) if:

(a) there is a contract (under section 59(2)) between the firm and the relevant group member permitting this; and

(b) the function is performed under an arrangement entered into by the contractor.

Definition of FCA-designated senior management function

10C.3.10 R Each FCA-designated senior management function is one which comes within the definition of a senior management function.

10C.3.11 G Section 59ZA(2) of the Act says that a function is a ‘senior management function’, in relation to the carrying on of a regulated activity by a firm, if:

(1) the function will require the person performing it to be responsible for managing one or more aspects of the firm’s affairs, so far as relating to the activity; and

(2) those aspects involve, or might involve, a risk of serious consequences:
(a) for the *firm*; or

(b) for business or other interests in the *United Kingdom*.

10C.3.12  G  Section 59ZA(3) of the *Act* says that ‘managing’ includes, for these purposes, taking decisions, or participating in the taking of decisions, about how one or more aspects of the *firm’s* affairs should be carried on.

The 12-week rule

10C.3.13  R  If:

(1) a *firm* appoints an individual to perform a function which, but for this rule, would be an *FCA-designated senior management function*;

(2) the appointment is to provide cover for an *SMF manager* whose absence is:

(a) temporary; or

(b) reasonably unforeseen; and

(3) the appointment is for less than 12 weeks in a consecutive 12-month period;

the description of the relevant *FCA-designated senior management function* does not relate to those activities of that individual.

10C.3.14  G  *SUP 10C.3.13R* enables cover to be given for (as an example) holidays and emergencies and avoids the need for the precautionary approval of, for example, a deputy. However, as soon as it becomes apparent that a *person* will be performing an *FCA-designated senior management function* for more than 12 weeks, the *firm* should apply for approval.

10C.3.15  G  See *SUP 10C.12.7G to SU*P 10C.12.14G (time-limited approvals) for procedures for temporary appointments longer than 12 weeks.

**10C.4**  Specification of functions

10C.4.1  R  (1) Each function described in *SUP 10C.4.3R* is an *FCA controlled function*.

(2) In accordance with section 59(6A) of the *Act* (Approval for particular arrangements), the *FCA* designates each function in (1) as a *senior management function*.

10C.4.2  R  (1) Part 1 of the table in *SUP 10C.4.3R* applies to *relevant authorised persons*.

(2) [to follow]
10C.4.3 R Table of FCA-designated senior management functions for relevant authorised persons

<table>
<thead>
<tr>
<th>Type</th>
<th>SMF</th>
<th>Description of FCA controlled function</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCA governing functions</td>
<td>SMF 3</td>
<td>Executive director function</td>
</tr>
<tr>
<td></td>
<td>SMF 13</td>
<td>Chair of the nomination committee function</td>
</tr>
<tr>
<td>FCA required functions</td>
<td>SMF 16</td>
<td>Compliance oversight function</td>
</tr>
<tr>
<td></td>
<td>SMF 17</td>
<td>Money laundering reporting function</td>
</tr>
<tr>
<td></td>
<td>SMF 18</td>
<td>Other overall responsibility function</td>
</tr>
</tbody>
</table>

10C.4.4 G As described in SUP 10C.1.7R to SUP 10C.1.8G (Appointed representatives), SUP 10A specifies certain other controlled functions for relevant authorised persons.

10C.5 FCA governing functions

Executive director function (SMF3)

10C.5.1 R The executive director function is the function of acting in the capacity of a director (other than a non-executive director) of a firm.

Chairman of the nomination committee function (SMF13)

10C.5.2 R If the firm has a nomination committee, the chair of the nomination committee function is the function of acting in the capacity of the chairman of that committee.

10C.5.3 G See SYSC 4.3A (CRR firms) for material about nomination committees.

10C.5.4 G Please note that the chair of the nomination committee function still applies if the firm is not a CRR firm.

10C.5.5 G In some firms, the chairman of the nomination committee is also the chairman of the governing body. As being chairman of the governing body is a PRA controlled function, the chairman may not need approval to perform the chair of the nomination committee function but instead just need PRA approval for being chairman of the governing body.
(See SUP 10C.9 (Minimising overlap with the PRA approved persons regime) for an explanation of when PRA approval means that FCA approval is not needed.)

Non-executive directors

10C.5.6 G (1) As explained in SUP 10C.7.4G, the FCA does not expect a non-executive director ever to perform the other overall responsibility function.

(2) Therefore, a non-executive director will not need to be approved to perform any FCA-designated senior management function unless they perform the chair of the nomination committee function.

Insurance mediation

10C.5.7 G See MIPRU 2.2 for how the FCA’s senior management regime for relevant authorised persons is adjusted for a firm carrying on insurance mediation activity.

10C.6 FCA-required functions

Compliance oversight function (SMF16)

10C.6.1 R The compliance oversight function is the function of acting in the capacity of a director or senior manager who is allocated the function in SYSC 6.1.4R(2).

Money laundering reporting function (SMF17)

10C.6.2 R The money laundering reporting function is the function of acting in the capacity of the money laundering reporting officer of a firm.

10C.6.3 G A firm’s obligations in respect of its money laundering reporting officer are set out elsewhere in the Handbook (see SYSC 6.3.9R and, for their scope, see the application provisions in SYSC 1 Annex 1).

10C.7 Other overall responsibility function (SMF18)

Definition

10C.7.1 R A person performs the other overall responsibility function in relation to a firm if that person:

(1) is performing:

(a) a function allocated to that person under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) in relation to the
firm; or

(b) FCA-prescribed senior management responsibility number (11) in the table in SYSC 4.7.7R (functions in relation to CASS) allocated to that person under SYSC 4.7.5R (Allocation of FCA-prescribed senior management responsibilities); and

(2) does not have an approval to perform any other designated senior management function in relation to the firm.

Other overall responsibility function does not apply if approved for another function

10C.7.2 G The table in SUP 10C.7.3G gives examples of how SUP 10C.7.1R(2) works.

10C.7.3 G Table: Examples of how the other overall responsibility function applies

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) ‘A’ is appointed to perform the executive director function and to perform a potential other overall responsibility function for the same firm.</td>
<td>A only needs approval to perform the executive director function.</td>
</tr>
<tr>
<td>(2) ‘A’ is approved to perform the other overall responsibility function. Later, A is appointed to perform the executive director function for the same firm.</td>
<td>A requires approval for the other overall responsibility function when A is first appointed. When A is later approved to perform the executive director function, A stops performing the other overall responsibility function. The firm should use Form E to apply for approval for A to perform the executive director function.</td>
</tr>
<tr>
<td>(3) ‘A’ is appointed to perform the PRA’s Head of Key Business Area designated senior management function and to perform a potential other overall responsibility function for the same firm.</td>
<td>A only needs approval to perform the PRA’s Head of Key Business Area designated senior management function. It does not make any difference whether the potential other overall responsibility function that A performs is connected to the PRA’s Head of Key Business Area designated senior management function.</td>
</tr>
<tr>
<td>(4) ‘A’ is approved to perform the other overall responsibility function. Later, A is appointed to perform the PRA’s Head of Key Business Area designated senior management function for the same firm.</td>
<td>A requires approval for the other overall responsibility function when A is first appointed. When A is later approved to perform the PRA’s Head of Key Business Area designated senior management function.</td>
</tr>
</tbody>
</table>
(5) ‘A’ is appointed to perform:
(a) the *compliance oversight function* for one *firm* (Firm X) in a group (which may or may not be a relevant authorised person); and
(b) a function coming within the scope of the *other overall responsibility function* for another *firm* (which is a relevant authorised person) in the same group (Firm Y).

A needs approval to perform the *compliance oversight function* for Firm X and the *other overall responsibility function* for Firm Y.

(6) ‘A’ is appointed to be head of sales and to report directly to the firm’s governing body about this. This function also comes within the PRA’s Head of Key Business Area designated senior management function.

A only needs approval to perform the PRA’s Head of Key Business Area designated senior management function.

(7) ‘A’ is appointed to take on some functions that come within the *other overall responsibility function*. Later, A is appointed as chief risk officer.

On A’s first appointment, A will need to be approved to perform the *other overall responsibility function*. On being appointed as chief risk officer, the answer for example (4) applies because being chief risk officer is a PRA-designated senior management function. A will stop performing the *other overall responsibility function*.

(8) ‘A’ is appointed to a role that comes within the *other overall responsibility function*. Later, the firm reorganises and A’s role comes within the PRA’s Head of Key Business Area designated senior management function. A’s role does not otherwise change.

The answer for example (7) applies.

(9) ‘A’ is appointed to a role that comes within the PRA’s Head of Key Business Area designated senior management function. It is also a potential *other overall responsibility function*. Later, the firm reorganises—A’s role stays the same but now it falls outside the PRA’s Head of Key Business Area designated senior management function. A only needs approval to perform the PRA’s Head of Key Business Area designated senior management function. Following the reorganisation, the firm has three months to get approval for A to perform the *other overall responsibility function*. This three-month period
senior management function. applies because the relevant PRA rules keep the PRA’s Head of Key Business Area designated senior management function in place, which means that the other overall responsibility function does not apply during that period.

The relevant PRA rules can be found in Chapter 2 of the part of the PRA rulebook titled ‘Senior Management Functions’.

<table>
<thead>
<tr>
<th>(10) ‘A’ is appointed to a role that comes within the PRA’s Head of Key Business Area designated senior management function. A also performs a potential other overall responsibility function. A gives up the PRA role but carries on with the potential other overall responsibility function.</th>
<th>The answer to example (9) applies.</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>(11) ‘A’ is appointed as an executive director. A then resigns and takes up a job with the same firm coming within the other overall responsibility function.</th>
<th>On A’s first appointment, A will need to be approved to perform the executive director function. A will need to get approval to perform the other overall responsibility function before A gives up being a director.</th>
</tr>
</thead>
</table>

Note (1): A potential other overall responsibility function means a function that would have come within the other overall responsibility function but is excluded by SUP 10C.7.1R(2).

Note (2): A potential other overall responsibility function should be recorded in A’s statement of responsibilities and in the firm’s management responsibilities map.

Non-executive directors

10C.7.4 G For the reasons described in SYSC 4.7.18G, the FCA does not expect that a non-executive director will ever perform the other overall responsibility function.

10C.8 [To follow]

10C.9 Minimising overlap with the PRA approved persons regime
Introduction

10C.9.1 G SUP 10C.9 deals with how the FCA’s senior management regime for relevant authorised persons interacts with the PRA’s one.

10C.9.2 G Both the FCA and the PRA may specify a function as a designated senior management function in relation to a PRA-authorised person.

10C.9.3 G If a person’s job for a firm involves performing:

1. an FCA-designated senior management function, the firm should apply to the FCA for approval;

2. a PRA-designated senior management function, the firm should apply to the PRA for approval;

3. both an FCA-designated senior management function and a PRA-designated senior management function, the firm should apply to both the FCA and the PRA for approval (the purpose of SUP 10C.9 is to cut down the need for this sort of dual approval).

FCA controlled functions absorbed into PRA controlled functions

10C.9.4 G The FCA is under a duty, under section 59A of the Act (Specifying functions as controlled functions: supplementary), to exercise the power to specify any senior management function as an FCA controlled function in a way that it considers will minimise the likelihood that approvals need to be given by both the FCA and the PRA for the performance by a person of senior management functions in relation to the same PRA-authorised person.

10C.9.5 G The FCA and PRA have coordinated their approved person regimes to reduce the amount of overlap.

10C.9.6 G (1) SUP 10C.9.8R applies when a firm is seeking approval from the PRA for a candidate to perform a PRA controlled function and the intention is that the candidate will also perform what would otherwise be an FCA governing function once the PRA gives its approval. SUP 10C.9.8R works by disapplying that FCA governing function.

(2) Where (1) applies, the activities within that FCA governing function are included in the PRA controlled function for which the person has approval. Chapter Two of the part of the PRA’s rulebook titled ‘Senior Management Functions’ deals with this.

10C.9.7 G (1) SUP 10C.9.9G gives some examples of how SUP 10C.9.8R works.

(2) The examples do not cover the other overall responsibility function because that function does not apply if the person holds any other designated senior management function for the same firm. See the table in SUP 10C.7.3G for examples of how this works.
The main rule

10C.9.8 R A person (referred to as ‘A’ in this rule) is not performing an FCA governing function (referred to as the ‘particular’ FCA governing function in this rule) in relation to a PRA-authorised person (referred to as ‘B’ in this rule), at a particular time, if:

1. A has been approved by the PRA to perform any PRA-designated senior management function in relation to B;

2. throughout the whole of the period between the time of the PRA approval in (1) and the time in question, A has been the subject of a current PRA approved person approval to perform a PRA-designated senior management function in relation to B;

3. at the time of the PRA approval referred to in (1), A was not subject to a current FCA approved person approval to perform the particular FCA governing function in relation to B;

4. as part of the application for the PRA approval referred to in (1), B notified the PRA that A would start to perform what would otherwise have been the particular FCA governing function (referred to as the ‘potential’ FCA governing function in this rule) at or around the time of the PRA approval in (1); and

5. A started to perform the potential FCA governing function at, or around the time of, the PRA approval in (1) and has continued to perform it up to the time in question.

10C.9.9 G Table: Examples of how the need for dual FCA and PRA approval in relation to PRA-authorised persons is reduced

<table>
<thead>
<tr>
<th>Example</th>
<th>Whether FCA approval required</th>
<th>Whether PRA approval required</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) A is appointed as chief risk officer and an executive director.</td>
<td>No. He is not treated as performing the executive director function.</td>
<td>Yes</td>
<td>Chief risk officer is a PRA-designated senior management function. A’s functions as a director will be included in the PRA-designated senior management function. To avoid the need for FCA approval, A’s appointment as director should not take effect before PRA approval for the chief</td>
</tr>
<tr>
<td>Example</td>
<td>Whether FCA approval required</td>
<td>Whether PRA approval required</td>
<td>Comments</td>
</tr>
<tr>
<td>---------</td>
<td>------------------------------</td>
<td>------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>(2) Same as example (1), except that A will take up the role as an executive director slightly later because the approval is needed from the firm’s shareholders or governing body.</td>
<td>No</td>
<td>Yes</td>
<td>The answer for (1) applies. The arrangements in this section apply if the application to the PRA says that A will start to perform the potential FCA governing function around the time of the PRA approval as well as at that time.</td>
</tr>
<tr>
<td>(3) Same as example (1) but the application to the PRA does not mention that it is also intended that A is to be an executive director.</td>
<td>Yes, to perform the executive director function.</td>
<td>Yes</td>
<td>SUP 10C.9.8R does not apply if the application for PRA approval does not say that A will also be performing what would otherwise be an FCA governing function.</td>
</tr>
<tr>
<td>(4) A is to be appointed as chief executive and an executive director.</td>
<td>No. A is not treated as performing the executive director function.</td>
<td>Yes</td>
<td>Being a chief executive is a PRA-designated senior management function. A’s functions as a director will be included in the PRA controlled function.</td>
</tr>
<tr>
<td>(5) A is appointed as chief risk officer. Later, A is appointed as an executive director while carrying on as chief risk officer.</td>
<td>Yes, when A takes up the director role. The executive director function applies.</td>
<td>Yes, when A takes up the chief risk officer role.</td>
<td>SUP 10C.9.8R does not apply because, when the firm applied for approval for A to perform the PRA chief risk officer designated senior management function, there was no plan for A also to perform the executive director function.</td>
</tr>
<tr>
<td>(6) A is appointed as an executive director. Later, A takes on the chief</td>
<td>Yes, when A is appointed as director. The executive</td>
<td>Yes, when A takes up the chief risk</td>
<td>When A is appointed as chief risk officer, A is still treated as carrying on the executive director.</td>
</tr>
<tr>
<td>Example</td>
<td>Whether FCA approval required</td>
<td>Whether PRA approval required</td>
<td>Comments</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------</td>
<td>------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>risk officer function and remains as an executive director.</td>
<td>director function applies.</td>
<td>officer role.</td>
<td>function. A retains the status of an FCA-approved person.</td>
</tr>
<tr>
<td>(7) A is appointed as chief risk officer. A then stops performing that role and for a while does not perform any controlled function for that firm. Later, A is appointed as an executive director with the same firm.</td>
<td>Yes, when A is appointed as an executive director. The executive director function applies.</td>
<td>Yes, when A takes up the chief risk officer role.</td>
<td>SUP 10C.9.8R does not apply because there is no current PRA approval when A is being appointed as a director.</td>
</tr>
<tr>
<td>(8) A is appointed as an executive director and chief risk officer at the same time. Later, A gives up the role as chief risk officer but remains as an executive director.</td>
<td>No, on A’s first appointment (see example (1)). But when A gives up the role as chief risk officer, FCA approval is needed to perform the executive director function.</td>
<td>Yes, on A’s first appointment.</td>
<td>When A stops being a chief risk officer. A stops performing a PRA-designated senior management function. However, being an executive director requires FCA approval. A does not have that approval because A did not need it when A was first appointed.</td>
</tr>
<tr>
<td>Form E should be used. The application should state that it is being made as a result of A ceasing to perform a PRA-designated senior function.</td>
<td></td>
<td></td>
<td>The combined effect of SUP 10C.9.8R and the relevant PRA rules is that the firm has three months to secure approval by the FCA. During that interim period, A keeps the status of a PRA approved person performing the director element of the PRA</td>
</tr>
</tbody>
</table>
### Example

<table>
<thead>
<tr>
<th>Whether FCA approval required</th>
<th>Whether PRA approval required</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>management function. Form A should be used if there have been changes in A’s fitness (SUP 10C.10.9D(4))</td>
<td></td>
<td>chief risk designated senior management function - which is included in that function under relevant PRA rules. The relevant PRA rules say that, during this transitional period, A is still treated as performing the PRA chief risk designated senior management function and SUP 10C.9.8R says that, for as long as A is performing a PRA-designated senior management function, A does not perform the executive director function.</td>
</tr>
</tbody>
</table>

(9) A is appointed as the chief finance officer and an executive director at the same time. Later, A switches to being chief risk officer while remaining as an executive director.

| No | Yes | The arrangements in SUP 10C.9.8R continue to apply, even though A switches between PRA-designated senior management function after the PRA’s first approval. |

(10) A is appointed chief risk officer and an executive director. A goes on temporary sick leave. A takes up his old job when he comes back.

| No, neither on A’s first appointment nor when A comes back from sick leave. | Yes | SUP 10C.9.8R still applies on A’s return because A does not stop performing either the PRA’s chief risk function or what would otherwise have been the executive director function just because A goes on temporary sick leave. |

(11) A is appointed

<p>| No. A does | Yes, on first | Being chairman of the |</p>
<table>
<thead>
<tr>
<th>Example</th>
<th>Whether FCA approval required</th>
<th>Whether PRA approval required</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>to be chairman of the governing body and chairman of the nomination committee at the same time.</td>
<td>not need approval to perform the chair of the nomination committee function.</td>
<td>appointment.</td>
<td>governing body is a PRA-designated senior management function. Therefore, the answer for example (1) applies.</td>
</tr>
</tbody>
</table>

Note: The relevant PRA rules can be found in Chapter 2 of the part of the PRA rulebook called ‘Senior Management Functions’

10C.9.10 G (1) The potential FCA governing functions should be recorded in A’s statement of responsibilities and in the firm’s management responsibilities map.

(2) A potential FCA governing function means a function that would have been an FCA governing function but which is not an FCA governing function because of SUP 10C.9.8R.

Further guidance on the arrangements between the FCA and PRA about approvals

10C.9.11 G The PRA cannot give its approval for the performance of a PRA-designated senior management function without the consent of the FCA. The firm does not need to apply to the FCA for that consent.

10C.9.12 G Under section 59B of the Act (Role of FCA in relation to PRA decisions), the FCA may arrange with the PRA that, in agreed cases, the PRA may give approval without obtaining the consent of the FCA. No such arrangements are currently in force.

10C.10 Application for approval and withdrawing an application for approval

Purpose

10C.10.1 G This section explains how a firm should apply for approval for a person to perform an FCA-designated senior management function.

10C.10.2 G Unless the context otherwise requires, in SUP 10C.10 (Application for approval and withdrawing an application for approval) to SUP 10C.15 (Forms and other documents and how to submit them to the FCA), where reference is made to a firm, this includes an applicant for Part 4A permission and other persons seeking to carry on regulated activities as a
relevant authorised person.

