

**HANDBOOK ADMINISTRATION (NO 38) INSTRUMENT 2015****Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of the powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Financial Services and Markets Act 2000.

**Commencement**

- C. This instrument comes into force on 1 August 2015 except as provided below:
- (1) Annex B (PRIN) and Part 2 of Annex G (SUP) come into force on 1 October 2015; and
  - (2) Annex F (MCOB), Part 3 of Annex G (SUP) and Annex H (DISP) come into force on 21 March 2016.

**Amendments to the FCA Handbook**

- D. 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).

(1)	(2)
Glossary of definitions	Annex A
Principles for Businesses (PRIN)	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C
Fees manual (FFES)	Annex D
Interim Prudential sourcebook for Friendly Societies (IPRU(FSOC))	Annex E
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex F
Supervision manual (SUP)	Annex G
Dispute Resolution: Complaints sourcebook (DISP)	Annex H
Collective Investment Schemes sourcebook (COLL)	Annex I
Listing Rules sourcebook (LR)	Annex J
Prospectus Rules sourcebook (PR)	Annex K

**Citation**

- E. This instrument may be cited as the Handbook Administration (No 38) Instrument 2015.

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

## Annex A

### Amendments to the Glossary of definitions

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

*commercial customer* (in *ICOBS* and ~~*CASS 5*~~) a *customer* who is not a *consumer*.

*regulatory information service or RIS* ...

(B) In the FCA Handbook:

- (a) a *primary information provider*; or
- (b) an incoming *information society service* that has its *establishment* in an *EEA State* other than the *United Kingdom* and that disseminates *regulated information* in accordance with the minimum standards set out in article 12 of the *TD implementing Directive*; ~~or~~.
- (c) ~~a person to whom *DTR TP 1.22* applies, for as long as *DTR TP 1.22* remains in force.~~

## Annex B

### Amendments to the Principles for Businesses (PRIN)

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

#### Comes into force on 1 October 2015

### 3 Rules about application

#### 3.1 Who?

3.1.1 R *PRIN* applies to every *firm*, except that:

(1) ...

(2) for an *incoming EEA firm* which is a *CRD credit institution* without a *top-up permission*, *Principle 4* ~~applies only in relation to the liquidity of a *branch* established in the *United Kingdom*~~ does not apply;

...

...

3.1.3 G ~~*PRIN 3.1.1R(2)* reflects article 156 of the *CRD* which provides that the *Host State regulator* retains responsibility in cooperation with the *Home State regulator* for the supervision of the liquidity of a *branch* of a *CRD credit institution*. [deleted]~~

## 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.

#### 3.1 Systems and Controls

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- 3.1.10 If a *firm* requires *employees* who are not subject to a qualification requirement in *TC* to pass a relevant examination from the list of ~~recommended examinations~~ appropriate qualifications maintained by the ~~Financial Skills Partnership~~ FCA, the *appropriate regulator* will take that into account when assessing whether the *firm* has ensured that the *employee* satisfies the knowledge component of the *competent employees rule*.

...

#### 10.2 Chinese walls

...

Effect of rules

- 10.2.3 G SYSC 10.2.2R is made under section 137P of the *Act* (Control of information). It has the following effect:
- (1) acting in conformity with SYSC 10.2.2R(1) provides a defence against proceedings brought under sections 89(2) ~~and~~, 90(1) and 91(1) of the Financial Services Act 2012 (Misleading statements ~~and~~, Misleading impressions and Misleading statements etc. in relation to benchmarks) – see sections 89(3)(b) ~~and~~, 90(9)(c) and 91(3)(b);

...

...

#### TP 2 Firms other than common platform firms, insurers, managing agents and the Society

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

					force
...					
2.3 [FCA]	SYSC 4.2.2R to SYSC 4.2.5G, SYSC 9.1.2R and SYSC 9.1.3R	R	<i>A small authorised UK AIFM of an authorised AIF which, prior to 22 July 2013, was a common platform firm must continue to comply with column (2) in respect of its activities as an AIFM. [expired]</i>	From 22 July 2013 until 31 July 2015	<del>22 July 2013</del>
...					

## Annex D

### Amendments to the Fees manual (FEES)

In this Annex, striking through indicates deleted text.

