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 59AB(1) (Specifying functions as controlled functions: transitional provision);
(3) section 60 (Applications for approval);
(4) section 60A (Vetting candidates by authorised persons);
(5) section 61 (Determination of applications);
(6) section 62A (Changes to responsibilities of senior managers);
(7) section 63ZA (Variation of senior manager’s approval at request of authorised person);
(8) section 63ZD (Statement of policy relating to conditional approval and variation);
(9) section 63C (Statement of policy);
(10) section 63E (Certification of employees by authorised persons);
(11) section 63F (Issuing of certificates);
(12) section 64A (Rules of conduct);
(13) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
(14) section 69 (Statement of policy);
(15) section 137A (The FCA’s general rules);
(16) section 137T (General supplementary powers);
(17) section 138D (Action for damages);
(18) section 139A (Power of the FCA to give guidance);
(19) section 395 (The FCA’s and PRA’s procedures);
(20) paragraph 23 of Schedule 1ZA (Fees); and

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 10 December 2018 except as follows:

<table>
<thead>
<tr>
<th>Annex</th>
<th>Date comes into force</th>
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<tbody>
<tr>
<td>Part 1 of Annex O</td>
<td>28 September 2018</td>
</tr>
<tr>
<td>Part 1 of Annex Y</td>
<td>28 September 2018</td>
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<tr>
<td>Part 1 of Annex C</td>
<td>1 November 2018</td>
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<tr>
<td>Part 2 of Annex O</td>
<td>1 November 2018</td>
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</tbody>
</table>
Amendments to the Handbook

D. The FCA’s Handbook of rules and guidance is amended in accordance with paragraphs E, F, G, H and I of this instrument.

E. Amendments to the numbering and location of, and deletions of, provisions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and Chapter 10C of the Supervision manual (SUP) are set out in the tables in Annex A.

Except as further amended by paragraphs F, G and H of this instrument, the provisions in column B of the tables in Annex A otherwise remain in full force and effect.

F. (1) Cross-references throughout the FCA’s Handbook to provisions listed in column A of the tables in Annex A of this instrument are amended accordingly, but only where both the existing and revised cross-reference is a reference in one of the following forms (but the existing and revised cross-references need not be in the same form):

(a) an annex;
(b) a section; or
(c) a paragraph with a letter designating the legal nature of the provision, such as a rule (designated with an “R”) or guidance (designated with a “G”), if that paragraph is in a form not including any sub-paragraph numbering or lettering after the letter designating the legal nature of the provision.

(2) A cross-reference in a provision deleted under paragraph G or J of this instrument is not updated under this paragraph F.

(3) This paragraph F does not apply to an existing cross-reference that also covers a provision neither renumbered nor deleted by paragraph E.

G. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below (as amended, where applicable, by paragraphs E and F of this instrument) are amended or, as the case may be, further 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>Code of Conduct (COCON)</td>
<td>Annex D</td>
</tr>
<tr>
<td>Threshold Conditions (COND)</td>
<td>Annex E</td>
</tr>
<tr>
<td>Statements of Principle and Code of Practice for Approved Persons (APER)</td>
<td>Annex F</td>
</tr>
</tbody>
</table>
The Fit and Proper test for Approved Persons and specified significant-harm functions (FIT) | Annex G
---|---
Training and Competence (TC) | Annex H
General Provisions (GEN) | Annex I
Prudential sourcebook for Investment Firms (IFPRU) | Annex J
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU) | Annex K
Conduct of Business sourcebook (COBS) | Annex L
Client Assets (CASS) | Annex M
Market Conduct sourcebook (MAR) | Annex N
Supervision manual (SUP) | Annex O
Decision Procedure and Penalties Manual (DEPP) | Annex P
Dispute Resolution: Complaints (DISP) | Annex Q
Credit Unions sourcebook (CREDS) | Annex R
Consumer Credit sourcebook (CONC) | Annex S

H. In each case in which one of the Annexes listed in column (2) of the table in paragraph G of this instrument says that the module of the FCA’s Handbook of rules and guidance to which that Annex relates is amended by inserting a new form into that module or by amending a form in that module as set out in Annex Y of this instrument, that module is amended accordingly.

I. The Fit and Proper test for Approved Persons and Specified significant-harm functions (FIT) module of the FCA’s Handbook of rules and guidance is renamed the Fit and Proper test for Employees and Senior Personnel.

**Amendments to the material outside the Handbook**

J. The material outside the Handbook listed in column (1) below is amended in accordance with the Annexes to this instrument listed in column (2) below:

<table>
<thead>
<tr>
<th>(1)</th>
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<tbody>
<tr>
<td>The Energy Market Participants guide (EMPS)</td>
<td>Annex T</td>
</tr>
<tr>
<td>The Oil Market Participants guide (OMPS)</td>
<td>Annex U</td>
</tr>
<tr>
<td>Service companies guide (SERV)</td>
<td>Annex V</td>
</tr>
<tr>
<td>Benchmark Administration, Contribution and Use (BENCH)</td>
<td>Annex W</td>
</tr>
<tr>
<td>The Enforcement Guide (EG)</td>
<td>Annex X</td>
</tr>
</tbody>
</table>

K. Paragraph F of this instrument also applies to material outside the Handbook listed in paragraph J.
Notes

L. In this instrument, notes shown as “Editor’s note:” are intended for the convenience of the reader and do not form part of the legislative text.

Citation

M. This instrument may be cited as the Individual Accountability (Dual-Regulated Firms) Instrument 2018.

By order of the Board
27 September 2018
Annex A

Renumbering and deletions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) and the Supervision manual (SUP)

<table>
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<th>Renumbering and deletions in SYSC</th>
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<tr>
<td><strong>(A)</strong> Old heading and numbering</td>
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<td>4.5 Management responsibilities maps for UK relevant authorised persons</td>
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<td>Application</td>
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</tr>
<tr>
<td>4.5.2R</td>
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<td>4.5.3R</td>
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<tr>
<td>4.5.4R</td>
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<td>4.5.5R</td>
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<tr>
<td>4.5.6G(1) and (2)</td>
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<td>4.5.7R</td>
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<tr>
<td>4.5.8R</td>
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<tr>
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<tr>
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<tr>
<td>4.5.9G(2)</td>
</tr>
<tr>
<td>4.5.10G</td>
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<tr>
<td>4.5.11G</td>
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### Renumbering and deletions in SYSC

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<th>(B) New heading, numbering and deletions</th>
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<td>Purpose of SYSC 25 Annex 1G</td>
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<td></td>
<td>Contents of SYSC 25 Annex 1G</td>
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## Renumbering and deletions in SYSC

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## Renumbering and deletions in SYSC

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5 Annex 1G Examples of how the temporary UK role rule in SYSC 5.2.28A (the 30-day rule) works

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### Renumbering of SUP 10C.8

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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 10 December 2018

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

**authorised approved person employer**

(in relation to an approved person with a current approved person approval) the firm on whose application approval for the performance of the controlled function was given under section 59 of the Act (Approval for particular arrangements).

**certification function**

an FCA certification function or a PRA certification function.

**compliance requirements for SMCR firms**

any of the following requirements:

(a) SYSC 3.2.8R (The compliance function);
(b) SYSC 6.1 (Compliance);
(c) article 22 of the MiFID Org Regulation (Compliance); or
(d) article 22 of the MiFID Org Regulation (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R).

**conduct risk oversight (Lloyd’s) function**

FCA controlled function SMF23b in the table of FCA-designated senior management functions, described more fully in SUP 10C.6.4R.

**EEA SMCR banking firm**

a firm identified as an EEA SMCR banking firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.

**EEA SMCR firm**

(a) an EEA SMCR banking firm; or
(b) any other SMCR firm that is an incoming EEA firm or incoming Treaty firm.
executive director function

*FCA controlled function SMF3 in the table of FCA-designated senior management functions*, described more fully in *SUP 10C.5.1R to 10C.5.12R.*

**FCA certification function**
a *significant-harm function* that has been specified under section 63E of the *Act* (Certification of employees by authorised persons) by the *FCA* (see *SYSC 27.7.3R (Table: FCA certification functions]*) and which consequently is a specified function as defined in section 63E(2) of the *Act.*

**internal audit requirements for SMCR firms**

any of the following requirements:

(a) *SYSC 3 (Systems and controls)* insofar as it relates to internal audit;

(b) *SYSC 6.2 (Internal audit)*;

(c) article 24 of the *MiFID Org Regulation (Internal audit)*; or

(d) article 24 of the *MiFID Org Regulation (Internal audit)* (as applied in accordance with *SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R*).

**MiFID authorisation and management body change notification ITS**

Commission Implementing Regulation 2017/1945 of 19 June 2017 laying down implementing technical standards with regard to notifications by and to applicant and authorised investment firms.

oversea SMCR firm

an *SMCR firm* that is an *overseas firm.*

**PRA certification function**
a *significant-harm function* that has been specified by the *PRA* under section 63E of the *Act* (Certification of employees by authorised persons) and which consequently is a specified function as defined in section 63E(2) of the *Act.*

**risk control requirements for SMCR firms**

any of the following requirements:

(a) *SYSC 3 (Systems and Controls)* insofar as it relates to risk controls;

(b) *SYSC 7.1.6R, SYSC 7.1.21R and SYSC 7.1.22R*;

(c) *COLL 6.11 (Risk control and internal reporting)*;

(d) article 23 of the *MiFID Org Regulation (Risk management)*; or
(e) article 23(2) of the MiFID Org Regulation (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R).

**SMCR banking firm**

any of the following:

(a) a **UK SMCR banking firm**;

(b) an **EEA SMCR banking firm**; or

(c) a **third-country SMCR banking firm**.

**SMCR financial activities**

any of the following:

(a) *regulated activities*;

(b) an activity carried on in connection with a *regulated activity* (whether current, past or contemplated);

(c) an activity held out as being for the purposes of a *regulated activity* (whether current, past or contemplated);

(d) activities that constitute *dealing in investments as principal*, disregarding the exclusion in article 15 of the *Regulated Activities Order* (Absence of holding out etc); or

(e) activities listed in points 2 to 15 of Annex I to the CRD (List of activities subject to mutual recognition).

**SMCR firm**

a *firm* identified as an SMCR firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).

**SMCR insurance firm**

a *firm* identified as an SMCR insurance firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).

**table of FCA-designated senior management functions**

the table of *FCA-designated senior management functions* in SUP 10C.4.3R.

**third-country SMCR banking firm**

a *firm* identified as a third-country SMCR banking firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.

**UK SMCR banking firm**

a *firm* identified as a UK SMCR banking firm in the decision tree in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms) and Part Four of that Annex.
UK SMCR firm  
(a) a UK SMCR banking firm; or
(b) any other SMCR firm that is a UK domestic firm.

Amend the following definitions as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

accountable functions  
(in relation to an approved person) the functions described in APER 1.1A.2P 1.1A.2R, which are in summary:

(a) FCA controlled functions in SUP 10A (FCA Approved Persons); and
(b) PRA controlled functions; and [deleted]
(c) any other functions of the approved person in relation to the carrying on of a regulated activity;

accountable higher management function  
(in APER) any accountable function that is:

(a) an FCA controlled function that is a significant-influence function; or
(b) a PRA controlled function.

advising on investments  
(1) (except in SUP 10A (FCA Approved Persons), SYSC 27 (Senior managers and certification regime: Certification regime), APER and CONRED 2) the regulated activities, specified in article 53(1) to (1D) and article 53(2) of the Regulated Activities Order (Advising on investments), which are:

(a) advising on investments (except P2P agreements); and
(b) advising on P2P agreements.

(2) (in SUP 10A (FCA Approved Persons), SYSC 27 (Senior managers and certification regime: Certification regime) and APER) the regulated activities specified in articles 53(1) to (1D) and 53(2) (Advising on investments) of the Regulated Activities Order. For these purposes, advising on investments includes any activities that would be included
but for the exclusion in article 72AA (Managers of UCITS and AIFs) of the Regulated Activities Order.

(3) …

**apportionment and oversight function**  
FCA controlled function CF8 in Parts 1 and Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.1R.

**CASS operational oversight function**  
FCA controlled function CF10a in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.7.9R.

**certification employee**

(1) (as described in more detail in section 63E(1) of the Act (Certification of employees by a relevant authorised person)) an employee (as defined) of an SMCR firm who has a valid certificate issued by that relevant authorised person SMCR firm.

(2) (in relation to an SMCR insurance firm) an employee (as defined in section 63E of the Act) of an SMCR firm who performs a certification function under an arrangement entered into by the SMCR firm in relation to the carrying on by the SMCR firm of a regulated activity, even though the obligation of the SMCR firm to issue a certificate under section 63F of the Act has not yet come into force.

[Note: Paragraph (2) of this definition applies until (but not on) 10th December 2019.]

**chair of the nomination committee function**

(1) (for a relevant authorised person) FCA controlled function SMF13 in Part 1 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions, described more fully in SUP 10C.5A.3R.

(2) (for certain Solvency II firms including a large non-directive insurer) the FCA controlled function CF2a in Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.15AR.

**chair of the with-profits committee function**

(for certain Solvency II firms) FCA controlled function CF2b SMF15 in Part 2 of the table of FCA-controlled FCA-designated senior management functions, described more fully in SUP 10A.6.15BR SUP 10C.5A.5R to SUP 10C.5A.6R.

**chief executive function**  
FCA controlled function CF3 in Part 1 and Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.17R.

**compliance oversight function**

(1) (for relevant authorised persons SMCR firms) FCA controlled function SMF16 in Part 1 of the table in SUP 10C.4.3R (Table of FCA-designated senior management...
functions for relevant authorised persons) the table of FCA-designated senior management functions, 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 SMCR firms) the tables in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions; or

(ii) (for other firms and in relation to appointed representatives) the table of FCA controlled functions; or

(b) the PRA in:

(i) (for relevant authorised persons CRR firms, credit unions and third country CRR firms (as defined in the PRA Rulebook)) the part of the PRA’s rulebook PRA Rulebook titled ‘Senior Management Functions’, which specifies controlled functions); or

(ii) (for Solvency II firms including large non-directive insurers, and for small non-directive insurers) the Senior Insurance Management Functions parts of the PRA Rulebook: Rulebook applicable to Solvency II Firms and Non-Solvency II Firms; or

(iii) 

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

current approved person approval (in relation to an approved person in relation to a particular firm and controlled function as at any particular time) an approval under section 59 of the Act (Approval for particular arrangements) given by the FCA or the PRA in relation to that person for the performance of that controlled function in relation to that firm that is in force at that time.

An approval is treated as having been given by the FCA or the PRA if it is deemed to have been given by either of them for the purposes of the Act by:
(a) an Act or any subordinate legislation made under that Act; or

(b) rules made by the FCA or the PRA.

customer function

FCA controlled function CF30 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.10.7R.

designated senior management function

(in accordance with section 59ZB of the Act (Designated senior management functions):

(a) a controlled function that has been designated by the FCA in SUP 10C (FCA senior managers regime for approved persons in SMCR firms) as a designated senior management function; or

(b) a function of a description specified in rules made by the PRA as a senior management function under section 59(3)(a) of the Act (Approval for particular arrangements).

director

(1) …

…

(c) in SYSC, APER, COCON, MIPRU 2 (Responsibility for insurance distribution and MCD credit intermediation activity), SUP 10A (FCA Approved persons) and SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms) a partnership;

…

director function

FCA controlled functions function CF1 in Part 1 and, for a Solvency II firm (including a large non-directive insurer) and a small non-directive insurer, Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.7R and SUP 10A.6.8R.

director of unincorporated association function

FCA controlled function CF5 in Part 1 of the table of FCA controlled functions, described more fully in SUP 10A.6.29R.

EEA branch senior manager function

FCA controlled function SMF21 in Part 2 of the table in SUP 10C.4.3R (Table of FCA-controlled functions for relevant authorised persons) table of FCA-designated senior management functions, described more fully in SUP 10C.8A.2R.

employee

…
(3) (for the purposes of SYSC 5.2 SYSC 27 (Senior management and 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 (the “employer”) includes a reference to a person who:

…

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 SMCR firms) the tables in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions; or

(b) (for other firms and in relation to appointed representatives) the table of FCA controlled functions.

FCA governing functions

any of the following FCA controlled functions labelled as FCA governing functions in the table of FCA-designated senior management functions or in the table of FCA controlled functions:

(a) (for relevant authorised persons) FCA controlled functions SMF3 and SMF13 in Parts 1 and 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons);

(b) (for a Solvency II firm, including a large non-directive insurer) FCA controlled functions CF1, CF2a, CF2b, CF5 and, for large non-directive insurers only, CF6, in Part 2 of the table of FCA controlled functions; and

(e) (for a small non-directive insurer) FCA controlled functions CF1, CF3, CF5 and CF6 in Part 2 of the table of FCA controlled functions; and

(d) (for other firms and appointed representatives) FCA controlled functions 1 to 6 in Part 1 of the table of FCA controlled functions.

FCA-prescribed senior management responsibilities

(a) (for UK relevant authorised persons) the responsibilities in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities);

(b) (for third-country relevant authorised persons) the responsibilities in SYSC 4.8.9R (Table: FCA-prescribed
senior management responsibilities for third-country relevant authorised persons).

**FCA required functions** any of the following FCA controlled functions labelled as FCA required functions in:

(a) (for relevant authorised persons SMCR firms) FCA controlled functions SMF16 and SMF17 in Parts 1 to 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) the table of FCA-designated senior management functions; and or

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

**firm** …

(8) (in SYSC 18 with the exception of the guidance in SYSC 18.3.9G):

(a) a UK relevant authorised person UK SMCR banking firm except a small deposit taker; and

…

…

**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 Employees and Senior Personnel.

**management responsibilities map** the document describing the management arrangements of a relevant authorised person certain SMCR firms required by SYSC 4.5.4R, SYSC 4.6.6R or SYSC 4.6.15R SYSC 25 (Senior management and certification regime: Management responsibilities maps and handover procedures and material).

**money laundering reporting function**

(1) (for relevant authorised persons SMCR firms) FCA controlled function SMF17 in Parts 1 to 3 of the table in SUP 10C.4.3R (Table of FCA-designated senior management functions for relevant authorised persons) table of FCA-designated senior management functions, 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.
non-executive director function

FCA controlled function CF2 in Part 1 of the table of FCA controlled functions, described more fully in SUP 10A.6.12R and SUP 10A.6.13R.

other local responsibility function

FCA controlled function SMF22 in Part 3 of the table in SUP 10C.4.3R (Table of FCA-controlled functions for relevant authorised persons) table of FCA-designated senior management functions, described more fully in SUP 10C.8.1R.

other overall responsibility function

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

partner function

(1) (for an SMCR firm) FCA controlled function SMF27 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.14R to SUP 10C.5.17R; and

(2) (for other firms and in relation to appointed representatives) FCA controlled function CF4 in Part 1 of the table of FCA controlled functions, described more fully in SUP 10A.6.23R to SUP 10A.6.27R.

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 CRR firms, credit unions and third country CRR firms (each as defined in the PRA Rulebook)) the part of the PRA’s rulebook PRA Rulebook titled ‘Senior Management Functions’; or

(2) (for Solvency II firms including large non-directive insurers, and for small non-directive insurers) the Senior Insurance Management Functions parts of the PRA Rulebook Rulebook applicable to Solvency II Firms and Non-Solvency II Firms; or

(3) [deleted].

PRA-prescribed senior management responsibilities

one of the functions described as:

(1) (for CRR firms, credit unions and third country CRR firms (each as defined in the PRA Rulebook)):

(a) a ‘prescribed responsibility’ in Chapter 4; or
(b) a ‘small firm prescribed responsibility’ in Chapter 5; or

(c) a ‘UK branch prescribed responsibility’ in Chapter 6;

of the part of the 
PRA Rulebook called 
Allocation of Responsibilities;

(2) (for firms covered by the Insurance - Allocation of Responsibilities and Large Non-Solvency II Firms – Allocation of Responsibilities parts of the PRA Rulebook) a prescribed responsibility or a third country branch prescribed responsibility as defined in those parts; and

(3) (for firms covered by the Non-solvency II Firms - Allocation of Responsibilities part of the PRA Rulebook) a small non-directive insurer prescribed responsibility as defined in that part.

proprietary trader  
(in SYSC 27 (Senior managers and certification regime; Certification regime), SUP 10A (FCA Approved Persons), COCON and APER) a person (A) whose responsibilities include committing another person (B) as part of B’s proprietary trading.

proprietary trading  
(in SYSC 27 (Senior managers and certification regime; Certification regime), SUP 10A (FCA Approved Persons), COCON and APER) dealing in investments as principal as part of a business of trading in specified investments. For these purposes dealing in investments as principal includes any activities that would be included but for the exclusion in Article 15 (Absence of holding out), Article 16 (Dealing in contractually based investments) or, for a UK AIFM or UK UCITS management company, article 72AA (Managers of UCITS and AIFs) of the Regulated Activities Order.

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 an SMCR firm.

senior conduct rules staff member  
(in COCON) a person who:

(a) comes within row (1) of the table in COCON 1.1.2R (an SMF manager);

(b) comes within row (2) of the table in COCON 1.1.2R (an employee of a relevant authorised person an SMCR firm who performs the function of an SMF manager); or

(c) meets the following conditions:
(i) they come within row (7) of the table in COCON 1.1.2R (an approved person performing a controlled function (including a PRA controlled function) in a Solvency II firm (including a large non-directive insurer) or a small non-directive insurer); and

(ii) that controlled function is a significant influence function; or [deleted]

(d) is a non-executive director who comes within row (8) of the table in COCON 1.1.2R (a standard non-executive board director of a relevant authorised person, a Solvency II firm (including a large non-directive insurer) or a small non-directive insurer UK SMCR firm).

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 an 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.

[Note: This definition is not relevant to a firm that is not an SMCR firm.]

significant-influence function (for the purposes of controlled functions specified in the table of FCA controlled functions and in relation to the carrying on of a regulated activity by an authorised person) a function that is likely to enable the person responsible for its performance to exercise a significant influence on the conduct of the authorised person’s affairs, so far as relating to the activity. For the purposes of SYSC 2, COCON and DEPP, this also includes a PRA controlled function, as specified in the Senior Insurance Management Functions parts of the PRA Rulebook: applicable to Solvency II Firms and Non-Solvency II Firms.

significant management function FCA controlled functions function CF29 in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10A.9.9R.

SMF manager (in relation to a relevant authorised person an SMCR firm) 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 SMCR firm of a regulated activity.

small friendly society function FCA controlled function CF6 in Part 1 and Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.6.31R to SUP 10A.6.32R.

Solvency II firm a firm which is any of:

…”

(f) in SUP TP 7 and SUP TP 8, SYSC, COCON, APER, SUP 10A, SUP 10C and DEPP only, a large non-directive insurer;

…”

staff being assessed under FIT (in FIT and in relation to a relevant authorised person: an SMCR firm) those persons set out in FIT 1.1.1G(4) to (7).

(a) any of the following 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 Act (Issuing of certificates), whether or not that person is already a certification employee in relation to that FCA-specified significant harm function.

systems and controls function FCA controlled function CF28 in Part 1 and, for a Solvency II firm which is a third-country insurance or reinsurance undertaking or an insurance special purpose vehicle, Part 2 of the table of FCA controlled functions, described more fully in SUP 10A.8.1R and SUP 10A.8.1AR.

Delete the following definitions. The text is not shown struck through.

actuarial conduct function (third country) the part of the function of acting in the capacity of an actuary (as appointed by a firm under rule 7.1(2) of the PRA Rulebook: Solvency II Firms: Third Country Branches) that relates to compliance with FCA requirements and standards under the regulatory system, described more fully in SUP 10A.7.14R.


**EEA relevant authorised person**

an *incoming firm* which is a relevant authorised person in accordance with article 2 of the Financial Services and Markets Act 2000 (Relevant Authorised Persons) Order 2015 which, in summary, is an *incoming EEA firm* or *incoming Treaty firm* that meets the following conditions:

(a) it has a *branch* in 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:

(i) it is a *credit institution* which has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that includes *accepting deposits*; or

(ii) it meets all the following conditions:

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

(B) it has a *permission* under Part 4A, Schedule 3 or Schedule 4 of the *Act* that covers *dealing in investments as principal*; and

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

**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 27.7.3R (Table: FCA-specified significant-harm functions))*.

**full scope regulatory reference firm**

for the purpose of *SYSC 22 (Regulatory references)*:

(a) a *relevant authorised person*;

(b) a *Solvency II firm*; or

(c) a *large non-directive insurer*.

**non-UK relevant authorised person**

(a) an *EEA relevant authorised person*; or

(b) a *third-country relevant authorised person*.

**PRA-prescribed UK branch senior management responsibility**

a “UK branch prescribed responsibility” in Chapter 6 of the part of the *PRA’s rulebook called Allocation of Responsibilities*.
relevant authorised person

(a) an EEA relevant authorised person; or
(b) a third country relevant authorised person; or
(c) a UK relevant authorised person.

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).

third-country relevant authorised person

a non-UK institution other than an incoming firm which is a relevant authorised person in accordance with article 2 of the Financial Services and Markets Act 2000 (Relevant Authorised Persons) Order 2015 which, in summary, is a non-UK institution other than an incoming firm that meets the following conditions:

(a) it has a branch in the United Kingdom;
(b) it is not an institution that has permission for effecting contracts of insurance or carrying out contracts of insurance; and
(c) it meets one of the following conditions:
   (i) it is a credit institution which has a Part 4A permission that includes accepting deposits; or
   (ii) it meets all the following conditions:
       (A) the institution is an investment firm;
       (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.

UK 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:
(i) its Part 4A permission includes accepting deposits; or

(ii) 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 10 December 2019

Amend the following definitions as shown.

 certification employee (1) …

(2) (In relation to an SMCR insurance firm) it also includes an employee (as defined in section 63E of the Act) of an SMCR firm who performs a certification function under an arrangement entered into by the SMCR firm in relation to the carrying on by the SMCR firm of a regulated activity, even though the obligation of the SMCR firm to issue a certificate under section 63F of the Act has not yet come into force.

[Note: Paragraph (2) of this definition applies until (but not on) 10th December 2019.]
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. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

Part 1: Comes into force 1 November 2018

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

…

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>(4A) Acting as the firm’s whistleblowers’ champion</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>
| (4B) Responsibility for the firm’s obligations for:  
  (a) conduct rules training; and  
  (b) conduct rules reporting. | (1) The firm’s obligations for conduct rules training means its obligations under section 64B of the Act (Rules of conduct; responsibilities of authorised persons).  
(2) The firm’s obligations for conduct rules reporting means its obligations under section 64C of the Act (Requirement for authorised persons to notify regulator of disciplinary action) and the rules of the FCA | |

Page 38 of 438
and PRA dealing with reporting under that section.

... 

Part 2: Comes into force 10 December 2018

1 Application and purpose

1.1A Application

... 

1.1A.1 The application of this sourcebook is summarised at a high level in the following table. The detailed application is cut back in SYSC 1 Annex 1 and in the text of each chapter.

<table>
<thead>
<tr>
<th>Type of firm</th>
<th>Applicable chapters</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurer, UK ISPV</td>
<td>Chapters 2, 3, 12 to 18, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
<tr>
<td>Managing agent</td>
<td>Chapters 2, 3, 11, 12, 18, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
<tr>
<td>Society</td>
<td>Chapters 2, 3, 12, 18, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
<tr>
<td>Any other SMCR firm</td>
<td>Chapters 4 to 12, 18, 19D, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
<tr>
<td>Every other firm</td>
<td>...</td>
</tr>
</tbody>
</table>

1.4 Application of SYSC 11 to SYSC 22 and 28

What?

1.4.1-A The application of each of the chapters SYSC 19F.2, SYSC 22 and to SYSC 28 is set out in those chapters.
Actions for damages

1.4.2 R A contravention of a rule in SYSC 11 to SYSC 21, SYSC 22.8.1R, SYSC 22.9.1R or SYSC 23 to SYSC 28 does not give rise to a right of action by a private person under section 138D of the Act (and each of those rules is specified under section 138D(3) of the Act as a provision giving rise to no such right of action).

1 Annex 1 Detailed application of SYSC

<table>
<thead>
<tr>
<th>Part 2</th>
<th>Application of the common platform requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2.6G</td>
<td>R (1) Except as provided for in (2), the common platform requirements (other than SYSC 4.5 to SYSC 4.9 and SYSC 4 Annex 1) do not apply to a firm in relation to benchmark activities.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>2.13D</td>
<td>R SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) also:</td>
</tr>
<tr>
<td></td>
<td>(1) Apply to the carrying on of unregulated activities; and</td>
</tr>
<tr>
<td></td>
<td>(2) Take into account any activity of other members of a group of which the firm is a member.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Where?</td>
</tr>
<tr>
<td>2.15</td>
<td>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 UK relevant authorised persons),</td>
</tr>
</tbody>
</table>
SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) 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 UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime) apply in accordance with the rules in those sections.