When to apply for approval

10C.10.3 G (1) Section 59 of the Act (Approval for particular arrangements) says that a firm must take reasonable care to ensure that no one performs an FCA controlled function (including an FCA-designated senior management function) unless that person is acting in accordance with an approval given by the FCA.

(2) That means that where a candidate will be performing one or more FCA-designated senior management functions, a firm must take reasonable care to ensure that the candidate does not perform these functions unless they have prior approval from the FCA.

Failure to apply for approval

10C.10.4 G (1) If a person performs an FCA controlled function (including an FCA-designated senior management function) without approval, it is not only the firm that is accountable. Under section 63A of the Act (Power to impose penalties), if the FCA is satisfied that:

(a) a person (‘P’) has at any time performed an FCA controlled function without approval; and

(b) at that time P knew, or could reasonably be expected to have known, that P was performing an FCA controlled function without approval;

it may impose a penalty on P of such amount as it considers appropriate.

(2) A person performs a controlled function without approval for these purposes if that person is not acting in accordance with an approval given under section 59 (Approval for particular arrangements).

Who should make the application?

10C.10.5 G In accordance with section 60 of the Act (Applications for approval), applications must be submitted by, or on behalf of, the firm itself, not by:

(1) the FCA candidate; or

(2) (where the FCA candidate works for the firm’s parent undertaking or holding company) by the firm’s parent undertaking or holding company.

10C.10.6 G (1) The firm that is employing the FCA candidate to perform the FCA-designated senior management function will usually make the submission itself.
(SUP 10C.10.7G describes some common situations.)

(2) Where a firm has outsourced the performance of an FCA-designated senior management function, the details of the outsourcing determines whom the FCA anticipates will submit the FCA-approved persons application forms.

(3) The firm which is outsourcing is referred to as ‘A’ and the person to whom the performance of the FCA-designated senior management function has been outsourced, or which makes the arrangement for the FCA-designated senior management function to be performed, is referred to as ‘B’. In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the Act, no person performs an FCA-designated senior management function under an arrangement entered into by its contractor in relation to the carrying on by A of a regulated activity, without approval from the FCA.

10C.10.7 G Outsourcing arrangements

<table>
<thead>
<tr>
<th>Outsourcing arrangements</th>
<th>Explanation</th>
<th>Submitting form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm A to firm B</td>
<td>The FCA will consider A to have taken reasonable care if it enters into a contract with B under which B is responsible for ensuring that the relevant FCA-designated senior management functions are performed by FCA-approved SMF managers, and that it is reasonable for A to rely on this.</td>
<td>Firm B submits FCA-approved persons forms on behalf of firm A.</td>
</tr>
<tr>
<td>Outsourcing by A to B</td>
<td>See SUP 10C.3.9G</td>
<td>Either A or B may submit FCA-approved persons forms on behalf of firms in the group (see SUP 15.7.8G).</td>
</tr>
<tr>
<td>(i) A to B, where B:</td>
<td>Responsibility for (as opposed to the performance of) any activity outsourced to B will remain with A. See SYSC 8.</td>
<td></td>
</tr>
<tr>
<td>(a) is not an authorised person; and</td>
<td></td>
<td>A ensures that an individual approved by the FCA or the PRA to perform a designated senior management function has</td>
</tr>
</tbody>
</table>
(ii) A to B, where A is a branch of an overseas firm in the United Kingdom, and B is an overseas undertaking of the same group; or

(iii) A to B, where A is a UK authorised subsidiary of an overseas firm and B is an overseas undertaking of the same group.

responsibility for the outsourced arrangement and A submits a form in relation to that individual.

How to apply for approval

10C.10.8 D (1) An application by a firm for the FCA’s approval under section 59 of the Act (Approval for particular arrangements) for the performance of an FCA-designated senior management function must be made by completing Form A (SUP 10C Annex 2D), except where SUP 10C.10.9D requires Form E.

(2) If a firm must make an application using Form A, it must use Form A (shortened form) if:

(a) the person has current approved person approval to perform:

(i) an FCA controlled function that is a significant influence function; or

(ii) an FCA-designated senior management function; or

(iii) a PRA controlled function; and

(b) there have been no matters arising in relation to the fitness and propriety of the person to whom the application relates which mean that the information provided to the FCA or the PRA regarding fitness and propriety in connection with the current approved person approval may have changed since the application for the current approved person approval was made.

10C.10.9 D (1) A firm must use Form E (SUP 10C Annex 3D) where an approved person is both ceasing to perform one or more controlled functions and needs to be approved in relation to one or more FCA-designated senior management function within the same firm or group.

(2) A firm must not use Form E if the approved person has never before been approved to perform for any firm:

(a) an FCA controlled function that is a significant influence function;
(b) an FCA-designated senior management function; or
(c) a PRA controlled function.

(3) A firm must not use Form E if the approved person has not been subject to a current approved person approval from the FCA or PRA to perform for any firm for more than six months:

(a) an FCA controlled function that is a significant influence function;
(b) an FCA-designated senior management function; or
(c) a PRA controlled function.

(4) A firm must not use Form E if:

(a) a notification has been made or should be made:
   (i) to the FCA under SUP 10C.14.18R (Changes in fitness to be notified under Form D); or
   (ii) to the PRA under any equivalent PRA rule;
   (iii) to the FCA under SUP 10A.14.17R (the equivalent to (i) for firms that are not relevant authorised persons); or
   (iv) the PRA requirements corresponding to (iii);
   (whichever is applicable);

(b) a notification has been made or should be made to the FCA or PRA under any of the following:
   (i) section 63(2A) of the Act (Duty to notify regulator of grounds for withdrawal of approval);
   (ii) section 64B(5) (Notification of non-compliance with COCON or equivalent PRA rules); or
   (iii) section 64C of the Act (Requirement for relevant authorised persons to notify regulator of disciplinary action); or

(c) a notification has been made or should be made to the PRA under any provision of Chapter 11 of the part of the PRA rulebook titled “Notifications” (Conduct Rules: Notifications) corresponding to the requirements in (b); or

(d) any of the circumstances in SUP 10C.14.7R (Qualified Form C) apply;
in relation to any:

(e)  *controlled functions* which that *person* is ceasing to perform (as referred to in (1)); or

(f) any *controlled function* that they are continuing to perform for that *firm* or a *firm* in the same *group*.

10C.10.10  **G**  

*SUP 10C.15 (Forms and other documents and how to submit them to the FCA)* explains how applications should be submitted.

**Statements of responsibilities**

10C.10.11  **G**  

An application by a *firm* for the 
FCA’s approval under section 59 of the Act  
(Approval for particular arrangements) for the performance of an *FCA-designated senior management function* should be accompanied by a  
*statement of responsibilities*.

10C.10.12  **G**  

*SUP 10C.11 (Statements of responsibilities)* contains more material about  
*statements of responsibilities*, including (in particular) about a *statement of responsibilities* submitted under an application under *SUP 10C.10*.

**Other material to be included in an application**

10C.10.13  **G**  

A *firm* should include in an application a reasonable summary of:

(1) any handover certificate; and

(2) any other handover material;

referred to in *SYSC 4.9 (Handover procedures and material)* that relates to the responsibilities that the *candidate* is to perform.

**Vetting of candidates by the firm**

10C.10.14  **G**  

Under section 60A of the Act, before a *firm* makes an application for approval, it should be satisfied that the *candidate* is a fit and proper person to perform the function to which the application relates. In deciding that question, the *firm* should have particular regard to whether the *candidate*, or any *person* who may perform a function on the *candidate’s* behalf:

(1) has obtained a qualification;

(2) has undergone, or is undergoing, training;

(3) possesses a level of competence; or

(4) has the personal characteristics;

required by *FCA rules* in relation to *persons* performing functions of the kind to which the application relates.
10C.10.15 G For guidance on criteria that a firm should use for assessing whether an FCA candidate is fit and proper (including the FCA rules referred to in SUP 10C.10.14G), see FIT.

Criminal records checks and verifying fitness and properness

10C.10.16 R A firm must (as part of its assessment of whether a candidate is a fit and proper person to perform an FCA-designated senior management function and to verify the information contained in the application to carry out the FCA-designated senior management function) obtain the fullest information that it is lawfully able to obtain about the candidate under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the UK or any part of the UK before making the application.

10C.10.17 G (1) In England and Wales a firm should get an application form from the Disclosure and Barring Service (DBS) or an umbrella body (a registered body that gives access to DBS checks).

(2) The firm should ask the candidate to fill in and return the form to the firm. The firm should then send the completed application form to DBS or the firm’s umbrella body.

(3) The firm should then ask the candidate to show the firm the certificate when the candidate receives it from the DBS.

(4) There is an equivalent procedure in Scotland (involving Disclosure Scotland) and Northern Ireland (involving AccessNI).

10C.10.18 G The firm should not send a copy of the certificate to the FCA.

10C.10.19 G If the candidate is employed by a contractor, the firm may ask the contractor to obtain the certificate.

10C.10.20 G A firm should also check the Financial Services Register as part of its assessment of whether a candidate is fit and proper and to verify the information contained in the application for approval.

10C.10.21 G If appropriate, a firm should:

(1) carry out a criminal record check; and

(2) check any equivalent of the Financial Services Register;

in a jurisdiction outside the UK. This may be appropriate if the candidate has spent time working or living in that jurisdiction.

10C.10.22 G A firm should consider whether it should take additional steps to verify any information contained in an application to carry out an FCA-designated senior management function or that it takes into account in its assessment of whether a candidate is a fit and proper person.
Application for approval: References

10C.10.23 G Please see SYSC 5.3 (References and accurate information) about the requirement for a firm to ask for references from previous employers.

Processing an application

10C.10.24 G The Act sets out the time that the FCA has to consider an application and come to a decision.

10C.10.25 G In any case, where the application for approval is made by a person applying for a Part 4A permission, the FCA has until the end of whichever of the following periods ends last:

(1) the period within which an application for that permission must be determined; and

(2) the period of three months from the time it receives a properly completed application.

10C.10.26 G In any other case, it is the period of three months from the time it receives a properly completed application.

10C.10.27 G The FCA will deal with cases more quickly than this whenever circumstances allow and will try to meet the standard response times published on the website and in its Annual Report. However, the processing time will be longer than the published standard response times if:

(1) an application is incomplete when received; or

(2) the FCA has knowledge that, or reason to believe that, the information is incomplete.

10C.10.28 G Before making a decision to grant the application or give a warning notice, the FCA may ask the firm for more information about the FCA candidate. If it does this, the three-month period in which the FCA must determine a completed application:

(1) will stop on the day the FCA requests the information; and

(2) will start running again on the day on which the FCA finally receives all the requested information.

10C.10.29 G If there is a delay in processing the application within the standard response time, the FCA will tell the firm making the application as soon as this becomes apparent.

10C.10.30 G (1) Application forms must always be completed fully and honestly. Further notes on how to complete the form are contained in each form.
(2) If forms are not completed fully and honestly, applications will be subject to investigation and the FCA candidate’s suitability to be approved to undertake an FCA controlled function will be called into question.

(3) A person who provides information to the FCA that is false or misleading may commit a criminal offence and could face prosecution under section 398 of the Act, regardless of the status of their application.

10C.10.31 G The FCA may grant an application only if it is satisfied that the FCA candidate is a fit and proper person to perform the FCA-designated senior management function stated in the application form. Responsibility lies with the firm making the application to satisfy the FCA that the FCA candidate is fit and proper to perform the FCA-designated senior management function applied for.

10C.10.32 G For further guidance on criteria for assessing whether an FCA candidate is fit and proper for the purposes of SUP 10C.10.31G, see FIT.

Decisions on applications

10C.10.33 G The FCA must:

(1) grant the application;

(2) grant the application subject to conditions or limitations (see SUP 10C.12 for more information); or

(3) refuse the application.

10C.10.34 G Whenever it grants an application, the FCA will confirm this in writing to all interested parties.

10C.10.35 G If the FCA proposes to take the steps in SUP 10C.10.33G(2) or (3) in relation to one or more FCA-designated senior management functions, it must follow the procedures for issuing warning and decision notices to all interested parties. The requirements relating to warning and decision notices are in DEPP 2.

Withdrawing an application for approval

10C.10.36 R A firm notifying the FCA of its withdrawal of an application for approval must use Form B (SUP 10A Annex 5R).

10C.10.37 G Under section 61(5) of the Act (Determination of applications), the firm may withdraw an application only if it also has the consent of:

(1) the candidate; and

(2) the person by whom the candidate is or would have been employed, if
this is not the firm making the application.

10C.10.38 G  

**SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how a notice of withdrawal should be submitted.**

## 10C.11 Statements of responsibilities

**What a statement of responsibilities is**

10C.11.1 G (1) Section 60(2A) of the *Act* (Applications for approval) says that, if a firm is applying for approval from the FCA or the PRA for a person to perform a designated senior management function, the regulator to which the application is being made must require the application to contain, or be accompanied by, a statement setting out the aspects of the affairs of the firm which it is intended that the person will be responsible for managing in performing the function.

(2) That statement is a *statement of responsibilities*.

(3) A *statement of responsibilities* includes a statement amended under 62A of the *Act* (see SUP 10C.11.5G).

**What this section covers**

10C.11.2 G (1) This section is about the FCA’s requirements for *statements of responsibilities*.

(2) However, where applications and notifications relate both to FCA-designated senior management functions and to PRA ones, the regulators’ requirements are consistent with each other.

(3) The general material in this section (SUP 10C.11.13G to SUP 10C.11.35G) applies to *statements of responsibilities* submitted in all the cases covered by this section. It covers *statements of responsibilities* submitted as part of an application for approval or variation and revised *statements of responsibilities*.

### Applications for approval

10C.11.3 D An application by a firm for the FCA’s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of an FCA-designated senior management function must be accompanied by a *statement of responsibilities* (SUP 10C Annex 5D).

10C.11.4 G (1) *SUP 10C.10 (Application for approval and withdrawing an application for approval)* explains the procedures for applying for approval.

(2) *SUP 10C.15 (Forms and other documents and how to submit them to the FCA)* explains how applications for approval should be submitted.
(3) See the table in *SUP 10C.11.19G* for examples of how the requirements of this section about including *statements of responsibilities* in applications for approval apply in different situations.

Revised statements of responsibilities: Introduction

10C.11.5 G Under section 62A of the *Act*, a *firm* must provide the *FCA* with a revised *statement of responsibilities* if there has been any significant change in the responsibilities of an *FCA-approved SMF manager*. More precisely:

(1) if a *firm* has made an application (which was granted) to the *FCA* for approval for a *person* to perform an *FCA-designated senior management function*;

(2) the application contained, or was accompanied by, a *statement of responsibilities*; and

(3) since the granting of the application, there has been any significant change in the aspects of the *firm’s* affairs which the *FCA-approved SMF manager* is responsible for managing in performing the function;

the *firm* should provide the *FCA* with a revised *statement of responsibilities*.

Revised statements of responsibilities: Meaning of significant change

10C.11.6 G (1) This paragraph sets out non-exhaustive examples of potential changes which, in the *FCA’s* view, may be significant and thus require the submission of a revised *statement of responsibilities*.

(2) A variation of the *FCA-approved SMF manager’s* approval, either at the *firm’s* request or at the *FCA’s* or *PRA’s* initiative, resulting in the imposition, variation or removal of a condition or time limit, may involve a significant change.

(3) Fulfilling or failing to fulfil a condition on approval may involve a significant change.

(4) The addition, re-allocation or removal of any of the following (or part of one):

   (a) an *FCA-prescribed senior management responsibility*;

   (b) a *PRA-prescribed senior management responsibility*; or

   (c) responsibility for a function under *SYSC 4.7.8R* (*Allocation of overall responsibility for a firm’s activities, business areas and management functions*);

may involve a significant change.
(5) The sharing or dividing of a function in (4) that was originally performed by one person between two or more persons may involve a significant change.

(6) Ceasing to share a function in (4) that was originally shared with another, or others, may involve a significant change.

(7) A change is likely to be significant if it reflects a significant change to the job that the person is doing for the firm. Some factors relevant here include:

(a) the importance to the firm of the functions being given up or taken on;

(b) whether the FCA-approved SMF manager’s seniority in the firm’s management changes;

(c) whether there are changes to the identity, number or seniority of those whom the FCA-approved SMF manager manages; and

(d) whether there are changes to the skills, experience or knowledge needed by the FCA-approved SMF manager for the job.

Revised statements of responsibilities: Procedure

10C.11.7 D (1) A firm must provide a revised statement of responsibilities under section 62A of the Act under cover of Form J (SUP 10C Annex 5D).

(2) A firm must not use Form J where the revisions are to be made as part of arrangements involving an application:

(a) for approval for the FCA-approved SMF manager concerned to perform another designated senior management function for the same firm; or

(b) to vary (under section 63ZA of the Act (Variation of senior manager’s approval at request of relevant authorised person)) an approval for the FCA-approved SMF manager concerned to perform a designated senior management function for the same firm.

10C.11.8 G Broadly, the intention of SUP 10C.11.7D(2) is that there is no need for Form J if the revised statement of responsibilities is being submitted together with Form A, Form E or Form I for the same firm.

10C.11.9 G (1) SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how revised statements of responsibilities should be submitted.
(2) See the table in SUP 10C.11.19G for examples of how the requirements of this section about submitting revised statements of responsibilities apply in different situations.

(3) In particular, the table in SUP 10C.11.19G gives examples of how SUP 10C.11.7D(2) works.

Variation of approval

10C.11.10 D An application by a firm to the FCA for the variation of an existing approval under section 63ZA of the Act (Variation of a senior manager’s approval at request of relevant authorised person) must be accompanied by a statement of responsibilities.

10C.11.11 G (1) See SUP 10C.13 (Variation of conditional and time-limited approvals) for more details about applications to vary an approval.

(2) SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how applications to vary an approval should be submitted.

(3) See the table in SUP 10C.11.19G for examples of how the requirements of this section about submitting statements of responsibilities with applications to vary an approval apply in different situations.

Ceasing to carry on some functions

10C.11.12 R If:

(1) an FCA-approved SMF manager ceases to perform a designated senior management function for a firm; but

(2) continues to perform an FCA-designated senior management function for that firm;

the firm must (under Form J) submit a statement of responsibilities for the remaining functions.

One document for each SMF manager for each firm

10C.11.13 D (1) A firm must prepare statements of responsibilities (including revised ones) for one of its FCA-approved SMF managers as a single document covering every designated senior management function for which:

(a) that FCA-approved SMF manager has approval; or

(b) for which an application for approval is being made;

for that firm.
(2) The statement must be up to date for each designated senior management function.

10C.11.14 G  (1) SUP 10C.11.13D means that, at any time, a firm should have a single document for an SMF manager that:

(a) contains statements of responsibilities for all designated senior management functions for which that SMF manager has approval; and

(b) where relevant, contains statements of responsibilities for all designated senior management functions for which the firm is applying for approval.

(2) The document in (1) should cover PRA-designated senior management functions as well as FCA-designated senior management functions.

(3) The document should be updated:

(a) under section 62A of the Act (see SUP 10C.11.5G); and

(b) whenever the firm has to submit statements of responsibilities under this section.

(4) The FCA and the PRA have coordinated their arrangements so that a firm can prepare a single document that will meet the requirements of both regulators about statements of responsibilities.

(5) The table in SUP 10C.11.19G gives examples of how these requirements work.

10C.11.15 G  If a person is an SMF manager for several firms in a group that are relevant authorised persons, there should be a separate document for each firm.

10C.11.16 G  There should be a separate document for each SMF manager in a firm. A firm should not combine statements of responsibilities for several SMF managers.

10C.11.17 G  The requirement for a single document does not prevent the document having an attachment sheet for additional information where SUP 10C Annex 5D (the FCA’s template for statements of responsibilities) allows this.