[*Editor's Note:* The following confirms a change which has already been made administratively.]

**4 Annex 6R Periodic fees for recognised investment exchanges, and recognised auction platforms payable in relation to the period 1 April 2015 to 31 March 2016**

...

Part 1 – Periodic fees for UK recognised investment exchanges

Name of UK recognised body	Amount payable (£)
ICE Futures Europe Ltd	...
...	

...

## Annex E

**Amendments to the Interim Prudential sourcebook for Friendly Societies  
(IPRU(FSOC))**

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

**GUIDANCE: THE PURPOSE OF THE PRUDENTIAL RULES FOR FRIENDLY SOCIETIES AND AN  
OVERALL DESCRIPTION**

...

7 [PRA] Chapter 3 focuses on systems and controls. *Friendly societies* should also refer to the provisions on senior management arrangements, systems and controls in the High Level Standards part of the Handbook (SYSC) and to Annex 3 of *IPRU(FSOC)*. ~~*Directive friendly societies* should also refer to the PRA Rulebook: Solvency II firms: Conditions Governing Business and the *Solvency II Regulation* of (EU) 2015/35 of 10 October 2014 which contain systems and control requirements, and the *FCA* will take these into account.~~

7A *Directive friendly societies* should also refer to the PRA Rulebook: Solvency II firms: Conditions Governing Business and the *Solvency II Regulation* of (EU) 2015/35 of 10 October 2014 which contain systems and control requirements, and the *FCA* will take these into account.

...

## Annex F

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

In this Annex, underlining indicates new text.

#### Comes into force on 21 March 2016

[*Editor's Note:* The addition of MCOB 4.4A.3AG, which was included but not underlined in the *Mortgage Credit Directive Instrument 2015* (FCA 2015/18), confirms the change intended to be made by that instrument. This change has already been added to the Handbook.]

#### 1.2 General application: who? what?

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Applicability of MCOB to second charge mortgage contracts entered into before 21 March 2016

- 1.2.20 R From 21 March 2016, where a *second charge regulated mortgage contract* was entered into before 21 March 2016 (subject to certain exceptions in article 28 of the Mortgage Credit Directive Order 2015) the following provisions of *MCOB* apply:

...

#### 4.4A Initial disclosure requirements

...

- 4.4A.3A G In making its disclosure under *MCOB* 4.4A.1R(1), a firm should indicate, for each relevant market, whether this is across *first charge legal mortgages, second charge regulated mortgage contracts* or both.

...

#### 11.6 Responsible lending and financing

...

Debt consolidation and credit-impaired consumers

- 11.6.16 R (1) This *rule* applies where:

...



- (b) for a first charge regulated mortgage contract, the customer is a credit-impaired customer.

## Annex G

### Amendments to the Supervision manual (SUP)

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

**Part 1: Comes into force on 1 August 2015**

**10A.4 Specification of functions**

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10A.4.4 R FCA controlled functions

Part 1 (FCA controlled functions for FCA- <u>authorised</u> persons and appointed representatives)		
...		
...		
<i>Customer-dealing <del>functions</del> function</i>	30	<i>Customer function</i>
...		

**Part 2: Comes into force on 1 October 2015**

**16.12 Integrated Regulatory Reporting**

...

...

Regulated Activity Group 1

16.12.5 R The applicable *data items* and forms or reports referred to in *SUP* 16.12.4R are set out according to *firm* type in the table below:

Description of data item	Prudential category of firm, applicable data items and reporting format (Note 1)						
	<i>UK bank</i>	<i>Building society</i>	<i>Non-EEA bank</i>	<del><i>EEA bank that has permission to accept deposits, other than one with permission for cross border services only</i></del> [deleted]	<del><i>EEA bank that does not have permission to accept deposits, other than one with permission for cross border services only</i></del> [deleted]	<i>Credit union</i>	<i>Dormant account fund operator</i> (note 15)
...							
Daily Flows	...	...	...	FSA047 (Notes 16, 18, 20 and 22)	FSA047 (Notes 16, 18, 20 and 22)		
Enhanced Mismatch Report	...	...	...	FSA048 (Notes 16, 18, 20 and 22)	FSA048 (Notes 16, 18, 20 and 22)		
Liquidity Buffer Qualifying Securities	...	...	...	FSA050 (Notes 17, 19, 21 and 22)	FSA050 (Notes 17, 19, 21 and 22)		
Funding Concentration	...	...	...	FSA051 (Notes 17, 19, 21 and 22)	FSA051 (Notes 17, 19, 21 and 22)		
Pricing data	...	...	...	FSA052 (Notes 17, 19, 22 and 24)	FSA052 (Notes 17, 19, 22 and 24)		
Retail and corporate funding	...	...	...	FSA053 (Notes 17, 19, 21 and 22)	FSA053 (Notes 17, 19, 21 and 22)		
Currency Analysis	...	...	...	FSA054 (Notes 17, 19, 21 and 22)	FSA054 (Notes 17, 19, 21 and 22)		
...							
...							