... 

Part 3 Tables summarising the application of the common platform requirements to different types of firm

... 

3.3A R SYSC 1 Annex 1 3.3R(1)(b) does not apply to a firm in relation to the requirements in SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons), SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons), SYSC 4.7 (Senior management responsibilities for UK relevant authorised persons: allocation of responsibilities), SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities), SYSC 4.9 (Handover procedures and material) and SYSC 5.2 (Certification regime).

... 

Table A: Application of the common platform requirements in SYSC 4 to SYSC 10

<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>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>SYSC 4.5</strong></td>
<td>Whole section applies to UK relevant authorised persons only</td>
<td>Not-applicable</td>
<td>Not-applicable</td>
<td>Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance.</td>
</tr>
<tr>
<td><strong>SYSC 4.6</strong></td>
<td>Applies to EEA relevant authorised persons and third country relevant authorised persons in accordance with the rules in SYSC 4.6</td>
<td>Not-applicable</td>
<td>Not-applicable</td>
<td>Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance.</td>
</tr>
<tr>
<td><strong>SYSC 4.7</strong></td>
<td>Whole section applies to UK relevant authorised persons only</td>
<td>Not-applicable</td>
<td>Not-applicable</td>
<td>Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance.</td>
</tr>
<tr>
<td><strong>SYSC 4.8</strong></td>
<td>Applies to third country relevant authorised persons only</td>
<td>Not-applicable</td>
<td>Not-applicable</td>
<td>Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance.</td>
</tr>
<tr>
<td><strong>SYSC 4.9</strong></td>
<td>Whole section applies to third country relevant authorised persons and UK relevant authorised persons only</td>
<td>Not-applicable</td>
<td>Not-applicable</td>
<td>Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance.</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>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>SYSC 5.2</strong></td>
<td>Whole section</td>
<td>Not-applicable</td>
<td>Not-applicable</td>
<td>Whole section applies to relevant authorised persons only. All rules apply as rules and not as guidance.</td>
</tr>
</tbody>
</table>
Table B: Application of the common platform requirements in SYSC 4 to 10 to MiFID optional exemption firms and third country firms

<table>
<thead>
<tr>
<th>Provision</th>
<th>COLUMN A</th>
<th>COLUMN B</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MiFID optional exemption firms</td>
<td>Third country firms</td>
</tr>
<tr>
<td><strong>SYSC 4</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>SYSC 4.5</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>SYSC 4.6</td>
<td>Not applicable</td>
<td><strong>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.6</strong></td>
</tr>
<tr>
<td>SYSC 4.7</td>
<td>Not applicable</td>
<td>Not applicable</td>
</tr>
<tr>
<td>SYSC 4.8</td>
<td>Not applicable</td>
<td><strong>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.8</strong></td>
</tr>
<tr>
<td>SYSC 4.9</td>
<td>Not applicable</td>
<td><strong>Third country relevant authorised person: each provision applies as rule or guidance as shown in SYSC 4.9</strong></td>
</tr>
<tr>
<td><strong>SYSC 5</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>SYSC 5.2</td>
<td>Not applicable</td>
<td><strong>Third country relevant authorised person: each provision applies as</strong></td>
</tr>
</tbody>
</table>
Delete SYSC 2.1.3R, SYSC 2.1.3AR, SYSC 2.1.3BG, SYSC 2.1.3CR, SYSC 2.1.3DR, SYSC 2.1.4R, SYSC 2.1.5G and SYSC 2.1.6G. The deleted text is not shown but [deleted] tags are added to each provision as shown below.

2 Senior management arrangements

2.1 Apportionment of responsibilities

...  

2.1.3 R [deleted] 
2.1.3A R [deleted] 
2.1.3B G [deleted] 
2.1.3C R [deleted] 
2.1.3D R [deleted] 
2.1.4 R [deleted] 
2.1.5 G [deleted] 
2.1.6 G [deleted] 

...  

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

2.2 Recording the apportionment

2.2.1 R (1) A firm must make a record of the arrangements it has made to satisfy SYSC 2.1.1R (apportionment) and SYSC 2.1.3R (allocation) and take reasonable care to keep this up to date.
2.2.4 A Solvency II firm (including a large non-directive insurer) must have, and maintain, a governance map which satisfies the following conditions:

(a) it complies, as applicable, with PRA Rulebook: Solvency II firms—Insurance—Allocation of Responsibilities, 5.1 and 5.2, or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1 and 5.2, as if those rules had been made by the FCA;

(b) it includes details relating to all persons carrying out a significant influence function within the firm not already included under (a);

(c) the details in (b) must give as much information as required by, as applicable, the PRA Rulebook: Solvency II firms—Insurance—Allocation of Responsibilities, 5.1 or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.1, as if those rules applied in relation to the persons in (b) and as if they had been made by the FCA;

(d) where the FCA requires responsibilities to be allocated to a person carrying out a significant influence function, the governance map must clearly show the person allocated responsibilities; and

(e) the details in (b) and (d) must be updated in the same way as required by, as applicable, PRA Rulebook: Solvency II firms—Insurance—Allocation of Responsibilities, 5.2, or PRA Rulebook: Large Non-Solvency II firms—Allocation of Responsibilities, 5.2, as if those rules applied in relation to the persons in (b) and as if they had been made by the FCA.

(2) A Solvency II firm must keep an up-to-date record of the scope of responsibilities for each approved person performing a significant influence function.

(3) The scope of responsibilities record in (2), and each updated version, must:

(a) have the form and content, subject to amendments to keep it up to date, as required to be provided to the FCA or PRA on the application of an approved person to perform a significant influence function; and

(b) be signed by the approved person and also an appropriate representative of the firm.
Where a firm amends its governance map to show changes in a person’s responsibilities it must also ensure that:

(a) the person concerned is informed in writing of the changes; and

(b) the document recording the person’s scope of responsibilities is amended to show the changes.

Each version of the governance map and, separately, the document recording a person’s scope of responsibilities must be retained for ten years, or six years for large non-directive insurers, from the date on which it was superseded by a more up-to-date record, and the firm must be in a position to provide it to the FCA on request.

SYSC 2.2.4R(1) only applies to firms to whom PRA Rulebook: Solvency II firms: Insurance — Allocation of Responsibilities, 5.1 and 5.2 or PRA Rulebook: Large Non-Solvency II firms — Allocation of Responsibilities, 5.1 and 5.2, applies.

Firms are not expected to update a person’s scope of responsibilities record in SYSC 2.2.4R(2) more frequently than the governance map in SYSC 2.2.4R(1).

A small non-directive insurer must keep an up-to-date record of the scope of responsibilities for each approved person performing a significant influence and must:

(1) retain each version of the record for six years from the date on which it was superseded by a more up-to-date record;

(2) be in a position to provide any version of the record in (1) to the FCA on request;

(3) ensure that the record in (1) and each updated version:

(a) has the form and content, subject to amendments to keep it up to date, as required, to be provided to the FCA or PRA on the application of an approved person to perform a significant influence function; and

(b) is signed by the approved person and also an appropriate representative of the firm.

A firm applying for a person to be approved to perform a significant influence function is required to submit with Form A (long and short form) a scope of responsibilities document (see SUP 10A Annex 4D).
Areas covered by systems and controls

The compliance function

3.2.8 R (1) A firm which carries on designated investment business with or for retail clients or professional clients and a UK ISPV which carries on insurance risk transformation with respect to long-term insurance contracts must allocate to a director or senior manager the function of:

(a) having responsibility for oversight of the firm’s compliance; and

(b) reporting to the governing body in respect of that responsibility.

(2) In (1) “compliance” means compliance with the rules in the firm’s obligations under the regulatory system in relation to which the FCA has responsibility.

(a) COBS (Conduct of Business);

(b) COLL (Collective Investment Schemes sourcebook); and

(e) CASS (Client Assets)

3.2.9 G (4) SUP 10A.7.8R SUP 10C.6.1R uses SYSC 3.2.8R to describe the controlled function, known as the compliance oversight function, of acting in the capacity of a director or senior manager to whom this function is allocated.

(2) The rules referred to in SYSC 3.2.8R(2) are the minimum area of focus for the firm’s compliance oversight function. A firm is free to give additional responsibilities to a person performing this function if it wishes.

Conduct risk oversight (Lloyd’s) function

3.2.9A R In relation to business done at Lloyd’s, the Society must allocate to a director or senior manager the function of having responsibility for overseeing the conduct of business standards required of managing agents for which the Society has responsibility.
Risk assessment

3.2.10 G …

(3) The term ‘risk assessment function’ refers to the generally understood concept of risk assessment within a firm, that is, the function of setting and controlling risk exposure. The risk assessment function is not an FCA controlled function itself, but for certain firms is part of the systems and controls function (CF28) it may fall under the PRA chief risk officer controlled function.

…

3.2.14 G …

(4) The requirements on firms with respect to approved persons are in Part V of the Act (Performance of regulated activities) and SUP 10A, SUP 10C and the Senior Insurance Management Functions parts of the PRA Rulebook.

…

Internal audit

3.2.16 G …

(2) The term ‘internal audit function’ 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 an FCA controlled function itself, but for certain firms is part of the systems and controls function (CF28) it may fall under the PRA chief risk officer controlled function.

…

4 General organisational requirements

4.1 General requirements

…

Application to a common platform firm

4.1-2 G …
...  

| Management responsibilities maps for UK relevant authorised persons | SYSC 4.5 |
| Management responsibilities maps for non-UK relevant authorised persons | SYSC 4.6 |
| Senior management responsibilities for UK relevant authorised persons | SYSC 4.7 |
| Handover procedures and material | SYSC 4.9 |

...  

In the text shown amended below, ‘Editor’s notes’ are included for the benefit of the reader and do not form part of the legislative text. The text of provisions marked only as ‘deleted’ is not shown struck through elsewhere in the instrument.

4.5 Management responsibilities maps for UK relevant authorised persons

Application

4.5.1 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.1R]

4.5.2 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.3R]

4.5.3 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.2R]

General rule

4.5.4 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.2.1R]

4.5.5 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.2.2R]
4.5.6 G  (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.6G(1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.6G(2)]

Specific requirements

4.5.7 R  [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.2.3R]

4.5.8 R  [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.2.4R]

Guidance about what should be in a management responsibilities map

4.5.9 G  (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.1G]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.2G]

4.5.10 G  [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.3G]

4.5.11 G  [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.4G]

4.5.12 G  (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.5G]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.6G]

(4) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.7G]

(5) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.8G]

(6) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.11G]

(7) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.9G]

(8) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.4.10G]
Small firms

4.5.13 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.14G(1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.5G]

Single document

4.5.14 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.1R]

4.5.15 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.2G(1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.2G(2)]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.2G(3)]

(4) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.2G(4)]

(5) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.5.3G]

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

4.5.16 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.2G(1)]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.2G(2)]

(4) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.4G]

(5) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.3G]

4.5.17 G [deleted]

Contents of SYSC 4 Annex 1G (The main business activities and functions of a relevant authorised person)
4.5.18 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.6G]

4.5.19 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.7G]

4.5.20 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.7.8G]

Records

4.5.21 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.8.1G]

4.5.22 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.8.2G]

4.6 Management responsibilities maps for non-UK relevant authorised persons

Application

4.6.1 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.4R]

4.6.2 R [deleted]

4.6.3 R [deleted]

4.6.4 G [deleted]

Purpose

4.6.5 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.3G]

General rule for third-country relevant authorised persons

4.6.6 R [deleted]

4.6.7 R [deleted]

4.6.8 G [deleted]

Specific requirements for third-country relevant authorised persons

4.6.9 R (1) [deleted]
(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.5R]

4.6.10 R [deleted]

Single document

4.6.11 R [deleted]

Guidance about management responsibilities maps for a branch maintained by a third-country relevant authorised person

4.6.12 G [deleted]

4.6.13 G [deleted]

4.6.14 G [deleted]

Management responsibilities maps for EEA relevant authorised persons: General rule

4.6.15 R [deleted]

4.6.16 R [deleted]

Responsibilities maps for EEA relevant authorised persons: purpose

4.6.17 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.2G(1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.2G(2)]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.1.6G(3)]

(4) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.2G(4)]

Responsibilities maps for EEA relevant authorised persons: detailed requirements

4.6.18 R [deleted]

4.6.19 R [deleted]

Responsibilities maps for EEA relevant authorised persons: leaving out information already supplied

4.6.20 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.5R]
4.6.21 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.6G]

4.6.22 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.7G]

4.6.23 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.8G]

4.6.24 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.9G]

Management responsibilities maps for EEA relevant authorised persons: Single document

4.6.25 R [deleted]

Management responsibilities maps for EEA relevant authorised persons: guidance about what should be included

4.6.26 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.6.10G]

4.6.27 G [deleted]

4.6.28 G [deleted]

Management responsibilities maps for small branches maintained by non-UK relevant authorised persons

4.6.29 G [deleted]

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

Application

4.7.1 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.1.1R]

4.7.2 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.1.3R]

4.7.3 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.1.2R]

Purpose of this section

4.7.4 G [deleted]
Allocation of FCA-prescribed senior management responsibilities

4.7.5 R (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.2.1R]

(2) [deleted]

(3) [deleted]

(4) [deleted]

(5) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.2.3R(1)]

(6) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.2.3R(2)]

(7) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.2.4R]

4.7.6 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.2.5R]

4.7.7 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.2.6R]

Allocation of overall responsibility for a firm’s activities, business areas and management functions

4.7.8 R (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.3.1R]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.4.2R]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.3.4R]

4.7.9 G [deleted]

4.7.10 G [deleted]

Meaning of overall responsibility

4.7.11 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.7.2G]

4.7.12 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.6.7G]

4.7.13 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.7.4G]
4.7.14 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.7.5G]

4.7.15 G [deleted]

4.7.16 G [deleted]

4.7.17 G [deleted]

4.7.18 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.4.5R]

Who functions should be allocated to

4.7.19 G [deleted]

4.7.20 G [deleted]

4.7.21 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.9.1G]

4.7.22 G [deleted]

4.7.23 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.9.4G]

4.7.24 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.2G]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.3G]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.1G]

(4) [deleted]

(5) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.4G]

Dividing and sharing management functions between different people

4.7.25 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.7G]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.8G]

4.7.26 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.9G]
4.7.27 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.10G]

4.7.28 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.11G]

4.7.29 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 23.1.12G]

Allocation of responsibilities and territorial scope.

4.7.30 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 24.3.13G]

Group management arrangements and outsourcing

4.7.31 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.10.1G]

4.7.32 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.10.3G]

4.7.33 G [deleted]

4.7.34 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.10.2G]

Link between the senior management regime and this section

4.7.35 G [deleted]

4.7.36 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.1G(1) to (3)]

Link between SYSC 4 Annex 1G and this section

4.7.37 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.2G]

4.7.38 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.11.3G]

4.8 Senior management responsibilities for third-country relevant authorised persons: allocation of responsibilities

4.8.1 R [deleted]

4.8.2 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 26.1.5R]
4.8.3 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.1.4R]

4.8.4 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.1.2R]

Purpose

4.8.5 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.2.1G]

Allocation of FCA-prescribed senior management responsibilities for third-country relevant authorised persons

4.8.6 R [deleted]

4.8.7 R [deleted]

4.8.8 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 24.3.14G]

4.8.9 R [deleted]

Local responsibility for a branch’s activities, business areas and management functions

4.8.10 R (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.3.2R(1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.3.2R(2)]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.3.2R(3)]

(4) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.3.3R]

(5) [deleted]

(6) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.4.3R]

(7) [deleted]

4.8.11 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.6.4G(1)]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.6.4G(2)]
(4) [deleted]

(5) [deleted]

(6) [deleted]

Meaning of local responsibility: general

4.8.12 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.6.6G]

4.8.13 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.4.4G]

4.8.14 G [deleted]

Meaning of local responsibility in SYSC 4.8.10R(1): overall responsibility

4.8.15 G [deleted]

4.8.16 G [deleted]

4.8.17 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.7.3G]

4.8.18 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.7.6G]

4.8.19 G [deleted]

Meaning of local responsibility in SYSC 4.8.10R(2)

4.8.20 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.8.1G]

(2) [deleted]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.8.2G]

(4) [deleted]

Who functions should be allocated to

4.8.21 G [deleted]

4.8.22 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.9.2G]

4.8.23 G [deleted]
4.8.24 G [deleted]

4.8.25 G [deleted]

4.8.26 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.8.4G]

Setting overall strategy for a branch

4.8.27 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.8.3G]

Not giving too much responsibility to one individual

4.8.28 G (1) [deleted]

(2) [deleted]

(3) [deleted]

(4) [deleted]

(5) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.9.5G]

Group arrangements and outsourcing

4.8.29 G [deleted]

Allocation of responsibility for transactions

4.8.30 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.5.3G]

Application of SYSC 4.7 to branches maintained by third-country relevant authorised persons

4.8.31 R [deleted]

Link between the senior management regime and this section

4.8.32 G [deleted]

4.8.33 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.11.1G(4)]

4.8.34 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 26.11.1G(5)]

Link between SYSC 4 Annex 1G and this section
4.8.35 G [deleted]

4.9 Handover procedures and material

Application

4.9.1 R (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.1R]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.2R]

4.9.2 R [deleted]

4.9.3 R [deleted]

Rules about handover material

4.9.4 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.4R]

4.9.5 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.5R]

4.9.6 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.6G]

4.9.7 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.7G]

Handover arrangements and certificates

4.9.8 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.8G]

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

4.9.9 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 25.9.9G]

…

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

[Editor’s note: The text of this annex has been moved to SYSC 25 Annex 1G]

…

5.2 Certification regime
Application

5.2.1 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.1.1R]

5.2.2 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.1.2G]

Purpose

5.2.3 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.1.3G]

General requirements

5.2.4 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.3G]

5.2.5 G (1) [deleted]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.2G]

Fitness to act

5.2.6 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.4G]

5.2.7 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.5G]

5.2.8 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.6G]

5.2.9 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.7G]

5.2.10 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.8G]

Issuing and renewing certificates

5.2.11 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.9G]

5.2.12 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.10G]

5.2.13 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 27.2.11G]
Scope: general requirements

5.2.18  R  [deleted]  [Editor’s note: The text of this provision has been moved to SYSC 27.6.1R]

Scope: territorial scope

5.2.19  R  [deleted]  [Editor’s note: The text of this provision has been moved to SYSC 27.3.1R]

5.2.20  G  [deleted]  [Editor’s note: The text of this provision has been moved to SYSC 27.3.2G]

5.2.20A G [deleted]  [Editor’s note: The text of this provision has been moved to SYSC 27.3.3G]

Scope: employees

5.2.21 G [deleted]  [Editor’s note: The text of this provision has been moved to SYSC 27.4.1G]

5.2.22 G [deleted]  [Editor’s note: The text of this provision has been moved to SYSC 27.4.2G]

Scope: effect of PRA requirements

Editor’s note: The text of this provision has been moved to SYSC 27.2.12G

Editor’s note: The text of this provision has been moved to SYSC 27.2.13G

Editor’s note: The text of this provision has been moved to SYSC 27.2.14G(1)

Editor’s note: The text of this provision has been moved to SYSC 27.2.14G(4)

Editor’s note: The text of this provision has been moved to SYSC 27.2.14G(5)

Editor’s note: The text of this provision has been moved to SYSC 27.2.15G(1) and SYSC 27.2.15G(2)

Editor’s note: The text of this provision has been moved to SYSC 27.2.15G(3)

Editor’s note: The text of this provision has been moved to SYSC 27.2.15G(4)

Editor’s note: The text of this provision has been moved to SYSC 27.2.16G

Editor’s note: The text of this provision has been moved to SYSC 27.3.1R
5.2.23  G  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.4.3G*

Scope: exclusions

5.2.24  G  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.6.1G*

5.2.25  R  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.6.2R*

5.2.26  R  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.6.3R*

Scope: emergency appointments

5.2.27  R  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.5.1R*

5.2.28  G  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.5.2G*

Scope: temporary UK role (the 30-day rule)

5.2.28A R  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.5.3R*

5.2.28B G  [deleted] *Editor's note: The text of this provision has been moved to SYSC 27.5.4G*

5.2.28C G  (1) [deleted] *Editor’s note: The text of this provision has been moved to SYSC 27.5.5G*

(2) [deleted] *Editor’s note: The text of this provision has been moved to SYSC 27.5.6G*

Scope: FCA specified significant harm functions

5.2.29  R  [deleted] *Editor’s note: The text of this provision has been moved to SYSC 27.7.2R*

5.2.30  R  [deleted] *Editor’s note: The text of this provision has been moved to SYSC 27.7.3R*

5.2.31  G  [deleted] *Editor’s note: The text of this provision has been moved to SYSC 27.7.4G*

CASS oversight function

5.2.32  R  [deleted] *Editor’s note: The text of this provision has been moved to SYSC 27.8.1R*
5.2.32A  G  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.2G*

Proprietary trader function

5.2.34  R  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.3R*

Significant management function

5.2.35  R  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.4R*

5.2.36  G  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.5G*

5.2.37  G  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.8G*

5.2.38  G  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.9G*

Functions requiring qualifications

5.2.39  R  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.10R*

5.2.40  G  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.11G*

Managers of certification employees

5.2.41  R  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.13R*

Material risk takers

5.2.42  R  [deleted]

5.2.43  G  [deleted]

Client-dealing function

5.2.44  R  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.18R*

5.2.45  R  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.19R*

5.2.46  G  [deleted]  *Editor's note: The text of this provision has been moved to SYSC 27.8.20G*
Algorithmic trading function

5.2.47 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.21G]

5.2.48 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.22G]

5.2.49 R [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.23R]

5.2.50 R (1) [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.24R]

(2) [deleted]

5.2.51 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.25G]

5.2.52 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.26G]

5.2.53 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.27G]

5.2.54 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.28G]

5.2.55 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.29G]

5.2.56 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.30G]

5.2.57 G [deleted] [Editor's note: The text of this provision has been moved to SYSC 27.8.31G]

5 Annex 1G Examples of how the temporary UK role rule in SYSC 5.2.28A (the 30-day rule) works [deleted]

[Editor's note: The text of this annex has been moved to SYSC 27 Annex 1G]

…

6 Compliance, internal audit and financial crime

6.1 Compliance

…
6.1.4-C  G  (1)  This guidance is relevant to a relevant authorised person an SMCR firm required to appoint a compliance officer under SYSC 6.1.4R or article 22(3) of the MiFID Org Regulation as applicable.

...

6.2  Internal audit

...

6.2.1B  G  (1)  This guidance is relevant to a relevant authorised person an SMCR firm required to establish and maintain an internal audit function under article 24 of the MiFID Org Regulation.

...

6.2.2  G  ...

(2)  For a firm that is not a relevant authorised person an SMCR firm, 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 an SMCR firm, the internal audit function is a PRA controlled function (SMF5).

...

7  Risk control

7.1  Risk control

...

7.1.8  G  ...

(3)  For a firm that is not a relevant authorised person an SMCR firm, 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 an SMCR firm, the risk management function is a PRA controlled function (SMF4).

...

Additional rules for CRR firms

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

...

18 Whistleblowing

18.1 Application and purpose

Application

18.1.1A R This chapter applies to:

...

(3) in relation to SYSC 18.3.6R and SYSC 18.3.10R, EEA relevant authorised persons SMCR banking firms and third-country relevant authorised persons SMCR banking firms only in relation to a branch maintained by them in the United Kingdom; and

...

18.1.1A G Firms are reminded that for the purpose of SYSC 18 (except for SYSC 18.3.9G) “firm” has the specific meaning set out in paragraph (8) of that definition in the Glossary, namely:

“(8) (in SYSC 18, with the exception of the guidance in SYSC 18.3.9G):

(a) a UK relevant authorised person SMCR banking firm except a small deposit taker; and

...

18.3 Internal arrangements

...

Reporting of concerns by employees to regulators

18.3.6 R This rule applies to a firm, an EEA relevant authorised person SMCR banking firm and a third-country relevant authorised person SMCR banking firm.

...
Additional rules for UK branches

18.3.10 R (1) This rule applies where an EEA relevant authorised person SMCR banking firm or a third-country relevant authorised person SMCR banking firm has:

(a) a branch in the United Kingdom; and

(b) a group entity which is a UK relevant authorised person SMCR banking firm.

(2) An EEA relevant authorised person SMCR banking firm and a third-country relevant authorised person SMCR banking firm must, in the manner described in (3), communicate to the UK-based employees of its UK branch:

(a) the whistleblowing arrangements of the group entity that is a UK relevant authorised person SMCR banking firm; and

...

18.4 The whistleblowers’ champion

18.4.1 G (1) A UK relevant authorised person SMCR banking firm is required under SYSC 4.7.5R(1) SYSC 24.2.1R to allocate the FCA-prescribed senior management responsibility for acting as the firm’s whistleblowers’ champion.

...

21 Risk control: additional guidance

21.1 Risk control: guidance on governance arrangements

...

Chief Risk Officer

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 an SMCR firm) the PRA’s Chief Risk Function controlled function; or
(b) (for any other firm) the systems and controls function (see SUP 10A (FCA approved persons)) or the relevant PRA controlled function.

...

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

...

...

22 Regulatory references

22.1 Application

General application

22.1.1 R This chapter applies to all firms (subject to SYSC 22.1.5R).

Activities covered

22.1.2 G This chapter is not limited to regulated activities or other specific types of activities.

Territorial scope and overseas firms

22.1.3 R There is no territorial limitation on the application of this chapter, subject to SYSC 22.1.5R and SYSC 22.1.6R.

22.1.4 G One effect of SYSC 22.1.3R is that the obligation to provide a reference can apply even if the employee worked in an overseas office of the employer.

22.1.5 R This chapter does not apply to:

(1) an overseas firm that does not have an establishment in the United Kingdom;

(2) a UCITS qualifier (see section 266 of the Act (Disapplication of rules));

(3) an AIFM qualifier; or

(4) an incoming EEA firm that is an EEA pure reinsurer.

22.1.6 R For an incoming firm or any other overseas firm, SYSC 22.2.2R (Obligation to give references) only applies if the current or former employee in question
(defined as “P” in SYSC 22.2.2R) is or was an employee of its branch in the United Kingdom and only relates to their activities as such.

22.1.7 R (1) In order to decide whether someone is an employee of a branch, the Glossary definition of employee is applied to the branch as if the branch and the firm of which it forms part were separate firms.

(2) For the purpose of (1), paragraph (4A)(c) of the definition of employee (someone employed elsewhere in the group) does not apply.

22.2 Getting, giving and updating references: the main rules

Obligation to obtain references (full scope regulatory reference firms only applicable to SMCR firms)

22.2.1 R (1) If a full scope regulatory reference firm an SMCR firm (A) is considering:

(a) permitting or appointing someone (P) to perform a controlled function; or

(b) issuing a certificate under the certification regime for P;

(as explained in more detail in rows (A) and (B) of the table in SYSC 22.2.3R). A must take reasonable steps to obtain appropriate references from:

(c) P’s current employer; and

(d) anyone who has been P’s employer in the past six years.

(2) A must take reasonable steps to obtain the reference before the time in column two of the applicable row in the table in SYSC 22.2.3R. If A does not obtain it within that time it must take reasonable steps to obtain it as soon as possible thereafter.

(3) A must in particular request:

(a) the information in SYSC 22.2.2R(1) to (3); and

(b) (if P’s current or previous employer is also a full scope regulatory reference firm an SMCR firm) the information in SYSC 22.2.2R(4) (questions (A) to (F) of Part One of SYSC 22 Annex 1R).

(4) When deciding what information to request under (1), A must have regard to the factors in SYSC 22.2.2R(5) (Factors set out in SYSC 22 Annex 2R).

Obligation to give references
22.2.2 R (1)  A firm (B) must provide a reference to another firm (A) as soon as reasonably practicable if:

(a)  A is considering:

   (i) permitting or appointing someone (P) to perform a controlled function; or

   (ii) issuing a certificate under the certification regime for P; or

   (iii) appointing P to another position in the table in SYSC 22.2.3R;

   (as explained in more detail in the table in SYSC 22.2.3R);

(b)  A makes a request, for a reference or other information in respect of P from B, in B’s capacity as P’s current or former employer;

(c)  B:

   (i) is P’s current employer; or

   (ii) has been P’s employer at any time in the six year period preceding the request in (1)(b); and

(d)  A indicates to B the purpose of the request.

(2)  B must disclose to A in the reference all information of which B is aware that B reasonably considers to be relevant to A’s assessment of whether P is fit and proper.

(3)  B is only required to disclose under (1) and (2) something that occurred or existed:

   (a) in the six years before the request for a reference; or

   (b) between the date of the request for the reference and the date B gives the reference; or

   (c) (in the case of serious misconduct) at any time.