Submitting statements of responsibilities: examples of how the requirements work

10C.11.18 G  The table in SUP 10C.11.19G gives examples of how the requirements in this section for submitting statements of responsibilities work in different cases.
10C.11.19 G Table: examples of how the requirements for submitting statements of responsibilities work

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) A firm applies for approval for A to perform the executive director function and the money laundering function.</td>
<td>There should be a single statement of responsibilities document that covers the two functions. The combined document should be included with the application for approval.</td>
</tr>
<tr>
<td>(2) Firm X applies for approval for A to perform the executive director function. Firm Y applies for approval for A to perform the money laundering function. Both firms are relevant authorised persons.</td>
<td>There should be separate statements of responsibilities for each firm. This is the case even if Firm X and Firm Y are in the same group.</td>
</tr>
<tr>
<td>(3) A firm applies for approval for A to perform an FCA-designated senior management function and a PRA-designated senior management function. The arrangements in SUP 10C.9 for FCA functions to be absorbed into PRA ones do not apply and so there are separate applications to the FCA and PRA.</td>
<td>The single statement of responsibilities document should cover both the FCA and the PRA functions.</td>
</tr>
<tr>
<td>(4) A has approval to perform the executive director function. Later, A is to be appointed to perform the money laundering function for the same firm. This will also result in substantial changes to A’s duties as an executive director.</td>
<td>The firm should not use Form J to notify the changes to A’s duties as an executive director. The firm should submit a revised single statement of responsibilities document along with the application to perform the money laundering function. The single statement of responsibilities document should cover both functions. The part relating to A’s duties as</td>
</tr>
<tr>
<td>Example</td>
<td>Comments</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td>(5) A has approval to perform the <em>executive director function</em>. Later, A is to be appointed to perform the PRA’s chief risk officer <em>designated senior management function</em> for the same firm. This will also result in substantial changes to A’s duties as an executive director.</td>
<td>The firm should not use Form J to notify the changes to A’s duties as an executive director. The firm should submit a revised single <em>statement of responsibilities</em> document along with the application to perform the PRA function. The firm should not submit the revised single <em>statement of responsibilities</em> document separately to the FCA. Instead, it should include it as part of the application to the PRA. The single <em>statement of responsibilities</em> document should cover both the FCA and the PRA functions. The part relating to A’s duties as an executive director should be updated.</td>
</tr>
<tr>
<td>(6) A has approval to perform the <em>money laundering function</em>. The approval to perform the <em>money laundering function</em> is subject to a condition. The firm is applying to vary that condition.</td>
<td>The firm should include a revised <em>statement of responsibilities</em> with the application. The firm should not use Form J. It should submit a revised <em>statement of responsibilities</em> along with the application to vary the approval.</td>
</tr>
<tr>
<td>(7) A has approval to perform the <em>executive director function</em> and the <em>money laundering function</em> for the same firm. The approval to perform the *money</td>
<td>The firm should not use Form J to notify the changes to A’s duties as</td>
</tr>
<tr>
<td>Example</td>
<td>Comments</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td><em>laundering function</em> is subject to a condition. The <em>firm</em> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A’s job as an executive director.</td>
<td>an executive director. The <em>firm</em> should submit a revised single <em>statement of responsibilities</em> document along with the application to vary the approval for the <em>money laundering function</em>. The single <em>statement of responsibilities</em> document should be updated and should cover both functions.</td>
</tr>
</tbody>
</table>

(8) A has approval to perform the *executive director function* and the *PRA’s chief risk officer designated senior management function* for the same *firm*. The arrangements in *SUP 10C.9* for *FCA functions* to be absorbed into *PRA ones* do not apply and so there are separate *FCA* and *PRA approvals*. The approval to perform the *PRA’s chief risk officer designated senior management function* is subject to a condition. The *firm* is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A’s job as an executive director. |

The *firm* should not use *Form J* to notify the changes to A’s duties as an executive director. The *firm* should submit a revised single *statement of responsibilities* document along with the application to vary the *PRA function*. The *firm* should not submit the revised document separately to the *FCA*. Instead it should include it as part of the application to the *PRA*. The single *statement of responsibilities* document should cover both the *FCA* and the *PRA functions* and should be updated. |

(9) A has approval to perform the *executive director function* and the *money laundering function* for the same *firm*. Sometime later, A is to give up the *money laundering function* and take up the *PRA’s chief risk officer designated senior management function*. This will |

The answer to example (5) applies. The application to the *PRA* to perform the *PRA function* should be accompanied by a single
<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>involve major changes to A’s role as executive director.</td>
<td>document that: (1) contains the statement of responsibilities for the new function; (2) contains the revised statement of responsibilities for the executive director function; and (3) reflects the fact that A is no longer performing the money laundering function.</td>
</tr>
</tbody>
</table>

(10) A firm has approval for A to perform the executive director function and the money laundering function. A then ceases to perform the money laundering function but continues to perform the executive director function. The firm must submit: (a) Form C for the money laundering function; (b) Form J; and (c) a single updated statement of responsibilities document that covers the executive director function. |

(11) A has approval to perform the executive director function and the PRA’s chief risk officer designated senior management function for the same firm. Later, A gives up his role as chief risk officer. The firm must submit: (a) Form C for the PRA function; (b) Form J; and (c) a single updated statement of responsibilities document that covers the executive director function. The firm should not submit the revised single statement of responsibilities document separately to the FCA. Instead, it should include it as part
<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(12) A has approval to perform the <em>executive director function</em>. Later, A is to be appointed to perform the <em>money laundering function</em> for the same <em>firm</em>. The application is rejected.</td>
<td>The single <em>statement of responsibilities</em> document submitted as part of the application will no longer be correct as it reflects the proposed new approval. If the only changes to the single document in the version sent with the application are ones, clearly and exclusively tied to the new function, the <em>firm</em> will not need to amend the document as the changes will automatically fall away. In any other case (for instance if the application is approved conditionally), it is likely that the <em>firm</em> will need to update it using Form J. In any case, the <em>FCA</em> may contact the <em>firm</em> to agree a revised single <em>statement of responsibilities</em> document.</td>
</tr>
<tr>
<td>(13) A has approval to perform the <em>executive director function</em>. Later, A is to be appointed to perform the <em>money laundering function</em> for the same <em>firm</em>. This will not result in any changes to A’s duties as an executive director. However, there have been some insignificant changes to A’s role as an executive director since the <em>firm</em> submitted the most recent single <em>statement of responsibilities</em> document. The changes are not connected to A’s appointment to perform the <em>money laundering function</em>.</td>
<td>The answer for example (4) applies. The single <em>statement of responsibilities</em> document should be updated to cover the changes to A’s duties as executive director, as well as covering A’s new money laundering role. It does not matter that the changes to A’s role as an executive</td>
</tr>
</tbody>
</table>
### Example

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(14) A has approval to perform the <em>executive director function</em>. Later, A’s business unit grows in size and so the firm needs to apply for A to be approved to perform the <em>PRA’s Head of Key Business Area designated senior management function</em>. However, A’s responsibilities do not change.</td>
<td>The firm should submit a revised single <em>statement of responsibilities</em> document along with the application to perform the <em>PRA</em> function. The firm should submit a single <em>statement of responsibilities</em> document that covers both the <em>FCA</em> and the <em>PRA</em> functions. It should not submit the revised single <em>statement of responsibilities</em> document separately to the <em>FCA</em>. Instead, it should include it as part of the application to the <em>PRA</em>.</td>
</tr>
</tbody>
</table>

The single *statement of responsibilities* document means the single document described in *SUP 10C.11.13D*

### Need for a complete set of current statements of responsibilities

**10C.11.20** R  A *firm* must, at all times, have a complete set of current *statement of responsibilities* for all its *SMF managers*.

**10C.11.21** G  (1) A complete set of current *statement of responsibilities* means all *statements of responsibilities* that the firm has provided to the *FCA* or *PRA* as revised under section 62A of the *Act*.

(2) A *statement of responsibilities* is not current if the *person* in question no longer performs any of the *controlled function* to which it relates.

### Past versions

**10C.11.22** G  (1) A *firm* should consider past versions of its *statements of responsibilities* as an important part of its records and as an important resource for the *FCA* in supervising the *firm*.

(2) Past versions of a *firm’s statements of responsibilities* form part of its
records under SYSC 9.1 (General rules on record-keeping).

What statements of responsibilities should contain: general

10C.11.23 G A statement of responsibilities should:

(1) show clearly how the responsibilities that the SMF manager performs as part of their FCA-designated senior management function fit in with the firm’s overall governance and management arrangements; and

(2) be consistent with the firm’s management responsibilities map.

(See SYSC 4.5.9G for more about this.)

10C.11.24 G (1) A statement of responsibilities (including its attachment sheet for additional information) should:

(a) be complete by itself;

(b) not refer to documents not forming part of it; and

(c) only contain material about the matters that this chapter, the corresponding PRA requirements and the Act say should be included in it.

(2) For example, if it is necessary to include relevant material from the firm’s report and accounts, the statement of responsibilities should not attach the whole of the report and accounts or cross refer to them. Instead it should include a summary of the relevant part only.

10C.11.25 G A statement of responsibilities should be:

(1) practical and useable by the FCA;

(2) without unnecessary detail; and

(3) succinct and clear.

10C.11.26 G (1) SYSC or another part of the regulatory system will generally impose requirements (referred to as ‘prescribed requirements’ in this paragraph) that relate to a particular post or set of responsibilities.

(2) For instance, these include:

(a) the responsibilities that go with the FCA required functions; and

(b) the FCA-prescribed senior management responsibilities and the PRA-prescribed senior management responsibilities.

(3) The allocation of responsibilities under a statement of responsibilities should not reduce or alter the scope of any applicable prescribed
requirements.

(4) If:

(a) the responsibilities that the SMF manager carries out as described in the *statement of responsibilities* go beyond the prescribed requirements; or

(b) the firm includes additional information about any prescribed requirements;

the additional responsibilities or additional information should not:

(c) reduce or alter the scope of the prescribed requirements; or

(d) dilute or undermine the prescribed requirements.

10C.11.27 G (1) A firm’s statements of responsibilities for its SMF managers should together demonstrate that there are no gaps in the allocation of responsibilities among its SMF managers.

(2) A firm’s statements of responsibilities should be interpreted, where possible, so as to avoid any gaps in the allocation of responsibility for its activities among its SMF managers.

10C.11.28 G (1) A statement of responsibilities of an SMF manager should include details about any:

(a) *FCA-prescribed senior management responsibilities* and *PRA-prescribed senior management responsibilities* allocated to the SMF manager;

(b) functions that are included in a *PRA controlled function* under *SUP 10C.9 (Minimising overlap with the PRA approved persons regime)*; and

(c) responsibility for a function allocated to the SMF manager under *SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions)*.

(2) Paragraph (1)(c) applies even if the responsibility is excluded from the *other overall responsibility function* under *SUP 10C.7.1R(2) (Exclusion for approved person with approval to perform other controlled functions)*.

10C.11.29 G (1) The definition of every *FCA-designated senior management function* contains a responsibility which is inherent, inseparable from and intrinsically built into the specific role.

(2) In many ways, this inherent responsibility is the most important responsibility of any given SMF manager, as it provides a rationale as to why that specific function is subject to pre-approval by the FCA in
the first place.

(3) Even where an SMF manager has not been allocated any other responsibilities by the firm, the responsibility inherent in the definition of their FCA-designated senior management function means that they will be accountable for that aspect of the firm’s activities.

(4) For instance, even if a person approved to perform the compliance oversight function has no other responsibilities allocated to them, they will be accountable for the Handbook requirements for the compliance oversight function.

10C.11.30 G (1) The FCA may request a firm to include specific responsibility for a regulatory outcome in the statement of responsibilities of the relevant SMF managers.

(2) For example, where the FCA asks a firm to take remediation action following an internal or supervisory review or a report under section 166 of the Act (Reports by skilled persons) and considers it appropriate for an SMF manager to take responsibility for that action, it may ask the firm to add an additional, customised, explicit responsibility to the relevant SMF manager’s statement of responsibilities.

What statements of responsibilities should contain: dividing and splitting responsibilities

10C.11.31 G (1) Where a responsibility or function is shared or divided between an SMF manager and others, the statements of responsibilities for each SMF manager concerned should make this clear.

(2) Where a responsibility or function is divided between an SMF manager and others, the statements of responsibilities for each SMF manager concerned should make it clear for what part of which responsibility or function that SMF manager has responsibility.

(3) Together, the statements of responsibilities should show which responsibility or function is shared or divided between which SMF managers or other persons. It should be clear which responsibility or function and which SMF managers or other persons are involved.

10C.11.32 G (1) Where:

(a) an FCA-prescribed senior management responsibility; or

(b) any function allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions);

is divided or shared between several SMF managers, the statement of
responsibilities for each SMF manager should:

(c) explain why this has been done; and

(d) give full details of the arrangements, including the names of the other persons and their FCA/PRA Individual Reference Numbers (IRN) (if known).

(2) Where a responsibility or function is shared between several SMF managers, this should be recorded in the same way in the statements of responsibilities of each of them. This should also be consistent with the firm’s management responsibilities map.

10C.11.33 G (1) Where two or more SMF managers share a responsibility, each will be individually responsible for everything included in that responsibility, including anything inherent in that responsibility (see SUP 10C.11.29G for inherent responsibilities).

(2) Where:

(a) a responsibility is divided between several SMF managers; but

(b) some part of the responsibility has not clearly been allocated to any of them;

it should be assumed that that part is the joint responsibility of all of them.

What statements of responsibilities should contain: Non-executive directors

10C.11.34 G In general, the FCA expects the statement of responsibilities of a non-executive director who is an SMF manager to be less extensive than those of an executive SMF manager.

10C.11.35 G The FCA does not require any of the general duties of a non-executive director described in section 2 of COCON 1 Annex 1 (The general role of a NED) to be included in the non-executive director’s statement of responsibilities.

10C.12 Conditional and time-limited approvals

Purpose

10C.12.1 G (1) SUP 10C.12 describes the regime for conditional and time-limited approvals.

(2) In particular, SUP 10C.12 sets out the FCA’s policies on giving approval under section 59 subject to conditions or for a limited period only, as required by section 63ZD of the Act (Statement of policy relating to conditional approval and variation).
(3) The policies described in SUP 10C.12 also apply when the FCA is considering whether to give its consent to an application made to the PRA for approval.

(4) Material on variations of conditional and time-limited approvals can be found in SUP 10C.13 (Variation of conditional and time-limited approvals).

10C.12.2 G (1) The power to grant an approval subject to conditions or for a limited period only applies to senior management functions.

(2) As all FCA controlled functions specified in this chapter are senior management functions, this means that this power applies to all FCA controlled functions specified in this chapter.

(3) The FCA has (in SUP 10A) specified controlled functions for relevant authorised persons that are not designated senior management functions. See SUP 10C.1.7R to SUP 10C.1.8G (Appointed representatives) for more about this.

(4) The power to grant an approval subject to conditions or for a limited period does not apply to the controlled functions in (3).

Introduction

10C.12.3 G The FCA may:

(1) grant an application for approval subject to any conditions that the FCA considers appropriate; and

(2) grant the application to give approval only for a limited period.

10C.12.4 G The FCA may use this power only if it appears to the FCA that it is desirable to do so to advance one or more of its operational objectives.

10C.12.5 G Factors that the FCA will take into account include:

(1) those relating to the firm at the time of the application, such as:

(a) its size, scale and complexity; and

(b) its plans and prospects; and

(2) those relating to the candidate and, in particular, the candidate’s fitness and properness.

10C.12.6 G The FCA expects that the most common use of the power to give qualified approvals would be:

(1) time-limited approvals;

(2) a time limitation in relation to an ongoing or prospective enforcement
investigation;

(3) a competency-related condition; and

(4) a role-limited condition.

Time-limited approval

10C.12.7 G An example of a time-limited approval is where a firm needs to appoint the candidate on an interim basis while the firm seeks to appoint a permanent candidate. The FCA may approve the interim appointee on a time-limited basis.

10C.12.8 G The FCA would not generally impose a time limitation in these circumstances for a period of less than 12 weeks. The FCA would expect the firm to use the 12-week rule in SUP 10C.3.13R.

10C.12.9 G An example of when the FCA may approve an individual on a time-limited basis is where, following a sudden or unexpected departure:

(1) a firm needs to fill an FCA-designated senior management function vacancy immediately; but

(2) it is likely to take longer than 12 weeks to recruit a permanent replacement; and

(3) there is an individual at the firm not currently approved to perform the relevant FCA-designated senior management function whom the firm and the FCA think capable of fulfilling the role on an interim, provisional basis but not necessarily on a permanent basis.

10C.12.10 G Generally, the FCA would not impose a time limitation of this type for longer than 12 to 18 months.

10C.12.11 G The FCA would consider using this power for a person who is in the running for the long-term appointment.

10C.12.12 G (1) An example of how the FCA could deal with a person who is in the running for the long-term appointment is outlined below.

(2) The head of compliance resigns unexpectedly from a firm. The firm wishes to appoint one of the deputies. The FCA and the firm believe the deputy to be capable of running the firm’s compliance function on a day-to-day ‘business as usual basis’ but the deputy has no experience developing a long-term, firm-wide strategy. The firm estimates that it could take up to a year to recruit a permanent head of compliance. It also believes that the deputy could be the ideal candidate if the deputy could outline a viable compliance strategy for the firm.

(3) In this situation, it may be appropriate to approve the deputy as head
of compliance subject to a 12-month time limit.

(4) Before the end of that period, the deputy would have to prepare a new compliance strategy and the deputy’s ability to do so would be taken into account when deciding whether to approve the deputy on a permanent basis.

10C.12.13 G In deciding whether a candidate is fit and proper, the FCA will take into account the role that the candidate is going to perform. The standard for a person who is appointed on a temporary basis may be different from a person appointed on a permanent basis when the person with a temporary appointment has a more limited role.

10C.12.14 G The FCA may impose a condition on the approval, as well as time limitation. For example, in the example in SUP 10C.12.12G, the FCA may impose a condition prohibiting the candidate from significantly amending the management structure of the department.

10C.12.15 G The other main examples of a time-limited approval are:

(1) an enforcement action time-limited approval (see SUP 10C.12.16G);

(2) a time limitation used in conjunction with a competence condition (see SUP 10C.12.26G); and

(3) a time limitation in relation to the scale of a role (see SUP 10C.12.35G).

Enforcement action: time limitation

10C.12.16 G An enforcement action time-limited approval relates to a case in which there is an enforcement investigation ongoing, or in prospect, the results of which may call into question the candidate’s fitness and properness, but at the time of application there are no or insufficient grounds to refuse approval. The candidate may or may not be a subject of that investigation.

10C.12.17 G The FCA will generally limit an enforcement action time-limited approval for a period long enough to allow the investigation to be completed so far as relevant to the candidate. Imposing a time limitation on approval would allow the FCA to look at the situation in more detail after approval, with the benefit of all the facts arising from the investigation.

10C.12.18 G The policy on the length of time-limited approvals in SUP 10C.12.8G does not apply to time limitations of this type.

Competence and related conditions

10C.12.19 G The FCA may take the view that a candidate would meet the fit and proper requirement with an approval subject to either, or both, of the following:

(1) one or more conditions; and/or
(2) a time limitation;

who would not have met that requirement without the qualification.

10C.12.20 G Firms should not see the power to give approval on this basis as an opportunity to put forward sub-standard candidates in the knowledge that they are unlikely to gain unconditional approval but may scrape through by way of a qualified approval.

10C.12.21 G (1) The FCA is likely only to give a qualified approval on the basis described in SUP 10C.12.19G in limited circumstances.

(2) Generally, the FCA would only use this power in place of rejection where the deficiency is in only a relatively small proportion of the required job competencies.

(3) Lack of technical knowledge is more likely to be easier to remedy than a problem with personal characteristics.

(4) The FCA is only likely to give its approval on this basis when the candidate has fallen short of the required standard by a reasonably small margin (a ‘near miss’).

10C.12.22 G One example of a conditional approval based on the competence of the candidate would be where the candidate would have met the fitness and properness standard but for a shortfall in the candidate’s technical knowledge and the shortfall is in a relatively narrow and specific area.

10C.12.23 G The FCA does not see this as being a probationary or standalone measure. The competency-related limitation would be time specific and linked to something that the FCA would wish to re-examine after the period has expired.

10C.12.24 G (1) When the FCA is imposing a competence-related condition where there is a shortfall, approval will only be granted on the condition that the candidate is required to undertake training or receive mentoring to eliminate the shortfall.

(2) See SUP 10C.12.39G (role-limited approval) for an example of a shortfall in competence that is not dealt with by trying to remove it.

10C.12.25 G (1) An example of where a qualified approval based on competence may be used is for a candidate with proven management skills who is new to the role or the industry and requires some new technical knowledge for the new role.

(2) For instance, a candidate for the role of a senior manager may have a proven track record as a senior manager but may lack detailed knowledge of a specific area, such as money laundering or of the technical details of prudential capital requirements.
(3) A competence condition would require the candidate to undertake training in the area of shortfall after appointment.