### Part 3: Comes into force on 21 March 2016

[*Editor's Note:* The addition of a title to SUP 16 Ann 19AAR confirms this change which has already been made administratively.]

### 12.5 Contracts: required terms

...

- 12.5.3A G To the extent that the appointment of the *appointed representative* includes *CBTL business*, a *firm* should satisfy itself that the terms of the contract with its *appointed representative*:
- (1) are designed to enable the *firm* to comply properly with any direction issued or imposed under article 19 of the *MCD Order*; and
  - (2) require the *appointed representative* to deal with the *FCA* in an open and co-operative manner and give access to its premises, as set out in *SUP 2.3.4G* and *SUP ~~2.3.5AG(2)~~ 2.3.5R(2)*, as applied by *SUP 2.1.2AG*.

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16 Annex 19AAR **Mortgage Lenders & Administrators Return ('MLAR') – sub-forms for second charge regulated mortgage activity**

## Annex H

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

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

#### Comes into force on 21 March 2016

Application to CBTL firms

- 1.1.10G R This chapter (except the *complaints record rule*, the *complaints reporting rules* and the *complaints data publication rules*) applies to *CBTL firms* in respect of *complaints* from *eligible ~~complaints~~ complainants* concerning activities carried on from an establishment maintained in the *United Kingdom*.

## Annex I

### Amendments to the Collective Investment Schemes sourcebook (COLL)

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

#### 2.1 Authorised fund applications

...

- 2.1.3 G (1)
- (2) COLLG 3 3A (The ~~FCA's~~ FCA's responsibilities under the Act) and COLLG 4 4A (The ~~FCA's~~ FCA's responsibilities under the ~~OEIC~~ OEIC Regulations) provide more information on what the Act and the *OEIC Regulations* require in relation to ongoing notifications to the FCA.

## Annex J

## Amendments to the Listing Rules sourcebook (LR)

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

## Appendix 1 Relevant definitions

...

*regulatory  
information  
service or RIS*

- (a) a *primary information provider*; or
- (b) an incoming *information society service* that has its *establishment* in an *EEA State* other than the *United Kingdom* and that disseminates *regulated information* in accordance with the minimum standards set out in article 12 of the *TD implementing Directive*; ~~or~~
- (c) a *person to whom DTR TP 1.22 applies*, for as long as *DTR TP 1.22 remains in force*.

...

## TR 6 Transitional Provision for overseas companies

(1)	(2) Material to which the transitional provisions applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1.	...				
2.	<i>LR 9.8.7AR</i>	R	<i>An overseas company with securities that have a premium listing on 6 April 2010 is only required to comply with LR 9.8.7.AR in financial years beginning after 31 December 2009.</i> [deleted]	From 6 April 2010	6 April 2010
3.	<i>LR 14.3.24R</i>	R	<i>An overseas company with securities that have a standard listing on 6 April 2010 is only required to comply with LR 14.3.24R in financial years beginning after 31 December 2009.</i> [deleted]	From 6 April 2010	6 April 2010

## Annex K

### Amendments to the Prospectus Rules sourcebook (PR)

In this Annex, striking through indicates deleted text.

#### 2.1 General contents of prospectus

General contents of prospectus

- 2.1.1 UK Sections 87A(2), (2A), (3) and (4) of the *Act* provide for the general contents of a *prospectus*:

...	
(4)	The necessary information must be prepared having regard to the particular nature of the transferable securities and their issuer <del>and any delegated acts adopted by the Commission under article 7(1) of the <i>prospective directive</i>.</del>