[Note: See SYSC 22.5.10G and SYSC 22.5.11G for guidance on the meaning of serious misconduct]

(4)  If B is a full scope regulatory reference firm Where B is an SMCR firm:

   (a) B must in addition disclose the information in questions (A) to (F) of Part One of SYSC 22 Annex 1R (Template for
regulatory references given by relevant authorised persons SMCR firms and disclosure requirements); and

(b) B must disclose the information in (a) whether or not A is a full scope regulatory reference firm an SMCR firm.

(5) When deciding what information to give to A under (1) to (3), B must have regard to the factors in SYSC 22 Annex 2R (Factors to take into account when asking for and giving regulatory references).

22.2.3 Table: What positions need a reference

<table>
<thead>
<tr>
<th>Position</th>
<th>When to obtain reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Permitting or appointing someone to perform an FCA controlled function or a PRA controlled function.</td>
<td>One month before the end of the application period</td>
<td>Where a request for a reference would require: (a) the firm requesting the reference; (b) the employer giving the reference; or (c) any other person; to make a mandatory disclosure prior to P disclosing to its current employer that such application has been made, the date is the end of the application period.</td>
</tr>
<tr>
<td>(B) Issuing a certificate under section 63F of the Act (Certification of employees by relevant authorised persons).</td>
<td>Before the certificate is issued</td>
<td>This includes renewing an existing certificate.</td>
</tr>
<tr>
<td>(C) Appointing someone to any of the following positions (as</td>
<td>Not applicable</td>
<td>SYSC 22.2.1R (obligation to obtain a reference) does not apply to a firm appointing someone to</td>
</tr>
</tbody>
</table>
defined in the *PRA Rulebook*:

(a) a notified non-
executive director;
(b) a credit union non-executive director; or
(c) a key function holder.

the position in column (1).

However SYSC 22.2.2R does apply to a firm asked to give a reference to a firm appointing someone to the position in column (1).

---

**Note 1:** Mandatory disclosure means an obligation in any applicable laws, regulations or rules to declare or disclose information to the public.

**Note 2:** P refers to the *employee or ex-employee* about whom the reference is given as defined in more detail in SYSC 22.2.1R and SYSC 22.2.2R.

**Note 3:** The application period means the period for consideration referred to in section 61 of the *Act* (Determination of application).

Obligation to revise references: The main rule (*full scope regulatory reference firms only applicable to SMCR firms*)

22.2.4 R If at any time:

(1) a full scope regulatory reference firm an SMCR firm (B) has given a reference under SYSC 22.2.2R to another firm (A) about an employee or ex-employee of B (P);

(2) B was also a full scope regulatory reference firm an SMCR firm when it gave the reference in (1);

(3) either of the following applies:

(a) B is aware of matters or circumstances that mean that if B had been aware of them when giving that reference, this chapter would have required B to draft the reference differently; or

(b) the following applies:

(i) B has since giving the reference reached conclusions of the type described in question (E) of Part One of SYSC 22 Annex 1R or taken disciplinary action of the type described in question (F) of Part One of SYSC 22 Annex 1R; and

(ii) if B had taken or reached those conclusions or actions within the six year period referred to in Part One of
SYSC 22 Annex 1R, this chapter would have required B to draft the reference differently; and

(4) it would be reasonable to consider the differences in (3) to be significant for an assessment by A of the fitness and propriety of P for the role at A for which the reference was given;

B must:

(5) make reasonable inquiries as to the identity of P’s current employer; and

(6) give A details of those differences in writing as soon as reasonably practicable, unless SYSC 22.2.5R says that B does not have to do so.

22.2.5 R B does not need to update A if:

(1) A is no longer a firm;

(2) P has not yet been employed by A (because, for example, P is still working their notice period with B) and it is no longer intended for A to employ P;

(3) A is no longer P’s employer; or

(4) despite making reasonable enquiries under SYSC 22.2.4R, B does not know whether P is still employed by A.

22.2.6 R This rule sets out time limits about the obligation to update a reference in SYSC 22.2.4R.

(1) If B still employs P, SYSC 22.2.4R applies throughout the period B remains employed.

(2) If B no longer employs P, the obligation to update ends six years after P ceased to be employed by B.

(3) If B no longer employs P and the matters or circumstances are not serious misconduct by P, B does not have to disclose something if it did not occur or exist in the six year period ending on the date B gave the original reference. This limitation applies in addition to the one in (2).

[Note: See SYSC 22.5.10G and SYSC 22.5.11G for guidance on the meaning of serious misconduct]

Obligation to revise references: Finding out who the current employer is (all firms)

22.2.7 R If at any time:
(1) a full scope regulatory reference firm an SMCR firm (B) has given a reference under SYSC 22.2.2R to another firm (A) about an employee or ex-employee of B (P);

(2) B asks A whether P is still an employee of A; and

(3) B gave A the reference no more than six years ago;

A must answer that question as soon as reasonably practicable, even if B does not tell A why it wants to know that information.

22.3 Drafting the reference and the request for a reference

How to draft the reference

22.3.1 G There are no requirements about the form in which a firm that is not a full scope regulatory reference firm an SMCR firm should give a reference.

22.3.2 G SYSC 22.4 has requirements about the form in which a full scope regulatory reference firm an SMCR firm should give a reference.

How to draft the request for a reference

22.3.3 G (1) A firm (A) asking another firm (B) for a reference should give B sufficient information to let B know that the requirements in this chapter apply to the reference it is being asked to give and which requirements apply.

(2) As long as it complies with (1), A does not have to set out specifically the information this chapter requires it to obtain. This is because B should include that information even though B is not specifically asked to include it.

22.3.4 G A firm asking for a reference under this chapter from a current or former employer that is not a firm will normally need to specify what information it would like.

Inclusion of additional material

22.3.5 G (1) This chapter sets out minimum requirements for a reference. It does not prevent a firm from including more than is required by this chapter.

(2) If a firm does disclose more than is required by this chapter the reference should still meet its duties under general law to its former employee and the recipient (see SYSC 22.5.3G to SYSC 22.5.5G).

22.3.6 G Nothing in this chapter prevents a firm from disclosing material outside the time limits under this chapter.
22.4 Drafting the reference: detailed requirements for full scope regulatory reference firms SMCR firms

Purpose of SYSC 22 Annex 1R

22.4.1 SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements) has two purposes:

(1) to set out what information a full scope regulatory reference firm an SMCR firm should disclose under SYSC 22.2.2R(4); and

(2) to provide a template that a full scope regulatory reference firm an SMCR firm should use when giving a reference under this chapter.

How to draft the reference

22.4.2 (1) A full scope regulatory reference firm An SMCR firm must use the template in Part One of SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements) when giving a reference under this chapter to another firm (A).

(2) A firm may make minor changes to the format of the template in Part One of SYSC 22 Annex 1R when giving a reference under this chapter, provided that the reference includes all the information required by SYSC 22 Annex 1R.

(3) This rule applies even if A is not a full scope regulatory reference firm an SMCR firm.

22.4.3 SYSC 22.4.2R does not stop a full scope regulatory reference firm an SMCR firm including matters in the reference not required by the template in SYSC 22 Annex 1R.

(2) A full scope regulatory reference firm An SMCR firm may include the material required by the template and additional material in the same document.

(3) Any additional material should not alter the scope of any of the questions in the templates.

22.4.4 A full scope regulatory reference firm An SMCR firm should use the template in SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements) even if the firm asking for the reference does not specifically ask it to.

PRA requirements

22.4.5 B may combine in a single reference what the PRA’s rules require and what this chapter requires.
22.5 Giving references: additional rules and guidance for all firms

Verification

22.5.1 R This chapter does not require a firm to disclose information that has not been properly verified.

22.5.2 G (1) For example, this chapter does not necessarily require a firm to include in a reference the fact that an ex-employee left while disciplinary proceedings were pending or had started. Including such information is likely to imply that there is cause for concern about the ex-employee but the firm may not have established that the ex-employee was actually responsible for misconduct.

(2) However, a firm may include such information in a reference if it wishes to (see SYSC 22.3.5G).

Accuracy

22.5.3 G A firm should, when giving a reference under this chapter, provide as complete a picture of an employee’s conduct record as possible to new employers.

Fairness

22.5.4 G (1) A firm supplying a reference in accordance with this chapter owes a duty under the general law to its former employee and the recipient firm to exercise due skill and care in the preparation of the reference.

(2) The firm may give frank and honest views, but only after taking reasonable care both as to factual content, and as to the opinions expressed.

(3) References should be true, accurate, fair and based on documented fact.

22.5.5 G (1) An example of the general duty described in SYSC 22.5.4G is that fairness will normally require a firm to have given an employee an opportunity to comment on information in a reference. The firm might do this through, for example, disciplinary proceedings.

(2) Paragraph (1) does not mean that the firm should provide an opportunity to comment on the reference itself, as opposed to the allegations on which it is based.

(3) A firm may have given the employee an opportunity to comment on allegations that are later included in a reference even though, at the time that the firm is giving that opportunity, no reference is being contemplated. That may mean that the firm gives the employee their
opportunity to comment on the allegations some time before the reference is prepared.

(4) Paragraph (1) does not mean that a firm will be unable to include an allegation in a reference if it has offered the employee an opportunity to comment on the allegation but the employee has unreasonably refused to do so.

(5) Where a firm should have given an employee an opportunity to comment on an allegation if the allegation is to be included in a reference, this chapter requires the firm to give the employee that opportunity rather than merely to leave the allegation out of the reference.

(6) Paragraph (5) may mean that where the firm has not given its employee an opportunity to comment on a matter at the time it first arose, it will have to give the employee the opportunity around the time that the firm is preparing the reference.

(7) The obligation to give an employee an opportunity to comment does not mean that there is a wider duty to investigate whether there are facts that show that there has been a conduct breach (see SYSC 22.5.18G).

(8) This chapter does not require the employee’s views to be included in the reference. Instead the firm should take those views into account so far as appropriate when deciding whether something should be disclosed and how the disclosure is drafted.

Outsourcing

22.5.6 G The requirements in this chapter for a firm (B) to give a firm (A) a reference also apply where A has outsourced the collection of that information to another (unregulated) third party, where B has been made aware that the unregulated third party is acting on behalf of A.

Circumstances in which the ex-employee left

22.5.7 G The obligation to give a reference for an employee or ex-employee applies however the employment ended or is going to end. For example, it applies whether it ended through resignation, redundancy, dismissal or fixed term work, a secondment or temporary work coming to an end.

Missing or incomplete information

22.5.8 G (1) If a firm’s records do not cover the maximum periods contemplated by SYSC 22.2.2R or SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements), the firm should note that in the reference.
(2) A firm should not include a warning of the type described in (1) as a matter of routine. It should only be included if there is a genuine need to include it.

All relevant information: Calculation of six year period for disclosure

22.5.9 G (1) In general there is a six year limit on what should be disclosed under SYSC 22.2.2R(1) to (3).

(2) Where the matter to be disclosed consists of a single course of conduct (such as market manipulation) the six year period does not begin until that course of conduct has come to an end. This means that individual events that occurred more than six years ago may still be within the six year limit.

(3) This guidance is also relevant to the six year time limits for updating references in SYSC 22.2.6R.

All relevant information: Removal of six year period

22.5.10 G (1) SYSC 22.2.2R(1) to (3) normally has a six year time limit. SYSC 22.2.2R(3)(c) removes that time limit for serious matters. This paragraph (SYSC 22.5.10G) and SYSC 22.5.11G have guidance about this. This guidance is also relevant to the time limits for updating references in SYSC 22.2.6R.

(2) The removal of the time limit does not mean that the time that has elapsed since the matter occurred is irrelevant. The length of time that has elapsed is relevant to deciding whether the matter is serious. In general, the longer ago the matter occurred, the less likely it is still to be serious for these purposes.

(3) In determining whether something is serious for these purposes, the key question is how important the information still is for the requesting firm’s assessment of the employee’s fitness for the function that they are going to perform.

(4) In considering what is relevant, a firm should, in particular, have regard to SYSC 22.5.4G (Fairness).

(5) The table in SYSC 22.5.11G provides guidance on some of the factors which a firm should take into account when determining whether a matter is serious.

(6) The guidance in this paragraph and in the table in SYSC 22.5.11G is only designed for the purposes of this chapter. It does not, for example, apply for the purposes of SUP 15 (Notifications to the FCA), DEPP or EG.

22.5.11 G Table: Examples of factors to take into account when deciding whether old misconduct is sufficiently serious to disclose
Factors to take into account | Comments
--- | ---
(A) Whether P has committed a serious breach of individual conduct requirements. | Individual conduct requirements has the same meaning as in Part Two of SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements).

Factors to take into account in deciding whether the breach is serious include the following.

(1) The extent to which the conduct was deliberate or reckless.
(2) The extent to which the conduct was dishonest.
(3) Whether the breaches are frequent or whether they have continued over a long period of time. The fact that breaches were frequent or repeated may increase the likelihood that they should be disclosed since the breaches may show a pattern of non-compliance.
(4) The extent of loss, or risk of loss, caused to existing, past or potential investors, depositors, policyholders or other counterparties or customers.
(5) The reasons for the breach. For example, where the breach was caused by lack of experience which has been remedied by training or further experience, it is less likely that the breach will still be relevant.

(B) Whether the conduct caused B to breach requirements of the regulatory system or P was concerned in a contravention of such a requirement by B and, in each case, whether P’s conduct was itself serious. | (1) The factors in (A) are relevant to whether P’s conduct was serious.
(2) The seriousness of the breach by B is relevant. The factors in (A) are also relevant to this.
(3) A breach by B of certain requirements is always likely to be serious under (2). Breach of the
threshold conditions is an example. However that does not mean that P’s involvement will automatically be serious.

| (C) Whether P’s conduct involved dishonesty (whether or not also involving a criminal act). | Dishonesty is an important factor but it is not automatically decisive in every case. For instance, a small one-off case of dishonesty many years ago may not be sufficiently serious to require disclosure. |
| (D) Whether the conduct would have resulted in B’s dismissing P, had P still been working for B, based on B’s disciplinary policies and the requirements of the law about unfair dismissal. | |
| (E) Whether the conduct was such that, if B was considering P for a role today and became aware of the historical conduct, B would not employ P today notwithstanding the time that has passed. | |

Note 1: P refers to the employee about whom the reference is being written.

Note 2: B refers to the firm giving the reference.

Breach of APER

22.5.12 G (1) An example of information that may be relevant under SYSC 22.2.2R(1) to (3) is the fact that the employee has breached a requirement in APER.

(2) This means that any firm (not just one that is a full scope regulatory reference firm an SMCR firm) should consider whether it needs to disclose a breach of APER individual conduct requirements (as defined in Part Two of SYSC 22 Annex 1R (Template for regulatory references given by SMCR firms and disclosure requirements)) when giving a reference under this chapter.

Agreements not to disclose information

22.5.13 R A firm must not enter into any arrangements or agreements with any person that limit its ability to disclose information under this chapter.
SYSC 22.5.13R covers all types of agreements and arrangements. For example:

(1) it is not limited to an agreement or arrangement entered into when the employee leaves;

(2) it applies however the employment ends (see SYSC 22.5.7G); and

(3) it covers a “COT 3” Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS).

A firm should not give any undertakings to suppress or omit relevant information in order to secure a negotiated release.

The obligation to supply information to another firm under this chapter will apply notwithstanding any agreement prohibited by SYSC 22.5.13R.

The FCA expects that normally a firm should issue a reference under this chapter within six weeks of being asked to.

A firm should, wherever feasible, conclude investigative procedures before the employee departs.

However, this chapter does not create a duty to investigate alleged misconduct by an employee or former employee.

There are several reasons why a firm may find it appropriate to investigate potential misconduct by an employee or former employee, including:

(a) assessing the actual and potential damage resulting from misconduct;

(b) identifying other individuals potentially culpable or accountable for the breach;

(c) satisfying itself that the SMF manager responsible for the areas where the misconduct occurred took reasonable steps to prevent or stop it; and

(d) (where the employee has remuneration susceptible to malus or clawback) enabling it to consider whether any adjustments are justified.

A firm giving a reference need not include information from a criminal records check it has carried out under Part V of the Police Act 1997
The recruiting firm should carry out a criminal records check itself if necessary. **SUP 10C.10.16R** requires a relevant authorised person an **SMCR firm** to carry out such a check when appointing an **SMF manager**.

### 22.6 Giving and updating references: additional rules and guidance for full scope regulatory reference firms **SMCR firms**

#### Omitting or supplementing mandatory disclosures

**22.6.1**

G (1) A firm may have concluded that an employee is unfit or has breached **COCON** or **APER** (as described in questions (E) to (F) of Part One of **SYSC 22 Annex 1R** (Template for regulatory references given by relevant authorised persons **SMCR firms** and disclosure requirements)). The firm may later become aware of facts or matters causing it to revise its original conclusions.

(2) If so, the firm may decide not to disclose in a reference its conclusion or may qualify its conclusion with supplementary information.

**22.6.2**

G (1) A firm may have concluded that an employee is unfit or has breached **COCON** or **APER** (as described in questions (E) to (F) of Part One of **SYSC 22 Annex 1R** (Template for regulatory references given by relevant authorised persons **SMCR firms** and disclosure requirements)). However the firm may consider that the disclosure is incomplete without including mitigating circumstances.

(2) For example, if the firm is reporting a breach of **COCON** it may consider that the breach is very uncharacteristic of the employee and that they have had an exemplary record since then. In that case, the firm should include those views.

#### Requirement to consider whether there has been a conduct breach

**22.6.3**

G (1) If a firm has taken disciplinary action of the type referred to in question (F) in Part One of **SYSC 22 Annex 1R** (Template for regulatory references given by relevant authorised persons **SMCR firms** and disclosure requirements) against an employee and is asked to give a reference about that employee, the firm should (if it has not already done so) consider whether the basis on which it took that action amounts to a breach of any individual conduct requirements covered by question (F).

(2) If the firm decides that the basis on which it took that action does amount to a breach of those requirements, it should include that disciplinary action in the reference under question (F).

(3) Paragraph (2) applies even if the grounds of the disciplinary action did not include such a breach of individual conduct requirements.
SYSC TP 5.4.5R disapplies the The requirement in (1) is disapplied for disciplinary action taken before 7 March 2017 or, in the case of relevant authorised persons, 7 March 2016 certain specified dates, where a full scope regulatory reference firm’s records do not record whether previous conduct subject to disciplinary action amounted to a breach. The date differs between different types of SMCR firms. SYSC TP 5 and SYSC TP 7 set out those specified dates and other details.

(5) The obligation to consider whether there was a conduct breach does not mean that there is a wider duty to investigate whether there are facts that show that there has been a conduct breach (see SYSC 22.5.18G).

All relevant information: Interaction with mandatory disclosures

22.6.4 G (1) SYSC 22.2.2R(1) to (3) may require a full scope regulatory reference firm an SMCR firm to disclose information that goes beyond the mandatory minimum information in Part One of SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements).

(2) This may mean, for instance, that a firm should in some cases disclose a conclusion that an employee or former employee has breached COCON or APER where that conclusion was reached outside the time limits in Part One of SYSC 22 Annex 1R.

Updating references fairly

22.6.5 G (1) SYSC 22.5.1R to SYSC 22.5.5G (Verification, accuracy and fairness) also apply to updating a reference under SYSC 22.2.4R.

(2) Therefore fairness may require a firm to have given an employee an opportunity to comment on an allegation if it is included in an update to a reference.

22.7 Getting references: additional rules and guidance for full scope regulatory reference firms SMCR firms

Intra-group transfers

22.7.1 R (1) This rule applies when:

(a) a full scope regulatory reference firm an SMCR firm (A) would otherwise have to ask another person (B) for a reference under SYSC 22.2.1R; and

(b) A and B are in the same group.
(2) A need not ask for a reference from B if there are adequate arrangements in place under which A has access to the same information sources as B to the extent that they are relevant to things A has to ask B under SYSC 22.2.1R (Obligation to obtain references).

(3) If A only has access to some of the information sources in (2), A may ask for a reference that only covers the sources to which A does not have such access.

(4) If A, in accordance with this rule, does not ask for a reference or a full reference it must access the information resources referred to in this rule and get the relevant information within the time specified by SYSC 22.2.3R.

22.7.2

(1) SYSC 22.7.1R means that a firm recruiting someone from another member of its group is not required to request a reference from the other where the group has centralised records or alternative measures in place to ensure sharing of relevant information between its members.

(2) The recruiting firm should be satisfied that the centralised or alternative measures ensure relevant information is made available as part of the fit and proper assessment of the recruit.

Who should be asked to give a reference

22.7.3

G The Glossary definition of employer covers more than just a conventional employer and so it may not always be obvious who a person’s employer is. Therefore a full scope regulatory reference firm an SMCR firm appointing someone to a position that requires a reference may have to get the employee’s help in identifying their previous employers.

22.7.4

(1) SYSC 22.2.1R (Obligation of a full scope regulatory reference firm an SMCR firm to try to obtain a reference) applies even if the ex-employer is not a firm.

(2) A full scope regulatory reference firm An SMCR firm should take all reasonable steps to try to obtain the reference in these circumstances. However, the FCA accepts that the previous employer may not be willing to give sufficient information.

Asking for a reference to be updated

22.7.5

(1) SYSC 22.2.1R (Obligation of a full scope regulatory reference firm an SMCR firm to try to obtain a reference) applies even if the employer has already got a reference for the employee. For example:
(a) a relevant authorised person an SMCR firm should have a reference whenever it renews the certificate of a certification employee; and

(b) changing jobs within the same full scope regulatory reference firm SMCR firm may require a reference.

(2) However, the full scope regulatory reference firm SMCR firm does not necessarily need to obtain a new reference each time (a) or (b) above occurs. That is because an existing reference will very often still be appropriate for the purpose (see SYSC 22.7.6G to SYSC 22.7.8G).

22.7.6 G If a relevant authorised person an SMCR firm (A):

(1) appoints someone (P) to a specified significant-harm certification function position;

(2) obtains a reference from an ex-employer; and

(3) later wishes to renew P’s certificate under the certification regime;

it is unlikely that A will need to ask for another reference from that ex-employer or ask for it to be reissued unless there is a change in P’s role of the type described in SYSC 27.2.15G (major changes in role).

22.7.7 G (1) If a full scope regulatory reference firm an SMCR firm (A):

(a) appoints someone (P) to a specified significant-harm certification function or an approved person position;

(b) obtains a reference from an ex-employer (B); and

(c) later wishes to:

(i) appoint P to another specified significant-harm certification function or approved person position; or

(ii) keep P in the same specified significant-harm certification function but make a change in P’s role of the type described in SYSC 27.2.15G (major changes in role), whether that change is made at a time when the certificate has not yet come up for renewal or at the time it is being reissued; or

(iii) move P from a specified significant-harm certification function to an approved person position or vice versa;

A should consider whether to ask B to reissue or amend its reference.
(2) A may decide that it is not necessary to ask B to reissue or amend its reference. For example, A may decide that:

(a) the existing reference already covers everything necessary; or

(b) (where B is not a firm) B will not give any further information.

22.7.8 If:

(1) a firm (A) appoints someone (P) to a specified significant-harm certification function or approved person position;

(2) A obtains a reference from an ex-employer (B);

(3) later P transfers to a specified significant-harm certification function position or an approved person position with a full scope regulatory reference an SMCR firm in A’s group (C);

(4) B’s reference is:

(a) addressed to all firms in A’s group; or

(b) otherwise drafted so that it is clear that C may rely on it; and

(5) C does not need to ask for the reference to be reissued or amended, taking account of SYSC 22.7.6G and SYSC 22.7.7G;

C may be able to rely on that reference without asking B to give another one.

When references are to be obtained

22.7.9 If a full scope regulatory reference firm an SMCR firm is unable to obtain a reference by the time in column two of the table in SYSC 22.2.3R, it should still try to obtain the reference as soon as possible afterwards.

22.7.10 (1) Where a relevant authorised person an SMCR firm needs to fill a vacancy for a specified significant-harm certification function which could not have reasonably been foreseen, the FCA recognises that it may not be reasonable to expect the relevant authorised person SMCR firm to obtain references prior to issuing a certificate.

(2) In such cases, the relevant authorised person SMCR firm should take up the reference as soon as reasonably possible.

(3) If a reference obtained later raises concerns about the person’s fitness and propriety, the relevant authorised person SMCR firm should revisit its decision to issue the person with a certificate.

22.7.11 (1) Although this chapter (see SYSC 22.2.3R) only requires a full scope regulatory reference firm an SMCR firm to try to get a reference for a
person it is recruiting to perform an FCA controlled function or a PRA controlled function towards the end of the application process, the FCA would normally expect a firm to have obtained the reference before the application for approval is made.

(2) The main examples of circumstances in which it would be reasonable for a firm to delay getting a reference are where asking for a reference earlier will create a serious risk of:

(a) breaching the confidentiality of a wider commercial or corporate transaction;

(b) prematurely triggering the need for a public announcement; or

(c) the candidate not applying for the position in the first place because it would reveal to the candidate’s current employer the proposed move too soon.

(3) The FCA may consider that it needs to see the information in a reference before it reaches a decision. If so, it may formally ask for that information and extend the time period in which it has to make its decision until it gets the reference. SUP 10C.10.28G gives additional details about requests for further information and the effect they have on the period of time the FCA has to make a decision about an application.

(4) Full scope regulatory reference firms SMCR firms are reminded that the Act itself requires a firm to be satisfied that a candidate is fit and proper before it makes an application for approval (see SUP 10C.10.14G for more detail). SYSC 22.7.11G(2) does not affect that obligation.

22.8 Additional rules and guidance for all firms

Policies and procedures

22.8.1 R A firm must establish, implement and maintain policies and procedures that are adequate for the purpose of complying with the obligations in this chapter.

22.8.2 G SYSC 22.8.1R does not require a firm to create or keep records that are not required under SYSC 22.9.1R (General record keeping rules) or another rule.

Appointed representatives

22.8.3 R This chapter applies to a firm’s appointed representatives as well as to the firm.
22.8.4  R  When a relevant authorised person is permitting or appointing someone to perform a controlled function whose approval is given under SUP 10A.1.15R or SUP 10A.1.16R (appointed representatives of relevant authorised persons) SYSC 22.8.3R applies to an SMCR firm, the requirements of this chapter for firms that are not full scope regulatory reference firms SMCR firms apply in place of the requirements that only apply to full scope regulatory reference firms SMCR firms.

22.8.4A  R  (1)  The approved person’s authorised approved person employer is responsible for compliance with SYSC 22.8.3R in the case of a requirement:

(a) to give a reference about an approved person whose approval is under SUP 10A.1.15R to SUP 10A.1.16R (Appointed representatives);

(b) to update any such reference; and

(c) under SYSC 22.2.7R in relation to any such person.

(2)  In any other case, each principal of the appointed representative in question is responsible for compliance with SYSC 22.8.3R.

(3)  If another principal of the appointed representative has accepted responsibility for the obligation in SYSC 22.8.3R, that principal is responsible in place of the other firms in (1) or (2).

22.8.5  G  A firm should ensure its appointed representative complies with the requirements of this chapter when the One effect of SYSC 22.8.4R is that when an appointed representative appoints an approved person under SUP 10A.1.15R to SUP 10A.1.16R (appointed representatives of an SMCR firm) there is no requirement for the appointed representative or its principal to request a reference.

22.8.6  G  (1)  A firm should ensure that its appointed representative gives a reference when another firm (or its appointed representative) asks that appointed representative to give a reference in accordance with this chapter.

(2)  A firm is not responsible for its appointed representative’s giving references if another principal has accepted responsibility for this.

Getting and giving a reference where the employee has worked in a group or on secondment

22.8.7  G  If:

(1)  a firm (A) is thinking of employing someone (P);

(2)  P is employed by a group services company (D) that is not a firm;
(3) P (in their capacity as an employee of D) performs a function or service for a firm (B) in the same group as D such that P is also an employee of B; and

(4) A intends to appoint (P) to a position that entitles A to obtain a reference from B;

then:

(5) (if A is a full scope regulatory reference firm an SMCR firm) A should ask both B and D for a reference;

(6) B is obliged to give the reference if A asks it to (whether or not A is a full scope regulatory reference firm an SMCR firm);

(7) B should ask D to provide it with the information needed to provide a reference in accordance with this chapter;

(8) D may give a reference but (as it is not a firm) it is not obliged to; and

(9) D and B may give a single joint reference.

22.8.8 G SYSC 22.8.7G also applies where:

(1) D is not in the same group but has seconded P to B; and

(2) P (in their capacity as an employee of D) performed any function or services for B such that P was also an employee of B.

22.8.9 G If:

(1) a firm (A) is thinking of appointing someone (P) to a position that entitles A to obtain a reference from another firm (B); and

(2) P was an employee of other members of B’s group as well as of B;

then:

(3) (if A is a full scope regulatory reference firm an SMCR firm) A should ask all the group members that employed P for a reference;

(4) B should give a reference if A asks it to (whether or not A is a full scope regulatory reference firm an SMCR firm);

(5) P’s employers in that group (including any that are not firms) may give a single joint reference; and

(6) if the reference is being provided on a consolidated group basis, it should be clear what information is relevant to which employer within the group.
22.9 Records

General record keeping rules (full scope regulatory reference firms only applicable to SMCR firms)

22.9.1 R (1) A full scope regulatory reference firm An SMCR firm must arrange for orderly records to be created and kept that are sufficient to enable it to comply with the requirements of this chapter.