10C.12.26 G (1) A competency-related approval is likely to be linked with a time-limited approval.

(2) Under an approval of this kind, the candidate will be required to undertake the necessary training or other remedial measures.

(3) The time for which the approval will last would be set to give the firm and the candidate a reasonable time to complete the measures.

(4) At the end of the period, the firm would need to apply to the FCA to appoint the candidate on a permanent basis.

10C.12.27 G The FCA would only be likely to consider a qualified approval based on competence if it was sure that the candidate could achieve the required level of competence within a specified period, which is unlikely to be more than 12 to 18 months.

10C.12.28 G (1) The FCA may give a conditional approval instead of rejection in cases where the condition does not relate to the candidate’s abilities.

(2) For example, the FCA may consider that the candidate is suitable only if the candidate refrains from, or ceases undertaking, certain actions and makes the approval conditional on that basis.

(3) The FCA may require the candidate to go beyond the regulatory requirements in a given area.

10C.12.29 G (1) An example of SUP 10C.12.28G is where a firm wishes to appoint someone as an executive director who has a number of non-executive directorships.

(2) The FCA may be concerned about the potential impact of these other commitments on that individual’s ability to devote sufficient time to the proposed role with the firm.

(3) In this situation, it might be appropriate to attach a condition to the individual’s approval requiring that person to resign from some of their non-executive directorships.

Role-limited

10C.12.30 G A role-limited approval means:

(1) a time-limited approval; or

(2) a condition;

relating to the nature or scope of the candidate’s role.
10C.12.31 G One example of a role-limited approval relates to the fact that the size, nature, scope and complexity of a firm’s activities can change over time. An individual may be fit and proper to perform a senior management function at a certain firm at a point in time but the FCA may wish to re-assess that individual if the firm’s situation changes.

10C.12.32 G It is not FCA policy to impose role-limited approvals routinely for all firms or for a certain category of firm. For example, there is no blanket policy that approval of a candidate for a post in a small firm would be subject to a qualification based on the firm remaining small.

10C.12.33 G Where a firm is expanding or transforming its business model or its risk profile and there are identifiable upcoming milestones, the FCA may wish to link the duration of a candidate’s approval to these milestones.

10C.12.34 G If the change is likely to occur in the near future and the details are clear, the FCA may consider its approval of the application in the light of this proposed change.

10C.12.35 G (1) Very often it will be uncertain whether a change in circumstances will happen at all, the details may not yet be known or the timing may be uncertain.

(2) In that case, the FCA may, subject to (3), make its judgement based on the candidate’s proposed role, without taking into account the possible change. This reflects the fact that the judgement of whether a candidate is fit and proper takes into account the role that they are actually going to play.

(3) However, to reflect the possible change, the FCA would give a time-limited approval that would come to an end on the occurrence of the milestone.

(4) The firm could then apply for a new and possibly unqualified approval.

10C.12.36 G An example under SUP 10C.12.35G is as follows.

(1) In this example:

(a) an individual is to perform an FCA-designated senior management function in an unlisted firm which currently operates only in the UK; and

(b) the firm is planning a listing and a string of acquisitions which are projected to treble the size of its balance sheet and give it a global footprint over the next three years, but the candidate has never worked for an institution as large or as complex.

(2) In this situation:
(a) it may be appropriate to limit the candidate’s approval to a specified period. If the projected time for completing the transactions is three years, the approval would be for three years; or

(b) it may be appropriate to draft the time limitation by reference to the milestone. For example, the approval might be expressed to come to an end at the point at which the firm’s balance sheet exceeds a certain size.

10C.12.37 G The policy on the length of time-limited approvals in SUP 10C.12.8G does not apply to time limitations of this type.

10C.12.38 G Another way of dealing with a firm that plans to reorganise itself but has not made a firm decision to do so or worked out the details, is to make the approval subject to the condition that the nature or scope of the candidate’s role should not change. The firm could apply for the condition to be removed once the plans are ready to be carried out.

10C.12.39 G (1) Another example of a limited-role approval is where:

(a) a candidate is not competent to carry out all the functions that are capable of falling within the FCA-designated senior management function for which approval is sought; but

(b) the candidate will be fit to carry out most of them; and

(c) the firm has adequate arrangements to deal with the other aspects.

(2) In such circumstances, the condition would be that the candidate does not get involved in the aspects of the role for which that candidate is not competent, as specified in the condition.

Condition not based on fitness

10C.12.40 G The power to impose a conditional or time-limited approval:

(1) does not depend on the candidate being unfit without that condition or limit; and

(2) need not be related to the candidate’s ability to do the job properly (see SUP 10C.12.28G).

10C.12.41 G One example of a conditional approval when the candidate is fit and proper and able to do the job is to support supervisory action in relation to the firm. So, if a firm is running a remedial programme, it may be a condition of the candidate’s approval that the candidate takes responsibility for aspects of that programme.

10C.12.42 G Although it is not general FCA policy to use the power to give qualified
approval as a probationary measure, there may be circumstances where a firm wants to appoint a candidate to perform an FCA-designated senior management function who, although fit and proper, may, in the role, be responsible for the firm’s approach to dealing with particularly unusual or severe challenges in the near future. In this situation, it might be appropriate to approve the candidate subject to a time limit with a view to reassessing that candidate for a permanent position in due course.

10C.12.43 G In this scenario, the time-limited approval may be accompanied by a condition requiring the candidate to:

(1) complete an action or deliverable on or before the end of the time limit, eg a requirement on the acting Head of Sales to produce a revised strategy for treating customers fairly within the next six months; and

(2) refrain from taking specific actions or decisions associated with the role until that person receives permanent approval, eg, a requirement not to introduce a new sales channel until they receive permanent approval.

Effects of a breach of condition

10C.12.44 G The provisions in:

(1) section 59 of the Act that say a firm should take reasonable care to ensure that no person performs a controlled function without approval (see SUP 10C.10.3G); and

(2) section 63A of the Act, under which a person performing a controlled function without approval may be subject to a penalty (see SUP 10C.10.4G);

apply not only to the performance of an FCA-designated senior management function by someone who has not been approved to perform that function but also to the performance of an FCA-designated senior management function for which the person has been approved in breach of a condition or time limitation.

10C.12.45 G Sections 59 and 63A of the Act show that failure to observe a condition does not in itself invalidate an approval. Instead, both the firm and the SMF manager may be subject to a penalty for breach of the Act. Such a failure may also:

(1) involve a breach of FCA rules by the firm and a breach by the SMF manager of COCON; and

(2) call into question the fitness of the SMF manager.

10C.12.46 G For example, if an SMF manager is subject to a role-limited condition under which the SMF manager is not allowed to carry out certain specified aspects of the FCA-designated senior management function but the SMF manager
goes ahead and carries out those aspects, the SMF manager’s approval does not automatically come to an end. Instead, both the firm and the SMF manager may be subject to a financial penalty.

10C.13 Variation of conditional and time-limited approvals

Purpose

10C.13.1 This section deals with variation of a conditional approval at the:

(1) request of the firm; and

(2) initiative of the FCA.

10C.13.2 (1) In particular, this section sets out the FCA’s policies about varying conditional approvals at the request of a firm, as required by section 63ZD of the Act (Statement of policy relating to conditional approval and variation).

(2) This section does not deal with the FCA’s policies on varying a condition on its own initiative. DEPP 8 deals with that.

Variation of a conditional approval at the request of the firm: general description

10C.13.3 A firm may apply to the FCA to change a conditional approval. The changes for which a firm may apply are:

(1) a variation of the condition;

(2) removal of the condition; and

(3) the imposition of a new condition.

10C.13.4 (1) If a firm is applying for a change of the type described in SUP 10C.13.3G(1) or SUP 10C.13.3G(2), the firm should apply to the FCA if the FCA imposed that condition, even if the approval was given by the PRA.

(2) If the firm is applying for the imposition of a new condition, the firm should apply to the FCA if the approval to which the application relates was given by the FCA.

(3) In other cases, the application should be to the PRA.

10C.13.5 The power to apply for a variation does not apply to a time limitation.

Variation of a conditional approval at the request of the firm: process

10C.13.6 An application by a firm to the FCA under section 63ZA of the Act (Variation of senior manager's approval at request of relevant authorised
persons) must be made by using Form I (SUP 10C Annex 4D).

10C.13.7 G (1) An application under SUP 10C.13.6D should be accompanied by a statement of responsibilities for the approved person concerned.

(2) See SUP 10C.11 (Statements of responsibilities) for more details.

10C.13.8 G SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how applications to vary a conditional approval should be submitted.

10C.13.9 G The FCA has until the end of the period of three months from the time it receives a properly completed application to consider the application and come to a decision.

10C.13.10 G The FCA must either grant the application or, if it proposes not to grant an application, issue a warning notice (see DEPP 2).

10C.13.11 G The FCA may refuse an application if it appears to the FCA that it is desirable to do so to advance one or more of its operational objectives.

10C.13.12 G Before making a decision to grant the application or give a warning notice, the FCA may ask the firm for more information. If it does this, the three-month period in which the FCA must determine a completed application:

(1) will stop on the day the FCA requests the information; and

(2) will start running again on the day on which the FCA finally receives all the requested information.

10C.13.13 G Whenever it grants an application, the FCA will confirm this in writing to all interested parties.

10C.13.14 G If the FCA proposes to refuse an application, it must follow the procedures for issuing warning notices and decision notices to all interested parties. The requirements relating to warning and decision notices are in DEPP 2.

10C.13.15 R A firm notifying the FCA of its withdrawal of an application for variation of an approval must use Form B (SUP 10A Annex 5R).

10C.13.16 G SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how notifications of withdrawal of an application should be submitted.

10C.13.17 G Under section 61(5) of the Act (Determination of applications), as applied by section 63ZA(8) of the Act (Variation of senior manager’s approval at request of relevant authorised person), the firm may withdraw an application only if it also has the consent of:

(1) the approved person; and

(2) the person by whom the approved person is employed if this is not
the firm making the application.

Variation of a conditional approval at the request of the firm: policy

10C.13.18 G The FCA’s policy on approving or refusing a request for a variation is the same as it is for imposing conditions on approval (see SUP 10C.12 (Conditional and time-limited approvals)).

10C.13.19 G (1) An example of a situation in which the FCA would consider varying a condition would be a competency-related condition which required a training course to be completed (see, in particular, SUP 10C.12.24G for this type of condition).

(2) If the firm later concludes that a different course would be better, the firm may apply for a variation of the condition.

10C.13.20 G Another example of a situation in which the FCA would consider varying a condition would be a condition relating to a remedial programme (see SUP 10C.12.41G). If the remedial programme is changed, it may be appropriate to change the condition.

10C.13.21 G (1) Other examples of where the FCA may agree to removing a condition are where:

(a) the approved person’s role has changed so that the reason for the condition originally being imposed no longer applies; or

(b) new information has come to light that removes any doubt about the approved person’s competence so a condition is no longer necessary.

(2) For example, the FCA may agree to removing a condition about the scope of the approved person’s role of the type described in SUP 10C.12.39G.

10C.13.22 G See SUP 10C.12.38G for another example of a case where the FCA may agree to removing a condition (condition imposed pending reorganisation).

Variation of a conditional approval: action at the initiative of the FCA

10C.13.23 G Under section 63ZB of the Act (Variation of senior manager's approval on initiative of regulator), the FCA may vary an approval given by the FCA or the PRA for the performance of a designated senior management function if the FCA considers that it is desirable to do so to advance one or more of its operational objectives.

10C.13.24 G The FCA may vary an approval by:

(1) imposing a condition;

(2) varying a condition;
(3) removing a condition; or
(4) limiting the period for which the approval is to have effect.

10C.13.25 G More information about the FCA’s powers to vary a condition on its own initiative, including its policy on using these powers, can be found in DEPP 8.

10C.14 Changes to an FCA-approved person’s details

Moving within a firm

10C.14.1 G (1) An FCA-approved SMF manager’s job may change from time to time as a result, for instance, of a change in personal job responsibilities or a firm’s regulated activities.

(2) Where the changes will involve the SMF manager performing one or more FCA-designated senior management functions different from those for which approval has already been granted, an application must be made to the FCA for approval for the SMF manager to perform those FCA-designated senior management functions.

(3) The firm must take reasonable care to ensure that an individual does not begin performing an FCA-designated senior management function until the FCA has granted FCA-approved SMF manager status to that individual for that FCA-designated senior management function.

(4) Similarly, a firm must get the FCA’s approval if an individual is to start performing an FCA-designated senior management function in relation to that firm when they already have the PRA’s approval to perform a PRA-designated senior management function in relation to that firm.

10C.14.2 G (1) A firm should generally use Form E where an approved person is both ceasing to perform one or more controlled functions and needs to be approved in relation to one or more FCA-designated senior management functions within the same firm or group.

(2) In certain cases, a firm should use Form A.

(3) The details can be found in SUP 10C.10.8D to SUP 10C.10.9D.

Moving between firms

10C.14.3 G If it is proposed that an FCA-approved SMF manager:

(1) will no longer be performing an FCA-designated senior management function under an arrangement entered into by one firm or one of its contractors; but
(2) will be performing the same or a different *FCA-designated senior management function* under an *arrangement* entered into by a new *firm* or one of its contractors (whether or not the new *firm* is in the same *group* as the old *firm*);

the new *firm* will be required to make a fresh application for the performance of the *FCA-designated senior management function* by that person.

10C.14.4 G In certain circumstances, when the FCA already has the information it would usually require, a shortened version of the relevant Form A may be completed. See the notes relevant to each form for full details.

**Ceasing to perform an FCA-designated senior management function**

10C.14.5 R (1) A *firm* must notify the FCA no later than seven *business days* after an *FCA-approved SMF manager* ceases to perform an *FCA-designated senior management function*.

(2) It must make that notification by submitting to the FCA a completed Form C (*SUP 10A Annex 6R*).

(3) If:

(a) the *firm* is also making an application for approval for that *approved person* to perform a *controlled function* within the same *firm* or *group*; and

(b) ceasing to perform the *FCA-designated senior management function* in (1) has triggered a requirement to make that application for approval:

(i) to the FCA using Form E (rather than a Form A) under *SUP 10C.10.9D*;

(ii) to the FCA using Form E (rather than a Form A) under *SUP 10A*; or

(ii) to the PRA using the *PRA’s Form E* in accordance with the corresponding *PRA* requirements;

it must make the notification under (1) using that Form E.

10C.14.6 G *SUP 10C.15* (Forms and other documents and how to submit them to the FCA) explains how notifications should be submitted.

10C.14.7 R (1) A *firm* must notify the FCA as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C for an *FCA-approved SMF manager*.

(2) Form C is qualified if the information it contains:
(a) relates to the fact that the firm has dismissed, or suspended, the FCA-approved SMF manager from its employment;

(b) relates to the resignation by the FCA-approved SMF manager while under investigation by the firm, the FCA or any other regulatory body;

(c) otherwise reasonably suggests that it may affect the FCA’s assessment of the FCA-approved SMF manager’s fitness and propriety; or

(d) includes a notification about the FCA-approved SMF manager under one of the provisions of the Act listed in SUP 10C.14.22R (notification of grounds for withdrawal of approval, breach of conduct rules and disciplinary action).

10C.14.8 G (1) Notification under SUP 10C.14.7R may be made by telephone, email or fax and should be made, where possible, within one business day of the firm becoming aware of the information.

(2) Oral notifications should be given directly to the firm’s usual supervisory contact at the FCA. An oral notification left with another person or left on a voicemail, or other automatic messaging service, is unlikely to have been given appropriately.

10C.14.9 G A firm is responsible for notifying the FCA if any FCA-approved SMF manager has ceased to perform an FCA-designated senior management function under an arrangement entered into by its contractor.

10C.14.10 G (1) A firm can submit Form C or Form E to the FCA in advance of the cessation date.

(2) If the actual cessation date turns out to be different from the one notified in advance, the firm should notify the FCA.

(3) If the firm does not submit Form C (including a qualified one) or Form E, it should inform the FCA in due course of the reason. This could be done using Form D, if appropriate.

10C.14.11 G (1) When a person ceases the arrangement under which they perform an FCA-designated senior management function, they will automatically cease to be an FCA-approved SMF manager in relation to that FCA-designated senior management function.

(2) A person can only be an FCA-approved SMF manager in relation to a specific FCA-designated senior management function. Therefore, a person is not an FCA-approved SMF manager during any period between ceasing to perform one FCA-designated senior management function (when they are performing no other FCA-designated senior management function) and being approved for another FCA-designated senior management function.
10C.14.12  G  Sending forms promptly will help to ensure that any fresh application can be processed within the standard response times.

Changes to an approved person’s personal details

10C.14.13  R  If an FCA-approved SMF manager’s title, name or national insurance number changes, the firm for which the person performs an FCA-designated senior management function must notify the FCA on Form D (SUP 10A Annex 7R), of that change within seven business days of the firm becoming aware of the matter.

10C.14.14  G  The duty to notify in SUP 10C.14.13 does not apply to changes to an FCA-approved SMF manager’s private address.

Changes to arrangements

10C.14.15  R  (1) If any of the details relating to:

   (a) the arrangements in relation to any of a firm’s FCA-approved SMF managers; or
   (b) any FCA-designated senior management functions of one of its FCA-approved SMF managers;

are to change, the firm must notify the FCA on Form D (SUP 10A Annex 7R).

   (2) The notification under (1) must be made as soon as reasonably practicable after the firm becomes aware of the proposed change.

   (3) This rule does not apply to anything required to be notified under section 62A of the Act (Changes in responsibilities of senior managers) or SUP 10C.11 (Statements of responsibilities).

10C.14.16  G  SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how notifications should be submitted.

Revised statements of responsibilities

10C.14.17  G  (1) Under section 62A of the Act, a firm should provide the FCA with a revised statement of responsibilities if there has been any significant change in the responsibilities of an FCA-approved SMF manager.

   (2) Details can be found in SUP 10C.11 (Statements of responsibilities).

Notifications about fitness, disciplinary action and breaches of COCON

10C.14.18  R  (1) If a firm becomes aware of information which would reasonably be material to the assessment of the fitness and propriety of an FCA-approved SMF manager, or of candidate to be one (see FIT), it must inform the FCA either:
(a) on Form D; or

(b) if it is more practical to do so and with the prior agreement of the FCA, by email or fax;

as soon as practicable and, in any case, within seven business days.

(2) This rule does not apply to anything required to be notified under SUP 10C.14.7R (Qualified Form C).

10C.14.19 G SUP 10C.15 (Forms and other documents and how to submit them to the FCA) applies to the submission of Form D.

10C.14.20 G Failing to disclose relevant information to the FCA may be a criminal offence under section 398 of the Act.

10C.14.21 G The duty to notify in SUP 10C.14.18R extends to any circumstances that would normally be declared when giving the information required for section 5 of Form A or matters considered in FIT 2.

10C.14.22 R If a firm is required to notify the FCA about an FCA-approved SMF manager under any of the following:

1. section 63(2A) of the Act (Duty to notify regulator of grounds for withdrawal of approval);
2. section 64B(5) of the Act (Breach of conduct rules); or
3. section 64C of the Act (Requirement for relevant authorised persons to notify regulator of disciplinary action);

it must give that notification:

4. under SUP 10C.14.5R (Form C) if that rule applies;
5. under SUP 10C.14.7R (Qualified Form C) if that rule applies; or
6. (in any other case) in accordance with SUP 10C.14.18R (Form D);

and in accordance with the requirements of this chapter (or if applicable the requirements of SUP 10A or of the PRA) about submission of those forms.


10C.14.24 G Table: Explanation of the sections of the Act mentioned in SUP 10C.12.22R

<table>
<thead>
<tr>
<th>Section</th>
<th>Summary of relevant parts</th>
<th>Other Handbook material</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>---------</td>
<td>---------------------------</td>
<td>-------------------------</td>
<td>----------</td>
</tr>
</tbody>
</table>

Page 228 of 332
**Section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval)**

At least once a year, each **firm** must, in relation to every **SMF manager** for whom an approval has been given on the application of that **firm**:

(a) consider whether there are any grounds on which the **FCA** could withdraw the approval; and

(b) if the **firm** is of the opinion that there are such grounds, notify the **FCA** of those grounds.

**FIT** sets out **guidance** on the factors a **firm** should take into account when assessing the fitness and propriety of an **approved person**.

