

**SUPERVISION MANUAL (REPORTING No 7)
INSTRUMENT 2017**

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 137A (The FCA’s general rules);
 - (2) section 137T (General supplementary powers); and
 - (3) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. Part 1 of the Annex to this instrument comes into force on 31 December 2017.
- D. Part 2 of the Annex to this instrument comes into force on 1 September 2018.

Amendments to the Handbook

- E. The Supervision manual (SUP) is amended in accordance with the Annex to this instrument.

Citation

- F. This instrument may be cited as the Supervision Manual (Reporting No 7) Instrument 2017.

By order of the Board
7 December 2017

Annex

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 31 December 2017

SUP 16 Annex 1AR FIN-A Annual Report and Accounts is deleted in its entirety and replaced with the following. The deleted text is not shown and the new text is not shown underlined.

16 Annex **FIN-A Annual Report and Accounts** 1AR

FIN-A Annual Report and Accounts

Annual Accounts

- | | | | | | | | |
|--|---|------------------------------|----------------|----------------|----------------|----------------|----------------|
| <p>1 On what basis have the firm's accounts been prepared?</p> <p>3 Did the firm generate income from regulated activities in the accounting period?</p> <p>4 Are the firm's net assets positive?</p> <p>5 Are the firm's annual report and accounts prepared on a going concern basis?</p> <p>6 Does the firm have any contingent liabilities?</p> <p>7 If the firm's submitted annual report and accounts have been subject to an audit, has the auditor qualified their opinion, added an explanatory paragraph and/or provided written comment on internal controls?</p> | <p>A</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">IFRS / UK GAAP / Other / N/A</td> </tr> <tr> <td style="text-align: center;">Yes / No / N/A</td> </tr> <tr> <td style="text-align: center;">Yes / No / N/A</td> </tr> <tr> <td style="text-align: center;">Yes / No / N/A</td> </tr> <tr> <td style="text-align: center;">Yes / No / N/A</td> </tr> <tr> <td style="text-align: center;">Yes / No / N/A</td> </tr> </table> | IFRS / UK GAAP / Other / N/A | Yes / No / N/A | Yes / No / N/A | Yes / No / N/A | Yes / No / N/A | Yes / No / N/A |
| IFRS / UK GAAP / Other / N/A | | | | | | | |
| Yes / No / N/A | | | | | | | |
| Yes / No / N/A | | | | | | | |
| Yes / No / N/A | | | | | | | |
| Yes / No / N/A | | | | | | | |
| Yes / No / N/A | | | | | | | |

[Upload functionality]

Immigration Act 2014

- | | | |
|---|--|----------------|
| <p>2 Has the firm complied with the prohibition in section 40 of the Immigration Act 2014, the requirements in section 40A, 40B and 40G of the Immigration Act 2014 and any requirements imposed by or under the Immigration Act 2014 (Bank Accounts) Regulations 2014?</p> | <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">Yes / No / N/A</td> </tr> </table> | Yes / No / N/A |
| Yes / No / N/A | | |

Amend the following as shown.

16 Annex **Guidance notes for the completion of FIN-A in SUP 16 Annex 1AR** 1BG

General Notes

The form ~~Form FIN-A in SUP 16 Annex 1A~~ should only be completed by *firms* subject to the reporting requirements ~~in under SUP 16.7A~~ ~~or~~ and/or by firms who are required to provide attestations of compliance with requirements under the Immigration Act 2014 under SUP 16.19.

~~General Notes~~

The ~~FIN-A form in SUP 16 Annex 1A~~ Form FIN-A is designed to allow *firms* to:

- upload the *annual report and accounts* documentation required by SUP 16.7A;
- extract information from the *firm's annual report and accounts*; and (where applicable) ~~to~~ attest to compliance with requirements under the Immigration Act 2014 under SUP 16.19.

Firms not subject to the Immigration Act 2014 should answer 'N/A' to question 2A.