(2) This rule only applies to records in relation to the following questions in Part One of SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements):

(a) question (E) (fit and proper); and

(b) question (F) (disciplinary action).

Time limit for records to be kept (full scope regulatory reference firms only applicable to SMCR firms)

22.9.2 G SYSC 22.9.1R does not have an express time limit for which a firm should retain the records as its effect is that those time limits are the same as the time limits in SYSC 22 Annex 1R (Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements).

Reduction in disclosure obligations where there are limited record keeping requirements (all firms)

22.9.3 R A firm does not breach the requirements of this chapter by failing to include information in a reference that it would otherwise have to include if:

(1) the reason for the omission is that the firm does not have the necessary records; and

(2) neither SYSC 22.9.1R nor any other requirement of or under the regulatory system requires the firm to have those records.

22.9.4 G If a firm is asked to give a reference in circumstances where the record keeping requirements in SYSC 22.9.1R do not apply:

(1) it is still required to give the reference;

(2) it should give the reference based on the records it does have; and

(3) it will not breach the requirements of this chapter by failing to include information in a reference if the reason for this is that it does not have the necessary records, as long as it is not required to have those records by some other requirement in the Handbook outside
this chapter or some other requirement of or under the regulatory system.

Effect of previous record keeping requirements (full scope regulatory reference firms only applicable to SMCR firms)

22.9.5 G (1) SYSC 22.9.1R applies to keeping records created before the date this chapter came into force as well as ones created afterwards.

(2) A full scope regulatory reference firm An SMCR firm does not breach the requirements of this chapter by failing to include something in a reference or by failing to have records because it destroyed the relevant records before the date this chapter came into force in accordance with the record keeping requirements applicable to it at the time of destruction.

(3) (1) also applies to records created before this chapter (or the relevant provision of this chapter) first applied to the firm.

(4) (2) also applies if the firm destroyed the records before this chapter (or the relevant provision of this chapter) first applied to it.

22 Annex 1R Template for regulatory references given by relevant authorised persons SMCR firms and disclosure requirements

Part One: Form of Template

Guide to using this template:
Each question must be answered. Where there is nothing to disclose, this should be confirmed by ticking the “No” box for the relevant question.

In this template:
- “we” / “our firm” refers to the firm or firms giving the reference (as set out in either 1A or 1B below);
- “individual” refers to the subject of the reference (as set out in 2 below); and
- “your” refers to the firm requesting the reference (as set out in 3 below).

<table>
<thead>
<tr>
<th>Information requested</th>
<th>Response</th>
</tr>
</thead>
</table>

Page 93 of 438
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>Name, contact details and firm reference number of firm providing reference; or</td>
</tr>
<tr>
<td>1B</td>
<td>Names, contact details and firm reference numbers (where applicable) of group firms providing a joint reference</td>
</tr>
<tr>
<td>2</td>
<td>Individual’s name (i.e. the subject of the reference)</td>
</tr>
<tr>
<td>3</td>
<td>Name, contact details and firm reference number of firm requesting the reference</td>
</tr>
<tr>
<td>4</td>
<td>Date of request for reference</td>
</tr>
<tr>
<td>5</td>
<td>Date of reference</td>
</tr>
</tbody>
</table>

(Editor’s note: The underlining in the heading of each question and answer in the remaining portion of Part One of this Annex is in the existing Handbook text and does not indicate new text.)

The answers to Questions A to F cover the period beginning six years before the date of your request for a reference and ending on the date of this reference.

**Question A**

Has the individual:

1. performed a specified significant-harm certification function for our firm; or
2. been an approved person for our firm.

**Answer:**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

**Question B:**

Has the individual performed one or more of the following roles in relation to our firm:

1. notified non-executive director;
(2) credit union non-executive director; or
(3) key function holder (other than a controlled function).

Answer:

| Yes | No |

**Question C:**
If we have answered ‘yes’ to either Question A or B above, we set out the details of each position held below, including:

1. what the controlled function, specified significant harm certification function or key function holder role is or was;
2. (in the case of a controlled function) whether the approval is or was subject to a condition, suspension, limitation, restriction or time limit;
3. whether any potential FCA governing function is or was included in a PRA controlled function; and
4. the dates during which the individual held the position.

Answer:

**Question D**
Has the individual performed a role for our firm other than the roles referred to in Questions A and B above:

Answer:

| Yes | No |

If ‘yes’, we have provided summary details of the other role(s), e.g. job title, department and business unit, below.
Question E
Have we concluded that the individual was not fit and proper to perform a function:

Answer:

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

If ‘yes’ and associated disciplinary action was taken as a result, please refer to Question F below.

If ‘yes’, and no associated disciplinary action was taken as a result, we have set out below the facts which led to our conclusion.

Question F
We have taken disciplinary action against the individual that:

(1) relates to an action, failure to act, or circumstances, that amounts to a breach of any individual conduct requirements that:

   (a) apply or applied to the individual; or

   (b) (if the individual is or was a key function holder, a notified non-executive director or a credit union non-executive director for your firm) the individual is or was required to observe under PRA rules (including if applicable, PRA rules in force before 7 March 2016); or

(2) relates to the individual not being fit and proper to perform a function.

Answer:

<table>
<thead>
<tr>
<th>Yes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

If ‘yes’, we have provided below a description of the breaches (including dates of when they occurred) and the basis for, and outcome of, the subsequent disciplinary action.

Question G
Are we aware of any other information that we reasonably consider to be relevant to your assessment of whether the individual is fit and proper? This disclosure is made on the basis that we shall only disclose something that:

(1) occurred or existed:
   (a) in the six years before your request for a reference; or
   (b) between the date of your request for the reference and the date of this reference; or

(2) is serious misconduct.

Answer:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

If ‘yes’, we have provided the relevant information below.

---

Part Two: Definitions used in Part One

Section One of Part Two of this annex defines terms used in this annex.

Section Two of Part Two of this annex modifies the meaning of certain requirements in Part One and has material about completing the template.

<table>
<thead>
<tr>
<th>Defined term or phrase</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>B refers to the <em>employer</em> or <em>ex-employer</em> giving the reference as defined in more detail in <em>SYSC 22.2.1R</em> and <em>SYSC 22.2.2R</em>.</td>
</tr>
<tr>
<td>P</td>
<td>P refers to the <em>employee</em> or <em>ex-employee</em> about whom the reference is given as defined in more detail in <em>SYSC 22.2.1R</em> and <em>SYSC 22.2.2R</em>.</td>
</tr>
</tbody>
</table>
| A finding or conclusion by B that P was not fit and proper to perform a function (see questions (E) to (F) of the template) | This means a finding or conclusion by B in the following circumstances where:
   (a) B assesses the continuing fitness and propriety of P as an *approved person* in |
accordance with the requirements of the regulatory system, including when carrying out this assessment under section 63(2A) of the Act (annual assessment of approved persons by a relevant authorised person and SMCR firm); or

(b) B assesses the fitness and propriety of P when B is proposing to issue a certificate under section 63F of the Act (Certification of employees by relevant authorised persons SMCR firms) for P.

Paragraph (b) applies whether the certificate is being issued for the first time or is being renewed.

<table>
<thead>
<tr>
<th>Individual conduct requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual conduct requirements mean any of the following:</td>
</tr>
<tr>
<td>(a) COCON;</td>
</tr>
<tr>
<td>(b) APER;</td>
</tr>
</tbody>
</table>
| (c) the PRA’s Individual Conduct Standards or Senior Insurance Manager Conduct Standards (in:
  (i) Chapter 3 of the Part of the PRA Rulebook called Solvency II Firms: Insurance – Conduct Standards; 
  (ii) and in Chapter 3 of the Part of the PRA Rulebook called Non-Solvency II Firms: Large Non-Solvency II Firms – Conduct Standards; and 
  (iii) Chapter 2 of the Part of the PRA Rulebook called Non-Solvency II firms – Conduct Standards); or 
| (d) the PRA’s Individual Conduct Rules or Senior Manager Conduct Rules (in:
  (i) Chapters 2 and 3 of the Part of the PRA Rulebook called CRR Firms: Conduct Rules; and 
  (ii) in Chapters 2 and 3 of the Part of the PRA Rulebook called Non-CRR Firms: Conduct Rules); or 
<p>| (e) the PRA’s Conduct Standards (in Chapter 3 of the Part of the PRA’s Rulebook called CRR Firms: Fitness and Propriety; and Chapter 3 of the Part of the PRA |</p>
<table>
<thead>
<tr>
<th>Function (as referred to in questions (E) to (F))</th>
<th>A function means a function as an <em>approved person</em> or <em>certification employee</em>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disciplinary action</td>
<td>Disciplinary action has the same meaning as in section 64C(2) of the Act (Requirement for relevant authorised persons to notify regulatory of disciplinary action), which is: (a) the issue of a formal written warning; or (b) the suspension or dismissal of P; or (c) the reduction or recovery of any of P’s remuneration. This definition applies even if B is not a relevant authorised person an SMCR firm.</td>
</tr>
<tr>
<td>Notified non-executive director, credit union non-executive director and key function holder</td>
<td>These terms have the same meaning as they do in the PRA Rulebook.</td>
</tr>
<tr>
<td>Specified significant harm Certification function, approved person, controlled function and PRA controlled function</td>
<td>These terms have the same meaning as they do in the Glossary.</td>
</tr>
<tr>
<td>Potential FCA governing function</td>
<td>Potential FCA governing function means a function: (a) that would have been an <em>FCA controlled function</em> but for: (i) SUP 10A.11 (Minimising overlap with the PRA approved persons regime) (when that section was in force); or (ii) SUP 10C.9 (Minimising overlap with the PRA approved persons regime); (b) but instead is included in a <em>PRA controlled function</em> under the following parts of the PRA Rulebook : listed in SUP 10C.9.6G. (i) Part 2 of “Senior management functions”; (ii) Part 2 of “Insurance—Senior Insurance Management Functions”; (iii) Part 6 of “Solvency II Firms: Senior Insurance Managers Regime—Transitional Provisions”; or</td>
</tr>
</tbody>
</table>
(iv) Part 6 of “Non-Solvency II Firms: Large Non-Solvency II Firms—Senior Insurance Managers Regime—Transitional Provisions.”

Section Two: Supplementary requirements

<table>
<thead>
<tr>
<th>Item of template for which supplemental requirements apply</th>
<th>Supplemental requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Questions (E) and (F)</td>
<td>If:</td>
</tr>
<tr>
<td></td>
<td>(a) the finding or disciplinary action was reached or taken by another member of B’s <em>group</em> with the authority to do so; and</td>
</tr>
<tr>
<td></td>
<td>(b) the finding or disciplinary action relates to conduct by P relating to the carrying on of activities (whether or not <em>regulated activities</em>) by B;</td>
</tr>
<tr>
<td></td>
<td>this question applies to such finding or disciplinary action in the same way as it does to findings or disciplinary action made or taken by the <em>firm</em> itself.</td>
</tr>
<tr>
<td>Question (F)</td>
<td>This question is subject to SYSC TP 5.4.5R and SYSC TP 7.4.4R (where there is no need to disclose disciplinary action that took place before certain dates if the <em>firm’s</em> records do not show whether there was a breach of individual conduct requirements).</td>
</tr>
<tr>
<td>The whole of Part One of this annex</td>
<td>The template to be used by a <em>firm</em> in giving a reference includes consists of everything in Part One of this annex except for the “Guide to using this template” paragraph.</td>
</tr>
</tbody>
</table>

22 Annex  Factors to take into account when asking for and giving regulatory references

<table>
<thead>
<tr>
<th>Matters to take into account</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Any outstanding liabilities of that person from commission payments</td>
<td></td>
</tr>
<tr>
<td>(B) Any relevant outstanding or upheld complaint from an <em>eligible complainant</em> against P</td>
<td></td>
</tr>
<tr>
<td>--------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>(C) Section 5 of the relevant Form A in <em>SUP 10A Annex 4</em> (Application to perform controlled functions under approved persons regime) or <em>SUP 10C Annex 2 3</em> (Application to perform senior management functions)</td>
<td></td>
</tr>
<tr>
<td>(D) <em>FIT 2</em> (Main assessment criteria)</td>
<td></td>
</tr>
<tr>
<td>(E) The persistency of any life policies sold by P</td>
<td></td>
</tr>
</tbody>
</table>

| This only applies if *SUP 16.8.1G(1)* (Persistency reports from insurers) applies to B |

**Note:** P refers to the *employee* or *ex-employee* about whom the reference is given as defined in more detail in SYSC 22.2.1R and SYSC 22.2.2R.

After SYSC 22 (Regulatory references) insert the following new chapter SYSC 23. The text is not underlined.

### 23 Senior managers and certification regime: Introduction and classification

#### 23.1 Purpose

23.1.1 **G** The purpose of this chapter is to:

1. explain what the senior managers and certification regime is and where to find the main FCA Handbook provisions;
2. define which *firms* the regime applies to; and
3. define the different kinds of *SMCR firm*.

#### 23.2 Definitions and types of firms

23.2.1 **R** *SYSC 23 Annex 1R* (Definition of SMCR firm and different types of SMCR firms) defines:

1. what an *SMCR firm* is; and
2. what the different types of *SMCR firm* are.
### Overview of the senior managers and certification regime

**23.3.1** There are three main elements to the regime:

1. the senior managers regime;
2. the certification regime; and
3. conduct rules that apply directly to a firm’s workforce.

**23.3.2** The table in SYSC 23.3.3G gives more details about each of those three elements.

**23.3.3** Table: Summary of the senior managers and certification regime

<table>
<thead>
<tr>
<th>Description of component of the regime</th>
<th>Handbook provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>The senior managers regime: Parts that apply to all firms</td>
<td></td>
</tr>
<tr>
<td>Pre-approval by the FCA of senior management (the FCA Handbook calls senior management subject to pre-approval SMF managers)</td>
<td>SUP 10C</td>
</tr>
<tr>
<td>Firm to be satisfied that a person is fit and proper before applying for them to be approved as an SMF manager by the FCA or PRA</td>
<td>This requirement is in section 60A of the Act. There is guidance on it in SUP 10C.10.14G (Vetting of candidates by the firm).</td>
</tr>
<tr>
<td>Annual assessment of fitness and propriety by the SMF managers’ firms</td>
<td>This requirement is in section 63(2A) of the Act. There is guidance and related notification obligations in SUP 10C.14.18R to SUP 10C.14.25G (Notifications about fitness, disciplinary action and breaches of COCON).</td>
</tr>
<tr>
<td>A firm should carry out criminal records checks before applying for someone to be approved as an SMF manager.</td>
<td>SUP 10C.10.16R (Criminal records checks and verifying fitness and properness)</td>
</tr>
<tr>
<td>A firm should ask for a regulatory reference before appointing someone to be an SMF manager, or to certain other senior management positions, and give one if asked to by another firm doing so.</td>
<td>SYSC 22 (Regulatory references)</td>
</tr>
</tbody>
</table>
**Statements of responsibilities**

This is a document that sets out the responsibilities that an SMF manager performs as part of their designated senior management function. It is prepared as part of the firm’s application to the FCA or PRA for them to be approved as an SMF manager. It should be updated after approval when there has been any significant change in the responsibilities of the SMF manager.

**SUP 10C.11 (Statements of responsibilities)**

Many of the requirements are in the Act itself but they are summarised in SUP 10C.11. SUP 10C.11 also adds some further requirements, particularly about there being one statement of responsibilities per SMF manager per firm.

**Duty of responsibility**

This applies to SMF managers in all types of firm.

This is dealt with in section 66A(5) of the Act.

There is guidance on this in DEPP 6.2.9-AG to DEPP 6.2.9-FG.

**The senior managers regime: Parts that apply to many firms**

A firm should allocate certain specified management responsibilities among its SMF managers.

The FCA Handbook calls them FCA-prescribed senior management responsibilities.

**SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities)**

A firm should maintain a comprehensive and up-to-date document (called the management responsibilities map) that describes its management and governance arrangements.

**SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material)**

A firm should ensure that, at all times, one or more of its SMF managers have overall responsibility for each of the activities, business areas and functions of the firm.

**SYSC 26 (Senior managers and certification regime: Overall and local responsibility)**

A firm should ensure that a person becoming an SMF manager has all the information and material that they could reasonably expect to

**SYSC 25.9 (Handover procedures and material)**
**The senior managers regime: Parts outside the Handbook**

<table>
<thead>
<tr>
<th>Criminal offence relating to a decision that causes a financial institution to fail</th>
<th>This is contained in section 36 of the Financial Services (Banking Reform) Act 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>It applies to a <em>UK SMCR banking firm</em> but does not apply to a <em>credit union</em>.</td>
<td></td>
</tr>
<tr>
<td>It does not apply to any <em>firm</em> that is not a <em>UK SMCR banking firm</em>.</td>
<td></td>
</tr>
</tbody>
</table>

**The certification regime**

<table>
<thead>
<tr>
<th>A <em>firm</em> should not permit an <em>employee</em> to carry out certain functions (<em>certification functions</em>) unless it has issued them with a certificate.</th>
<th>Most of the requirements of this regime are in sections 63E (Certification of employees by authorised persons) and 63F (Issuing of certificates) of the <em>Act</em>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>The certificate is only valid for a year. The <em>firm</em> will have to renew it if the <em>employee</em> is to carry on performing the function.</td>
<td><em>SYSC 27</em> (Senior managers and certification regime: Certification regime) describes the regime and explains which <em>employees</em> are covered.</td>
</tr>
<tr>
<td><em>A firm</em> may not issue or renew a certificate unless it is satisfied that the <em>person</em> is fit and proper. Certification does not involve pre-approval by the <em>FCA</em> or <em>PRA</em>.</td>
<td></td>
</tr>
</tbody>
</table>

| *A firm* should ask for a regulatory reference before appointing someone to perform an *FCA certification function* (or a *PRA equivalent*) and give one if asked to by another *firm* doing so. | *SYSC 22* (Regulatory references) |

**Conduct rules (applies to all firms)**

| *Rules of conduct that apply directly to a firm’s workforce other than ancillary staff.* | *COCON* |
| A *firm* should report breaches of *COCON* to the *FCA*. | Section 64C of the *Act* (Requirement for authorised persons to notify regulator of disciplinary action) and *SUP 15.11* (Notification |
A firm should:
(a) ensure that all persons subject to COCON are notified of the rules that apply to them; and
(b) take all reasonable steps to ensure that they understand how COCON applies to them

These obligations are in section 64B of the Act (Rules of conduct: responsibilities of authorised persons).

There is guidance in COCON 2.3 (Firms: Training and breaches).

---

23.3.4 G The PRA has requirements corresponding to the senior managers and certification regime that apply to PRA-authorised persons. The FCA and PRAs’ regimes are designed to work together and complement each other. A PRA-authorised person will therefore need to consider the PRA’s requirements to get a complete picture of the requirements that apply to it (and its workforce) in the area covered by the senior managers and certification regime and the requirements in the Act on which it is based.

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23 Annex 1 Definition of SMCR firm and different types of SMCR firms

Part One: Flow diagram and other basic provisions

1.1 R The flow diagram in SYSC 23 Annex 1 1.2R defines:

(1) an SMCR firm; and

(2) the different categories of SMCR firm.

1.2 R Flow diagram: Types of SMCR firm
Note to the decision tree
The categorisation in this decision tree is subject to SYSC 23 Annex 1 2.1R.

Part Two: Changing category

2.1 R If a firm is subject to a requirement that it must comply with the rules in the FCA Handbook applicable to one of the categories of SMCR firm set out in this Annex, it is to be treated as falling into that category of SMCR firm for all purposes.

Part Three: Definition of exempt firm

3.1 R This part defines an exempt firm for the purposes of the flow diagram in Part One of this Annex.

3.2 R An overseas firm is an exempt firm if it:

(1) does not have; and

(2) does not have an appointed representative that has;

an establishment in the United Kingdom.

3.3 R An incoming EEA firm that is an EEA pure reinsurer is an exempt firm.

Part Four: Definition of banking sector

4.1 R A firm is in the banking sector for the purposes of the flow diagram in Part One of this Annex if the firm meets the conditions in SYSC 23 Annex 1 4.2R, SYSC 23 Annex 1 4.4R or SYSC 23 Annex 1 4.6R.

4.2 R A firm is in the banking sector for the purposes of the flow diagram in Part One of this Annex if it is an institution that meets the following conditions:

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

(2) it is not an institution authorised under the Act to carry on the regulated activity of effecting contracts of insurance or carrying out contracts of insurance; and

(3) it meets one of the following conditions:

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

   (b) it meets all the following conditions:

      (i) the institution is an investment firm;
(ii) its Part 4A permission covers dealing in investments as principal; and

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

4.3 R An SMCR banking firm in SYSC 23 Annex 1 4.2R is a UK SMCR banking firm.

4.4 R A firm is also in the banking sector for the purposes of the flow diagram in Part One of this Annex if it is a non-UK institution other than an incoming firm that meets the following conditions:

(1) it has a branch in the United Kingdom;

(2) it is not an institution authorised under the Act to carry on the regulated activity of effecting contracts of insurance or carrying out contracts of insurance; and

(3) it meets one of the following conditions:

(a) it is a credit institution which has a Part 4A permission that includes accepting deposits; or

(b) it meets all the following conditions:

(i) the institution is an investment firm;

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

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

4.5 R An SMCR banking firm in SYSC 23 Annex 1 4.4R is a third-country SMCR banking firm.

4.6 R A firm is also in the banking sector for the purposes of the flow diagram in Part One of this Annex if it is an incoming EEA firm or incoming Treaty firm that meets the following conditions:

(1) it has a branch in the United Kingdom;

(2) it is not an institution authorised under the Act to carry on the regulated activity of effecting contracts of insurance or carrying out contracts of insurance; and

(3) it meets one of the following conditions:
(a) it is a credit institution which has a permission under Part 4A, Schedule 3 or Schedule 4 of the Act that includes accepting deposits; or

(b) it meets all the following conditions:

(i) the institution is an investment firm;

(ii) it has a permission under Part 4A, Schedule 3 or Schedule 4 of the Act that covers dealing in investments as principal; and

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

4.7 R An SMCR banking firm in SYSC 23 Annex 1 4.6R is an EEA SMCR banking firm.

Part Five: Definition of insurance sector

5.1 R A firm is in the insurance sector for the purposes of the flow diagram in Part One of this Annex if the firm is:

(1) a Solvency II firm (including a large non-directive insurer); or

(2) a small non-directive insurer.

5.2 R (1) A firm from which the Solvency II rules (as defined by the part of the PRA Rulebook described in this paragraph (1)) are disapplied by chapter 2 of the Solvency II Firms: Transitional Measures part of the PRA Rulebook is in the insurance sector for the purposes of the flow diagram in Part One of this Annex.

(2) A firm defined as a small run-off firm in the Glossary part of the PRA Rulebook is in the insurance sector for the purposes of the flow diagram in Part One of this Annex.

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

24 Senior managers and certification regime: Allocation of prescribed responsibilities

24.1 Application

Main application rules
This section chapter applies to UK relevant authorised persons an SMCR firm, except to the extent that this chapter applies a narrower scope to a particular provision. However, this chapter does not apply to an EEA SMCR firm.

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

Territorial scope

There is no territorial limitation on the application of this section chapter, subject to SYSC 24.1.4R.

When this chapter applies to an overseas SMCR firm, it applies in relation to the activities of the firm’s branch in the United Kingdom.

Allocation of FCA-prescribed senior management responsibilities: Main allocation rules

A firm must allocate each of the FCA-prescribed senior management responsibilities in Part 1 of the table in SYSC 24.2.6R that apply to it to one or more SMF managers of the firm.

Subject to (2), SYSC 24 Annex 1 (Which prescribed responsibilities apply to which kind of firm) sets out which FCA-prescribed senior management responsibilities apply to which kind of SMCR firm.

In some cases, an FCA-prescribed senior management responsibility is subject to further restrictions on the types of firm and circumstances to which it applies, as set out in the table in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities).

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 or the other local responsibility function for that firm, subject to (6)

A firm may allocate the FCA-prescribed senior management responsibility (z) in row (11) of the table in SYSC 24.2.6R (functions in relation to CASS) to an SMF manager who is only approved to perform the other overall responsibility function or the other local responsibility function.
A firm must make the allocations of FCA-prescribed senior management responsibilities in this rule chapter in such a way that it is clear who has which of those responsibilities.

**What the FCA-prescribed senior management responsibilities are**

The **FCA-prescribed senior management responsibilities** are set out in the table in SYSC 24.2.6R.

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 SMCR firms 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</td>
<td>PRA-prescribed senior management responsibility 4.1(1)(a)</td>
</tr>
</tbody>
</table>
(2) Responsibility for the firm’s performance of its obligations under the employee certification regime

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:

(1) SYSC 27 (Senior managers and certification regime: Certification Regime);

(2) the requirements in SYSC 22 (Regulatory references) so far as they relate to the employee certification

PRA prescribed senior management responsibility 4.1(2) (b)
regime, including the giving of references to another *firm* about a certification employee or former certification employee; and

(3) the corresponding PRA requirements.

<table>
<thead>
<tr>
<th>(3) Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map</th>
<th>This responsibility does not include allocating responsibilities recorded in it</th>
<th>PRA prescribed senior management responsibility 4.1(3)</th>
</tr>
</thead>
</table>

| (4) Overall responsibility Responsibility for the firm’s policies and procedures for countering the risk that the firm might be used to further financial crime | (1) This includes the function in:
(a) responsibility for the firm’s policies and procedures in relation to the matters in SYSC 3.2.6R (Systems and controls in relation to compliance, financial crime and money laundering);
(b) the functions in SYSC 3.2.6HR or 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); and
if that any of those rules applies to the *firm*.
(2) The *firm* may allocate this FCA-prescribed senior management responsibility to the | None (d) |
|---|---|---|
MLRO but does not have to.

(3) 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.

<table>
<thead>
<tr>
<th>(4A) Acting as the firm’s whistleblowers’ champion</th>
<th>The whistleblowers’ champion’s allocated responsibilities are set out in SYSC 18.4.4R</th>
</tr>
</thead>
</table>

(4B) (4) Responsibility for the firm’s obligations for:

(a) conduct rules training; and

(b) conduct rules reporting.

(1) The firm’s obligations for conduct rules training means its obligations under section 64B of the Act (Rules of conduct: responsibilities of authorised persons).

(2) The firm’s obligations for conduct rules reporting means its obligations under section 64C of the Act (Requirement for authorised persons to notify regulator of disciplinary action).

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

<table>
<thead>
<tr>
<th>(5) Responsibility for:</th>
<th>PRA-prescribed senior management responsibility 4.1(13) (f)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) leading the development of; and</td>
<td></td>
</tr>
<tr>
<td>(b) monitoring the effective implementation of;</td>
<td></td>
</tr>
</tbody>
</table>
| Policies and procedures for the induction, training and professional development of all members of the firm’s governing body. | (6) Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all the firm's:
(a) persons performing designated senior management functions on behalf of the firm; SMF managers; and
(b) key function holders; other than members of the firm's governing body. | (1) Key function holder has the same meaning as it does in the Glossary Part of the PRA Rulebook.
(2) Paragraph (b) of column (1) of this row (6) only applies to a firm if and to the extent that the PRA's requirements about key function holders apply to it. |
|---|---|---|
| (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) or article 24 of the MiFID Org Regulation the internal audit requirements for SMCR firms and the PRA requirements referred to in column (2) of this row (7). | (1) 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 function designated senior management function for the firm if that function applies to the firm. | PRA-prescribed senior management responsibility 4.1(15) (j) |
(2) This responsibility only applies if and to the extent that:
   (a) the *internal audit requirements for SMCR firms*; or
   (b) any requirements of the *PRA* about the matters in paragraph (1) of this column of this row (7);

apply to the *firm*.

(3) Independence means independence to the extent it is required by the requirements referred to in paragraph (2) of this column of this row (7).

(4) The Head of Internal Audit function means the *PRA’s Head of Internal Audit designated senior management function*.

(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) or article 22 of the MiFID Org Regulation the compliance requirements for SMCR firms.

(1) 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*.

(2) This responsibility only applies if and to the extent that the compliance requirements for SMCR firms apply to the *firm*.  