---

**Section 64B(5) (Breach of conduct rules)**

If a **firm** knows or suspects that an **approved person** has failed to comply with **COCON**, the **firm** should notify the **FCA** of that fact.

**SUP 15.11** (Notification of **COCON** breaches and disciplinary action)

---

**Section 64C of the Act (Requirement for relevant authorised persons to notify regulator of disciplinary action)**

If:

(a) a **firm** takes disciplinary action in relation to an **SMF manager**; and

(b) the reason, or one of the reasons, for taking that action is a reason specified in **SUP 15.11.6R**;

the **firm** should notify the **FCA** of that fact.

**SUP 15.11** (Notification of **COCON** breaches and disciplinary action)

An example of when a notification should be made using Form C rather than Form D is when a **firm** is required to notify the **FCA** under section 64C of the **Act** that it has dismissed an **SMF manager**.

---

10C.14.25   G   (1) When considering how to notify the **FCA** under **SUP 10C.14.18R** or **SUP 10C.14.22R**, a **firm** should have regard to the urgency and significance of a matter. If appropriate, the **firm** should also notify its usual supervisory contact at the **FCA** by telephone or by other prompt means of communication, before submitting a written notification.
(2) Oral notifications should be given directly to the firm's usual supervisory contact at the FCA. An oral notification left with another person or left on a voicemail, or other automatic messaging service, is unlikely to have been given appropriately.

The need for complete and accurate information

10C.14.26 G (1) The obligations to supply information to the FCA under:

(a) SUP 10C; or

(b) the sections of the Act listed in SUP 10C.14.22R;

apply notwithstanding any agreement (for example, a 'COT 3' Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a firm and an employee upon termination of the employee’s employment.

(2) A firm should not enter into any such arrangements or agreements that could conflict with its obligations under this section or the Act.

10C.14.27 G Failing to disclose relevant information to the FCA may be a criminal offence under section 398 of the Act.

Application of this section to PRA-approved persons

10C.14.28 R This section also applies to a notification about a PRA-approved SMF manager who is not an FCA-approved SMF manager required by any of the provisions of the Act listed in SUP 10C.14.22R.

10C.14.29 R The PRA’s rules determine how a notification under SUP 10C.14.28R is to be made.

10C.14.30 G If a firm is required to notify the FCA about a PRA-approved SMF manager who is not an FCA-approved SMF manager under one of the sections of the Act referred to in SUP 10C.14.28R, it should make a single notification under the PRA’s requirements. There is no need for a separate notification to the FCA.

10C.15 Forms and other documents and how to submit them to the FCA

Purpose

10C.15.1 G The purpose of this section is to:

(1) summarise the main forms and other documents used in this chapter; and

(2) explain how they should be submitted to the FCA.
The main forms and other documents used in this chapter are listed in *SUP 10C.15.3G*.

### Table: FCA approved persons forms and other documents

<table>
<thead>
<tr>
<th>Form or other document</th>
<th>Purpose</th>
<th>Handbook requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>the relevant Form A</td>
<td>Application to perform <em>designated senior management functions</em> under the <em>approved persons</em> regime</td>
<td><em>SUP 10C.10.8D</em></td>
</tr>
<tr>
<td>Form B</td>
<td>Notice to withdraw an application to perform <em>controlled functions</em> under the <em>approved persons</em> regime</td>
<td><em>SUP 10C.10.36R</em></td>
</tr>
<tr>
<td></td>
<td>Notice to withdraw an application to vary an approval under the senior management regime for <em>SMF managers</em></td>
<td><em>SUP 10C.13.15R</em></td>
</tr>
<tr>
<td>Form C</td>
<td>Notice of ceasing to perform <em>controlled functions</em></td>
<td><em>SUP 10C.14.5R</em></td>
</tr>
</tbody>
</table>
| Form D                 | Notification of changes in personal information or application details or functions | *SUP 10C.14.13R*  
|                        | Notification about fitness or of breach of conduct rules | *SUP 10C.14.18R*  
|                        |                                                     | *SUP 10C.14.22R*  

<table>
<thead>
<tr>
<th>Form E</th>
<th>SUP 10C Annex 3D</th>
<th>Internal transfer of an approved person</th>
<th>SUP 10C.10.9D</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form I</td>
<td>SUP 10C Annex 4D</td>
<td>Application to vary a conditional approval under the senior management regime for SMF managers</td>
<td>SUP 10C.13.6D</td>
</tr>
<tr>
<td>Form J</td>
<td>SUP 10C Annex 6D</td>
<td>Notification of significant change to a statement of responsibilities</td>
<td>SUP 10C.11</td>
</tr>
<tr>
<td>Statement of responsibilities</td>
<td>SUP 10C Annex 5D</td>
<td></td>
<td>SUP 10C.11</td>
</tr>
</tbody>
</table>

Note: Some of the forms are also used in SUP 10A, which deals with the approved persons regime for firms that are not relevant authorised persons. Therefore:

(1) where column three refers to the approved persons regime, that includes the senior management regime for SMF managers in this chapter, as well as the regime in SUP 10A for approved persons in firms that are not relevant authorised persons;

(2) where column three refers to approved persons, that includes SMF managers in this chapter as well as other approved persons in SUP 10A

10C.15.4 G SUP 10C Annex 1G gives examples of the circumstances in which the documents in SUP 10C.15.3G should be used.

10C.15.5 G Copies of the forms in SUP 10C.15.3G and of the statement of responsibilities may be obtained from the FCA website. Credit unions can obtain copies from the FCA’s Firm Contact Centre.

10C.15.6 G To contact the FCA’s Customer Contact Centre for approved persons enquiries:

(1) telephone: 0300 500 0597;

(2) email: firm.queries@fca.org.uk;

(3) fax: 020 7066 0017; or

(4) write to:

Customer Contact Centre

The Financial Conduct Authority
25 The North Colonnade

Canary Wharf

LONDON E14 5HS.

How to make applications and give notifications

10C.15.7 D (1) A firm other than a credit union must submit a document in column 1 of the table in SUP 10C.15.10R, in accordance with the corresponding requirement in column two of that table.

(2) A credit union must submit a document in column 1 of the table in SUP 10C.15.10R, in accordance with the corresponding requirement in column three of that table.

(3) This direction applies to the forms and other documents listed in the table in SUP 10C.15.10R that are submitted under a direction.

10C.15.8 R SUP 10C.15.7D also applies to the forms and other documents listed in the table in SUP 10C.15.10R that are submitted under a rule.

10C.15.9 G It is up to the credit union concerned to decide which of the methods of submission available to it under SUP 10C.15.10R it is going to use.

10C.15.10 R Table: Method of submission

<table>
<thead>
<tr>
<th>Form or other document</th>
<th>Firms that are not credit unions</th>
<th>Credit unions</th>
</tr>
</thead>
<tbody>
<tr>
<td>the relevant Form A</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP 10C.15.14R</td>
</tr>
<tr>
<td>Form B</td>
<td>SUP 10C.15.14R</td>
<td>SUP 10C.15.14R</td>
</tr>
<tr>
<td>Form C</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP 10C.15.14R</td>
</tr>
<tr>
<td>Form D</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP 10C.15.14R</td>
</tr>
<tr>
<td>Form E</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP 10C.15.14R</td>
</tr>
<tr>
<td>Form I</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP 10C.15.14R</td>
</tr>
<tr>
<td>Form J</td>
<td>SUP 10C.15.11R</td>
<td>SUP 10C.15.11R or SUP 10C.15.14R</td>
</tr>
<tr>
<td>Statement of</td>
<td>In accordance with the</td>
<td>In accordance with the</td>
</tr>
</tbody>
</table>
Method of submission: electronic submission

10C.15.11 R (1) An application or submission by a firm made under this rule must be made by submitting the form or document online at fca.org.uk using the FCA’s and PRA’s Connect system.

(2) A firm must use the version of the form or document made available on the electronic system referred to in (1), which is based on the version found in the applicable Annex to this chapter or to SUP 10A (which are listed in SUP 10C.15.3G).

(3) If the information technology systems used by the FCA fail and online submission is unavailable for 24 hours or more, SUP 10C.15.14R applies until such time as facilities for online submission are restored.

10C.15.12 G If the information technology systems used by the FCA fail and online submission is unavailable for 24 hours or more, the FCA and PRA will endeavour to publish a notice on their websites confirming that:

(1) online submission is unavailable; and

(2) the alternative methods of submission in SUP 10C.15.14R applies.

10C.15.13 G Where SUP 10C.15.11R(3) applies to a firm, GEN 1.3.2R (Emergency) does not apply.

Method of submission: other forms of submission

10C.15.14 R (1) An application or submission by a firm made under this rule must be made in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).

(2) A firm must use the version of the form or document found in the applicable Annex to this chapter or to SUP 10A (which are listed in SUP 10C.15.3G).

### Summary of forms and their use in the senior management regime for SMF managers

<table>
<thead>
<tr>
<th>Function</th>
<th>Form</th>
<th>Submission</th>
</tr>
</thead>
</table>

Page 234 of 332
(1) *Person* about to perform an *FCA-designated senior management function* if he has never been approved by the *FCA* or *PRA* before.

| A | Submitted by the *firm* making the application before activities requiring approval commence. |

(2) The *candidate* is to perform an *FCA-designated senior management function* and either:
   
   (a) has current approval to perform an *FCA controlled function* that is a *significant influence function*, an *FCA-designated senior management function*, or a *PRA controlled function*; or
   
   (b) has had such an approval within the previous six *months*.

| Shortened Form A if conditions met | Submitted by the *firm* making the application before activities requiring approval commence. |

(3) *Candidate* ceased to be an *approved person* more than six months ago.

| A | Submitted by the *firm* making the application before activities requiring approval commence. |

(4) Either:
   
   (a) *candidate* is seeking to perform an *FCA-designated senior management function* for the first time and has never been approved to perform an *FCA controlled function* that is a *significant influence function* or a *PRA controlled function* before; or
   
   (b) *candidate* ceased to have approval from the *FCA* or *PRA* to perform an *FCA controlled function* that is a *significant influence function*, an *FCA-designated senior management function* or a *PRA controlled function* more than six *months* ago.

| A | Submitted by the *firm* making the application before activities requiring approval commence. |

(5) *Firm* withdrawing an outstanding application to perform an *FCA-designated senior management function*.

| B | Submitted by the *firm*: signed by all interested parties. |

(6) *Person* ceasing to perform an *FCA-designated senior management function*.

| C (unless it should be notified under Form E) | Submitted by the *firm* within seven *business days of approved person ceasing to perform controlled function(s).* |
(7) Either:
(a) an FCA-approved SMF manager’s title, name or national insurance number changes; or
(b) there is information which may be material to the continuing assessment of an FCA-approved SMF manager’s fitness and propriety.

Form C to be used instead where the person is ceasing to perform a controlled function
Submitted by firm within seven business days of the firm becoming aware of the matter.

(8) Firm obliged to notify the FCA under:
(a) section 63(2A) of the Act (Duty to notify regulator of grounds for withdrawal of approval);
(b) section 64B(5) of the Act (Breach of conduct rules); or
(c) section 64C of the Act (Requirement for relevant authorised persons to notify regulator of disciplinary action).

Form D.
Form C to be used instead where the person is ceasing to perform a controlled function
Submitted by firm within seven business days of the firm becoming aware of the matter.
A firm should not use Form H as that form only applies to notifications relating to breaches by those who are not SMF managers.

(9) Person remaining with the same firm but changing FCA-designated senior management functions.

E
Submitted by firm to the FCA before changes take place.

(10) Person remaining with the same firm but giving up a PRA controlled function and taking up an FCA-designated senior management function.

E
Submitted by firm to the FCA before changes take place.

(11) Person remaining with the same firm but giving up an FCA-designated senior management function and taking up a PRA-designated senior management function.

E
Submitted by firm to the PRA before changes take place (see the PRA’s requirements).

(12) Person remaining with the same firm in the circumstances described in example 9 in the table in SUP 10C.7.3G (ceasing to perform a PRA controlled function triggering need for FCA approval to perform the other overall responsibility function).

E
Submitted by firm to the FCA in advance of giving up the PRA controlled function.

(13) Person with approval to perform the other overall responsibility function remaining with the same firm but ceasing

E
Submitted by firm to:
(a) the PRA (if the new function
to require approval to perform that function because of being approved to perform another **controlled function** (see the table in SUP 10C.7.3G for examples). is a **PRA controlled function**); or (b) the **FCA** (if the new function is an **FCA controlled function**).

<table>
<thead>
<tr>
<th>(14) <strong>Person</strong> remaining with the same <strong>firm</strong> in the circumstances described in example 8 in the table in SUP 10C.9.9G (giving up a <strong>PRA controlled function</strong> triggering need for <strong>FCA approval</strong>).</th>
<th>E</th>
<th>Submitted by <strong>firm</strong> to the <strong>FCA</strong> in advance of giving up the <strong>PRA controlled function</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(15) <strong>Firm</strong> applying for the variation of a conditional approval</td>
<td>Form I</td>
<td></td>
</tr>
<tr>
<td>(16) <strong>Firm</strong> withdrawing an outstanding application to vary a conditional approval.</td>
<td>Form B</td>
<td>Submitted by the <strong>firm</strong>: signed by all interested parties.</td>
</tr>
<tr>
<td>(17) Significant change to an <strong>approved person’s responsibilities</strong></td>
<td>Form J</td>
<td>The revised <strong>statement of responsibilities</strong> should be included. A <strong>statement of responsibilities</strong> must be submitted in the format prescribed by the <strong>FCA</strong> (SUP 10C Annex 5D).</td>
</tr>
</tbody>
</table>

**10C**  
**Form A: Application to perform senior management functions**  
**Annex 2D**
The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on both FCA and PRA websites at:
http://www.bankofengland.co.uk/PRA
Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

**Long Form A – UK Firms (Relevant Authorised Persons only)**

**Application to perform senior management functions**

*FCA Handbook Reference: SUP 10C Annex 2D*
*PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications*

7 March 2016

Name of candidate†
(to be completed by applicant firm)

Name of firm†
(as entered in 2.01)

Firm reference number†
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail iva@fca.org.uk
Website http://www.fca.org.uk
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH
**Personal identification details**

1.01  a  Candidate Individual Reference Number (IRN) †

    b  OR name of previous regulatory body †

    c  AND previous reference number (if applicable) †

1.02  Title (e.g. Mr, Mrs, Ms, etc) †

1.03  Surname †

1.04  ALL forenames †

1.05  Name commonly known by †

1.06  Date of birth (dd/mm/yyyy) †

1.07  National Insurance number †

1.08  Previous name †

1.09  Date of name change †

1.10  a  Nationality †

    b  Passport number (if National Insurance number not available) †

1.11  Place of birth †

I have supplied further information related to this page in Section 6 †

YES ☐  NO ☐
1.12 a Private address†

b

†

c Dates resident at this address (mm/yyyy)†

From To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1†

b

†

c Dates resident at this address (mm/yyyy)†

From To

1.14 a Previous address 2†

b

†

c Dates resident at this address (mm/yyyy)†

From To

I have supplied further information related to this page in Section 6† YES □ NO □
### Firm identification details

<table>
<thead>
<tr>
<th>Section 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.01</strong> Name of <em>firm</em> making the application</td>
</tr>
<tr>
<td><strong>2.02</strong> Firm Reference Number (FRN)</td>
</tr>
<tr>
<td><strong>2.03</strong> a Who should the FCA/PRA contact at the <em>firm</em> in relation to this application?</td>
</tr>
<tr>
<td>b Position</td>
</tr>
<tr>
<td>c Telephone</td>
</tr>
<tr>
<td>d Fax</td>
</tr>
<tr>
<td>e E-mail</td>
</tr>
</tbody>
</table>

† I have supplied further information related to this page in Section 6

YES ☐ NO ☐
### Arrangement and senior management functions

#### Section 3

3.01 Nature of the arrangement between the candidate and the applicant.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Group employee</td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Contract for services</td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Partner</td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

Give details

Name of group

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
3.02 For applications from a single firm, please tick the boxes that correspond to the senior management functions to be performed. If the senior management functions are to be performed for more than one firm, please go to question 3.04.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Manager function</th>
<th>Tick (if applicable)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 6</td>
<td>Head of Key Business Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 8</td>
<td>Credit Union SMF (small Credit Unions only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nominations Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.03 Job title

Insurance mediation

Will the candidate be responsible for Insurance mediation at the firm? YES ☐ NO ☐

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

I have supplied further information related to this page in Section 6† YES ☐ NO ☐
3.04 Complete this section only if the application is on behalf of more than one firm.
List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested senior management function for that firm.†

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Senior Management function</th>
<th>Job title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† I have supplied further information related to this page in Section 6†

YES ☐    NO ☐
**Employment history in the past 5 years**

**Section 4**

N.B.: ALL gaps must be accounted for

4.01 **Employment details**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Period (mm/yyyy)</td>
<td>From</td>
</tr>
<tr>
<td>b</td>
<td>Nature of employment</td>
<td>a Employed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>b Self-employed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>c Not employed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>d Full-time education</td>
</tr>
</tbody>
</table>

If c or d is ticked, please give details

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>c</td>
<td>Name of employer</td>
</tr>
<tr>
<td>d</td>
<td>Nature of business</td>
</tr>
<tr>
<td>e</td>
<td>Previous / other names of employer</td>
</tr>
<tr>
<td>f</td>
<td>Last known address of employer</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>g</th>
<th>Is/was employer regulated by a regulatory body?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES □ NO □ Name of regulatory body</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>h</th>
<th>Is/was employer an appointed representative/tied agent?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES □ NO □ If yes, of which firm?</td>
</tr>
</tbody>
</table>

| i | Position held |
| j | Responsibilities |

<table>
<thead>
<tr>
<th>k</th>
<th>Reason for leaving:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a Resignation</td>
</tr>
<tr>
<td></td>
<td>b Redundancy</td>
</tr>
<tr>
<td></td>
<td>c Retirement</td>
</tr>
<tr>
<td></td>
<td>d Termination/dismissal</td>
</tr>
<tr>
<td></td>
<td>e End of contract</td>
</tr>
<tr>
<td></td>
<td>f Other</td>
</tr>
</tbody>
</table>

Specify
### Employment details (2)†

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>From</th>
<th></th>
<th>To</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Period (mm/yyyy)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Nature of employment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a</td>
<td>Employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b</td>
<td>Self-employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c</td>
<td>Not employed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d</td>
<td>Full-time education</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If c or d is ticked, please give details</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td>Name of employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Nature of business</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Previous / other names of employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>f</td>
<td>Last known address of employer</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>g</td>
<td>Is/was employer regulated by a regulatory body?</td>
<td>YES</td>
<td>NO</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Name of regulatory body</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>h</td>
<td>Is/was employer an appointed representative/tied agent?</td>
<td>YES</td>
<td>NO</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>If yes, of which firm?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i</td>
<td>Position held</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>j</td>
<td>Responsibilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k</td>
<td>Reason for leaving:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a</td>
<td>Resignation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b</td>
<td>Redundancy</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>c</td>
<td>Retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d</td>
<td>Termination/dismissal</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>e</td>
<td>End of contract</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>f</td>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Specify</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6† **YES** | **NO**
## Fitness and propriety

### Disclosure Note:

We require firms to disclose all relevant information relating to a candidate’s fitness and propriety. If there is any doubt about the relevance of the information, the information should be disclosed. The FCA/PRA takes non-disclosure very seriously and may consider it to be evidence of dishonesty and/or lack of integrity. In all circumstances, disclosures should be full, frank and unambiguous; if in doubt, disclose. In the event that a candidate discloses adverse information to applicant firm (or the applicant firm knows of adverse information by some other means) the applicant firm has a duty to disclose that information candidly to the FCA/PRA and explain why the applicant firm considers this does not affect the candidate’s fitness and propriety (this paragraph should be read in conjunction with the information on disclosure in the guidance notes corresponding to this form).

### 5.01 Criminal Proceedings

When answering the questions in this section you should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the candidate is subject to the law of England and Wales, you must disclose spent convictions and cautions (other than a protected conviction or caution).

