

**SUPERVISION MANUAL (REPORTING No 4)
INSTRUMENT 2017**

Powers exercised

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers);
 - (c) section 139A (Power of the FCA to give guidance); and
 - (d) paragraph 23 (Fees) in Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority).
- 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 on 31 March 2017 except as provided below:
- (1) Annex C on 30 June 2017; and
 - (2) Part 2 of Annex B on 3 January 2018.

Amendments to the 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) below.

(1)	(2)
Fees manual (FEES)	Annex A
Supervision manual (SUP)	Annex B
Dispute Resolution: Complaints (DISP)	Annex C
Consumer Credit sourcebook (CONC)	Annex D

Citation

- E. This instrument may be cited as the Supervision Manual (Reporting No 4) Instrument 2017.

By order of the Board
30 March 2017

Annex A

Amendments to the Fees manual (FEES)

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

Comes into force on 31 March 2017

4 Periodic fees

...

4 Annex 11BR Definition of annual income for the purposes of calculating fees in fee blocks CC1 and CC2

(1) **Annual income definition for *credit related regulated activities***

...

Plus:

(b) any ongoing *commission* from previous business received by the *firm* during the reporting year.

(ba) any vouchers, reward cards or other benefits staff have received from other *firms* as recompense for making introductions as a *credit broker*.

...

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

...

Table 2	
...	
Calculating and apportioning annual income - FEES 4 Annex 11BR	
Calculating annual income	
...	
Prohibited deductions	
(8)	Deductions should not be made for:

	...
(f)	the difference (if positive) between the fee payable by a <i>firm</i> to another party for arranging a transaction and the amount payable to the <i>firm</i> by the end <i>client</i> in respect of that transaction (here, the <i>firm</i> must net any excess payable by the end of client to zero); and
(g)	payments to <i>clients</i> made by way of redress; <u>and</u>
(h)	<u>commission or fees clawed back by a third party <i>firm</i> in subsequent years, for example because a <i>client</i> introduced by a <i>credit broker</i> to a <i>lender</i> repays a loan early or defaults.</u>
	...

Annex B

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 31 March 2017

16 Reporting Fields Annex 21R

...

Data reporting field	Code (where applicable)	Notes
Performance Data (report for all <i>regulated mortgage contracts</i>)		
...
Current balance outstanding	Numeric £	This is the interest bearing balance of the mortgage that is outstanding <u>after write-offs</u> at the end of the reporting period, represented as a sterling equivalent amount. This amount should include <i>arrears</i> , and fees and charges added to the loan. ...
...

Part 2: Comes into force on 3 January 2018

16 Reporting requirements

...

16.12 Integrated Regulatory Reporting

...

16.12.4 R

(1)		(2)	(3)	(4)
RAG number	Regulated Activities	Provisions containing:		
		applicable data items	reporting frequency/period	due date
...
RAG 8	<ul style="list-style-type: none"> • making arrangements with a view to transactions in investments • operating a <i>multilateral trading facility</i> • <u>operating an organised trading facility</u>

...

Annex C

Amendments to Dispute Resolution: Complaints (DISP)

In this Annex underlining indicates new text.

Comes into force on 30 June 2017

1 Treating complainants fairly

...

**1 Annex Complaints return form
1R**

...

Complaints Return (Disp 1 Ann 1R)

...

Table 2

Complaints closed, upheld and redress when fewer than 500 opened complaints

	A	B	C	D	E	F	G	H
	Complaints closed within 3 days	Complaints closed > 3 days but within 8 weeks	Complaints closed > 8 weeks	Total complaints closed	Total complaints upheld	Total redress paid for upheld complaints (single units)	Total redress paid for complaints not upheld (single units)	Total redress paid (single units)
Product/service grouping								
111 Total banking and credit cards								
117 Total home finance								
132 Total insurance & pure protection								
143 Total decumulation & pensions								
159 Total investments								

...

Table 5

Complaints closed, upheld and redress when greater than or equal to 500 opened complaints

Redress paid reported in single units

		A	B	C	D	E	F	G	H
Product /service grouping	Product/service	Complaints closed within 3 days	Complaints closed > 3 days but within 8 weeks	Complaints closed > 8 weeks	Total complaints closed	Total complaints upheld	Total redress paid for upheld complaints (single units)	Total redress paid for complaints not upheld (single units)	Total redress paid (single units)
105	Banking and credit cards	Current accounts							
106		Credit cards							
107		Overdrafts							
108		Packaged accounts							
109		Savings (including ISAs)							
110		Other banking							
111		Total banking and credit cards							
...	...								

Annex D

Amendments to Consumer Credit sourcebook (CONC)

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

Comes into force on 31 March 2017

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

12.1 Application and purpose

...

12.1.4 R Table: Disapplied or modified modules or provisions of the Handbook

Module	Disapplication or modification
...	...
Supervision manual (<i>SUP</i>)	...
	<i>SUP</i> 16 (Reporting requirements) does not apply to a <i>firm</i> with only an <i>interim permission</i> except: (1) for <i>SUP</i> 16.14; and (2) in relation to <i>data item</i> CCR008
	<i>SUP</i> 16.11 and <i>SUP</i> 16.12 apply to a <i>firm</i> , which was an <i>authorised person</i> immediately before 1 April 2014, with an <i>interim permission</i> that is treated as a variation of <i>permission</i> with respect to <i>credit-related regulated activity</i> or <i>operating an electronic system in relation to lending</i> as if the changes to <i>SUP</i> 16.11 and <i>SUP</i> 16.12 effected by the Consumer Credit (Consequential and Supplementary Amendments) Instrument 2014 had not been made, except in so far as those changes relate to <i>data item</i> CCR008
...	

...