---

*PRA-prescribed senior management responsibility 4.1(16) (k)*
<table>
<thead>
<tr>
<th>(9) Responsibility for:</th>
<th>(3) “Independence” means independence to the extent it is required by the compliance requirements for SMCR firms.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) safeguarding the independence of; and</td>
<td></td>
</tr>
<tr>
<td>(b) oversight of the performance of;</td>
<td></td>
</tr>
<tr>
<td>the risk function, in accordance with SYSC 7.1.21R and SYSC 7.1.22R (Risk control)</td>
<td></td>
</tr>
<tr>
<td>the risk control requirements for SMCR firms and the PRA requirements referred to in column (2) of this row (9).</td>
<td></td>
</tr>
<tr>
<td>(1) This responsibility includes responsibility for:</td>
<td></td>
</tr>
<tr>
<td>(a) safeguarding the independence of; and</td>
<td></td>
</tr>
<tr>
<td>(b) oversight of the performance of;</td>
<td></td>
</tr>
<tr>
<td>a person approved to perform the PRA’s Chief Risk designated senior management function for the firm if that function applies to the firm.</td>
<td></td>
</tr>
<tr>
<td>(2) This responsibility only applies if and to the extent that:</td>
<td></td>
</tr>
<tr>
<td>(a) the risk control requirements for SMCR firms; or</td>
<td></td>
</tr>
<tr>
<td>(b) any requirements of the PRA about the matters in paragraph (1) of this column of this row (9); apply to the firm.</td>
<td></td>
</tr>
<tr>
<td>(3) “Independence” means independence to the extent it is required by the requirements referred to in paragraph (2) of this column of this row (9).</td>
<td></td>
</tr>
<tr>
<td>(4) The Chief Risk function means the PRA’s Chief Risk designated senior management function.</td>
<td></td>
</tr>
</tbody>
</table>

PRA prescribed senior management responsibility 4.1(17)
(10) Responsibility for overseeing the development of and implementation of the firm’s remuneration policies and practices in accordance with SYSC 19D (Remuneration Code) | This responsibility does not apply to a firm to which SYSC 19D does not apply. | PRA prescribed senior management responsibility 4.1(18)(m)

Part Three (applies in specified circumstances)

(11) Overall responsibility Responsibility for the firm’s compliance with CASS | (A) (1) This responsibility only applies to a firm to which CASS applies. | None (z)

| (B) (2) A firm may include in this FCA-prescribed senior management responsibility whichever of the following functions apply to the firm: |
| (a) CASS 1A.3.1R (certain CASS compliance functions for a CASS small firm); |
| (b) CASS 1A.3.1AR (certain CASS compliance functions for a CASS medium firm or a CASS large firm); |
| (c) CASS 11.3.1R (certain CASS compliance functions for certain CASS small debt management firms); or |
| (d) CASS 11.3.4R (certain CASS compliance functions for a CASS large debt management firm); but it does not have to. |
(3) If the firm does not include the functions in paragraph (2) of this section of this row (11) in this FCA-prescribed senior management responsibility, this FCA-prescribed senior management responsibility includes responsibility for supervision of the person performing the functions in paragraph (2) of this section of this row (11) that apply to the firm.

(12) Responsibility for compliance with the regulatory system about the management responsibilities map

(1) This responsibility does not include allocating responsibilities recorded in the management responsibilities map.

(2) This responsibility does not apply to a firm to which the requirements about management responsibilities maps in SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) do not apply.

(13) Acting as the firm’s whistleblowers’ champion

(1) The whistleblowers’ champion’s allocated responsibilities are set out in SYSC 18.4.4R.
(14) Responsibility for:
(a) providing for an effective internal audit function in accordance with one of the sections of the *PRA Rulebook* listed in paragraph (2) of column (2) of this row (14); and
(b) overseeing the performance of the internal audit function.

(1) Only applies to a firm:
(a) that outsources its internal audit function to an external third party service provider; and
(b) to which one of the following internal audit *PRA-prescribed senior management responsibilities* applies:
(i) the responsibility in rule 3.3(1) in the Insurance – Allocation of Responsibilities Part of the *PRA Rulebook*; or
(ii) the responsibility in rule 3.2(1) in the Large Non-Solvency II Firms – Allocation of Responsibilities Part of the *PRA Rulebook*.

(2) The parts of the *PRA Rulebook* referred to in column (1) of this row (14) are:
(a) Solvency II firms - Conditions Governing Business 5; and
(b) Non-Solvency II Firms – Governance 9.2.
### Table: Prescribed Responsibilities

| (15) Responsibility for management of the firm’s risk management processes in the UK | (aa) |
| (16) Responsibility for the firm’s compliance with the UK regulatory system applicable to the firm | (ff) |
| (17) Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the firm to each of the governing body or the management body of the firm and, as appropriate, of the firm’s parent undertaking and the ultimate parent undertaking of the firm’s group | This includes taking steps to ensure that the senior management of the firm and, where applicable, the group, are made aware of any views expressed by the regulatory bodies and any steps taken by them in relation to the branch, firm or group. | (ee) |

### 24.3 Who functions prescribed responsibilities should be allocated to

#### Seniority and authority

*In general, the FCA expects that a person who has responsibility for an FCA-prescribed senior management responsibility in (2):*

1. will generally (in the case of the FCA-prescribed senior management responsibilities in SYSC 24.3G) be the most senior employee or officer responsible for managing that area (or the most senior below the chief executive); and

2. will:
(a) be sufficiently senior and credible; and
(b) have sufficient resources and authority;
to be able to exercise their management and oversight responsibilities effectively.

Executive or non-executive

24.3.2 G The FCA expects that normally a firm will allocate the FCA-prescribed senior management responsibility in rows with the following FCA reference letters (5), (7), (8), (9) and (10) (see column three of the table in SYSC 24.2.6R) to an SMF manager who is a non-executive director of the firm (or, in the case of a partnership, a partner without management responsibilities):

(1) (f) (development of members of governing body);
(2) (j) (internal audit oversight);
(3) (k) (compliance oversight);
(4) (l) (risk control oversight);
(5) (m) (remuneration code oversight); and
(6) (n) (whistleblowers’ champion).

24.3.3 G 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.

Exceptions for small non-complex firms

24.3.4 G 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) SYSC 24.3.1G(1), SYSC 24.3.2G and SYSC 24.3.3G that would otherwise apply to it.

24.3.5 G (1) A firm UK SMCR banking firm is likely to be small and non-complex for these the purposes in SYSC 24.3.4G if (a) it is:

(a) a small CRR firm as defined in the part of the PRA’s rulebook PRA Rulebook called “Allocation of responsibilities”; or
(b) a credit union that meets the PRA’s size requirements for small CRR firms as defined under the PRA’s requirements in (a)(i).
(2) A firm is likely to be non-complex for these purposes if:

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

(b) it does not rely on group governance arrangements; and

(c) (in the case of a branch) it does not rely on governance arrangements for other parts of the firm.

Not assigning too many responsibilities to one person

24.3.6 G When deciding how to allocate FCA-prescribed senior management responsibilities, a firm should avoid assigning such a wide range of responsibilities to a particular SMF manager that they are not able to carry out those responsibilities effectively.

Dividing and sharing management functions between different people

24.3.7 G 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.

24.3.8 G The FCA expects that a firm will not normally allocate responsibility for:

4.7.25(2)

(a) an FCA-prescribed senior management responsibility;

(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.

24.3.9 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)).

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

24.3.9 G (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).

24.3.10 G 4.7.27

(1) The FCA expects a firm to divide and allocate responsibilities under this chapter:

(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:

(i) SYSC 4.7.25G and SYSC 4.7.26G SYSC 2 (Apportionment of Responsibilities);

(ii) SYSC 24.3.7G to SYSC 24.3.9G; and

(e) article 21 of the MiFID Org Regulation (General organisational requirements) or other similar relevant and directly applicable EU legislation.

(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 SYSC 24.3.6G).

(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.
24.3.11 G *SUP* 10C.11.31G to *SUP* 10C.11.33G (Statements of responsibilities: What statements of responsibilities should contain: dividing and splitting 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.

24.3.12 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 *SYSC* 24.3.6G (should not give too many responsibilities to one person); and

(b) *SYSC* 24.3.10G (what responsibilities should be grouped together).

Allocation of responsibilities and territorial scope:

24.3.13 G (1) As explained in SYSC 24.1.3R, there is no territorial limitation to the application of this section chapter.

(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.

24.3.14 G The in the case of an overseas SMCR firm, the FCA-prescribed senior management responsibilities relate to the activities of the relevant authorised person’s firm’s branch in the United Kingdom (see *SYSC* 24.1.4R).

After SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities) insert the following new SYSC 24 Annex 1. The text is not underlined.
Introduction and exclusions

1.1 **G** This annex sets out which *FCA-prescribed senior management responsibilities* apply to which type of SMCR firm.

1.2 **R** In this annex:

1. **(1)** a ✓ means that the *FCA-prescribed senior management responsibility* does apply;

2. **(2)** a × means that the *FCA-prescribed senior management responsibility* does not apply; and

3. **(3)** a reference letter refers to the reference letters in column (3) of the table in SYSC 24.2.6R (Table: FCA-prescribed senior management responsibilities).

1.3 **G** If an *FCA-prescribed senior management responsibility* is not included in the table for a particular class of firm, that *FCA-prescribed senior management responsibility* does not apply to any firm in that class.

Banking sector firms

2.1 **R** (1) The table in SYSC 24 Annex 1 2.3R sets out which *FCA-prescribed senior management responsibilities* apply to which type of SMCR banking firm.

(2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):

(a) a *UK SMCR banking firm* (excluding firms in (b));

(b) a small *UK SMCR banking firm*; and

(c) a *third-country SMCR banking firm*.

2.2 **R** A small *UK SMCR banking firm* means a *UK SMCR banking firm* that is:

1. **(1)** a small CRR firm as defined in the part of the *PRA Rulebook* called “Allocation of responsibilities”; or

2. **(2)** a credit union.

2.3 **R** Table: FCA-prescribed senior management responsibilities applying to banking sector firms

<table>
<thead>
<tr>
<th>Brief description of responsibility</th>
<th>Reference letter of responsibility</th>
<th>UK firm</th>
<th>Small UK firm</th>
<th>Third-country firm</th>
</tr>
</thead>
</table>

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| Responsibility for the firm’s performance of its obligations under the senior managers regime | (a) | ✓ | ✓ | ✓ |
| Responsibility for the firm’s performance of its obligations under the employee certification regime | (b) | ✓ | ✓ | ✓ |
| Financial crime | (d) | ✓ | ✓ | ✓ |
| COCON | (b-1) | ✓ | ✓ | ✓ |
| Training governing body | (f) | ✓ | × | × |
| Training of staff performing designated senior management responsibilities | (g) | ✓ | × | × |
| See Note (2) | | | | |
| Management responsibilities maps | (c) | ✓ | ✓ | ✓ |
| Whistleblowers’ champion | (n) | ✓ | ✓ | × |
| Internal audit oversight | (j) | ✓ | × | × |
| Compliance oversight | (k) | ✓ | × | × |
| Risk oversight | (l) | ✓ | × | × |
| Remuneration | (m) | ✓ | × | × |
| CASS | (z) | ✓ | ✓ | ✓ |
| UK risk management | (aa) | × | × | ✓ |
| Compliance with UK regulatory system | (ff) | × | × | ✓ |
| Escalation of correspondence | (ee) | × | × | ✓ |

**Note (1):** The categories of firm in the column headings of this table are to be interpreted in accordance with the classification of firms in SYSC 24 Annex 1 2.1R. Therefore:

(a) column three (UK firm) refers to SYSC 24 Annex 1 2.1R(2)(a);
(b) column four (Small UK firm) refers to SYSC 24 Annex 1 2.1R(2)(b); and
(c) column five (Third-country firm) refers to SYSC 24 Annex 1 2.1R(2)(c).
Note (2): Paragraph (b) of this FCA-prescribed senior management responsibility (key function holder) does not apply to any firm in this table.

Insurance sector firms

3.1 R (1) The table in SYSC 24 Annex 1 3.2R sets out which FCA-prescribed senior management responsibilities apply to which type of SMCR insurance firm.

(2) SMCR firms in (1) are divided into the following categories for the purposes in (1):

(a) a Solvency II firm (excluding firms in any other paragraph);
(b) a firm falling within paragraph (b) of the definition of Solvency II firm (third country branch);
(c) a small non-directive insurer;
(d) a firm in SYSC 23 Annex 1 5.2R (firms in run-off); and
(e) an insurance special purpose vehicle.

(3) An insurance special purpose vehicle only falls into paragraph (2)(e). Subject to that, a firm in (2)(d) does not fall into any other paragraph.

3.2 G References to a Solvency II firm include a large non-directive insurer.

3.3 R Table: FCA-prescribed senior management responsibility applying to insurance sector firms

<table>
<thead>
<tr>
<th>Brief description of responsibility</th>
<th>Reference letter of responsibility</th>
<th>Solvency II firm</th>
<th>Third country branches</th>
<th>Other insurance sector</th>
<th>ISPV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility for the firm’s performance of its obligations under the senior managers regime</td>
<td>(a)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Responsibility for the firm’s performance of its obligations under the employee certification regime</td>
<td>(b)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Financial crime</strong></td>
<td>(d)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>COCON</strong></td>
<td>(b-1)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Training governing body</strong></td>
<td>(f)</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>Training of staff performing designated senior management responsibilities</strong></td>
<td>(g)</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>Management responsibilities maps</strong></td>
<td>(c)</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>Whistleblowers' champion</strong></td>
<td>(n)</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>CASS</strong></td>
<td>(z)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
</tr>
<tr>
<td><strong>Internal audit for non-significant insurers</strong></td>
<td>(j-2)</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>Compliance with UK regulatory system</strong></td>
<td>(ff)</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>Escalation of correspondence</strong></td>
<td>(ee)</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
</tbody>
</table>

**Note:** The categories of firm in the column headings of this table are to be interpreted in accordance with the classification of firms in SYSC 24 Annex 1 3.1.R. Therefore:

1. Solvency II firm (column three) refers to SYSC 24 Annex 1 3.1.R(2)(a);
2. Third country branches (column four) refers to SYSC 24 Annex 1 3.1.R(2)(b);
3. Other insurance sector (column five) refers to SYSC 24 Annex 1 3.1.R(2)(c) and (d); and

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

### 25 Senior managers and certification regime: Management responsibilities maps and handover procedures and material

#### 25.1 Application and purpose

Main application rules

25.1.1 R This section chapter applies to: UK relevant authorised persons.
4.5.1

(1) an SMCR banking firm; and

(2) an SMCR insurance firm that is a Solvency II firm (including a large non-directive insurer) but excluding:

(a) an insurance special purpose vehicle; and

(b) a firm in SYSC 23 Annex 1 5.2R (firms in run-off);

except to the extent that this chapter applies a narrower scope to a particular provision.

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

Territorial scope

25.1.3 R Subject to SYSC 25.1.4R, there is no territorial limitation on the application of this section chapter.

25.1.4 R This section chapter applies to an overseas SMCR firm:

(1) EEA relevant authorised persons; and

(2) third-country relevant authorised persons;

in relation to the activities of a branch maintained by the firm in the United Kingdom.

How this chapter applies to overseas SMCR firms

25.1.5 R Unless the context requires otherwise, the following terms in SYSC 4.5.7R this chapter are modified as follows in relation to an overseas SMCR firm:

<table>
<thead>
<tr>
<th>Reference in SYSC 4.5.7R this chapter</th>
<th>Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>firm</td>
<td>treated as a reference to the branch</td>
</tr>
<tr>
<td>governing body, management body, senior management and senior personnel</td>
<td>(a) treated as a reference to the branch’s governing body, management body, senior management or senior personnel;</td>
</tr>
</tbody>
</table>
(b) the Glossary definitions of these terms are adjusted so as to refer to the *branch* rather than the *firm* as a whole

<table>
<thead>
<tr>
<th>Group</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>PRA-prescribed senior management responsibilities</em></td>
<td>treated as a reference to <em>PRA-prescribed UK branch senior management responsibilities</em></td>
</tr>
</tbody>
</table>

| Functions allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) | treated as a reference to functions allocated under SYSC 4.8.10R (Local responsibility for a branch’s activities, business areas and management functions) |

**Purpose**

25.1.6 4.5.6(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 the *regulatory system*).

(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.

(3) The *management responsibilities map* helps the FCA to operate its powers and requirements for individuals. For example it helps the FCA:

(a) to identify who is accountable if something goes wrong;

(b) to understand the role of the *approved person* (or *candidate*) in the *branch firm* and therefore to judge how to use its powers under the *approved persons regime* for SMCR firms, such as the power to grant or refuse approval of an SMF manager or to amend or impose conditions.

**Management responsibilities maps: Main rules**

**General rule**

25.2.1 4.5.4(1) A *UK SMCR 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:

(2) An *overseas SMCR firm* must, at all times, have a comprehensive and up-to-date document (the *management responsibilities map*) that
describes the management and governance arrangements for any branch it maintains in the United Kingdom.

(3) A management responsibilities map must include:

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

(b) reasonable details about:

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

(ii) their responsibilities.

(See further requirements in SYSC 25.2.3R.)

25.2.2 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.

Specific requirements

25.2.3 R A management responsibilities map must include:

4.5.7

(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;

(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) SYSC 26 (Senior managers and certification regime: Overall and local responsibility), including:

(a) what those the activities, business areas and management functions allocated under that chapter are;

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

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

(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

(a) 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 it 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.

25.2.4 R SYSC 4.5.7R(4) SYSC 25.2.3R(1) does not require the firm to include the names of approved persons under SUP 10A.1.16BR (Appointed representatives).

25.3 [This part has been left blank deliberately]

25.4 Guidance about what should be in a management responsibilities map

Material applicable to all firms

25.4.1 G The management responsibilities map should be consistent with the statements of responsibilities.

25.4.2 G 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.

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

(1) included in a PRA controlled function under the PRA rules complementing SUP 10C.9 (Minimising overlap with the PRA approved persons regime) (as listed in SUP 10C.9.6G(2)); or
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); or

excluded from the other local responsibility function under SUP 10C.8.1R(2) (Exclusion for approved person with approval to perform other designated senior management functions).

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

25.4.5 G A firm need only include summary details of the persons in SYSC 4.5.7R(1) SYSC 25.2.3R(1).

25.4.6 G 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.

25.4.7 G A firm should include details of about individuals in addition to those the details in SYSC 4.5.7R(1) (3) and (5) SYSC 25.2.3R(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 it may be necessary to make this clear.

25.4.8 G A firm should only include summary details about statements of responsibilities under SYSC 4.5.7R(2) SYSC 25.2.3R(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:

(1) fits into the firm’s overall governance structure; and

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

(b) 25.4.9 G 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.

25.4.10 G If:

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

(a)
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.

The executive director function, the other local responsibility function, the partner 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.

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.

Branches of overseas firms

One effect of SYSC 25.1.5R is that an overseas SMCR firm should draw up its management responsibilities map as if the rest of the firm outside the UK branch were a separate company in its group. This means, for example, that the map should include:

(1) details of how the branch’s management and governance arrangements fit together with the wider firm;

(2) details of the extent to which the branch’s management and governance arrangements are provided by, or shared with, the wider firm; and

(3) details of the reporting lines and the lines of responsibility between the branch and those who carry out functions in relation to it and the wider firm and persons acting for it.

Small firms

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.

See SYSC 24.3.5G for what small and non-complex mean.

Single Management responsibilities map should be a single document

A management responsibilities map must be a single document.
4.5.15(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.

4.5.15(2) A management responsibilities map may be made up of a folder with several files or items in it. The folder may be electronic.

4.5.15(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 chapter to be included in management responsibilities maps:

(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.

4.5.15(4) The folder and its contents should be easily identifiable as the firm’s management responsibilities map.

4.5.15(5) Although a management responsibilities map can be large and complex, SYSC 4.5.13G SYSC 25.4.14G explains that, for small non-complex firms, it may be small and simple.

25.6 Management responsibilities maps: Material only relevant to EEA SMCR firms

Application

25.6.1 This section applies to an EEA SMCR firm.

Purpose
4.6.17(1) The management responsibilities map is an important support to the FCA’s functions as Host State competent authority.

4.6.17(2) Having requirements and powers that apply directly to individuals helps to make the requirements on firms that the FCA is required or entitled to impose as Host State competent authority more effective.

4.6.17(3) As explained in SYSC 25.1.6G (Purpose), the management responsibilities map also helps the FCA to operate its powers and requirements for individuals.

4.6.17(4) By helping the FCA to better understand how the branch is structured, the management responsibilities map also helps the FCA to carry out more effective supervision of conduct of business, money laundering and other Host State responsibilities.

25.6.3 G This section chapter is not intended to extend the application of the common platform requirements or other parts of SYSC to matters which are reserved by an EU instrument to the firm’s Home State regulator in relation to EEA relevant authorised persons SMCR firms.

FCA-prescribed senior management responsibilities

25.6.4 G SYSC 25.2.3R (Specific requirements) requires a management responsibilities map to cover the allocation of FCA-prescribed senior management responsibilities. This is not relevant to an EEA SMCR firm as FCA-prescribed senior management responsibilities do not apply to it.

Responsibilities maps for EEA relevant authorised persons: leaving out information already supplied

25.6.5 R An EEA relevant authorised person SMCR firm may exclude from its management responsibilities map:

(1) any information contained in its requisite details;

(2) any information contained in any notice of changes to its requisite details under the EEA Passport Rights Regulations; and

(3) any other information that has been supplied by the firm to the FCA or the PRA (including through the firm's Home State competent authority) if:

(a) that information was supplied to the FCA or the PRA as a Host State competent authority for credit institutions or investment firms; and

(b) the Single Market Directives or any other EU legislation provides for the supply of that information to the FCA or the PRA as described in (a).
Information contained in SYSC 4.6.20R (1) and (2) SYSC 25.6.5R(1) and (2) covers:

(1) details about the branch contained in the notice given by the firm’s Home State competent authority as part of the process for establishing the branch in the United Kingdom; and

(2) any updates to that information under the EEA Passport Rights Regulations.

The management responsibilities map of an EEA relevant authorised person SMCR firm may therefore consist of information:

(1) that has changed since its requisite details were supplied or were last changed; or

(2) that is not covered in the firm’s Home State competent authority’s passport notification.

The FCA expects that an EEA relevant authorised person SMCR firm that excludes information from its management responsibilities map under SYSC 25.6.5R will identify in its management responsibilities map the documents supplied to the FCA or the PRA where the omitted information can be found.

In practice an EEA relevant authorised person SMCR firm may find it easier to prepare its management responsibilities map without omitting any information under SYSC 25.6.5R so that all the information referred to in SYSC 4.6.15R to SYSC 4.6.19R SYSC 25.2 (Management responsibilities maps: Main rules) can be found in a single integrated document.

SYSC 4.6.27G and SYSC 4.6.28G do SYSC 25.4 (Guidance about what should be in a management responsibilities map) does not take into account the right of a firm to omit information under SYSC 25.6.5R. They assume It assumes that the firm will prepare a single document under SYSC 25.6.9G. However SYSC 4.6.27G and SYSC 4.6.28G are 25.4 is not intended to take away the right to omit information under SYSC 25.6.5R.

**Guidance about SYSC 25 Annex 1G**

This section gives guidance about SYSC 25 Annex 1G (Examples of the business activities and functions of an SMCR firm).

Purpose of SYSC 25 Annex 1G (The main business activities and functions of a relevant authorised person)

(1) A firm may use it SYSC 25 Annex 1G as a checklist prompt to see whether its management responsibilities map covers all its business activities.
(2) A firm may wish to prepare its management responsibilities map using the same split of activities, where this is appropriate.

4.5.16(3)

25.7.3 G As mentioned in SYSC 26.11.2G, a firm may also use its SYSC 25 Annex 1G as a checklist prompt when allocating responsibilities under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) 26 (Senior managers and certification regime: Overall and local responsibility).

4.5.16(5)

25.7.4 G If a firm uses SYSC 25 Annex 1G to help it prepare its management responsibilities map or when allocating responsibilities under SYSC 26 (Senior managers and certification regime: Overall and local responsibility), it should bear in mind that it is not comprehensive and that there may be other business activities and functions that are relevant to that firm but that are not included in SYSC 25 Annex 1G (see SYSC 25.7.8G).

25.7.5 G The purpose of SYSC 25 Annex 1G is not say how an SMCR firm should:

(1) prepare its management responsibilities map;

(2) allocate responsibilities amongst its senior management; or

(3) organise itself.

Contents of SYSC 25 Annex 1G (The main business activities and functions of a relevant authorised person)

25.7.6 G SYSC 25 Annex 1G sets out examples of the main business activities and functions that the FCA thinks are likely to be relevant to most large or complex firms, although the FCA does not require firms (large or small, complex or non-complex) to organise themselves in this way.

25.7.7 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.

25.7.8 G (1) SYSC 25 Annex 1G is not comprehensive. While it is intended to cover most front-line business activities of a relevant authorised person an SMCR firm, 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.

25.8 Management responsibilities maps: Records

25.8.1 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.
25.8.2  G  Past versions of a firm’s management responsibilities map form part of its records under SYSC 9.1 (General rules on record-keeping) the regulatory system.

25.8.3  R  (1)  This rule applies to a Solvency II firm (including a large non-directive insurer) to which SYSC 25.1.1R(2) (Main application rules) applies.

(2)  A firm must retain each version of its management responsibilities map for:

(a)  (in the case of a large non-directive insurer) six years; or

(b)  (in any other case) ten years;

from the date on which it was superseded by a more up-to-date version.

(3)  A firm must be prepared to provide each version to the FCA on request for as long as the firm is required to retain it.

25.9  Handover procedures and material

Application

25.9.1  R  This section applies to a firm that meets the following conditions:

4.9.1(4)

(1)  it falls within SYSC 25.1.1R (Application and purpose); and

(2)  it falls within one of the following categories:

(a)  it is a UK relevant authorised persons SMCR firm; and or

(b)  it is a third-country relevant authorised persons SMCR banking firm.

25.9.2  R  For third-country relevant authorised persons SMCR banking firms, references in this section to an SMF manager are references to the SMF manager when acting as an SMF manager for the firm’s branch in the United Kingdom.

25.9.3  [This has been left blank deliberately]

Rules about handover material

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

4.9.4
(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 or their 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.

25.9.5  R (1) A firm must have a policy about how it complies with SYSC 25.9.4R, including the systems and controls it uses.

25.9.6  G (1) The information and material in SYSC 25.9.4R 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.

25.9.7  G (1) The main purpose of SYSC 25.9.4R is to help the SMF manager with his or their new or revised responsibilities or job and to help the managers of SMF managers.

   (2) The information and material 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) The information and material should include judgement and opinion, not just facts and figures.

Handover arrangements and certificates

25.9.8  G (1) Where the responsibilities or job in SYSC 25.9.4R 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 25.9.4R 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

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

Annex 1G The main Examples of the business activities and functions of a relevant authorised person an SMCR firm

4 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>
</tbody>
</table>
(a) it covers all types of assets; and
(b) the exclusions in the *Regulated Activities Order* do not apply.

It also covers fund management.

<table>
<thead>
<tr>
<th>(4) Financial or investment advice</th>
<th>This includes <em>advising on investments</em>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(5) Mortgage advice</td>
<td>This has the same meaning as <em>advising on regulated mortgage contracts</em> 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 <em>selling</em> of any <em>investment</em> to a <em>person</em> other than a <em>retail customer</em>. It does not include the activities in (1).</td>
</tr>
<tr>
<td>(8) Retail sales</td>
<td>This means the <em>selling</em> of any <em>investment</em> to a <em>retail customer</em>. It includes savings accounts. It does not include the activities in (1).</td>
</tr>
<tr>
<td>(9) Trading for clients</td>
<td>This means <em>dealing in investments as agent</em> and <em>execution of orders on behalf of clients</em> but the list of products also 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 <em>MIFID</em> (see the definition of market maker in article 4.1(8)(7)).</td>
</tr>
<tr>
<td>(11) <em>Investment research</em></td>
<td></td>
</tr>
</tbody>
</table>
| (12) Origination/syndication and underwriting | 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* 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.