UK *branches of EEA banks and dual regulated firms* are not required to submit copies of their *annual report and accounts* to the FCA, and should ~~therefore~~ answer 'N/A' to ~~question 1A~~ questions listed under 'Annual Accounts'.

Firms who wish to make a notification to the FCA to comply with Principle 11 should review the guidance set out in SUP 15 (Notifications to the FCA).

Data elements

~~These are referred to by row first, then by column, so data element 2A will be row 2 and column A.~~

Main Details

<u>Annual Accounts</u>	
1A	On what basis have the firm's accounts been prepared?
	<i>Firms</i> who are subject to the reporting requirements in SUP 16.7A should select one of 'IFRS', 'UK GAAP' or 'Other'. Once selected, the <u>submitter person submitting the data</u> can upload the <i>annual report and accounts</i> using FIN-A . <i>Firms</i> who are <u>If the <i>firm</i> is not subject to the reporting requirements in SUP 16.7A they should select 'N/A'.</u>
3	<u>Did the firm generate income from regulated activities in the accounting period?</u>
	<i>Firms</i> should indicate whether they have generated an income from <i>regulated activities</i> by selecting 'Yes' or 'No'.
4	<u>Are the firm's net assets positive?</u>
	<i>Firms</i> should indicate if the total value of their assets is <u>greater or equal to the total value of their liabilities</u> by selecting 'Yes'. Where <i>firms'</i> assets are less than the total value of their liabilities they should select 'No'.
5	<u>Are the firm's annual report and accounts prepared on a going concern basis?</u>
	<i>Firms</i> should indicate whether the <i>annual report and accounts</i> were prepared on a

	going concern basis by selecting 'Yes' or 'No'.
6	<u>Does the firm have any contingent liabilities?</u>
	<i>Firms should indicate whether the most recent <u>annual report and accounts</u> or <u>accompanying notes</u> make reference to contingent liabilities by selecting 'Yes' or 'No'.</i>
7	<u>If the firm's submitted <i>annual report and accounts</i> have been subject to an audit, has the auditor qualified their opinion, added an explanatory paragraph and/or provided written comment on internal controls?</u>
	<p><i>Firms should select 'Yes' if the <i>firm's</i> most recent <i>annual report and accounts</i> have been subject to an audit and the auditor:</i></p> <ul style="list-style-type: none"> (a) <u>qualified the report on the audited <i>annual report and accounts</i>, and/or</u> (b) <u>added an explanatory paragraph; and/or</u> (c) <u>provided written comment on internal controls.</u> <p><i>Firms should select 'No' if:</i></p> <ul style="list-style-type: none"> (d) <u>the <i>annual report and accounts</i> have been subject to an audit, but none of the conditions at (a) to (c) apply.</u> <p><i>Firms should select 'N/A' if:</i></p> <ul style="list-style-type: none"> (e) <u>the <i>firm</i> is not subject to an audit requirement; or</u> (f) <u>the <i>firm</i> is not required to submit their <i>annual report and accounts</i>.</u>
<u>Immigration Act 2014</u>	
2A	<u>Has the firm complied with the prohibition in section 40 of the Immigration Act 2014, the requirements imposed by or under sections 40A, 40B and 40G of the Immigration Act 2014 and any requirements imposed by or under the Immigration Act 2014 (Financial Services <u>Bank Accounts</u>) Regulations 2014?</u>
	<p><i>Firms should indicate whether they are in compliance with their obligations under the Immigration Act as at the end of the reporting period by selecting one of 'Yes', 'No' or 'N/A'.</i></p> <p><i>Firms should only select 'N/A' if they are not subject to obligations under the Immigration Act 2014.</i></p>

Part 2: Comes into force on 1 September 2018**16 Reporting requirements**

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16.4 Annual controllers report

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Exceptions: ~~friendly societies~~ mutuals and building societies

- 16.4.10 R If a *firm* is a ~~friendly society~~ mutual or a *building society*, then it is required to submit a report under *SUP* 16.4.5R only if it is aware that it has a *controller*.

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