<table>
<thead>
<tr>
<th>5.01.1a</th>
<th>Has the candidate ever been convicted of any criminal offence (whether spent or not and whether or not in the United Kingdom):</th>
</tr>
</thead>
<tbody>
<tr>
<td>iii.</td>
<td>involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</td>
</tr>
<tr>
<td>iv.</td>
<td>relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b</th>
<th>Is the candidate, or has the candidate ever been, the subject of any criminal proceedings, whether in the UK or elsewhere?</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>c</th>
<th>Has the candidate ever been given a caution in relation to any criminal offence?</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>5.01.2</th>
<th>Has the candidate any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>5.01.3</th>
<th>Has the candidate ever been ordered to produce documents pursuant to any criminal investigation or been the subject of a search (with or without a warrant) pursuant to any criminal investigation?</th>
</tr>
</thead>
</table>

**I have supplied further information related to this page in Section 6†**

YES ☐  NO ☐
5.01.4 Has any firm at which the candidate holds or has held a position of influence ever:

(Please check the guidance notes for the meaning of ‘position of influence’ in the context of the questions in this part of the form.)

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

a. Been convicted of any criminal offence?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

b. Been the subject of any criminal proceeding which has not resulted in a conviction?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

c. Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

→ I have supplied further information related to this page in Section 6

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>
### 5.02 Civil Proceedings

#### 5.02.1
Has the **candidate, ever** been the subject of a judgement debt or award against the **candidate**?

- **YES**
- **NO**

Please give a full explanation of the events in questions, ensuring that it adheres to the Disclosure Note at the beginning of this form.

You should include all County Court Judgement(s) (CCJs) made against the **candidate**, whether satisfied or not; and

i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and

ii) the total number of all judgment debts, awards or CCJs ordered.

#### 5.02.2
Has the **candidate** ever been party to any civil proceedings which resulted in any order against the **candidate** (other than a judgement debt or award referred to in 5.02.1 above)? (You should include, for example, injunctions and employment tribunal proceedings.)

- **YES**
- **NO**

#### 5.02.3
Is the **candidate** aware of:

a) Any proceedings that have begun, or anyone’s intention to begin proceedings against the **candidate**, for a CCJ or another judgement debt?

- **YES**
- **NO**

b) More than one set of proceedings, or anyone’s intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?

- **YES**
- **NO**

c) Anybody’s intention to claim more than £1,000 of CCJs or judgement debts in total from the **candidate**?

- **YES**
- **NO**

#### 5.02.4
Does the **candidate** have any current judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?

- **YES**
- **NO**

#### 5.02.5
Has the **candidate ever** failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?

- **YES**
- **NO**

⇒ I have supplied further information related to this page in Section 6?

- **YES**
- **NO**
5.02.6 Has the **candidate** ever:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Filed for the <strong>candidate</strong>'s own bankruptcy or had a bankruptcy petition served on the <strong>candidate</strong>?</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Been adjudged bankrupt?</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?</td>
</tr>
<tr>
<td><strong>d</strong></td>
<td>Made any arrangements with the <strong>candidate</strong>'s creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?</td>
</tr>
<tr>
<td><strong>e</strong></td>
<td>Had assets sequestrated?</td>
</tr>
<tr>
<td><strong>f</strong></td>
<td>Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <strong>candidate</strong> or result in any kind of agreement with the <strong>candidate</strong>?</td>
</tr>
</tbody>
</table>

**5.02.7** Does the **candidate**, or any undertaking under their management, have any outstanding financial obligations arising from **regulated activities**, which have been carried out in the past? (whether or not in the UK or overseas)?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

**5.02.8** Has the **candidate** ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>

**5.02.9** Is the **candidate** currently:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Party to any civil proceedings?</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Aware of anybody’s intention to begin civil proceedings against the <strong>candidate</strong>? (<strong>candidate</strong> should include any ongoing disputes whether or not such dispute is likely to result in any order against the <strong>candidate</strong>.)</td>
</tr>
</tbody>
</table>

**5.02.10** Has any firm at which the **candidate** holds or has held a position of influence ever been:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>The subject of a judgement debt or award against the firm? (<strong>candidate</strong> should include all CCJs) made against the firm, whether satisfied or not.</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?</td>
</tr>
</tbody>
</table>

- I have supplied further information related to this page in Section 6†

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
5.02.11 Is any firm at which the candidate currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

a a party to civil proceedings? YES ☐ NO ☐

b aware of anyone’s intention to begin civil proceedings against them? YES ☐ NO ☐

5.02.12 Has any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary, in the United Kingdom or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

I have supplied further information related to this page in Section 6† YES ☐ NO ☐
5.03 Business and Employment Matters

5.03.1 Has the candidate ever been:

a Disqualified from acting as a director or similar position (one where the candidate acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?

b The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the candidate)?

c The subject of any investigation which has led or might lead to disciplinary proceedings?

d Notified of any potential proceedings of a disciplinary nature against the candidate?

e The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (this question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)

5.03.2 Has the candidate ever been refused entry to or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

5.03.3 Does the candidate have any material written complaints made against the candidate by the candidate's clients or former clients in the last five years which the candidate has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?

I have supplied further information related to this page in Section 6†

†
5.04 Regulatory Matters

5.04.1 In relation to activities regulated by the FCA and/or PRA or any other regulatory body (see note section 5), has:

- The candidate, or
- Any company, partnership or unincorporated associate of which the candidate is or has been a controller, director, senior manager, partner or company secretary, during the candidate’s association with the entity and for a period of three years after the candidate ceased to be associated with it, ever –

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>b</td>
<td>Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>c</td>
<td>Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the candidate or the firm?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>d</td>
<td>Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the candidate or the firm?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>e</td>
<td>Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>f</td>
<td>Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>g</td>
<td>Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>h</td>
<td>Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>i</td>
<td>Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>j</td>
<td>Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>k</td>
<td>Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6. YES ☐ NO ☐
In relation to activities regulated by the FCA/PRA or any other regulatory body, has the candidate or any firm at which the candidate holds or has held a position of influence at any time during and within one year of the candidate’s association with the firm ever:

a. Been found to have carried on activities for which authorisation or registration by the FCA/PRA or any other regulatory body is required without the requisite authorisations?

b. Been investigated for the possible carrying on of activities requiring authorisation or registration by the FCA/PRA or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the candidate?

c. Been found to have performed a senior management function or other controlled function (or an equivalent function requiring approval by the FCA/PRA or any other regulatory body) without the requisite approval?

d. Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the FCA/PRA or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the candidate?

e. Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the FCA/PRA of the identity of a person acting in a position of influence over its electronic money or payment services business?

f. Been the subject of disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning?
5.05 Other Matters

5.05.1 Is the candidate, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the senior management functions for which approval is now being sought?

YES ☐ NO ☐

5.05.2 Are the candidate or the firm aware of any other information relevant to this notification that we might reasonably expect from the candidate?

YES ☐ NO ☐

5.05.3 Has the firm undertaken a criminal records check in accordance with the requirements of the FCA or PRA?

Please note that a firm is required to obtain the fullest information that it is lawfully able to obtain about the candidate under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the UK or any part of the UK before making the application. (SUP 10C.10.16R and Senior Managers Regime - Applications and Notifications in the PRA Rulebook)

If yes, please enter date the check was undertaken
Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.

YES ☐ NO ☐

5.05.4 Has / Have a reference or references been obtained from previous employer(s). If No, please provide details why the reference or references has/have not been obtained.

YES ☐ NO ☐
6.00  

- If there is any other information the candidate or the firm considers to be relevant to the application, it must be included here.

- Please provide full details of:
  - why the candidate is competent and capable to carry out the senior management function(s) applied for.
  - why the appointment complements the firm’s business strategy, activity and market in which it operates.
  - how the appointment was agreed including details of any discussions at governing body level (where applicable).

- Provide a copy of the candidate’s:-
  - Statement of Responsibilities with this form
  - Roles description
  - Curriculum Vitae (CV)
  - Organisational chart

- Provide a copy of the firm’s management responsibilities map (SYSC 4.5 and SUP 10C.9.10G), and Allocation of Responsibilities in the PRA Rulebook

- A firm should include a summary of any handover material (as referred to in SYSC4.9.4R to SYSC 4.9.8G and SUP10C.10.13G) and Senior Management Functions Chapter 2 in the PRA Rulebook.

- Please also include here any additional information indicated in previous sections of the Form.

- Please include a list of all directorships currently or previously held by the candidate in the past 10 years (where director has the meaning given in the Glossary.)

- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

- Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered ‘yes’ in section 5.
Declarations and signatures

Declaration of Candidate

It is a criminal offence, knowingly or recklessly, to give the FCA and/or PRA information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the FCA and/or PRA before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the FCA and/or PRA will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the FCA and/or PRA exercising its powers (including but not limited to taking disciplinary/Enforcement action). You must notify the FCA and/or PRA immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the FCA and/or PRA is reasonably likely to consider the information material).

The candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The candidate will notify the FCA and/or PRA immediately if there is a material change to the information provided.

The candidate confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the candidate will be responsible for managing. The candidate confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

The candidate authorises the FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The candidate acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The candidate agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The candidate agrees that the FCA and/or PRA may use the address specified for the candidate in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act 1998, the personal information provided in this Form will be used by the FCA and PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The candidate confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the FCA’s COCON and/or PRA Conduct Rules (as applicable).

The candidate confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the candidate will be responsible for managing.

The candidate is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.
In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration:

<table>
<thead>
<tr>
<th>7.01 Candidates full name†</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>7.02 Signature</th>
</tr>
</thead>
</table>

Date

---

† Candidate’s full name is required.
Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the FCA and/or PRA information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the FCA and/or PRA before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the FCA and/or PRA will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the FCA and/or PRA exercising its powers (including but not limited to taking disciplinary/Enforcement action). You must notify the FCA and/or PRA immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the FCA and/or PRA is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the FCA and/or PRA, matters of which it would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the FCA and/or PRA immediately if there is a material change to the information provided.

The Applicant authorises the FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the firm believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the Individual aware of their regulatory responsibilities as set out in the rules of conduct in the FCA’s COCON and/or PRA Conduct Rules (as applicable).

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the candidate will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:
I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.
I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each firm identified in section 3.04. I also confirm that a copy of this Form, as submitted to the FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the FCA and/or PRA.

<table>
<thead>
<tr>
<th>7.03 Name of the firm submitting the application†</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7.04 Name of person signing on behalf of the firm †</td>
<td></td>
</tr>
<tr>
<td>7.05 Job title †</td>
<td></td>
</tr>
<tr>
<td>7.06 Signature*</td>
<td></td>
</tr>
<tr>
<td>Date †</td>
<td></td>
</tr>
</tbody>
</table>
The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on both FCA and PRA websites at:


http://www.bankofengland.co.uk/PRA

Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Short Form A – UK Firms (Relevant Authorised Persons only)

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 2D
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

7 March 2016

Name of candidate†
(to be completed by applicant firm)

Name of firm†
(as entered in 2.01)

Firm reference number†
(as entered in 2.02)
## Personal identification details

<table>
<thead>
<tr>
<th>Section 1</th>
</tr>
</thead>
</table>

1.01  
- **a** *Candidate Individual Reference Number (IRN)* †
- **b** OR name of previous regulatory body †
- **c** AND previous reference number (if applicable) †

1.02  
- **Title** (e.g. Mr, Mrs, Ms, etc) †

1.03  
- **Surname** †

1.04  
- **ALL forenames** †

1.05  
- **Name commonly known by** †

1.06  
- **Date of birth** (dd/mm/yyyy) †

1.07  
- **National Insurance number** †

1.08  
- **Previous name** †

1.09  
- **Date of name change** †

1.10  
- **a** *Nationality* †
- **b** Passport number (if National Insurance number not available) †

1.11  
- **Place of birth** †

---

I have supplied further information related to this page in Section 6 †

[YES] [NO]
1.12 a Private address†

b Postcode†

c Dates resident at this address (mm/yyyy)†

From   To   PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1†

b Postcode

c Dates resident at this address (mm/yyyy)†

From   To

1.14 a Previous address 2†

b Postcode†

c Dates resident at this address (mm/yyyy)†

From   To

I have supplied further information related to this page in Section 6†  YES  NO
### Firm identification details

<table>
<thead>
<tr>
<th>Section 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.01</strong> Name of firm making the application</td>
</tr>
<tr>
<td><strong>2.02</strong> Firm Reference Number (FRN)</td>
</tr>
<tr>
<td><strong>2.03 a</strong> Who should the FCA/PRA contact at the firm in relation to this application?</td>
</tr>
<tr>
<td><strong>b</strong> Position</td>
</tr>
<tr>
<td><strong>c</strong> Telephone</td>
</tr>
<tr>
<td><strong>d</strong> Fax</td>
</tr>
<tr>
<td><strong>e</strong> E-mail</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6† **YES ☐ NO ☐**
### Arrangement and senior management functions

#### Section 3

**3.01 Nature of the arrangement between the candidate and the applicant.**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Group employee</td>
<td></td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Contract for services</td>
<td></td>
</tr>
<tr>
<td><strong>d</strong></td>
<td>Partner</td>
<td></td>
</tr>
<tr>
<td><strong>e</strong></td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

**Give details**
For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please go to question 3.04.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Manager function</th>
<th>Tick (if applicable)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 6</td>
<td>Head of Key Business Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 8</td>
<td>Credit Union SMF (small Credit Unions only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nominations Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.03 Job title

**Insurance mediation**

Will the *candidate* be responsible for Insurance mediation at the firm?  

**YES ☐ NO ☐**

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function)

I have supplied further information related to this page in Section 6†  

**YES ☐ NO ☐**
3.04 Complete this section only if the application is on behalf of more than one firm.
List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested senior management function for that firm.†

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Senior Management function</th>
<th>Job title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6

YES □  NO □
Employment History

Section 4

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA of the revised detail.
This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA of the revised detail.
6.00  • If there is any other information the candidate or the firm considers to be relevant to the application, it must be included here.

• Please provide full details of
  o why the candidate is competent and capable to carry out the senior management function(s) applied for.
  o why the appointment complements the firm’s business strategy, activity and market in which it operates.
  o how the appointment was agreed including details of any discussions at governing body level (where applicable).

• Provide a copy of the candidate’s:-
  o statement of responsibilities with this form
  o Roles description
  o Curriculum vitae (C.V)
  o Organisational chart

• Provide a copy of the firm’s management responsibilities map (SYSC 4.5 and SUP 10C.9.10G) and Allocation of Responsibilities in the PRA Rulebook

• A firm should include a summary of any handover material (as referred to in SYSC 4.9.4R to SYSC 4.9.8G and SUP10C.10.13G) and Senior Management Functions Chapter 2 in the PRA Rulebook.

• Please also include here any additional information indicated in previous sections of the Form.

• Please include a list of all directorships currently or previously held by the candidate in the past 10 years (where director has the meaning given in the Glossary.)

• If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

• Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered ‘yes’ in section 5.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Declarations and signatures

Declarations of Candidate

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

The candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The candidate will notify the appropriate regulator immediately if there is a material change to the information provided.

The candidate confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the candidate will be responsible for managing. The candidate confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

The candidate authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The candidate acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The candidate agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The candidate agrees that the FCA and/or PRA may use the address specified for the candidate in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the FCA and PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The candidate confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the FCA’s COCON and/or PRA Conduct Rules (as applicable).

The candidate confirms that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the candidate will be responsible for managing.
The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration: □

**7.01 Candidate's full name†**

**7.02 Signature**

Date
Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the appropriate regulator, matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the appropriate regulator taking disciplinary or other action against the firm and/or individuals.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the appropriate regulator immediately if there is a material change to the information provided.

The Applicant authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the firm believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the Individual aware of their regulatory responsibilities as set out in the rules of conduct in the FCA’s COCON and/or PRA Conduct Rules (as applicable).

The Applicant confirms that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the candidate will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each firm identified in section...
3.04. I also confirm that a copy of this Form, as submitted to the FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the FCA and/or PRA.

7.03 Name of the firm submitting the application†

7.04 Name of person signing on behalf of the firm †

7.05 Job title †

7.06 Signature*

Date †
10C Form E: Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

Annex 3D
The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA and PRA’s websites at http://fshandbook.info/FS/html/FCA/SUP/10C/Annex3 www.bankofengland.co.uk/PRA.
Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form E
Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

FCA Handbook Reference: SUP 10C Annex 3D
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications
7 March 2016

Name of candidate†
(to be completed by applicant firm)

Name of firm†
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail iva@fca.org.uk
Website http://www.fca.org.uk
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH
### Personal identification details  
**Section 1**

1.01 Individual Reference Number (IRN)†

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)†

1.03 Surname†

1.04 ALL forenames†

1.05 Date of birth†

1.06 National Insurance number†

### Firm identification details  
**Section 2**

2.01 Name of firm

2.02 Firm Reference Number (FRN)

2.03 a Who should the FCA/PRA contact at the firm in relation to this application?  

   b Position

   c Telephone

   d Fax

   e E-mail

⇒ I have supplied further information related to this page in Section 6  

YES □  NO □
3.01 List all senior management functions which the approved person is ceasing to perform. The effective date is the date the person will cease to perform the functions.

<table>
<thead>
<tr>
<th>FRN†</th>
<th>Name of firm†</th>
<th>Senior Management function†</th>
<th>Effective date†</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 7†  

YES ☐  NO ☐
### 4.01 Nature of the arrangement between the candidate and the applicant.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee</td>
</tr>
<tr>
<td>b</td>
<td>Group employee</td>
</tr>
<tr>
<td>c</td>
<td>Contract for services</td>
</tr>
<tr>
<td>d</td>
<td>Partner</td>
</tr>
<tr>
<td>e</td>
<td>Other</td>
</tr>
</tbody>
</table>

**Give details**
4.02 For applications from a single firm, please tick the boxes that correspond to the senior management functions to be performed.

If the senior management functions are to be performed for more than one firm, please go to question 4.04

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Manager function</th>
<th>Tick (if applicable)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 6</td>
<td>Head of Key Business Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 8</td>
<td>Credit Union SMF (small Credit Unions only)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chairman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 13</td>
<td>Chair of the Nominations Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 17</td>
<td>Money Laundering Reporting</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.03 Has the firm undertaken a criminal records check in accordance with the requirements of the FCA and/ or PRA?

Please note that a firm is required to obtain the fullest information that it is lawfully able to obtain about the candidate under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the UK or any part of the UK before making the application. (SUP 10C.10.16R and Senior Managers Regime - Applications and Notifications in the PRA Rulebook)

If yes, please enter date the check was undertaken

Date (dd/mm/yy): [ ]

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 5.

I have supplied further information related to this page in Section 5

[ ] YES [ ] NO
List all firms within the group (including the firm entered in 2.01) for which the applicant requires approval and the requested senior management function for that firm.†

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Senior Management function</th>
<th>Job title (mandatory)</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

† I have supplied further information related to this page in Section 5

† YES ☐ NO ☐
5.00 • If there is any other information the candidate or the firm considers to be relevant to the application, it must be included here.

• Please provide full details of
  o why the candidate is competent and capable to carry out the senior management function(s) applied for.
  o why the appointment complements the firm’s business strategy, activity and market in which it operates.
  o how the appointment was agreed including details of any discussions at governing body level (where applicable).

• Provide a copy of the candidate's:-
  o statement of responsibilities with this form
  o Roles description
  o Curriculum Vitae (CV)
  o Organisational chart

• Provide a copy of the firm’s management responsibilities map (SYSC 4.5), and Allocation of Responsibilities in the PRA Rulebook

• A firm should include a summary of any handover material (as referred to in SYSC 4.9.4R to SYSC 4.9.9G and SUP10C.10.13G) and Senior Management Functions Chapter 2 in the PRA Rulebook

| Question | Information |
Declarations and signatures

Declaration of Candidate

Knowingly or recklessly giving the FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

The candidate confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the candidate will be responsible for managing. The candidate confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

a) I authorise the FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Candidates may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the FCA’s Conduct Rules (COCON) and/or PRA Conduct Rules (as applicable).

d) I confirm that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the firm which it is intended that I will be responsible for managing.

[Hyperlinks to COCON /PRA conduct rules to follow]

Tick here to confirm you have read and understood this declaration: ☐

6.01 Candidate's full name†

6.02 Signature

Date
Declaration of Firm

Knowingly or recklessly giving the FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R of the FCA Handbook and Notification 6 of the PRA Rulebook require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and/or PRA and to notify the FCA and/or PRA immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the firm believes on the basis of due and diligent enquiry and by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required of such function(s).

YES    NO

If the firm confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the Individual and has given due consideration to the information contained in that certificate in determining that Individual to be fit and proper. Alternatively, where a certificate is not obtained the firm has provided an explanation in section 5.