<table>
<thead>
<tr>
<th>(13) Retail lending decisions</th>
<th>Deciding whether, and on what terms, to lend to retail customers. Lending includes granting credit, leasing and hire (including finance leasing).</th>
</tr>
</thead>
<tbody>
<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:</td>
</tr>
<tr>
<td></td>
<td>(1) any similar procedures relating to activities that do not come under the jurisdiction of the Financial Ombudsman Service;</td>
</tr>
<tr>
<td></td>
<td>(2) activities that take place outside the UK; and</td>
</tr>
<tr>
<td></td>
<td>(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</td>
</tr>
<tr>
<td>Activity</td>
<td>Description</td>
</tr>
<tr>
<td>--------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Dealing with customers in arrears</td>
<td>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>This includes cybersecurity.</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 (Business continuity) apply to the firm, this includes the systems and policies used to comply with those rules. This business area of function includes operational continuity, resilience and strategy.</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) Contributing input data to a BMR benchmark administrator (other than an Annex II benchmark administrator)</td>
<td></td>
</tr>
<tr>
<td>(27) Administering a benchmark</td>
<td>This means the activity described in SYSC 27.7.5G(1)(k) (examples of what the significant management FCA certification function can cover).</td>
</tr>
<tr>
<td>(28) Administration of insurance</td>
<td>This means the activity described in SYSC 27.7.5G(1)(i) (examples of what the significant management FCA certification function can cover).</td>
</tr>
<tr>
<td>(29) Issuing commitments</td>
<td>This means the activity described in SYSC 27.7.5G(1)(j) (examples of what the significant management FCA certification function can cover).</td>
</tr>
<tr>
<td>(30) Processing</td>
<td>This means the activity described in SYSC 27.7.5G(1)(j) (examples of what the significant management FCA certification function can cover).</td>
</tr>
<tr>
<td>(31) Outsourcing, procurement and vendor management</td>
<td></td>
</tr>
<tr>
<td>Management of services shared with other group members</td>
<td></td>
</tr>
<tr>
<td>(32) Internal operations</td>
<td></td>
</tr>
</tbody>
</table>
Note (1): The purpose of this annex is explained in SYSC 4.5 (Management responsibilities maps for UK relevant authorised persons) SYSC 25.7 (Guidance about SYSC 25 Annex 1G) and SYSC 26.11.2G. This annex is also referred to in SYSC 4.6 (Management responsibilities maps for non-UK relevant authorised persons) and SYSC 4.8 (Senior management responsibilities for third country relevant authorised persons: allocation of responsibilities) (see SYSC 4.6.14 and SYSC 4.8.35).

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

26 Senior managers and certification regime: Overall and local responsibility

26.1 Application

Main application rules

26.1.1 R This chapter applies to:

(1) an SMCR banking firm; and

(2) an SMCR insurance firm that is a Solvency II firm (including a large non-directive insurer) but excluding:

(a) an insurance special purpose vehicle; and

(b) a firm in SYSC 23 Annex 1 5.2R (firms in run-off);

except to the extent that this chapter applies a narrower scope to a particular provision.

26.1.2 R SYSC 4.8 This chapter is not limited to regulated activities or other specific types of activities.

Exclusions

26.1.3 R This chapter does not apply to an EEA SMCR firm.

Territorial scope
26.1.4 R There is no territorial limitation on the application of SYSC 4.8(this chapter, save as set out in SYSC 26.1.5R.

4.8.3

26.1.5 R This section relates When this chapter applies to the activities of a third-country relevant authorised person’s an overseas SMCR firm, it applies in relation to the firm’s branch in the United Kingdom.

4.8.2

26.1.6 R Unless the context requires otherwise, the terms in the first column of the table in SYSC 26.1.7R are modified as described in the second column of that table in relation to an overseas SMCR firm.

26.1.7 R Table: Application of this chapter to a third-country SMCR firm

<table>
<thead>
<tr>
<th>Reference in this chapter</th>
<th>Modification</th>
</tr>
</thead>
<tbody>
<tr>
<td>firm</td>
<td>treated as a reference to the branch</td>
</tr>
<tr>
<td>governing body</td>
<td>(a) treated as a reference to the branch’s governing body; (b) the Glossary definition of this term is adjusted so as to refer to the branch rather than the firm as a whole</td>
</tr>
<tr>
<td>group</td>
<td>treated as including the rest of the firm</td>
</tr>
<tr>
<td>chief executive</td>
<td>branch manager or the person performing the PRA’s Head of Overseas Branch designated senior management function</td>
</tr>
</tbody>
</table>

26.2 Purpose

26.2.1 G The purpose of this section chapter is to ensure, together with the equivalent PRA requirements and the requirements about FCA-prescribed senior management responsibilities in SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities), that:

(1) an SMF manager is responsible and accountable for every area of a branch’s firm’s activities;

(2) the allocation of responsibilities is done systematically and explicitly; and

(3) the process of allocation of responsibilities under this chapter covers every part of a firm’s activities, business areas and management
functions (subject to the exclusions in SYSC 26.4 (Exclusions) without any gaps in what is allocated in this process.

26.2.2 G The purpose of this chapter is not primarily to ensure that formal responsibility for everything a firm does is allocated amongst its senior management. Even without the requirements of this chapter, responsibilities that have not been allocated explicitly would fall to the chief executive by default. However, one of the purposes of this chapter is to avoid responsibilities being allocated by implication or by default.

26.2.3 G (1) The allocation of responsibilities under this chapter does not replace the responsibilities of the chief executive.

(2) If a firm allocates responsibilities under this chapter to an SMF manager other than the chief executive, the chief executive will be responsible for managing that person’s performance of those responsibilities in the same way that the chief executive manages that person’s other responsibilities.

(3) A firm may allocate responsibilities under this chapter to the chief executive.

26.3 Main rules

26.3.1 R A UK SMCR 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.

4.7.8(1)

26.3.2 R (1) An overseas SMCR firm must ensure that, at all times, one or more of its SMF managers has overall responsibility (subject to the branch’s governing body) for each of the activities, business areas and management functions of the branch that are under the management of the branch’s governing body.

4.8.10(1)

(2) An overseas SMCR firm must ensure that, at all times, one or more of its SMF managers has responsibility for each of the activities, business areas and management functions of the branch not covered by (1).

4.8.10(2)

(3) An SMF manager in (2) must be directly involved in the management of the activity, business area or management function for which they have responsibility under (2).

26.3.3 R An SMF manager who has responsibility for an activity, business area or management function under (1) or (2) this section:

4.8.10(4)

(1) (in the case of a UK SMCR firm) has “overall responsibility”;

(2) (in the case of an overseas SMCR firm) has “local responsibility”;

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for that activity, business area or management function.

26.3.4 R A firm must make the allocations of responsibilities in this rule chapter in such a way that it is clear who has which of those responsibilities.

26.4 Exclusions

Exclusions where other requirements apply

26.4.1 R SYSC 26.3 (Main rules) does not require a firm to ensure that SMF managers have local or overall responsibility for any activity, business area or management function that is included in an FCA-prescribed senior management responsibility that applies to the firm.

26.4.2 R This rule SYSC 26.3 (Main rules) does not require a firm to ensure that SMF managers have local or overall responsibility for any activity, business area or management function that is:

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

(1) included in an a PRA-prescribed senior management responsibility that applies to the firm; or

(b) 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:

(a) the Chief Finance function;

(i) the Chief Risk function;

(ii) the Head of Internal Audit function; or

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

(iv) the Chief Operations function; or

(e) the Group Entity Senior Manager function or the Group Entity Senior Insurance Manager function.

Exclusion of the governing body and non-executive directors
26.4.3 R This rule SYSC 26.3 (Main rules) does not require a firm to allocate overall or local responsibility for the running of the branch’s firm’s governing body.

4.8.10(6)

26.4.4 G This SYSC 26.4.3R means that a person does not have overall or local responsibility for a function under SYSC 4.8.10R this chapter just by being a member of a branch’s firm’s governing body or equivalent.

4.8.13(2)

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

4.7.18

(2) Paragraph (1) and SYSC 4.7.17G SYSC 26.4.4G mean that a non-executive director acting as such does not have overall or local responsibility for a function under SYSC 4.7.8R SYSC 26.3 or perform the other overall responsibility function or the other local responsibility function.

(3) Paragraph (1) and SYSC 4.7.17G SYSC 26.4.4G mean that a non-executive director:

(a) providing oversight of a function; or

(b) being responsible for the independence of a function;

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

Exclusion where the 12-week rule applies

26.4.6 R (1) This rule applies where:

(a) a firm appoints someone to perform a function in order to provide cover as described in SUP 10C.3.13R(1) (The 12-week rule) or the PRA equivalent; and

(b) the firm has allocated any responsibilities (the “Responsibilities”) under SYSC 26.3 (Main rules) to the SMF manager (the absent manager) who is absent as described in SUP 10C.3.13R(2) or the PRA equivalent.

(2) While the disapplication of the designated senior management function provided for in SUP 10C.3.13R or the PRA equivalent is still in force the firm may allocate the Responsibilities to an employee who is not an SMF manager.

(3) For the purposes of this rule, the PRA equivalent of:

(a) SUP 10C.3.13R is the following parts of the PRA Rulebook:
(i) rule 2.3 in “Senior Management Functions”;
(ii) rule 2.4 in “Insurance - Senior Management Functions”; and
(iii) rule 2.4 in “Large Non-Solvency II Firms – Senior Management Functions”.

(b) SUP 10C.3.13R(1) and (2) is the following parts of the PRA Rulebook:
(i) rules 2.3(1) and (2) in “Senior Management Functions”;
(ii) rules 2.4(1) and (2) in “Insurance - Senior Management Functions”; and
(iii) rules 2.4(1) and (2) in “Large Non-Solvency II Firms – Senior Management Functions”.

26.4.7 G A firm need not allocate the Responsibilities referred to in SYSC 26.4.6R(1)(b) to the person who is providing cover for the absent SMF manager.

26.4.8 G SYSC 26.4.6R and SUP 10C.3.13R apply to a person performing the other overall responsibility function or the other local responsibility function as well as to a person performing one of the other designated senior management functions.

26.5 Guidance on territorial scope

Allocation of responsibilities and territorial scope

26.5.1 G SYSC 26.1.4R (territorial scope) means that a firm should allocate overall responsibilities under this chapter so that they cover activities, transactions, business areas and functions that are located or take place wholly or partly outside, as well as ones in, the United Kingdom.

Allocation of responsibility for transactions in branches

26.5.2 G There is an exception to SYSC 26.5.1G for an overseas SMCR firm. This is that SYSC 26.1.5R limits this chapter to the activities of its UK branch.

26.5.3 G (1) It is common for a branch to carry out only part of a transaction. For instance, a transaction may be booked in a branch but negotiated and arranged elsewhere or vice versa.

4.8.30 (2) When allocating responsibility to an SMF manager for activities in relation to transactions under SYSC 4.8.10R SYSC 26.3 (Main rules), a firm should not exclude a transaction which is arranged, booked or
negotiated in the branch merely because other elements of the transaction occur outside the United Kingdom.

26.6 Meaning of local and overall responsibility: General

UK firms

26.6.1 The meaning in practice of overall responsibility for a function of a UK SMCR firm depends on whether that function is under the management of the firm's governing body or not.

26.6.2 (1) Certain EU legislation requires the governing body of a firm to have ultimate responsibility for, and the prime and leading role in, managing the firm.

(2) In particular this is the case under:

(a) article 88 of the CRD (Governance arrangements);
(b) article 9 of MiFID (management body); and
(c) article 40 of the Solvency II Directive (Responsibility of the administrative, management or supervisory body).

(3) This means that the governing body of a UK SMCR firm subject to these requirements will manage the conduct of the whole of the business of the firm. In turn that means that the parts of this chapter dealing with a function that is not managed by the firm’s governing body will not be relevant to it.

26.6.3 The FCA recognises that for some UK SMCR firms not subject to the requirements in SYSC 26.6.2G, some activities, business areas and functions of a firm may not be under the management of its governing body. This may be the case where, for example:

(1) the firm does not have a governing body; or
(2) the firm’s shareholders play a key role in managing it through, for example, a group management committee.

Branches of overseas firms

26.6.4 (1) SYSC 4.8.10R(1) SYSC 26.3.2R(1) refers to the activities, business areas and management functions of the branch that are under the management of the branch’s governing body. However, the FCA recognises that for some branches, some activities, business areas and functions of the branches branches may not be under the management of the branch’s governing body. This may be the case where the branch does not have its own governing body or where it is organised in such a way that certain functions are under the
management of a person or body outside the branch’s management structure. In those circumstances, it would not be appropriate to require the firm to allocate overall responsibility for that matter to a person who is part of the management structure of the branch.

(2) The requirements to allocate responsibility for activities, business areas and functions of a branch under SYSC 4.8.10R(1) and (2) SYSC 26.3.2R(1) and (2) respectively are intended to allow for the difference described in (2) (1). In particular:

(a) SYSC 4.8.10R(1) SYSC 26.3.2R(1) is intended to cater for the situation where a particular activity, business area or function of the branch is under the management of the branch’s governing body. In that situation, the firm should allocate overall responsibility for that matter under SYSC 4.8.10R(1) SYSC 26.3.2R(1); and

(b) SYSC 4.8.10R(2) SYSC 26.3.2R(2) is intended to cater for the situation where a particular activity, business area or function of the branch is not under the management of branch’s governing body. In that situation, the firm should allocate responsibility for that matter under SYSC 4.8.10R(2) SYSC 26.3.2R(2).

Further guidance

26.6.5 G SYSC 26.7 gives guidance on the effect of SYSC 26.3 (Main rules) when a function is under the governing body’s management. SYSC 26.8 gives guidance on the effect of SYSC 26.3 when the function is not.

Day-to-day or ultimate control

26.6.6 G SYSC 4.8.10R(4) states that a person who has responsibility for an activity, business area or management function under SYSC 4.8.10R(1) or (2) will have local responsibility for that matter. Having overall or local responsibility under this chapter for a matter does not necessarily mean:

(1) having ultimate authority over it; or

(2) having day-to-day management control of that function.

26.6.7 G Having overall responsibility for a matter does not mean having ultimate authority over it. The In particular, the ultimate decision-making body of a firm many UK SMCR firms is its governing body, acting collectively.

26.7 Meaning of local and overall responsibility: Reporting to the governing body
This section gives guidance on what overall and local responsibility for a function means when the governing body manages the function in question under SYSC 26.3 (Main rules).

When SYSC 4.7 this chapter refers to a person having overall or local responsibility for a function as described in SYSC 26.7.1G, it means a person who has:

1. ultimate responsibility (under the governing body and the chief executive) 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.

In general, the FCA expects that a person to whom overall responsibility for a function is allocated under SYSC 4.8.10R(1) as described in SYSC 26.7.1G will be the most senior employee or officer responsible for managing or supervising that function under the management of the branch’s governing body.

A person with overall or local responsibility for a matter will either be a member of the governing body or will report directly to the governing body for that matter.

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.

A person who reports to another, or is subject to oversight by another, may still have overall or local responsibility for a function.

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.

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, who also reports to the governing body about that matter;

B has overall or local 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 chief executive may still have overall or local 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 or local responsibility for that matter.

26.7.6 4.8.18 G A person may have overall local responsibility for a function under SYSC 4.8.10R(1) for a branch of an overseas SMCR firm even though that person also reports to a person outside the branch.

26.8 Meaning of local and overall responsibility: Not reporting to the governing body

Scope of this section

26.8.1 4.8.20(1) G SYSC 4.8.10R(2) This section relates to the allocation of overall or local responsibility for any activities, business areas and functions of the branch firm which are not under the management of the branch’s governing body (see SYSC 26.3 (Main rules)).

Branches: Responsibility held outside the management structure of branch
A person having local responsibility for a function under SYSC 4.8.10R(2) for a branch does not need to be part of the management structure of the branch in order to have local responsibility for the function.

Branches: Setting overall strategy for a branch

Generally, where an overseas SMCR firm allocates responsibility under SYSC 4.8.10R as described in SYSC 26.8.1G to one of the firm's SMF managers who is not based in the branch the FCA would expect:

(a) that the responsibility would not be allocated to a manager whose responsibilities for the branch are limited to setting overall strategy for the branch; and

(b) that, instead, the firm would allocate it to a manager who is the most senior person responsible for implementing the strategy for the branch.

See SUP 10C.1.5AG for more about how the difference between strategic and implementing responsibilities affects the FCA senior management regime for approved persons in third-country relevant authorised persons overseas SMCR firms.

Branches: Seniority

In some cases, a person who has local responsibility for a particular function may be very senior within the firm as a whole.

For instance, in some branches, an individual with local responsibility for a function may also be the head of the firm's Europe and Middle East division for a business line and may be more senior within the firm as a whole than the person performing the PRA's Head of Overseas Branch designated senior management function.

Having overall responsibility for a function as described in SYSC 26.8.1G for a UK SMCR firm means being the most senior employee or officer (under the chief executive if there is one) responsible for managing or supervising that function.

Who functions should be allocated to

Seniority

However, the FCA expects that anyone who has overall or local responsibility for a matter:
4.7.21(2)  

(1) will be sufficiently senior and credible; and  

(a) will have sufficient resources and authority;  

(b) to be able to exercise his their management and oversight responsibilities effectively.

26.9.2  

(1) The FCA would not consider it unusual if a person who has overall or local responsibility for a particular function was not a member of the branch’s firm’s governing body or equivalent.

(2) For example, in some branches firms, the head of compliance may report directly to the branch’s firm’s governing body even though the head of compliance is not a member of the governing body.

26.9.3  

Other parts of this chapter dealing with seniority are:  

(1) SYSC 26.7.3G (seniority of someone with overall responsibility for a function under the management of a firm’s governing body);  

(2) SYSC 26.8.3G and SYSC 26.8.4G (seniority of someone from elsewhere in the firm having local responsibility in a branch); and  

(3) SYSC 26.8.5G (seniority of someone within a UK SMCR firm with overall responsibility for a function not under the management of a firm’s governing body).

Not giving too much responsibility to one individual

26.9.4  

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

(2) However, when deciding how to divide up overall or local 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 or local responsibility for some functions to be assigned to persons in the layer of management below the governing body. Anyone in that layer having overall or local responsibility for an activity will be performing a designated senior management function.
Paragraph (2) SYSC 26.9.4G(2) also applies to allocating responsibility for functions that are not under the management of the firm’s or branch’s governing body.

Dividing and sharing management functions between different people

The following provisions of SYSC 24.3 (Who prescribed responsibilities should be allocated to) also apply to allocations under this chapter so far as those provisions deal with sharing responsibilities:

1. SYSC 24.3.8G (responsibilities should generally not be shared);
2. SYSC 24.3.9G (when responsibilities may be shared); and
3. SYSC 24.3.11G (statements of responsibilities);

The material in SYSC 24.3 (Who prescribed responsibilities should be allocated to) about splitting of responsibilities is not directly relevant to this chapter. This is because SYSC 24 deals with functions that have been defined in the FCA Handbook whereas this chapter does not define the areas into which a firm’s activities should be divided when allocating responsibilities to its SMF managers.

However SYSC 24.3.10G (responsibilities should be grouped together appropriately) is also relevant for deciding whether responsibility for a particular set of matters should be allocated to one SMF manager or allocated between several.

Group management arrangements and outsourcing

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

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

A firm has two main choices about how to fit such arrangements into the senior management managers regime for relevant authorised persons SMCR firms.

(a) The group employee is appointed by the firm’s firm (usually by its governing body if it has one) 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 managers regime for relevant authorised persons SMCR firms 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 supervise* what the group employee does (so far as it concerns the *firm*) and to *take overall allocates* responsibility for the function to A, leaving *day-to-day activities* to the group employee. A will need to be approved as an *SMF manager*.

26.10.2 G SYSC 26.10.1G and SYSC 4.7.33G also apply applies 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.

26.10.3 G (1) SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) This chapter does not cover responsibility for an aspect of a *firm’s affairs* managed by an individual approved to perform the Group Entity Senior Manager or the Group Entity Senior Insurance Manager *PRA-designated senior management function* (see SYSC 26.4.2R (Exclusions where other requirements apply)).

(2) Where a responsibility is held by someone approved to perform the Group Entity Senior Manager one of those *PRA-designated senior management function functions* for the *firm*, there is no need to appoint that person under this chapter and apply the arrangements in SYSC 26.10.1G.

(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.

26.11 Link between this chapter and other parts of the senior managers regime

Link between the designated senior management regime functions and this section chapter

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

(a) performing the *other overall responsibility function or the other local responsibility function*; or
(b) approved to perform another designated senior management function.

4.7.36(2) (2) The other overall responsibility function applies because this is the effect of SUP 10C.7.1R (definition of other overall responsibility function).

4.7.36(3) (3) SUP 10C.7.1R(2) says that the other overall responsibility function does not apply to a person who is approved to perform another designated senior management function.

4.8.33(2) (4) The other local responsibility function applies because this is the effect of SUP 10C.8.1R (Definition of the other local responsibility function (SMF22)).

4.8.34 (5) SUP 10C.8.1R(2) says that the other local responsibility function does not apply to a person who is approved to perform another designated senior management function in relation to the branch.

Link between SYSC 25 Annex 1G and this section chapter

26.11.2 G (1) The purpose of SYSC 25 Annex 1G (The main Examples of the business activities and functions of a relevant authorised person an SMCR firm) is to help a firm to prepare its management responsibilities map (see SYSC 25.7.2G).

(2) There is no direct link between SYSC 25 Annex 1G and this section chapter.

(3) However, a firm may find SYSC 25 Annex 1G useful as a checklist prompt to help it make sure that it has not failed to allocate overall or local responsibility under SYSC 4.7.8R this chapter for a particular activity of the firm.

(4) If a firm uses SYSC 25 Annex 1G to help it check whether it has allocated as a prompt when it allocates overall or local responsibility as described in (3), it should bear in mind that it is not comprehensive (see SYSC 25.7.8G).

26.11.3 G SYSC 4.7.26G (a firm should normally allocate responsibility for particular areas to a single SMF manager) does not mean that the The FCA expects does not require:

(1) there to be a separate person with overall responsibility for each individual business area in SYSC 25 Annex 1G (The main Examples of the business activities and functions of a relevant authorised person an SMCR firm); or

(2) a firm to allocate functions under this chapter using the same split of business areas as in SYSC 25 Annex 1G.
Senior managers and certification regime: Certification regime

Application and purpose

Application

27.1.1 R This section applies to a relevant authorised person and SMCR firm.

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

Purpose

27.1.3 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 FCA certification 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 FCA certification functions’ and to give guidance on the FCA’s certification regime.

Requirements of the certification regime

General

27.2.1 G Most of the requirements of the certification regime are in the Act. This section summarises and gives guidance on them.

27.2.2 G (2) SYSC TP 5 explains how and SYSC TP 7 contain transitional material about the certification regime that applies before then. This includes material about the fact that:

(1) the requirement in SYSC 27.2.3G did not come into force at the same time as the rest of the certification regime; and

(2) the certification regime came into force at different times for different types of firm.
27.2.3 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 FCA certification 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 the certificate relates.

Fitness to act

27.2.4 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 FCA certification function to which the certificate relates.

27.2.5 G Under section 63F of the Act, in assessing if a person is fit and proper to perform an FCA specified significant harm FCA certification 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.

27.2.6 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 FCA certification function.

27.2.7 G SYSC 22 (Regulatory references) deals with obtaining references from a previous employer when a firm is planning to appoint someone to perform a specified significant harm certification function as part of its assessment of whether that person is fit and proper.

27.2.8 G (1) A person seconded from a contractor may fall into the certification regime. The material in SYSC 27.4.1G is relevant to when this is the case.

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

(3) 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 this chapter, the corresponding PRA
requirements and the requirements of the Act described in this section chapter;

(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

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

5.2.11

(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.

27.2.10 G (1) The Act says that a certificate is valid for a period of 12 months, beginning with the day on which it is issued.

5.2.12

(2) The FCA believes that the Act allows a firm to draft a certificate to expire after fewer than 12 months. The FCA interprets the Act in this way because to require a firm to make a certificate last longer than the firm thinks best is likely to make it harder for the firm to ensure the fitness of its certification employees. That would undermine the purpose of the certification regime in the Act.

(3) A certificate cannot be drafted to last more than 12 months.

27.2.11 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 FCA certification function, a firm decides not to issue a certificate to that person, the firm must give the person a notice in writing stating:

5.2.13

(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.

27.2.12 G If, after having considered whether a person is fit and proper to perform an FCA specified significant harm FCA certification 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 SUP 15.3.11R (Breaches of rules and other requirements in or under the Act or the CCA).
27.2.13  G  Under section 63F of the Act, a firm must maintain a record of every employee who has a valid certificate issued by it.

5.2.15

27.2.14  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 an FCA-specified significant-harm function even if they perform several FCA-specified significant-harm functions as part of the same job.

5.2.16(1)

(2) Similarly, a firm need not issue multiple certificates for one of its employees who performs an FCA certification function that is made up of a number of different functions.

5.2.16(2)

(3) An example of an FCA certification function in (2) is the material risk taker FCA certification function described in SYSC 27.8.14R. SYSC 27.8.14R says that each function carried out by someone who is covered by that rule is an FCA certification function.

5.2.16(3)

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

5.2.16(4)

(5) 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 FCA certification function as described by a certificate.

27.2.15  G  (1) In cases where a certification employee’s role changes to involve a new function involving an FCA-specified significant-harm FCA certification function part way through the twelve 12-month period for which their certificate is valid, and that new function may have different requirements relating to; the firm may need to reissue the certificate.

5.2.17(1)

(2) If that new function has different requirements relating to:

(a) personal characteristics;

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

(c) qualifications; or

(d) training;

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

5.2.17(2) A In such a case, the firm should not wait until the point of annual reassessment to determine whether the employee is fit and proper for the new function.

5.2.17(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) applying the conditions in paragraph (4) are met (2), the firm concludes that no re-assessment is required; and

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

5.2.17(4) Paragraphs (1) to (4) also apply if a certification employee’s role changes part way through the 12-month period without the new role involving a new FCA certification function.

27.2.16 G (1) This paragraph gives further guidance on the flexibility a firm has in drafting its certificates.

5.2.17A (2) A certificate may cover functions that a certification employee is not currently performing, as long as the firm has assessed the employee’s fitness for these additional functions. This is subject to (3).

(3) When a firm is deciding what a certificate can cover beyond the functions that the certification employee is currently performing, it should take the factors in SYSC 5.2.17G(1) SYSC 27.2.15G(2) into account. A certificate should not normally cover an additional function if SYSC 5.2.17G(4) SYSC 27.2.15G(2) would require the firm to consider the employee’s fitness before allowing them to perform it.

(4) A firm may, if it wishes, restrict a certificate to the functions that the certification employee is currently performing rather than drafting the certificate more widely as described in (2) and (3).

(5) SYSC 27.2.10G deals with the flexibility a firm has in choosing the period for which a certificate lasts.

27.3 Territorial scope

Scope: territorial scope
27.3.1 R (1) A function is an FCA-specified significant-harm FCA certification function for a UK relevant authorised person UK SMCR firm only to the extent:

(a) it is performed by a person from an establishment of the firm (or its appointed representative) in the United Kingdom; or

(b) 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.

(2) A function is an FCA-specified significant-harm FCA certification function for a non-UK relevant authorised person an overseas SMCR firm, only to the extent that it is performed by a person from an establishment of the firm (or its appointed representative) in the United Kingdom.

(3) Paragraph (1) does not apply to FCA-specified significant-harm FCA certification function (7) (6) (material risk takers). For a UK relevant authorised person SMCR firm, FCA-specified significant-harm FCA certification function (7) (6) applies without any territorial limitation.

27.3.2 G The FCA interprets the phrase ‘dealing with’ in SYSC 27.3.1R 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.

27.3.3 G The FCA interprets the phrase ‘a client of the firm in the United Kingdom’ in SYSC 27.3.1R as referring to:

(1) for a client which is a body corporate, its office or branch in the United Kingdom; or

(2) for a client who is an individual, a client who is in the United Kingdom at the time of the dealing.

27.4 General material about the scope of the certification regime

Scope: employees Employees

27.4.1 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.

27.4.2 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 certification function under an arrangement entered into by the firm (see SYSC 27.2.3G). 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 27.4.1G. 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 chapter are met.

Scope: effect Effect of PRA requirements

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

27.5 Exclusions for emergency and temporary appointments

Scope: emergency Emergency appointments

27.5.1 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 FCA certification 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 FCA certification function.

(2) This rule does not apply to FCA specified significant harm FCA certification function (5) (4) (functions requiring qualifications).

Scope: temporary Temporary UK role (the 30-day rule)

(1) None of the FCA specified significant harm FCA certification functions extend to an individual (“P”) in relation to a firm if:

(a) P is based outside the United Kingdom for the firm; and

(b) in a 12-month period, P spends no more than 30 days performing what would otherwise be an FCA specified significant harm FCA certification function for that firm within the territorial scope of this section chapter as described in SYSC 27.3.1R.

(2) Paragraph (1) only applies to the extent that P is appropriately supervised by:

(a) one of the firm’s SMF managers; or

(b) one of the firm’s certification employees whose certificate covers the FCA specified significant harm FCA certification function that is to be disapplied under (1).

(3) This rule does not apply to any FCA specified significant harm FCA certification function to the extent that it involves:
(a) giving advice or performing related activities in connection with pension transfers, pension conversions or pension opt-outs for retail clients; or

(b) giving advice to a person to become, or continue or cease to be, a member of a particular Lloyd’s syndicate.

(4) In the case of a UK relevant authorised person SMCR firm, this rule does not apply to FCA specified significant harm FCA certification function (7) (6) (material risk takers).

27.5.4 G SYSC 27 Annex 1G gives examples of how SYSC 27.5.3R works.

5.2.28B

27.5.5 G The FCA would expect an individual from overseas using the temporary UK role rule in SYSC 27.5.3R to be accompanied on a visit to a customer in the United Kingdom.

5.2.28C(1)

27.5.6 G An individual benefiting from the temporary UK role rule in SYSC 27.5.3R may still be subject to the requirements of TC (Training and competence). However, TC 2.1.9R gives an exemption from certain qualification requirements in TC to an individual benefiting from the temporary UK role rule.

5.2.28C(2)

27.6 Other exclusions

Scope: exclusions Single Market Directives

27.6.1 G Under section 63E(7) of the Act, SYSC 5.2 this chapter 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.

5.2.24

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

5.2.25

(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.

Non-executive directors

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

Benchmarks

27.6.4 R This chapter does not apply to a firm in relation to benchmark activities.

27.6.5 G Some benchmark activities are within the certification regime under SYSC TP 7.5 (Transitional provisions about benchmarks and the certification regime).

Overall responsibility

27.6.6 R Performing any of the following is not an FCA certification function:

(1) a responsibility allocated to an SMF manager under SYSC 26.3 (Main rules); or

(2) a responsibility allocated to someone under SYSC 26.4.6R (Exclusion where the 12-week rule applies).

27.7 Specification of functions

Scope: general General requirements

27.7.1 R In accordance with section 63E of the Act (Certification of employees by relevant authorised persons), a function is an FCA specified significant harm FCA certification 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.

Scope: FCA specified significant harm FCA certification functions

27.7.2 R In accordance with section 63E(3) of the Act, the functions in the table in SYSC 27.7.3R are FCA specified significant harm FCA certification functions.
Table: FCA-specified significant-harm FCA certification functions

<table>
<thead>
<tr>
<th>Function</th>
<th>Where defined</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) CASS oversight</td>
<td>SYSC 27.8.1R</td>
</tr>
<tr>
<td>(3) (2) Proprietary trader</td>
<td>SYSC 27.8.3R</td>
</tr>
<tr>
<td>(4) (3) Significant management</td>
<td>SYSC 27.8.4R</td>
</tr>
<tr>
<td>(5) (4) Functions requiring qualifications</td>
<td>SYSC 27.8.10R</td>
</tr>
<tr>
<td>(6) (5) Managers of certification employees</td>
<td>SYSC 27.8.13R</td>
</tr>
<tr>
<td>(7) (6) Material risk takers</td>
<td>SYSC 27.8.14R</td>
</tr>
<tr>
<td>(8) (7) Client-dealing</td>
<td>SYSC 27.8.18R</td>
</tr>
<tr>
<td>(9) (8) Algorithmic trading</td>
<td>SYSC 27.8.23R</td>
</tr>
</tbody>
</table>

27.7.4  G   (1) If a function falls into more than one of the FCA-specified significant-harm FCA certification functions in the table in SYSC 27.7.3R, all of those FCA-specified significant-harm FCA certification functions apply to it.

(2) For example, if a person’s job involves both FCA-specified significant-harm FCA certification function (5) (4) (functions requiring qualifications) and (7) (6) (material risk takers), the emergency appointments rule (SYSC 27.5.1R) does not apply to that job.

(3) Another example is the rule about the territorial scope of this section (SYSC 27.3.1R)) for a UK relevant authorised person SMCR firm. For example, if a person’s job involves both FCA-specified significant-harm FCA certification function (5) (4) (functions requiring qualifications) and (7) (6) (material risk takers), the territorial restriction in that rule does not apply to that job. Instead, this section chapter applies without any territorial limitation.

(4) The reason for (3) is that SYSC 5.2.19R(3) SYSC 27.3.1R(3) says that there is no territorial limitation on FCA-specified significant-harm FCA certification function (7) (6) for a UK relevant authorised person SMCR firm. As explained in (1), it does not matter that the
job also involves FCA-specified significant harm FCA certification function (§ 5) (4), to which the territorial limitation does apply.

27.8 Definitions of the FCA certification functions

CASS oversight function

27.8.1 R (1) Each of the following is an FCA-specified significant harm FCA certification 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 FCA certification function for that firm if it is performed by an SMF manager of that firm.

27.8.2 G SYSC 5.2.32R(1) SYSC 27.8.1R(1) only applies to a firm to the extent that CASS applies to that firm.

Proprietary trader function

27.8.3 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 FCA certification function.

Significant management function

27.8.4 R (1) The function of acting as a senior manager, with significant responsibility for a significant business unit, is an FCA-specified significant harm FCA certification function.

(2) For a non-UK relevant authorised person’s an overseas SMCR firm’s branch in the United Kingdom, the significant management function is limited to business units of the branch.

27.8.5 G A senior manager carrying on the significant management FCA-specified significant harm FCA certification function under SYSC 27.8.4R 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
(f) designated investment business;
(g) effecting contracts of insurance;
(h) credit-related regulated activity;
(i) making material decisions on the commitment of the firm’s financial resources, its financial commitments, its assets acquisitions, its liability management or its overall cash and capital planning;
(j) processing confirmations, payments, settlements, insurance claims, client money and similar matters;
(k) administration of contracts of insurance;
(l) complaints handling; or
(m) determining whether an applicant should be accepted for credit (including lending) and on what terms; 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.

27.8.6 G The examples in SYSC 27.8.5G are illustrative only. They are not intended to be exhaustive.

27.8.7 G A business unit is not limited to one that carries on commercial activities with customers and third parties or that earns revenue. A business unit can be an internal support department that has no contact with people outside the firm. It may include, for example, human resources, operations or information technology.

27.8.8 G For the purposes of the definition of the significant management 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); or a firm carrying on general...
insurance business may have gross written *premiums* in excess of £100m;

(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.

When considering whether a business unit is significant for the purposes of SYSC 27.8.4R, 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**

(1) 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 *FCA certification function*.

(2) For a non-UK relevant authorised person an *overseas SMCR firm*, each function involving an activity for which there would have been a qualification requirement, as specified in (1) if the *firm* had been a *UK relevant authorised person SMCR firm*, is an *FCA*-specified significant harm *FCA certification function*.

(3) A *person* performs the *FCA certification function* in this rule even if:

(a) the time period within which the *person* must have obtained the qualification requirement has not yet expired; or

(b) the *person* is exempt from the qualification requirement.
27.8.11  G  (1) SYSC 27.8.10R (Functions requiring qualifications) does not may still apply to a UK relevant authorised person an SMCR firm where one of the exclusions in TC App 3.1 (Circumstances in which TC does not apply) or elsewhere in TC does not apply applies.

(2) SYSC 27.8.10R (Functions requiring qualifications) applies to a non-UK relevant authorised person an overseas SMCR firm irrespective of whether the function in TC App 1.1.1R (Activities and Products/Sectors to which TC applies) applies to incoming EEA firms or overseas firms for the purposes of TC.

(3) The territorial scope of qualification requirements as specified in TC App 2.1.1R (Territorial Scope subject to the limitation in TC Appendix 3) does not apply to the FCA certification function in SYSC 27.8.10R. However SYSC 27.3.1R (Territorial scope) restricts the scope of this chapter outside the United Kingdom.

27.8.12  G  SYSC 27.8.10R(3) means that a person performs the FCA certification function in SYSC 27.8.10R even if for example they are:

(1) still in training and do not yet need to have the qualification; or

(2) exempt under TC 2.1.9R (Exemption from appropriate qualification requirements).

Managers of certification employees

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

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

Material risk takers

27.8.14  R  Each function performed by a person in column (2) of the table in SYSC 27.8.15R is an FCA certification function with respect to a firm in the corresponding entry in column (1).

27.8.15  R  Table: Definition of material risk taker

<table>
<thead>
<tr>
<th>Type of SMCR firm</th>
<th>Employees included</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) A UK SMCR banking firm</td>
<td>Each member of the dual-regulated firms Remuneration Code staff of the firm in column (1) of this row (1).</td>
</tr>
<tr>
<td>A third-country SMCR banking firm</td>
<td></td>
</tr>
</tbody>
</table>
This includes 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).

(2) An EEA SMCR banking firm

In relation to a firm in column (1) of this row (2), the definition of dual-regulated firms Remuneration Code staff is extended so that it includes employees of this kind of firm in the same way as it includes employees of a third-country SMCR banking firm.

(3) A Solvency II firm

Persons referred to in articles 275.1(c) and (d) of Solvency II Regulation 2015/35 (key functions and staff with a material impact).

27.8.16 G If the definitions or requirements in the ‘Employees included’ column of the table in SYSC 27.8.15R (as adjusted) do not apply to a firm in the corresponding entry in the ‘Type of SMCR firm’ column, that row of the table does not apply to the firm.

27.8.17 G One example of SYSC 27.8.16G is that a credit union is excluded from the table in SYSC 27.8.15R. Therefore the material risk taker FCA certification function does not apply to a credit union. However, it is subject to equivalent PRA requirements.

Client-dealing function

27.8.18 R A person (“P”) performs the client-dealing FCA specified significant harm FCA certification function for a firm if:

1. P is carrying out any of the activities in the table in SYSC 27.8.19R; and
2. those activities will involve P dealing with:
   (a) a person with or for whom those activities are carried out; or
   (b) the property of any such person;
in a manner substantially connected with the carrying on of regulated activities by the firm.

Table: Activities covered by the client-dealing FCA-specified significant-harm FCA certification function

<table>
<thead>
<tr>
<th>Activity</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The following activities:</td>
<td>(a) does not include <em>advising on investments</em> in the course of carrying on the activity of giving <em>basic advice</em> on a <em>stakeholder product</em>.</td>
</tr>
<tr>
<td>(a) <em>advising on investments</em> other than a <em>non-investment insurance contract</em>; or</td>
<td></td>
</tr>
<tr>
<td>(b) performing other functions related to this, such as <em>dealing</em> and <em>arranging</em>.</td>
<td></td>
</tr>
<tr>
<td>(2) The following activities:</td>
<td></td>
</tr>
<tr>
<td>(a) giving advice in connection with <em>corporate finance business</em>; or</td>
<td></td>
</tr>
<tr>
<td>(b) performing other functions related to this.</td>
<td></td>
</tr>
<tr>
<td>(3) If the firm does any of the following activities:</td>
<td>(a) and (b) do not include <em>dealing</em> or <em>arranging (bringing about) deals in investments</em> in a <em>non-investment insurance contract</em>.</td>
</tr>
<tr>
<td>(a) <em>dealing</em>, as principal or as agent; or</td>
<td>For the activity in this row (3), <strong>SYSC 5.2.44</strong>(a) and (b) <strong>SYSC 27.8.18</strong>(a) and (b) are expanded to cover also:</td>
</tr>
<tr>
<td>(b) <em>arranging (bringing about) deals in investments</em>;</td>
<td>(a) a <em>person</em> in connection with whom the activities in the first column of this row are carried out; and</td>
</tr>
<tr>
<td>taking part in those activities is included.</td>
<td>(b) the property of any such <em>person</em>.</td>
</tr>
<tr>
<td>(4) If the firm is acting in the capacity of an <em>investment manager</em> the following are included:</td>
<td></td>
</tr>
</tbody>
</table>
(a) taking part in that activity; and
(b) carrying on functions connected to this.

(5) Acting as a ‘bidder’s representative’ in relation to bidding in emissions auctions.

Acting as a ‘bidder’s representative’ has the meaning in sub-paragraph 3 of article 6(3) of the auction regulation.

27.8.20 G SYSC 27.3.2G (the FCA interprets the phrase ‘dealing with’ as including having contact with and extending beyond ‘dealing’ as used in ‘dealing in investments’) applies to SYSC 27.8.18R.

27.8.21 G The client-dealing FCA-specified significant-harm FCA certification function generally involves dealing with any person with or for whom the activities in the table in SYSC 27.8.19R are carried out (or their property). That person need not be a client of the firm.

27.8.22 G The restrictions in SYSC 27.7.1R (FCA-specified significant-harm FCA certification function should require the person performing it to be involved in one or more aspects of the firm’s affairs so far as they relate to regulated activities) also applies to the client-dealing FCA-specified significant-harm FCA certification function.

Algorithmic trading function

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

(a) approving the deployment of:

(i) a trading algorithm or a part of one; or
(ii) an amendment to a trading algorithm or a part of one; or
(iii) a combination of trading algorithms; and

(b) each of the following functions:

(i) having significant responsibility for the management of monitoring whether or not a trading algorithm; and
(ii) deciding whether or not a trading algorithm; is, or remains, compliant with the firm’s obligations.

(2) The firm’s obligations in (1)(b) include:
(a) the firm’s regulatory obligations; and

(b) the rules and requirements of the trading venues to which the firm’s trading systems are connected.

27.8.24 R A trading algorithm means a computer algorithm used in algorithmic trading.

5.2.50(1)

27.8.25 G Algorithmic trading Algorithmic trading is not limited to high-frequency algorithmic trading.

5.2.51

27.8.26 G Deploying a trading algorithm includes deploying one on a trading venue on which the firm has not traded before where the firm is already using that trading algorithm on another trading venue.

5.2.52

27.8.27 G SYSC 5.2.49R(1)(b) SYSC 27.8.23R(1)(b) (monitoring or deciding whether or not a trading algorithm is compliant) includes testing, such as validation and stress testing.

5.2.53

27.8.28 G (1) Sometimes an approval or a decision involves sign-off from different people about different aspects of the decision or approval.

5.2.54

(2) If this is the case, all will have given the approval or decision for the purposes of SYSC 27.8.23R.

27.8.29 G (1) Sometimes an approval or decision involves sign-off by a number of people of different levels of seniority about the same aspects of the decision.

5.2.55

(2) If this is the case, only the most senior decision-taker gives the approval or decision for the purposes of SYSC 27.8.23R.

(3) Where the firm’s procedures do not require the more senior person to carry out a detailed review of the decision of the more junior, both the junior and the senior person will give the approval or decision.

27.8.30 G A firm may have deployed an algorithm even though:

5.2.56

(1) it has not yet actually been used in the generation or acceptance of orders; or

(2) it is not actually being used in the generation or acceptance of orders at the moment; or

(3) it is not currently being used in the generation or acceptance of orders because the circumstances have not arisen for it to start doing so.
27.8.31 G In the examples in SYSC 27.8.30G the algorithm is capable of being used in the generation or acceptance of orders but is not actually generating or accepting them at the moment. However, a firm does not deploy an algorithm if the algorithm is not yet capable of generating or accepting orders because, for example, it is still in development.

27.8.32 G The algorithmic trading FCA certification function applies whether the firm develops the algorithm itself or buys one from a third party.

27 Annex 1G Examples of how the temporary UK role rule in SYSC 27.5.3R (the 30-day rule) works

<table>
<thead>
<tr>
<th>Example</th>
<th>How the temporary UK role rule applies</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>A spends 20 days in the UK performing the proprietary trader FCA specified significant harm FCA certification function for Firm X and wishes to spend another 20 days in the UK performing the significant management FCA specified significant harm FCA certification function for Firm X. The rule does not allow this. There is a single 30-day allowance, not a separate 30-day allowance for each FCA specified significant harm FCA certification function.</td>
</tr>
<tr>
<td>(2)</td>
<td>A spends 20 days in the UK performing an FCA specified significant harm FCA certification function for Firm X (which is a UK relevant authorised person UK SMCR firm) and wishes to spend another 20 days dealing with Firm X’s clients in the UK from the overseas office of Firm X in which A is based. The rule does not allow this. There is a single 30-day limit for both types of contact with the UK.</td>
</tr>
<tr>
<td>(3)</td>
<td>A wishes to spend 40 days dealing with Firm X’s clients in the UK from the overseas office of Firm X (which is a UK relevant authorised person UK SMCR firm) in which A is based. However the total time spent doing that will only be a few hours overall. The rule does not allow this. If A deals with a UK client on one day, that uses up one day of the 30-day allowance, however short the time for which the contact lasts.</td>
</tr>
<tr>
<td>(4)</td>
<td>A spends 25 days in calendar year one for Firm X in the UK and 25 days in calendar year two. However A spends 40 days in the The rule does not allow this. This is because the 30-day annual allowance</td>
</tr>
<tr>
<td>UK for Firm X between June in calendar year 1 and June in calendar year 2.</td>
<td>relates to any 12-month period and not just a calendar year.</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>(5) Firm X is a <strong>non-UK relevant authorised person</strong> an overseas SMCR firm. A is <strong>employed</strong> by Firm X and is based in one of its offices outside the <em>UK</em>. A wants to work in the <em>UK branch</em> for 10 days.</td>
<td>The rule applies to <strong>non-UK relevant authorised persons overseas SMCR firms</strong>. It does not matter that A is not employed by the <em>UK branch</em> and instead is employed by another part of Firm X. It does not make a difference whether A is based in an office of Firm X in its home state or one in a third country.</td>
</tr>
<tr>
<td>(6) A is based in one of Firm X’s overseas offices. Firm X then decides to relocate A to the <em>UK</em>, where A will be certified to perform an <strong>FCA specified significant harm FCA certification function</strong> for Firm X. Firm X wants to rely on the temporary <em>UK role</em> rule for the first 30 days while Firm X goes through the certification process for A.</td>
<td>The rule does not allow this. A is no longer based in an overseas office and so the rule does not apply.</td>
</tr>
<tr>
<td>(7) A is based in the overseas branch of a <strong>UK relevant authorised person UK SMCR firm</strong>. A is to be promoted, so that A will be performing the material risk taker <strong>FCA specified significant harm FCA certification function</strong>. Firm X wants to rely on the temporary <em>UK role rule</em> for the first 30 days while Firm X goes through the certification process for A.</td>
<td>The rule does not allow this because it does not apply to the material risk taker <strong>FCA specified significant harm FCA certification function</strong> when it is performed for a <strong>UK relevant authorised person UK SMCR firm</strong>.</td>
</tr>
<tr>
<td>A reference in this table to an <strong>FCA specified significant harm FCA certification function</strong> is to a function that would have been an <strong>FCA specified significant harm FCA certification function</strong> but for SYSC 27.5.3R (temporary UK role).</td>
<td></td>
</tr>
</tbody>
</table>

... TP 5 Financial Services (Banking Reform) Act 2013: Certification and regulatory references

| Note to the reader |  |
5.1.1-2  

| G | (1) | SYSC TP 5 has not been amended to reflect changes in the FCA Handbook and Glossary since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then. |

| (2) | A small number of provisions may have effect beyond that date. To help the reader, the table in SYSC TP 5.1.1-1G explains how superseded Glossary terms in SYSC TP 5 should be interpreted. |

5.1.1-1  

| G | Table: meaning of superseded Glossary terms |

<table>
<thead>
<tr>
<th>Term in SYSC TP 5</th>
<th>Term that has replaced it</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCA specified significant-harm function</td>
<td>FCA certification function</td>
<td></td>
</tr>
<tr>
<td>full scope regulatory reference firm</td>
<td>Any of the following: (a) an SMCR banking firm; (b) a Solvency II firm; or (c) a large non-directive insurer.</td>
<td>SYSC TP 5.4.2R refers to SYSC 22.2.1R (Obligation to obtain a regulatory reference). On 7 March 2017 (the date referred to in SYSC TP 5.4.2R), SYSC 22.2.1R applied to what were then called full scope regulatory reference firms.</td>
</tr>
<tr>
<td>relevant authorised person</td>
<td>SMCR banking firm</td>
<td></td>
</tr>
<tr>
<td>specified significant-harm function</td>
<td>certification function</td>
<td></td>
</tr>
</tbody>
</table>

Purpose of SYSC TP 5

5.1.1  

| G | … |

…

…

TP 6  

Transitional Provision 6

…
After SYSC TP 6 (Transitional Provision 6) insert the following new SYSC TP 7. The text is not underlined.

TP 7  Bank of England and Financial Services Act 2016: Certification and regulatory references

7.1  Application, purpose and definitions

7.1.1  R  SYSC TP 7 applies as set out in the table in SYSC TP 7.1.2R.

7.1.2  R  Table: Application of SYSC TP 7

<table>
<thead>
<tr>
<th>Type of firm</th>
<th>Parts of SYSC TP 7 that apply</th>
</tr>
</thead>
<tbody>
<tr>
<td>An SMCR insurance firm except one in the following row</td>
<td>All applies</td>
</tr>
<tr>
<td>An SMCR insurance firm that is a Solvency II firm (including a large non-directive insurer)</td>
<td>All applies except as follows: (1) SYSC TP 7.4.2R to SYSC TP 7.4.3G do not apply. (2) Subject to (3), SYSC TP 7.4.4R and SYSC TP 7.4.5G do not apply. (3) SYSC TP 7.4.4R and SYSC TP 7.4.5G apply where the requirement to obtain a reference arises under SYSC 22.2.1R(1)(b) (certification).</td>
</tr>
<tr>
<td>All other firms</td>
<td>Does not apply, except as follows. SYSC TP 7.4.6R, SYSC TP 7.4.7G and SYSC TP 7.6 apply.</td>
</tr>
</tbody>
</table>
SYSC TP 7.5 applies to the firms specified in SYSC TP 7.5.

7.1.3 G SYSC TP 7:

(1) explains how the certification regime described in SYSC 27 applies during the certification transitional period described in SYSC TP 7.2.1G;

(2) has certain transitional provisions dealing with SYSC 22 (Regulatory references) and with benchmark activities; and

(3) has certain other transitional provisions relating to the amendments made to the FCA Handbook by the Individual Accountability (Dual-Regulated Firms) Instrument 2018.

7.1.4 G (1) The main time period for which SYSC TP 7 operates is 2018 to 2019.

(2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.

7.1.5 R The terms in the first column of the table in SYSC TP 7.1.6R, where they appear in bold in SYSC TP 7, have the meaning in the corresponding row of column 2 for the purposes of SYSC TP 7.

7.1.6 R Table: glossary of bespoke terms used in SYSC TP 7

<table>
<thead>
<tr>
<th>Part One: General</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined term</td>
<td>Meaning</td>
</tr>
<tr>
<td>SMCR insurance firm</td>
<td>has the meaning set out in the amendments to the Glossary to be made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Part Two: Dates</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Defined term</td>
<td>Meaning</td>
</tr>
<tr>
<td>certification transitional period</td>
<td>the one year period beginning on 10 December 2018 and ending on 10 December 2019 referred to in regulation 2 of the insurance firms commencement SI (Appointed days for the coming into force of section 21 and Schedule 4 for insurers)</td>
</tr>
</tbody>
</table>
7.2 Certification: The certification transitional period

7.2.1 G Under the insurance firms commencement SI, the obligation in section 63E(1) of the Act for an SMCR firm to take reasonable care to ensure that no employee of the firm performs an FCA certification function, unless the firm has issued the employee with a valid certificate, does not apply until the end of the certification transitional period.

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

7.2.3 G The table in SYSC TP 7.2.4G explains how the requirements of the FCA Handbook and the Act about certification employees apply in the certification transitional period.

7.2.4 G Table: How the certification regime applies in the certification 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 certification transitional period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glossary definition of certification employee</td>
<td>During the certification 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 were in force</td>
<td></td>
</tr>
<tr>
<td>SYSC 27.2 and the parts of the Act on which it gives guidance</td>
<td>Issuing certificates and fitness</td>
<td>Does not apply</td>
</tr>
<tr>
<td>SYSC 27.3</td>
<td>Territorial scope of the certification regime</td>
<td>Applies for the purpose of those parts of the FCA Handbook and the Act that are in force as described in this table</td>
</tr>
<tr>
<td>SYSC 27.4</td>
<td>General material about the scope of the certification regime</td>
<td></td>
</tr>
<tr>
<td>SYSC 27.5</td>
<td>Exclusions for emergency and temporary appointments</td>
<td></td>
</tr>
<tr>
<td>SYSC 27.6</td>
<td>Other exclusions</td>
<td></td>
</tr>
<tr>
<td>SYSC 27.7</td>
<td>Specification of functions</td>
<td></td>
</tr>
<tr>
<td>SYSC 27.8</td>
<td>Definitions of the FCA certification functions</td>
<td></td>
</tr>
<tr>
<td>SYSC 22</td>
<td>Regulatory references</td>
<td>Obligation to obtain a reference does not apply because the obligation to get a reference is triggered by issuing a certificate. SYSC TP 7.4 has exemptions that apply after the certification transitional period.</td>
</tr>
<tr>
<td>SYSC 25</td>
<td>SYSC 25 says that the management responsibilities map should say whether persons described or identified in the management responsibilities map are certification employees</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>COCON</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: (a) that COCON applies to them; or (b) of the rules that apply to them. COCON also applies to those who would have been</td>
<td></td>
</tr>
<tr>
<td>Section 64B of the Act</td>
<td>Firm should ensure that all persons subject to COCON are notified. Firm 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>------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>The parts of SUP 15.3 that deal with COCON breaches</td>
<td>Notifying a significant breach of COCON to the FCA</td>
<td></td>
</tr>
<tr>
<td>Section 64C of the Act and SUP 15.11</td>
<td>Notifying the FCA of disciplinary action</td>
<td></td>
</tr>
</tbody>
</table>

### 7.3 General material about certification

#### 7.3.1 G

1. SYSC 27.5.1R (Emergency appointments) allows a firm to appoint someone (P) to perform a function which would normally be an FCA certification function without P becoming a certification employee. There is a maximum period for which the appointment can last.

2. When calculating the maximum time period in (1), the firm need not take into account any time spent by P before the general commencement date performing what will become the FCA certification function in (1).

3. When a firm, after the end of the certification transitional period, is calculating the maximum time period in (1), the firm should take into account any time spent by P during the certification transitional period performing the FCA certification function in (1).

#### 7.3.2 G

1. SYSC 27.5.1R only applies where P (as referred to in SYSC TP 7.3.1G) is providing cover for a certification employee whose absence is reasonably unforeseen.

2. SYSC 27.5.1R may still apply if the absence referred to in (1) began before the general commencement date or during the certification transitional period.
7.3.3 G (1) Some FCA certification functions only apply where the place of performance of the function has a connection with the United Kingdom (for example, it is carried on there).

(2) SYSC 27.5.3R (Temporary UK role (the 30-day rule)) allows a person (P) to carry on a function for a firm that would normally be an FCA certification function because of its connection with the United Kingdom without P becoming a certification employee. There is a time limit on how long the firm can allow P to do this.

(3) When calculating the time limit in (2), the firm need not take into account any time spent by P before the general commencement date performing functions with a United Kingdom connection.

(4) When a firm, after the end of the certification transitional period, is calculating the maximum time period in (1), the firm should take into account any time spent by P during the certification transitional period performing functions with a United Kingdom connection.

7.4 Transitional provisions about regulatory references

7.4.1 R (1) If on the general commencement date an employee (P) is already performing an FCA certification function for an SMCR firm (A), the obligation under SYSC 22 (Regulatory references) for A to obtain a reference when issuing a certificate (including reissuing a certificate) for P for that FCA certification function does not apply either on or after the end of the certification transitional period.

(2) If there has been a significant change in P’s responsibilities forming part of that FCA certification function as compared to the position on the general commencement date, paragraph (1) ceases to apply from that time.

7.4.2 R SYSC 22.2.1R (Obligation to obtain a regulatory reference) does not apply to an application for approval as an approved person that:

(1) is made before the general commencement date and is continued in force by SUP TP 11.7 (In-flight applications: Conversion); or

(2) is made under SUP TP 11.15 (Applications of approved persons to take effect from the commencement date).

7.4.3 G SYSC 22.2.4R (Obligation to revise references) does not apply to references given before the general commencement date.

7.4.4 R Question (F) (disciplinary action) in Part One of SYSC 22 Annex 1R (Template for regulatory references given by SMCR firms and disclosure
requirements) does not require disclosure of breaches of individual conduct requirements referred to in question (F) if:

(1) the disciplinary action referred to in that item took place before the **general commencement date**; and

(2) the **firm**’s records do not show whether the conduct that was subject to disciplinary action amounted to a breach of those individual conduct requirements.

7.4.5 **G** The term individual conduct requirements in **SYSC TP 7.4.4R** is defined in Section One of Part Two of **SYSC 22 Annex 1R**.

7.4.6 **R** If:

(1) a **firm (A)** asks another **firm (B)** for a reference before the **general commencement date**; but

(2) B gives the reference after that date;

**SYSC 22** (Regulatory references) in the form it is in at the time in (2) applies to B.

7.4.7 **G** **SYSC 22** in the form it is in after the **general commencement date** applies to a reference requested or given after the **general commencement date** even if the matters covered by the reference occurred before then.

7.5 **Transitional provisions about benchmarks and the certification regime**

7.5.1 **G** **SYSC 27.6.4R** excludes **benchmark activities** from the certification regime. **SYSC TP 7.5** brings certain activities in relation to benchmarks back into the certification regime.

7.5.2 **R** **SYSC 27** (Senior managers and certification regime: Certification regime) applies to a **person with permission** to carry on the **regulated activity of administering a specified benchmark** acting as such.

7.5.3 **G** As a consequence of the **benchmarks regulation**, the **regulated activities** referred to in **SYSC TP 7.5.2R** will cease to apply in certain circumstances (see **SUP TP 10** for an explanation of those circumstances).