In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each firm identified in section 4.04. I also confirm that a copy of this Form, as submitted to the FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the FCA and/or PRA.

c) I confirm that the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the FCA’s Conduct Rules (COCON) and/or PRA Conduct Rules (as applicable).

d) I confirm that that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the firm which it is intended that the candidate will be responsible for managing.

6.03 Name of the firm submitting the application†

6.04 Name of person signing on behalf of the firm †
6.05 Job title †

6.06 Signature

Date †
10C   Form I: Application for the variation of a conditional approval for
Annex 4D   performance of a senior management function
Form I – Application for the Variation of a Conditional Approval for the performance of a Senior Management Function

FCA Handbook Reference: SUP 10 C Annex 4D
PRA Rulebook Reference: Senior Persons Regime - Application and Notifications
7 March 2016

Name of individual  
(to be completed by applicant)

Name of firm  
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail iva@fca.org.uk
Website http://www.fca.org.uk
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH
### Contact Details

#### Section 1

1.01 Contact for this application

<table>
<thead>
<tr>
<th>Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Name</td>
<td></td>
</tr>
<tr>
<td>Surname</td>
<td></td>
</tr>
<tr>
<td>Job Title</td>
<td></td>
</tr>
<tr>
<td>Business address</td>
<td></td>
</tr>
<tr>
<td>Post code</td>
<td></td>
</tr>
<tr>
<td>Phone number (including STD code)</td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
</tr>
<tr>
<td>Mobile No</td>
<td></td>
</tr>
<tr>
<td>Fax No.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Description</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>2.01</td>
<td>Name of firm</td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td>2.03</td>
<td>Name of individual</td>
</tr>
<tr>
<td>2.04</td>
<td>Individual Reference Number (IRN)</td>
</tr>
</tbody>
</table>
3.01 Are you applying to add, vary or remove a condition?

- Add
- Vary
- Remove

3.02 If you are applying to vary an existing condition please provide details of the current condition, proposed variation and reason for the proposed variation.

<table>
<thead>
<tr>
<th>Applicable SMF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current condition</td>
<td></td>
</tr>
<tr>
<td>Proposed variation</td>
<td></td>
</tr>
<tr>
<td>Reason for variation</td>
<td></td>
</tr>
</tbody>
</table>

3.03 If you are applying to add a condition to an existing conditional approval please provide details and reason for proposed condition.

<table>
<thead>
<tr>
<th>Applicable SMF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed condition</td>
<td></td>
</tr>
<tr>
<td>Reason for proposed condition</td>
<td></td>
</tr>
</tbody>
</table>

3.04 If you are applying to remove a condition from an existing conditional approval please provide details of the current condition and the reason for the proposed removal.

<table>
<thead>
<tr>
<th>Applicable SMF</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current condition</td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>---</td>
</tr>
<tr>
<td>Reason for removal of condition</td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4

YES □ NO □
4.01  Is there any other information that the firm considers to be relevant to the application? Please indicate clearly which section the supplementary information relates to. Please submit an updated Statement of Responsibilities with this form.

<table>
<thead>
<tr>
<th>Section</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.02  How many additional sheets are being submitted?

<table>
<thead>
<tr>
<th>Section</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Declaration of Firm**

In this declaration, the firm seeking the variation of the conditional approval previously granted in relation to the performance of a senior management function by an individual is referred to as the “Applicant”. The individual in relation to whom the FCA/PRA (as applicable) gave the conditional approval is referred to as the “Individual”.

It is a criminal offence, knowingly or recklessly, to give the FCA/PRA (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000). The Applicant will notify the FCA/PRA (as applicable) immediately if there is a material change to the information provided.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the FCA/PRA (as applicable) matters of which it would reasonably expect to be notified. Failure to notify the FCA/PRA (as applicable) of such information may lead to the FCA/PRA (as applicable) taking disciplinary or other action against the Applicant and/or individuals.

The Applicant understands that the FCA/PRA (as applicable) may require it to provide further information or documents at any time.

For the purpose of complying with the data protection legislation, personal data may be used by the FCA/PRA (as applicable) to discharge its statutory functions and in accordance with the Data Protection Act, and otherwise will not be disclosed for other purposes without the permission of the Applicant.

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Applicant which it is intended that the individual will be responsible for managing. The person submitting this Form on behalf of the Applicant confirms that he or she has authority to submit this form and, on behalf of the Applicant confirms that he or she has read and understood the notes to this Form and the declaration given by the Applicant.

<table>
<thead>
<tr>
<th>Name of the <strong>firm</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of <strong>person</strong> signing</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>on behalf of the <strong>firm</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Signature</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
Declaration of candidate/approved person

The approved person confirms that the attached Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the approved person will be responsible for managing. The approved person confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

Name of candidate/approved person

Signature

Date
Statement of responsibilities

Annex 5D
Senior Management Regime: Statement of Responsibilities

This form applies to UK relevant authorised persons. It does not apply to incoming EEA relevant authorised persons, third country relevant authorised persons, or appointed representatives of any relevant authorised person.

A statement provided under section 60(2A) of the Act (Applications for approval), including a statement revised under section 62A of the Act (Changes in responsibilities of senior managers).

For candidates for approval, this form must be submitted as an attachment to a Form A application or a Form E application.

For significant changes to an existing statement of responsibilities, this form must be submitted as an attachment to a Form J notification or a Form I application or variation.

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

7 March 2016

Name of individual
(to be completed by firm)

Name of firm
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website http://www.fca.org.uk

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
### Personal identifications details  
**Section 1**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.01</strong></td>
<td>Individual Reference Number (IRN)</td>
</tr>
</tbody>
</table>
| **1.02** | Title  
  (e.g. Mr, Mrs, Ms, etc) |
| **1.03** | Surname |
| **1.04** | ALL forenames |
| **1.05** | Date of birth |
| **1.06** | National Insurance number |

### Firm identification details  
**Section 2**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.01</strong></td>
<td>Name of firm</td>
</tr>
<tr>
<td><strong>2.02</strong></td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td><strong>2.03 a</strong></td>
<td>Who should the <strong>FCA/PRA</strong> contact at the <strong>firm</strong> in relation to this <strong>statement of responsibilities</strong>?</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Position</td>
</tr>
<tr>
<td>c</td>
<td>Telephone</td>
</tr>
<tr>
<td>d</td>
<td>Fax</td>
</tr>
<tr>
<td>e</td>
<td>E-mail</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4 | YES [ ] NO [ ]
Senior Management Functions

A statement of responsibilities should be drafted to clearly show the responsibilities that the candidate or senior manager is to perform as part of their controlled function and how they fit in with the firm’s overall governance and management arrangements. A statement of responsibilities should also be consistent with the firm’s management responsibilities map.

A statement of responsibilities should be drafted in such a way as to be practical and useable by regulators. The FCA and the PRA consider that this would be achieved by succinct, clear descriptions of each responsibility which avoid unnecessary detail. Firms have the opportunity to provide details of each responsibility allocated to an individual using the free text boxes in this form, however, the PRA and FCA would not usually expect the description of each responsibility to exceed 300 words.

A statement of responsibilities must be a self-contained document. There should be one statement per senior manager per firm. Where an individual performs a senior management function on behalf of more than one firm within a group, one statement of responsibilities is required for each firm. Any supplementary information may be provided in section 4 (or if submitting electronically, in a single attachment). A statement of responsibilities must not cross refer to other documents, attachments or links.

A statement of responsibilities should include responsibilities held in relation to FCA controlled functions that are included in a PRA controlled function under SUP 10C.9 (Minimising overlap with the PRA approved persons regime).

(SUP 10C.11)

If the appropriate regulator considers that the statement of responsibilities is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate’s application for approval, or in ongoing supervision.

Details of the individual’s responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers prescribed responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, and management functions of the firm.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their FCA and/or PRA senior management function(s) role.

3.1 Effective date and relevant Senior Management Functions

3.1.1 Please state the effective date of this statement of responsibilities:

Please note that where this is a revised statement of responsibilities, i.e. since the granting of the application, there has been a significant change in the aspects of the firm’s affairs which the individual is responsible for managing in performing the function (for example, a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior management function), then this statement of responsibilities supersedes any previous versions.

3.1.2 List all senior management functions which the approved person is to perform and the effective date the person commenced or will commence the performance of the functions.
3.1.3 Please indicate those FCA functions that are included in a PRA controlled function under SUP 10C.9 (Minimising overlap with the PRA approved persons regime).

<table>
<thead>
<tr>
<th>SMF</th>
<th>Description</th>
<th>Yes?</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF3</td>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nominations Committee</td>
<td></td>
</tr>
</tbody>
</table>
3.2 Prescribed Responsibilities
This section deals with those responsibilities to be allocated to one or more senior managers. The allocation of responsibilities under a statement of responsibilities should not reduce or alter the scope of any applicable prescribed requirements.

If the responsibilities that the candidate or senior manager is to carry out as described in the statement of responsibilities go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section. (FCA SUP 10C.11/PRA: Allocation of Responsibilities)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.
<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to all firms)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Responsibility for the <em>firm's</em> performance of its obligations under the senior management regime</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>b</td>
<td>Responsibility for the <em>firm's</em> performance of its obligations under the employee certification regime</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>c</td>
<td>Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>d</td>
<td>Overall responsibility for the firm’s policies and procedures for countering the risk that the firm might be used to further financial crime</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>e</td>
<td>Responsibility for the allocation of all prescribed responsibilities</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to all firms except small firms)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>f</td>
<td>Responsibility for: (a) leading the development of; and (b) monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the <em>firm's governing body</em>.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>g</td>
<td>Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing <em>designated senior management functions</em> on behalf of the <em>firm</em> other than members of the <em>governing body</em>.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>h</td>
<td>Responsibility for overseeing the adoption of the <em>firm's</em> culture in the day-to-day management of the <em>firm</em>.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>i</td>
<td>Responsibility for leading the development of the firm’s culture by the governing body as a whole.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Ref</td>
<td>Prescribed Responsibility (Applicable to all firms except small firms)</td>
<td>Does this prescribed responsibility apply?</td>
<td>Is this prescribed responsibility shared?</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------</td>
<td>---------------------------------------</td>
</tr>
<tr>
<td>j</td>
<td>Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of: the internal audit function in accordance with SYSC 6.2 (Internal Audit)</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>k</td>
<td>Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of: the compliance function in accordance with SYSC 6.1 (Compliance)</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>l</td>
<td>Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of: the risk function in accordance with SYSC 7.1.21R and SYSC 7.1.22R (Risk control)</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>m</td>
<td>Responsibility for overseeing the development of, and implementation of the firm’s remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>n</td>
<td>Responsibility for the independence, autonomy and effectiveness of the firm’s policies and procedures on whistleblowing, including the procedures for protection of staff who raise concerns from detrimental treatment</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>o</td>
<td>Management of the allocation and maintenance of capital, funding and liquidity</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>p</td>
<td>The firm’s treasury management functions</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>q</td>
<td>The production and integrity of the firm’s financial information and its regulatory reporting in respect of its regulated activities</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>r</td>
<td>The firm’s recovery plan and resolution pack and overseeing the internal processes regarding their governance</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>s</td>
<td>Responsibility for managing the firm’s internal stress-tests and ensuring the accuracy and timeliness of information provided to the PRA and other regulatory bodies for the purposes of stress-testing;</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Ref</td>
<td>Prescribed Responsibility (Applicable to all firms except small firms)</td>
<td>Does this prescribed responsibility apply?</td>
<td>Is this prescribed responsibility shared?</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------</td>
<td>------------------------------------------</td>
<td>------------------------------------------</td>
</tr>
<tr>
<td>t</td>
<td>Responsibility for the development and maintenance of the firm’s business model by the governing body;</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>u</td>
<td>Responsibility for the firm’s performance of its obligations under Fitness and Propriety (in the PRA Rulebook) in respect of its notified non-executive directors</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to specific types of firm)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>v</td>
<td>If the firm carries out proprietary trading, responsibility for the firm’s proprietary trading activities;</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>w</td>
<td>If the firm does not have an individual performing the Chief Risk function, overseeing and demonstrating that the risk management policies and procedures which the firm has adopted in accordance with SYSC 7.1.2 R to SYSC 7.1.5 R satisfy the requirements of those rules and are consistently effective in accordance with SYSC 4.1.1R.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>x</td>
<td>If the firm outsources its internal audit function taking reasonable steps to ensure that every person involved in the performance of the service is independent from the persons who perform external audit, including (a) Supervision and management of the work of outsourced internal auditors and (b) Management of potential conflicts of interest between the provision of external audit and internal audit services</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>y</td>
<td>If the firm is a ring-fenced body, responsibility for ensuring that those aspects of the firm’s affairs for which a person is responsible for managing are in compliance with the ring-fencing requirements.</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>z</td>
<td>Overall responsibility for the firm’s compliance with CASS</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>
Ref | Prescribed Responsibility (Applicable to small firms only\(^5\)) | Does this prescribed responsibility apply? | Is this prescribed responsibility shared?
--- | --- | --- | ---
aa | Responsibility for implementing and management of the firm’s risk management policies and procedures | Yes / No | Yes / No
bb | Responsibility for managing the systems and controls of the firm | Yes / No | Yes / No
cc | Responsibility for managing the firm’s financial resources. | Yes / No | Yes / No
dd | Responsibility for ensuring the governing body is informed of its legal and regulatory obligations | Yes / No | Yes / No

\(^5\) Small firms are firms with gross total assets of £250 million or less (determined on the basis of the annual average amount calculated across a rolling period of 5 years (calculated by reference to the firm’s annual accounting date)).
3.2.2 If necessary, please provide additional information about each prescribed responsibility, including:

- A breakdown of the different components and tasks which the responsibility encompasses; and
- If applicable, details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this prescribed responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility</th>
<th>Further Relevant Details</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4

[ ] YES  [ ] NO
3.3 Overall Responsibility
This section deals with having overall responsibility for any of the business areas, activities, or management functions of the firm.

By overall responsibility we mean the ultimate responsibility (under the governing body) for managing or supervising that function, and primary and direct responsibility for briefing and reporting to the governing body about that function and putting matters for decision about that function to the governing body of the firm.

(SYSC 4.7)

3.3.1 If the individual has overall responsibility for any or part of the business areas, activities, or management functions of a firm, please provide details of each in the table below. Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

If the individual does not have overall responsibility for a business area, activity or management function of the firm, please go to section 3.4

A firm may wish to refer to SYSC 4 Annex 1G (replicated in Annex A of this form) to help it make sure it has not failed to allocate overall responsibility for a particular activity of the firm. Please note that the FCA does not require firms to organise themselves by the functions in SYSC 4 Annex 1G, and that the Annex is not comprehensive. It is important that a firm does not fail to allocate overall responsibility for business areas, activities and management functions, in line with SYSC 4.7.8R.
<table>
<thead>
<tr>
<th>Please provide a title for this overall responsibility</th>
<th>Please provide further details of this overall responsibility.</th>
<th>Is this overall responsibility shared? If ‘Yes’ please provide, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Yes / No</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Yes / No</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Yes / No</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Yes / No</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Yes / No</strong></td>
</tr>
</tbody>
</table>

→ I have supplied further information related to this page in Section 4  
YES [ ]  NO [ ]
### 3.4 Other Responsibilities

#### 3.4.1
Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their FCA and/or PRA controlled function(s) role. For example, responsibilities outside the normal course of business such as those linked to high profile projects or initiatives.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details of any sharing arrangements including, if known, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

<table>
<thead>
<tr>
<th>Please provide a title for this other responsibility</th>
<th>Please provide further details of this other responsibility</th>
<th>Is this other responsibility shared? If ‘Yes’ please provide the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

→ I have supplied further information related to this page in Section 4

YES ☐ NO ☐
4.1 Is there any other information the *individual* or the *firm* considers to be relevant?
If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</table>

4.2 How many additional sheets are being submitted?

ANNEX A

**SYSC 4** The main business activities and functions of a relevant authorised person

**Annex 1G**
<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Payment services</td>
<td>This means:</td>
</tr>
<tr>
<td></td>
<td>(1) payment services;</td>
</tr>
<tr>
<td></td>
<td>(2) issuing and administering other means of payment (for example, cheques and bankers’ drafts);</td>
</tr>
<tr>
<td></td>
<td>(3) issuing electronic money; and</td>
</tr>
<tr>
<td></td>
<td>(4) current accounts.</td>
</tr>
<tr>
<td>(2) Settlement</td>
<td>This means clearing and settlement of any transactions described in rows (3) and (6) to (9) of this annex in relation to the assets covered by (9).</td>
</tr>
<tr>
<td></td>
<td>It also includes clearing and settlement of any transactions described in row (10).</td>
</tr>
<tr>
<td>(3) Investment management</td>
<td>This has the same meaning as managing investments with the following adjustments:</td>
</tr>
<tr>
<td></td>
<td>(a) it covers all types of assets; and</td>
</tr>
<tr>
<td></td>
<td>(b) the exclusions in the Regulated Activities Order do not apply.</td>
</tr>
<tr>
<td></td>
<td>It also covers fund management.</td>
</tr>
<tr>
<td>(4) Financial or investment advice</td>
<td>This includes advising on investments.</td>
</tr>
<tr>
<td>(5) Mortgage advice</td>
<td>This has the same meaning as advising on regulated mortgage contracts but is expanded to cover land anywhere in the world and to cover security of any kind over land.</td>
</tr>
<tr>
<td>(6) Corporate investments</td>
<td>This means acquiring, holding, managing and disposing a firm’s investments made for its own account.</td>
</tr>
<tr>
<td>(7) Wholesale sales</td>
<td>This means the selling of any investment to a person other than a retail customer.</td>
</tr>
<tr>
<td></td>
<td>It does not include the activities in (1).</td>
</tr>
<tr>
<td>(8) Retail sales</td>
<td>This means the selling of any investment to a retail customer.</td>
</tr>
<tr>
<td></td>
<td>It includes savings accounts. It does not include the activities in (1).</td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>(9) Trading for clients</td>
<td>This means <em>dealing in investments as agent and execution of orders on behalf of clients</em> but the list of products includes money market instruments and foreign exchange.</td>
</tr>
<tr>
<td>(10) Market making</td>
<td>This has the same meaning as it does in MIFID (see the definition of market maker in article 4.1(8)).</td>
</tr>
<tr>
<td>(11) <em>Investment research</em></td>
<td></td>
</tr>
<tr>
<td>(12) Origination/syndication and underwriting</td>
<td>Origination and syndication include:</td>
</tr>
<tr>
<td></td>
<td>(1) entering into or acquiring (directly or indirectly) any commitment or investment with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;</td>
</tr>
<tr>
<td></td>
<td>(2) sub-participation; and</td>
</tr>
<tr>
<td></td>
<td>(3) any transaction described in the <em>Glossary</em> definition of originator.</td>
</tr>
<tr>
<td></td>
<td>Underwriting includes underwriting that is not on a firm commitment basis.</td>
</tr>
<tr>
<td></td>
<td>A commitment or investment includes an economic interest in some or all of it.</td>
</tr>
<tr>
<td></td>
<td>This activity also includes the provision of services relating to such transactions.</td>
</tr>
<tr>
<td>(13) Retail lending decisions</td>
<td>Deciding whether, and on what terms, to lend to retail customers.</td>
</tr>
<tr>
<td></td>
<td>Lending includes granting credit, leasing and hire (including finance leasing).</td>
</tr>
<tr>
<td>(14) Wholesale lending decisions</td>
<td>Deciding whether, and on what terms, to lend to persons who are not retail customers.</td>
</tr>
<tr>
<td></td>
<td>Lending includes granting credit, leasing and hire (including finance leasing).</td>
</tr>
<tr>
<td>(15) Design and manufacturing of products intended for wholesale customers</td>
<td>Wholesale customers mean persons who are not retail customers</td>
</tr>
<tr>
<td>(16) Design and manufacture of products intended for retail customers</td>
<td></td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>(17) Production and distribution of marketing materials and communications</td>
<td>This includes financial promotions</td>
</tr>
<tr>
<td>(18) Customer service</td>
<td>This means dealing with clients after the point of sale, including queries and fulfilment of client requests</td>
</tr>
<tr>
<td>(19) Customer complaints handling</td>
<td>This includes the firm’s compliance with DISP. It also includes: (1) any similar procedures relating to activities that do not come under the jurisdiction of the Financial Ombudsman Service; (2) activities that take place outside the UK; and (3) activities that are not subject to any ombudsman service.</td>
</tr>
<tr>
<td>(20) Collection and recovering amounts owed to a firm by its customers</td>
<td>“Customer” means any person falling into any of the definitions of client in the Glossary so far as they apply to the FCA’s Handbook. The definition is extended to cover all services provided by the firm and not just those that are provided in the course of carrying on a regulated activity or an ancillary service.</td>
</tr>
<tr>
<td>(21) Middle office</td>
<td>This means risk management and controls in relation to, and accounting for, transactions in securities or derivatives</td>
</tr>
<tr>
<td>(22) The firm’s information technology</td>
<td></td>
</tr>
<tr>
<td>(23) Business continuity planning</td>
<td>This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R</td>
</tr>
<tr>
<td>(24) Human resources</td>
<td>This includes recruitment, training and competence and performance monitoring</td>
</tr>
<tr>
<td>(25) Incentive schemes for the firm’s staff</td>
<td>This is not limited to schemes based on sales.</td>
</tr>
<tr>
<td>(26) Providing information in relation to a specified benchmark</td>
<td></td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>(27) Administering a specified benchmark</td>
<td></td>
</tr>
</tbody>
</table>

Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for relevant authorised persons) and SYSC 4.7.37G.

Note (2): A firm does not have to use the split of activities in this annex for the purposes in Note (1). If a firm does decide to use it, it may adapt it to suit its management arrangements better.

For example, a firm may find the split of activities into retail and wholesale activities unsuitable. If so, the firm might:

(a) treat retail and wholesale activities together; or

(b) use its own definition of retail and wholesale activities.

**10C** Form J: Notification of significant change to a statement of responsibilities

**Annex 6D**
Notification of Significant Changes in Responsibilities of a Senior Management Function Manager (Form J)

FCA Handbook Reference: SUP 10C Annex 6D
PRA Rulebook Reference: Senior Persons Regime - Applications and Notifications

7 March 2016

Name of individual
(to be completed by firm)

Name of firm
(as entered in 3.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail iva@fca.org.uk
Website http://www.fca.org.uk
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA-ApprovedPersons@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH
## Contact Details

### Section 1

**1.01 Contact for this notification**

<table>
<thead>
<tr>
<th>Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First Name</td>
<td></td>
</tr>
<tr>
<td>Surname</td>
<td></td>
</tr>
<tr>
<td>Job Title</td>
<td></td>
</tr>
<tr>
<td>Business address</td>
<td></td>
</tr>
<tr>
<td>Post code</td>
<td></td>
</tr>
<tr>
<td>Phone number (including STD code)</td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
</tr>
<tr>
<td>Mobile No</td>
<td></td>
</tr>
<tr>
<td>Fax No.</td>
<td></td>
</tr>
</tbody>
</table>
## Personal identifications details

**Section 2**

<table>
<thead>
<tr>
<th>2.01</th>
<th>Individual Reference Number (IRN)†</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.02</td>
<td>Title (e.g. Mr, Mrs, Ms, etc)†</td>
</tr>
<tr>
<td>2.03</td>
<td>Surname†</td>
</tr>
<tr>
<td>2.04</td>
<td>ALL forenames†</td>
</tr>
<tr>
<td>2.05</td>
<td>Date of birth†</td>
</tr>
<tr>
<td>2.06</td>
<td>National Insurance number†</td>
</tr>
</tbody>
</table>

## Firm identification details

**Section 3**

<table>
<thead>
<tr>
<th>3.01</th>
<th>Name of firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td>3.03 a</td>
<td>Who should the FCA/PRA contact at the firm in relation to this notice?†</td>
</tr>
<tr>
<td></td>
<td>Business address†</td>
</tr>
<tr>
<td></td>
<td>Position†</td>
</tr>
<tr>
<td></td>
<td>Telephone†</td>
</tr>
<tr>
<td></td>
<td>Mobile†</td>
</tr>
<tr>
<td></td>
<td>Fax†</td>
</tr>
<tr>
<td></td>
<td>E-mail†</td>
</tr>
</tbody>
</table>

† The above questions appear on an electronic form submission and a paper form submission
4.1 Summary of Significant Changes made
Please provide a summary of the significant changes made since the date of the previously submitted statement.
Please submit with this form an updated Statement of Responsibilities including the effective date.
Please submit with this form an updated Firm’s Management Responsibilities Map.
Declarations and signatures

Section 5

Declaration by Approved Person

The approved person confirms that this Statement of Responsibilities accurately reflects the aspects of the affairs of the firm which it is intended that the approved person will be responsible for managing. The approved person confirms that they have accepted all the responsibilities set out in this Statement of Responsibilities.

This is given as at the commencement date or, for candidates, the date of approval if later.

Name of candidate/approved person

Signature

Date

Declaration by Firm

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive.

The firm confirms that the information provided is accurate and complete to the best of its knowledge. In addition to other regulatory responsibilities, firms, SMF Managers and other approved persons have a responsibility to disclose to the FCA and/or PRA matters of which it would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm and/or individuals.

The person signing on behalf of the Firm confirms that:
• he or she has read this declaration in full;
• he or she has confirmed that the information supplied is accurate and complete to the best of his or her knowledge, and the updated Statement of Responsibility accurately reflects the aspects of the affairs of the Firm which it is intended that the Individual will be responsible for managing.

Name of the firm submitting the form

Name of person signing on behalf of the firm

Job title

Signature

Date
Amend the following as shown.

15 Notification to the FCA or PRA

15.1 Application

Relevant authorised persons

15.1.7 R The following apply only to relevant authorised persons:

(1) SUP 15.2.5G (Purpose); and

(2) SUP 15.11 (Notification of COCON breaches and disciplinary action).

15.2 Purpose

15.2.5 G SUP 15.11 (Notification of COCON breaches and disciplinary action) provides rules and guidance on notifications to the FCA by a relevant authorised person where it knows or suspects that any conduct rules staff has failed to comply with COCON or it takes disciplinary action in relation to any conduct rules staff and the reason for taking that action is a reason specified in rules made by the FCA. These are requirements imposed under sections 64B and 64C of the Act.

15.2.6 G SUP 15.12 (Ongoing alerts for retail adviser complaints) sets out rules and guidance on a firm’s obligation to notify the FCA of complaints against an employee acting as a retail investment adviser.

15.3 General notification requirements

Breaches of rules and other requirements in or under the Act or the CCA

15.3.11 R (1) A firm must notify the appropriate regulator of:

(a) a significant breach of a rule (which includes a Principle, or a Statement of Principle or a COCON rule); or

...
(2) However, there is no need to make the same notification twice.

(3) Any notification required under both SUP 10C.14 and SUP 15.3.11R should be made in accordance with SUP 10C.14, which requires notification using Forms C or D.

(4) SUP 10C.14 only applies to relevant authorised persons. SUP 10A.14 applies similar, but less extensive, obligations to firms that are not relevant authorised persons. Paragraphs (2) and (3) apply to those notifications as well. Such notifications should however be made under SUP 10A.14.

15.3.14B G (1) Some matters that need to be notified under SUP 15.3.11R may also have to be notified under SUP 15.11 (Notification of COCON breaches and disciplinary action).

(2) If the same thing has to be notified under SUP 15.11 and SUP 15.3.11R, a firm should make separate notifications under both. This is because notification under SUP 15.11 is annual and notification under SUP 15.3.11R is immediate.

Insert the following new sections after SUP 15.10. The text is not underlined.

15.11 Notification of COCON breaches and disciplinary action

Reasons for making a notification to the FCA

15.11.1 G Under section 64A of the Act, the FCA may make rules about the conduct of approved persons and persons who are employees of relevant authorised persons.

15.11.2 G COCON sets out rules and guidance about the conduct of conduct rules staff.

15.11.3 G Under section 64B of the Act, if a firm knows or suspects that any conduct rules staff has failed to comply with COCON, it must notify the FCA.

15.11.4 G Under section 64C of the Act, a firm must notify the FCA if it takes disciplinary action against any conduct rules staff and the reason for this action is a reason specified in rules made by the FCA in SUP 15.11.6R.

15.11.5 G Disciplinary action is defined in section 64C of the Act as the issuing of a formal written warning, the suspension or dismissal of a person who is a member of a relevant authorised person’s conduct rules staff or the reduction or recovery of any of such person’s remuneration.

15.11.6 R If a reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of COCON, then the firm is required to notify the FCA of the disciplinary action.

15.11.7 G A firm should make a separate notification about a person under section 64C of the Act where:

(1) it has made a notification to the FCA about a person pursuant to
section 64B of the Act; and

(2) it subsequently takes disciplinary action against the person for the action, failure to act, or circumstance, that amounted to a breach of COCON.

15.11.8 G If, after a firm has made a notification for a person (A) pursuant to:

(1) section 64B of the Act; or

(2) section 64C of the Act;

it becomes aware of facts or matters which cause it to change its view that A has breached COCON, or cause it to determine that A has breached a provision of COCON other than the provision to which the notification related, the firm should inform the FCA of those facts and matters and its revised conclusion in line with a firm’s obligation to comply with Principle 11.

15.11.9 G A firm that is considering whether to make a notification in respect of a suspected breach of COCON should satisfy itself that it has reasonable grounds for its suspicion before making the notification. If a firm has made a notification about a person pursuant to section 64B of the Act based on a suspicion, the firm should inform the FCA of any subsequent determination it makes in relation to that matter.

15.11.10 G A firm should make a notification pursuant to section 64B of the Act even if the matter giving rise to the notification relates to a person who is no longer a member of the conduct rules staff of the firm, including where that person is no longer an employee of the firm.

15.11.11 G In relation to any conduct rules staff, the FCA does not expect a firm to notify it pursuant to section 64B or section 64C of the Act if the known or suspected breach of COCON occurred before the application of COCON to that firm.

Timing and form of notifications: SMF managers

15.11.12 G Where a firm is required to notify the FCA pursuant to section 64B or section 64C of the Act and that notification relates to an SMF manager, SUP 10C sets out how and when the notification must be made, and the relevant notification rules in SUP 10C apply.

Timing and form of notifications: certification employees and other conduct rules staff

15.11.13 R A firm must make any notifications required pursuant to section 64B or section 64C of the Act relating to a certification employee or other conduct rules staff annually. That notification should be made in October each year and cover the year up to the first day of that month.

15.11.14 R A firm must make any notifications required pursuant to section 64B or section 64C of the Act relating to a certification employee or other conduct rules staff on Form H (SUP 15 Annex 7R).
15.11.15 R A firm must make notifications pursuant to section 64B or section 64C of the Act relating to a certification employee or other conduct rules staff in accordance with the rules and guidance in SUP 15.7.

General guidance on notifications of rule breaches and disciplinary action

15.11.16 G A firm is not required to:

(1) submit nil return notifications pursuant to section 64B or section 64C of the Act;

(2) submit a notification pursuant to section 64B of the Act in respect of a suspected breach of COCON where the firm no longer has reasonable grounds for the suspicion at the time of the notification.

15.11.17 G The obligation to notify pursuant to section 64B or section 64C of the Act does not replace or limit a firm’s obligation to comply with Principle 11.

15.11.18 G When considering whether to make a notification pursuant to section 64B or section 64C of the Act, a firm should also consider whether a notification should be made under any notification rules, including, without limitation, any notification rules that require a notification to be made to the PRA.

15.11.19 G The obligations to make a notification pursuant to section 64B or section 64C of the Act apply notwithstanding any agreement (for example a ‘COT 3’ Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a firm and an employee upon termination of the employee’s employment. A firm should not enter into any such arrangements or agreements that could conflict with its obligations under this section.

15.11.20 G Failing to disclose relevant information to the FCA may be a criminal offence under section 398 of the Act.

15.12 Ongoing alerts for retail adviser complaints

15.12.1 R (1) A firm must notify the FCA, using the form in SUP 15 Annex 8R, where:

(a) in any 12-month period, it has upheld three complaints about matters relating to activities carried out by any one employee when acting as a retail investment adviser; or

(b) it has upheld a complaint about matters relating to activities carried out by any one employee when acting as a retail investment adviser, where the redress paid exceeds £50,000.

(2) A notification made under (1)(a) must be made by the end of the period of 20 business days, beginning on the day on which the firm upheld the third complaint.

(3) A notification made under (1)(b) must be made by the end of the period of 20 business days, beginning on the day on which the firm
upheld the complaint.

15.12.2 G For the purpose of SUP 15.12.1R:

(1) when calculating the number of complaints in SUP 15.12.1R(1)(a), the firm should exclude complaints previously notified to the FCA under this rule;

(2) redress, under SUP 15.12.1R(1)(b), should be interpreted to include an amount paid, or cost borne, by the firm, where a cash value can be readily identified, and should include:

(a) amounts paid for distress and inconvenience;
(b) a free transfer out to another provider for which a transfer would normally be paid for;
(c) goodwill payments and gestures;
(d) interest on delayed settlements;
(e) waiver of an excess on an insurance policy; and
(f) payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred; and

(3) the amount of redress paid under SUP 15.12.1R(1)(b) should not include repayments or refunds of premiums which have been taken in error (for example, where a firm has been taking, by direct debit, twice the actual premium amount due under a policy) and the refund of the overcharge would not count as redress.

[Note: See DISP 1.10.2AR for the duty to notify complaints under the complaints reporting rules]

15.12.3 R Notifications under SUP 15.12.1R must be made electronically using a method of notification prescribed by the FCA.

...
Form H

Notification of Conduct Rules Breaches and Disciplinary Action relating to certification employees and other conduct rules staff

7 March 2016

Name of firm
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website http://www.fca.org.uk
## Contact Details

<table>
<thead>
<tr>
<th>Section 1</th>
</tr>
</thead>
</table>

**Contact for this notification**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.01</strong></td>
<td>Title</td>
</tr>
<tr>
<td><strong>1.02</strong></td>
<td>First Name</td>
</tr>
<tr>
<td><strong>1.03</strong></td>
<td>Surname</td>
</tr>
<tr>
<td><strong>1.04</strong></td>
<td>Job Title</td>
</tr>
<tr>
<td><strong>1.05</strong></td>
<td>Business address</td>
</tr>
<tr>
<td><strong>1.06</strong></td>
<td>Post code</td>
</tr>
<tr>
<td><strong>1.07</strong></td>
<td>Phone number (including STD code)</td>
</tr>
<tr>
<td><strong>1.08</strong></td>
<td>Email address</td>
</tr>
<tr>
<td><strong>1.09</strong></td>
<td>Mobile No</td>
</tr>
<tr>
<td><strong>1.10</strong></td>
<td>Fax No.</td>
</tr>
</tbody>
</table>
### Firm Identification Details

<table>
<thead>
<tr>
<th>Section 2</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Name of <em>firm</em></td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
</tbody>
</table>
Fitness and Propriety - Notifications under section 64B(5) or 64C of the Financial Services and Markets Act 2000.
Section 3

This section should be completed by a firm to:

(d) make an annual notification under section 64B(5) (Breach of conduct rules) of the Financial Services and Markets Act 2000 of known or suspected breach by any certification employees or other conduct rules staff of the individual conduct rules set out in the FCA’s Code of Conduct (COCON);

(e) make an annual notification of disciplinary action (as defined in section 64C ((Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000) if the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual conduct rules set out in the FCA’s Code of Conduct (COCON);

(f) make a follow up notification to update a notification that has been previously made by the firm in relation to (a) or (b) (section 5.01)
Breach Details – New Breaches

For each individual that is the subject of a notification under this Form, please provide the details requested below, in so far as applicable.

<table>
<thead>
<tr>
<th>Title</th>
<th>Surname</th>
<th>Forenames</th>
<th>IRN (If available)</th>
<th>Date of Birth</th>
<th>National Insurance Number or Passport Number / National ID Number</th>
<th>Nationality If providing passport number or National ID please provide nationality</th>
<th>Job Title / Position And Department / Division</th>
<th>Please identify the relevant conduct rule(s) that have been breached Refer to Conduct Rules</th>
<th>Please indicate whether it is a known or suspected breach Enter one of the bullets below - Known breach - Suspicion of breach, under investigation - Suspicion of breach, cannot be closed</th>
<th>Please provide more information in relation to the conduct rule breached Free text description (300 words only) anything greater than this please provide an attachment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
For each individual that is the subject of a notification under this Form, please provide the details requested below, in so far as applicable.

<table>
<thead>
<tr>
<th>Title</th>
<th>Surname</th>
<th>Forenames</th>
<th>IRN (If available)</th>
<th>Date of Birth</th>
<th>National Insurance Number or Passport Number / National ID Number</th>
<th>Nationality If providing passport number or National ID please provide nationality</th>
<th>Job Title / Position And Department / Division</th>
<th>Please identify the relevant conduct rule(s) that have been breached Refer to Conduct Rules</th>
<th>Please indicate whether it is a known or suspected breach Enter one of the bullets below - Known breach - Suspicion of breach, under investigation - Suspicion of breach, cannot be closed</th>
<th>Please provide more information in relation to the conduct rule breached Free text description (300 words only) anything greater than this please provide an attachment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Declarations and signatures Section 6**

**Declaration**

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive. Even if you believe information has been provided to us before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application. If there is any doubt about the relevance of information, it should be included.

The firm confirms that the information provided is accurate and complete to the best of the firm’s knowledge. The firm will notify the FCA, immediately if there is a material change to the information provided.

The firm authorises the FCA and PRA, as applicable, to make such enquiries and seek such further information as it thinks appropriate to verify information that it considers relevant to this notification.

The firm understands that the FCA and/or PRA may require it to provide further information or documents at any time.

For the purpose of complying with the Data Protection Act 1998, personal data about an individual that is the subject of a notification under this Form will be used by the FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for other purposes without the permission of the firm.

In addition to other regulatory responsibilities, firms, have a responsibility to disclose to the FCA and/or PRA matters of which it or they would reasonably expect to be notified. Failure to notify the FCA and/or PRA of such information may lead to the FCA and/or PRA taking disciplinary or other action against the firm.

By signing below, the person submitting this Form on behalf of the firm confirms that this form is accurate and complete to the best of his or her knowledge and he or she has read and understood the notes to this form.

- **Name of the firm**
- **Name of person signing on behalf of the firm**
- **Position**
- **Signature**
- **Date**
Form G: The Retail Investment Adviser Complaints Alerts Form
Annex 8R
# SUP 15 Annex 8R Form G: The Retail Investment Adviser Complaints Alerts Form

The Retail Investment Adviser Complaints Alerts Form G approved by the FCA for notifications under SUP 15.12.1R may be found at the FCA’s website [www.fca.org.uk/Pages/Doing/Regulated/Notify/index.shtml](http://www.fca.org.uk/Pages/Doing/Regulated/Notify/index.shtml)

7 March 2016

Form G: Retail Investment Adviser – Complaints Alerts Form (all fields are mandatory except where indicated)

This form relates to SUP 15.12.1R

<table>
<thead>
<tr>
<th>Form details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm name</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Person making notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td>Position in firm</td>
</tr>
<tr>
<td>Contact email address</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail Investment Adviser</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
</tbody>
</table>

* Individual details can be found on the Financial Services Register under the individual tab. If you are unable to identify the retail investment adviser’s IRN please contact the FCA Customer Contact Centre on 0845 606 1234 for assistance.

### Trigger

<table>
<thead>
<tr>
<th>Subject of complaint</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advising, selling and arranging</td>
</tr>
<tr>
<td>Date(s) upheld</td>
</tr>
</tbody>
</table>

1. **complaint upheld where the redress paid exceeds £50,000**

2. **three complaints upheld in any twelve month period (other than claims that have already been notified to the FCA using this form)**

<table>
<thead>
<tr>
<th>Number</th>
<th>Date(s) upheld</th>
<th>Number</th>
<th>Date(s) upheld</th>
<th>Number</th>
<th>Date(s) upheld</th>
<th>Number</th>
<th>Date(s) upheld</th>
<th>Number</th>
<th>Date(s) upheld</th>
</tr>
</thead>
<tbody>
<tr>
<td>1/2 or 3</td>
<td>Date(s) upheld</td>
<td>1/2 or 3</td>
<td>Date(s) upheld</td>
<td>1/2 or 3</td>
<td>Date(s) upheld</td>
<td>1/2 or 3</td>
<td>Date(s) upheld</td>
<td>1/2 or 3</td>
<td>Date(s) upheld</td>
</tr>
</tbody>
</table>

---

Page 332 of 332