7.5.4 **G** The effect of **SYSC TP 7.5.2R** is that **SYSC 27** continues to apply to **firms** which still have **permission** to carry on the **regulated activity** in **SYSC TP 7.5.2R** when carrying on that activity.

7.6 **Miscellaneous**

Common platform requirements
7.6.1 G The Individual Accountability (Dual-Regulated Firms) Instrument 2018 renumbered material that used to be in SYSC 4 and SYSC 5 so that it now appears in SYSC 24 to SYSC 27. That instrument updated FCA Handbook cross-references accordingly.

7.6.2 G The requirements of chapters SYSC 24 to SYSC 27 no longer form part of the common platform organisational requirements and a reference to anything in SYSC 4 or SYSC 5 does not include any material referred to in SYSC TP 7.6.1G.

Amend the following as shown.

Sch 1 Record keeping requirements

... 

Sch 1.2G

<table>
<thead>
<tr>
<th>Handbook reference</th>
<th>Subject of record</th>
<th>Contents of record</th>
<th>When record must be made</th>
<th>Retention period</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYSC 2.2.1R</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>Six 6 years from the date on which the record is superseded by a more up-to-date record</td>
</tr>
<tr>
<td>SYSC 2.2.4R</td>
<td>Governance map and scope of responsibilities for certain approved persons of Solvency II firms</td>
<td>As stated in rule</td>
<td>The records should be kept up to date, as stated in the rule</td>
<td>10 years from the date superseded, or 6 years for large non-directive insurers.</td>
</tr>
<tr>
<td>SYSC 2.2.6R</td>
<td>Scope of responsiblities for certain approved persons of small non-</td>
<td>As stated in rule</td>
<td>The records should be kept up to date, as stated in the rule</td>
<td>6 years from the date superseded.</td>
</tr>
<tr>
<td>Directive</td>
<td>Insurers</td>
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<td>SYSC 4.5.21G does not itself impose requirements but says that past versions of a firm’s management responsibilities maps are an important part of its records</td>
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<td>SYSC 4.6.14G and SYSC 4.6.28G</td>
<td>Applies SYSC 4.5.21G to non-UK relevant authorised persons</td>
<td>See entry for SYSC 4.5.21G</td>
<td>See entry for SYSC 4.5.21G</td>
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<tr>
<td>SYSC 25.9.5R</td>
<td>Steps taken to comply with SYSC 25.9.4R (Information to be made available to new manager)</td>
<td>Adequate</td>
<td>Adequate time</td>
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<tr>
<td>SYSC 25.8.1G</td>
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Adequate None specified.
...  

**Sch 5** Rights of action for damages  

...  

**Sch 5.4G** ...  

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<th>Section/ Annex</th>
<th>Paragraph</th>
<th>Right of action under section 138D</th>
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<td><strong>SYSC 23 to SYSC 27</strong></td>
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Annex D

Amendments to the Code of Conduct sourcebook (COCON)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

Part 1: Comes into force 10 December 2018

1 Application and purpose

1.1 Application

1.1.1 Under section 64A of the Act, the FCA may make rules about the conduct of certain persons working in firms.

To whom does it apply?

1.1.1A COCON applies to the persons set out in the table in COCON 1.1.2R.

1.1.2 Table: To whom does COCON apply?

<table>
<thead>
<tr>
<th>Persons to whom COCON applies</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) An SMF manager.</td>
<td></td>
</tr>
<tr>
<td>(2) An employee (“P”) of a relevant authorised person an SMCR firm who:</td>
<td></td>
</tr>
<tr>
<td>(a) performs the function of an SMF manager;</td>
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</tr>
<tr>
<td>(b) is not an approved person to perform the function in question; and</td>
<td></td>
</tr>
<tr>
<td>(c) is required to be an approved person at the time P performs that function.</td>
<td></td>
</tr>
<tr>
<td>(3) An employee of a relevant authorised person an SMCR firm who would be an SMF manager performing an FCA-designated senior management function but for SUP 10C.3.13R (The 12-week rule).</td>
<td></td>
</tr>
</tbody>
</table>
(4) A certification employee employed by a relevant authorised person of an SMCR firm. This applies even if the certification employee has not been notified that COCON applies to them or notified of the rules that apply to them.

(5) An employee of a relevant authorised person an SMCR firm who would be a certification employee performing an FCA certification function but for SYSC 5.2.27R(4) SYSC 27.5.1R (Scope: emergency Emergency appointments) or SYSC 5.2.28AR SYSC 27.5.3R (Scope: temporary Temporary UK role).

(6) Any employee of a relevant authorised person an SMCR firm not coming within another row of this table, except one listed in column (2) of this row (6) of this table.

(A) This row (6) does not apply to an employee of a relevant authorised person an SMCR firm 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 legislation;
(p) cleaners;
(q) catering staff;
(r) personal assistant or secretary;
(s) information technology support
  (ie, helpdesk); and
(t) human resources administrators
  /processors.

(B) This row (6) also does not
  apply to an employee of an SMCR
  insurance firm until 10 December
  2019.

(7) An FCA-approved person or
  PRA-approved person approved
  to perform a controlled function
  in a Solvency II firm or a small
  non-directive insurer. [deleted]

This row does not apply to
  approved persons approved to
  perform a controlled function in
  SUP 10A.1.15R to SUP
  10A.1.16BR (appointed
  representatives).

(8) A standard non-executive board
  director of: a UK SMCR firm,
  (a) a relevant authorised person;
  (b) a Solvency II firm; or
  (c) a small non-directive insurer.

This row only applies to a UK
  domestic firm.

**Note:** In accordance with the Glossary, Solvency II firm includes a large
  non-directive insurer.

1.1.2A R For Swiss general insurers, references in this sourcebook to parts of the
  PRA Rulebook for ‘Solvency II firms’ are to be read as references to the
  corresponding parts of the PRA Rulebook applying to large non-directive
  insurers.

1.1.3 R Rules 1 to 5 in COCON 2.1 apply to all conduct rules staff.

1.1.4 R (1) Rules SC1 to SC4 in COCON 2.2 apply to all senior conduct rules
  staff members (subject to (2)).

(2) SC1 to SC3 in COCON 2.2 do not apply to a standard non-executive
director senior conduct rules staff member within paragraph (d) of
the definition of senior conduct rules staff member (P) unless; P also
as well as being a standard non-executive director, they also fall
falls into one of the other categories paragraph (a) or (b) of that
definition of senior conduct rules staff member.

1.1.5 G (1) The guidance in COCON 2.3 applies to relevant authorised persons
  SMCR firms.
(2) [deleted]

(3) SYSC 27.6.3R provides that a function performed by a non-executive director of a firm acting as such is not an FCA specified significant-harm FCA certification 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 (Firm A) on whose application approval was given to P.

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

1.1.6A R For a person (P) who is a board director of a firm (Firm A) but is not an approved person of Firm A, 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 Firm A.

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

1.1.7 R (1) 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:

(1) (in the case of a board director of a firm) that firm; or

(2) (in any other case) P’s employer (Firm A).

(2) This rule does not apply where COCON 1.1.6A applies.

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

1.1.7A R (1) Where Firm A in COCON 1.1.6R to COCON 1.1.7R is an SMCR firm other than an SMCR banking firm, the application of COCON is further restricted by this rule.

(2) COCON only applies to conduct that forms part of, or is for the purpose of, any of the following:

(a) the SMCR financial activities of Firm A; or

(b) any activities of Firm A that have, or might reasonably be regarded as likely to have, a negative effect on:

(i) the integrity of the UK financial system; or

(ii) the ability of Firm A to meet the “fit and proper” test in threshold condition 2E and 3D (Suitability); or
(iii) the ability of Firm A to meet the applicable requirements and standards under the regulatory system relating to Firm A’s financial resources.

1.1.8 G (1) Both More than one of COCON 1.1.6R and to 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 or being a director. Say that firm X is a Solvency II firm or a small non-directive insurer and that 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.

1.1.8A R (1) This rule applies to a person (P):

(a) who is an approved person approved to perform a controlled function under SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives);

(b) for whom P’s authorised approved person employer is an SMCR firm (F); and

(c) to whom COCON also applies in P’s capacity as a member of F’s conduct rules staff.

(2) COCON does not apply to conduct of P to the extent that:

(a) that conduct relates to the performance by P of functions:

(i) in (1)(a); or

(ii) in relation to the carrying on of a regulated activity by the appointed representative concerned; and

(b) APER applies to that conduct.

Where does it apply?

1.1.9 R (1) COCON applies to the conduct of conduct rules staff set out in (2) wherever it is performed.

(2) This rule applies to:

(a) a senior conduct rules staff member; and

(b) a certification employee performing FCA specified significant harm FCA certification function (6) (material
risk takers) in the table in SYSC 27.7.3R for a **UK relevant authorised person UK SMCR firm**.

1.1.9A G (1) This paragraph deals with how **COCON 1.1.9R** applies to a

*certification employee* (P) who performs the material risk taker **FCA certification function** and another **FCA certification function** for the same **UK SMCR firm**.

(2) If P’s conduct relates to both **FCA certification functions** (because for example those two functions cover the same activities) **COCON** applies without territorial limitation to P’s conduct.

(3) If part of P’s conduct relates to the material risk taker **FCA certification function** and the rest of P’s conduct relates to the other **FCA certification function**, **COCON** only applies without territorial limitation to P’s conduct in relation to the material risk taker **FCA certification function**.

1.1.10 R (1) This **rule** applies to members of a **firm’s conduct rules staff** apart from **conduct rules staff** in **COCON 1.1.9R**.

(2) Subject to (3), **COCON** only applies to the conduct of **persons** to whom this **rule** applies (as set out in (1)) if that conduct:

(a) is performed from an establishment maintained in the **United Kingdom** by: the **SMCR firm**; or

(i) (for a **relevant authorised person**) that person’s **employer**; or

(ii) (for a **Solvency II firm** or a **small non-directive insurer**) the **firm** in relation to whom that **person** carries out **controlled functions**; or

(b) involves dealing with a **client** of the **firm** in the **United Kingdom** from an establishment overseas.

(3) Paragraph (2)(b) only applies to a **UK relevant authorised person SMCR firm**.

1.1.11 G 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**.

1.1.11A G The **FCA** interprets the phrase ‘a **client of the firm** in the **United Kingdom**’ in **COCON 1.1.10R** as referring to:

(1) for a **client** which is a body corporate, its office or **branch** in the **United Kingdom**; or
(2) for a client who is an individual, a client who is in the United Kingdom at the time of the dealing.

1.1.12 R 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, the auction regulation or the benchmarks regulation.

Purpose

1.1.13 G The purpose of this chapter is to set out rules for conduct rules staff and to provide guidance about those rules to firms whose staff are subject to them.

1.1.14 G COCON 1 Annex 1 has guidance on the role and responsibilities of non-executive directors to whom COCON applies.

1.2 Investments

1.2.1 G COCON refers in a number of places to ‘investments’. The Glossary meaning of investment is wide and is not just limited to the ordinary dictionary meaning.

1.2.2 G Therefore, for example, an approved person performing controlled functions in a Solvency II firm or a small non-directive insurer should note that that term includes rights under a contract of insurance, meaning they should also take into account those parts of COCON which provide guidance on individual conduct rules that refer to ‘investments’.

1.2.3 G Where guidance refers to risks associated with investments that will include risks applicable to rights under a contract of insurance including for example the risk of inadequate cover.

…

1 Annex Guidance on the role and responsibilities of NEDs subject to COCON non-executive directors of SMCR firms

1 Introduction

1.1 This annex applies to non-executive directors (NEDs) of: an SMCR firm.

1.1.1 a relevant authorised person;

1.1.2 a Solvency II firm (including a large non-directive insurer); or

1.1.3 a small non-directive insurer.

1.2 This annex covers the role of a NED in performing the roles in (1) to (4), below:

1.2.1 the role of chairman chair of the board of directors;

1.2.2 the role of chairman chair 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.

2 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; and

(7) in relation to the nomination committee, safeguarding the independence and overseeing the performance of the nomination committee.

3.2 The chair of the nomination committee should take reasonable steps to ensure that the nomination committee complies with:

(1) the requirements in SYSC 4.3A about the nomination committee (if that part of SYSC applies to the firm); and

(2) any specific and relevant requirements relating to the committee or to the matters within the committee’s responsibilities.

3.3 SYSC 4.3A.8R and SYSC 4.3A.9R deal with the nomination committee for relevant authorised persons. There is no equivalent material for Solvency II firms. Although being the chair of the nomination committee is not a controlled function for a small non-directive insurer, paragraph 3.2 of this annex is still relevant to a small non-directive insurer firm:

(1) that is not required by the FCA Handbook to have a nomination committee; or

(2) for which being the chair of such a committee is not a controlled function; if it has such a committee.

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 or the approved persons regime for insurers 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:

(1) 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

(2) the general knowledge, skill and experience that the NED has.

2 Individual 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 management 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 an SMCR firm 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 an SMCR firm must take to secure ensure 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 circumstances; or

(b) for individuals who deal directly with customers, rule 4 in COCON 2.1.4R may apply in various circumstances which makes additional training appropriate for such individuals.

2.3.3 G There are rules and guidance in SUP 15.3 (General notification requirements) and SUP 15.11 (Notification of COCON breaches and disciplinary action) that deal with reporting by a relevant authorised person an SMCR firm of COCON breaches to the FCA.

3 General factors for assessing compliance

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 rules in COCON, they are not intended to be an exhaustive list of the kind of conduct that may contravene the relevant rule.

3.1.2 G In assessing compliance with, or a breach of, a rule in 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 Act, a person will only be in breach of any of the rules in COCON where they are personally culpable. Personal culpability arises where:

(1) a person’s conduct was deliberate; or
(2) the 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 person complies with the rules in 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 Handbook;
(2) whether that conduct is consistent with the requirements and standards of the regulatory system relevant to the person’s firm.

3.1.5 G In determining whether or not the conduct of a 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 Specific guidance on individual conduct rules

4.1 Specific guidance on individual conduct rules

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

... 4.1.16 G ...

4.1.17 G (1) Markets include relevant markets as defined in section 1F of the Act (Meaning of “relevant markets” in strategic objective).

(2) Markets are not limited to regulated markets or formal markets such as one on a stock exchange.

(3) Nor are markets limited to markets for professionals (such as the wholesale foreign exchange markets) or ones that involve tradeable and transferable assets.

(4) Therefore markets include consumer markets (whether for products, services, credit or otherwise).

4.2 Specific guidance on senior manager conduct rules ...

4.2.28 G (1) If a senior conduct rules staff member comes across a piece of information that is something of which they think the FCA or PRA
could reasonably expect notice, they should determine whether that information falls within the scope of their responsibilities:

(a) (for an SMF manager) by virtue of those responsibilities will be set out in that person’s statement of responsibilities;

(b) (for an approved person performing a significant influence function in a Solvency II firm or a small non-directive insurer) including by reference to their scope of responsibilities document.

(2) If it does, then they should ensure that, if it is otherwise appropriate to do so, it is disclosed to the appropriate regulator.

Part 2: Comes into force 10 December 2019

1 Application and purpose

1.1 Application

…

To whom does it apply?

…

1.1.2 Table: To whom does COCON apply?

<table>
<thead>
<tr>
<th>Persons to whom COCON Applies</th>
<th>Comments</th>
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<tbody>
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<td>…</td>
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<tr>
<td>(6) …</td>
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<tr>
<td>(B) This row (6) also does not apply to an employee of an SMCR insurance firm until 10 December 2019.</td>
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Annex E

Amendments to the Threshold Conditions (COND)

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

2 The threshold conditions

...

2.5 Suitability

...

2.5.3 G (1) The emphasis of the threshold conditions set out in paragraphs 2E and 3D of Schedule 6 of the Act is on the suitability of the firm itself. The suitability of each person who performs a controlled function will be assessed by the FCA and/or the PRA, as appropriate, under the approved persons regime (in relation to an FCA-approved person, see SUP 10A (FCA Approved Persons), SUP 10C (FCA senior management regime for approved persons in relevant authorised persons) (FCA senior managers regime for approved persons in SMCR firms) and FIT). In certain circumstances, however, the FCA may consider that the firm is not suitable because of doubts over the individual or collective suitability of persons connected with the firm.

...

...

2.5.6 G Examples of the kind of particular considerations to which the FCA may have regard when assessing whether a firm will satisfy, and continue to satisfy, the threshold condition include, but are not limited to, whether:

...

(7) the firm has put in place procedures which are reasonably designed to:

...

(b) ensure that its approved persons and, in the case of relevant authorised persons, the rest of its conduct rules staff are aware of those requirements and standards under the regulatory system applicable to them, whether or not they are employed by the firm;
(d) determine that its approved persons and, in the case of relevant authorised persons, the rest of its conduct rules staff, are adhering to those requirements and standards;

(12) those persons who perform controlled functions under certain arrangements entered into by the firm or its contractors (including appointed representatives or, where applicable, tied agents) act with due skill, care and diligence in carrying out their controlled function (see APER 4.2 (Statement of Principle 2) or COCON 2.1.2R or managing the business for which they are responsible (see APER 4.7 (Statement of Principle 7) or COCON 2.2.2R, as applicable);
Annex F

Amendments to the Statements of Principle and Code of Practice for Approved Persons (APER)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

1.1A Application

Who?

1.1A.1 APER applies to FCA-approved persons and PRA-approved persons who fall under (1) or (2) are either:

(1) approved persons of firms that are not: SMCR firms; or

(a) relevant authorised persons; or

(b) Solvency II firms or small non-directive insurers; or

(2) approved persons approved to perform a controlled function in SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives appointed representatives).

1.1A.1A G (1) APER does not apply to FCA-approved persons or PRA-approved persons of relevant authorised persons, Solvency II firms or small non-directive insurers SMCR firms. COCON applies instead. For the purposes of APER (and SYSC, SUP 10A, COCON and DEPP) a large non-directive insurer is treated as and included in the Glossary definition of a Solvency II firm.

(2) However, APER applies to approved persons approved to perform a controlled function under SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives appointed representatives) even if the appointed representative’s principal is a relevant authorised person or Solvency II firm an SMCR firm.

What?

1.1A.2 APER applies to the performance by an approved person of:

(a) FCA controlled functions in SUP 10A (FCA Approved Persons) (whether or not approval has been sought and granted); and

(b) PRA controlled functions (whether or not approval has been sought and granted);
in relation to the authorised persons in relation to which that person is an approved person.

(2) APER also applies to the performance by an approved person of any other functions in relation to the carrying on of a regulated activity by the authorised persons referred to in (1) their authorised approved person employer.

(3) Subject to (4), APER does not apply to conduct to which COCON applies.

(4) APER applies to conduct to which COCON does not apply under COCON 1.1.8AR (To what conduct does it apply?).

Coverage of APER

1.1A.6 G APER 1.1A.7G gives examples of the effect of APER 1.1A.1R and APER 1.1A.2R. The first column says whether the example involves an FCA-approved person in relation to one or two firms and the second column says whether the example involves a PRA-approved person. So for example if there is a “Yes” in both columns that means that the example concerns a person who has been approved both by the FCA and by the PRA. The third column explains what functions APER covers in the scenario set out in the first two columns. The table is divided between cases in which the person performs the controlled function for an FCA-authorised person and ones where the person does so for a PRA-authorised person.

1.1A.7 Table: Examples of what activities APER APER covers

<table>
<thead>
<tr>
<th>FCA approved</th>
<th>PRA approved</th>
<th>Coverage of APER APER</th>
</tr>
</thead>
<tbody>
<tr>
<td>FCA-authorised person</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) Yes, in relation to firm A</td>
<td>Not applicable</td>
<td>Applies to the FCA controlled function. Also applies to any other function performed for firm A in relation to the carrying on by firm A of a regulated activity even if it is not a controlled function.</td>
</tr>
<tr>
<td>(2) Yes, in relation to firm A. No, in relation to firm B,</td>
<td>Not applicable</td>
<td>In relation to firm A, the answer is the same as for scenario (1). However, APER does not apply to any function that the approved person carries on in relation to firm B even if that function relates to regulated activities carried out by firm B. However, if the function that he performs they perform in</td>
</tr>
<tr>
<td>PRA-authorized person that is not a relevant authorized person, or a Solvency II firm or a small non-directive insurer.</td>
<td>relation to firm B is a controlled function the approved person and firm B may be subject to legal sanctions (see SUP 10A.13.1G to SUP 10A.13.2G).</td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>(3) Yes, in relation to firm A</td>
<td>No</td>
<td>The answer is the same as for scenario (1).</td>
</tr>
<tr>
<td>(4) No</td>
<td>Yes, in relation to firm A</td>
<td>Applies to PRA-controlled function. Also applies to any other function performed for firm A in relation to the carrying on by firm A of a regulated activity even if it is not a controlled function.</td>
</tr>
<tr>
<td>(5) Yes, in relation to firm A</td>
<td>Yes, in relation to firm A</td>
<td>Applies to FCA-controlled function and PRA controlled function. Also applies to any other function performed for firm A in relation to the carrying on by firm A of a regulated activity even if it is not a controlled function.</td>
</tr>
<tr>
<td>(6) Yes, in relation to firm A. No, in relation to firm B.</td>
<td>Yes, in relation to firm A. No, in relation to firm B.</td>
<td>In relation to firm A, the answer is the same as for scenario (5). However, APER does not apply to any function that the approved person carries on in relation to firm B even if that function relates to regulated activities carried out by firm B. However, if the function that he performs in relation to firm B is a controlled function the approved person and firm B may be subject to legal sanctions (see SUP 10A.13.1G to SUP 10A.13.21G).</td>
</tr>
<tr>
<td>PRA-authorized person that is a relevant authorized person, a Solvency II firm or a small non-directive insurer.</td>
<td>No. APER does not apply to approved persons of relevant authorized persons, Solvency II firms or small non-directive insurers. COCON applies instead.</td>
<td></td>
</tr>
<tr>
<td>(7) Yes, in relation to firm A</td>
<td>No</td>
<td>No. APER does not apply to approved persons of relevant authorized persons, Solvency II firms or small non-directive insurers. COCON applies instead.</td>
</tr>
<tr>
<td>(8) No</td>
<td>Yes, in relation to firm A</td>
<td>The answer is the same as for scenario (7).</td>
</tr>
<tr>
<td>(9) Yes, in relation to firm A</td>
<td>Yes, in relation to firm A</td>
<td>The answer is the same as for scenario (7).</td>
</tr>
</tbody>
</table>
1.1A.8 G (1) **A person** may be an *approved person* in relation to more than one *firm*. When that is the case, *APER* applies in relation to all those *firms*.

(2) *APER* does not apply if the *firm* is a *relevant authorised person* or a *Solvency II firm* an *SMCR firm*, except for *approved persons* of an appointed representative of a *relevant authorised person*, a *Solvency II firm* or a *small non-directive insurer* an *SMCR firm*.

(3) If a *person* is an *approved person* of a *firm* (A) that is not a *relevant authorised person*, a *Solvency II firm* or a *small non-directive insurer* an *SMCR firm*, and also of another *firm* (B) that is either a *relevant authorised person*, a *Solvency II firm* or a *small non-directive insurer* an *SMCR firm*, the result is:

(a) *APER* applies to the *approved person* in relation to *firm* A; and

(b) *COCON* applies to the *approved person* in relation to *firm* B.

1.1A.9 G (1) *APER 1.1A* refers to **the authorised person** in relation to which a *person* is an *approved person’s firm*. This means their *authorised approved person employer*. It also refers to an *approved person* of a *firm*.

... (3) Section 59(1) of the *Act* describes the first. It covers a *person* who performs a *controlled function* under an arrangement entered into by an *authorised person* (“A”). In this case, *APER 1.1A* refers to **the authorised approved person employer is A**.

(4) Section 59(2) of the *Act* describes the second. It covers a *person* who performs a *controlled function* under an arrangement entered into by a contractor (“B”) of an *authorised person* (“A”). In this case, *APER 1.1A* refers to **the authorised approved person employer is A (and not B)**.

... 3 **Code of Practice for Approved Persons: general**

3.1 **Introduction**

... 3.1.7A G **Statements of Principle** 1 to 4 apply to all *approved persons*. A *person* performing an *accountable higher management function* is also subject to the additional requirements set out in *Statements of Principle* 5 to 7 in performing that *accountable function*. Those responsible under *SYSC 2.1.3R*
or SYSC 4.4.5R (Apportionment of responsibilities) for the firm’s apportionment obligation will be specifically subject to Statement of Principle 5 (and see, in particular, APER 4.5.6G). In addition, it will be the responsibility of any such approved person to oversee that the firm has appropriate systems and controls under Statement of Principle 7 (and see, in particular, APER 4.7.3G).

3.1.9

3.1.10 R (1) In the case of an approved person approved to perform a controlled function in SUP 10A.1.15R to SUP 10A.1.16BR (appointed representatives), a reference in in APER 2 to APER 4 to a firm is a reference to:

(a) the appointed representative in relation to which that approved person performs the controlled function in SUP 10A.1.15R to SUP 10A.1.16BR; and

(b) their authorised approved person employer.

(2) For the purposes of Statements of Principle 5 to 7 the reference is only to (a).

4 Code of Practice for Approved Persons: specific

4.5 Statement of Principle 5

4.5.6 G In the case of an approved person who is responsible under SYSC 2.1.3R (1) or SYSC 4.4.5R(1) for dealing with the appointment of responsibilities under SYSC 2.1.4R or SYSC 4.4.3R, failing to take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among the firm’s directors and senior managers falls within APER 4.5.2G.

4.7 Statement of Principle 7

4.7.3 G 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 in respect of the regulated activities of the firm in question (as referred to in Statement of Principle 7) falls within APER
4.7.2G. In the case of an approved person who is responsible, under SYSC 2.1.3R(2) or SYSC 4.4.5R(2), with overseeing the firm’s obligation under SYSC 3.1.1R or SYSC 4.1.1R, failing to take reasonable care to oversee the establishment and maintenance of appropriate systems and controls falls within APER 4.7.2G.

... 4.7.9

G In the case of the money laundering reporting officer, failing to discharge the responsibilities imposed on them by the firm in accordance with SYSC 3.2.6IR or SYSC 6.3.9R falls within APER 4.7.2G.

4.7.10 G In the case of an approved person performing an accountable higher management function responsible for compliance in respect of the following provisions, failing to take reasonable steps to ensure that appropriate compliance systems and procedures are in place falls within APER 4.7.2G:

(1) SYSC 3.2.8R; or [deleted]

...

... Review and improvement of systems and procedures

4.7.14 G Where independent reviews of systems and procedures have been undertaken and result in recommendations for improvement, the approved person performing an accountable higher management function should ensure that, unless there are good reasons not to, any reasonable recommendations are implemented in a timely manner (APER 4.7.10G 4.7.8G). What is reasonable will depend on the nature of the inadequacy and the cost of the improvement. It will be reasonable for the approved person performing an accountable higher management function to carry out a cost benefit analysis when assessing whether the recommendations are reasonable.
Annex G

Amendments to the Fit and Proper test for Approved Persons and Specified Significant-harm Functions Fit and Proper test for Employees and Senior Personnel sourcebook (FIT)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

1 General

1.1 Application and purpose

1.1.1 FIT applies to:

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

(2) an applicant for Part 4A permission;

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

(4) an approved person performing an FCA controlled function;

(5) a candidate for an FCA controlled function;

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

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

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

(1) a relevant authorised person an SMCR firm 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;

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

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

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

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 SMCR firms?</th>
<th>Does it apply to firms that are not relevant authorised persons SMCR firms?</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 an SMCR firm should take into account.</td>
</tr>
<tr>
<td>(2) A firm assessing the continuing fitness</td>
<td>Yes</td>
<td>No</td>
<td>However, a firm should employ personnel with the skills, knowledge and</td>
</tr>
</tbody>
</table>
and propriety of an approved person | expertise necessary for the discharge of the responsibilities allocated to them (SYSC 5.1). **FIT** may be a useful guide to matters which a **firm** should take into account if it is not a **relevant authorised person** an SMCR **firm**.

| (3) The FCA assessing the fitness and propriety of a candidate for approval as an approved person | Yes | Yes |
| (4) The FCA assessing the continuing fitness and propriety of an approved person | Yes | Yes |
| (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** FCA certification function | Yes | No | **FCA certification functions** do not apply to a **firm** that is not an SMCR **firm**. **See** However, see the comment on row (2). |
| (6) A **firm** assessing the continuing fitness and propriety of a person whom a **firm** has certified to perform an **FCA-specified significant harm** FCA certification function | Yes | No | **FCA certification functions** do not apply to a **firm** that is not an SMCR **firm**. **See** However, see the comment on row (2). |
1.2 Introduction

1.2.1 G Under section 60A(1) of the Act, before a relevant authorised person an SMCR firm may make an application for the FCA's approval of a designated senior management function, controlled function the relevant authorised person firm must be satisfied that the person for whom the application is made is a fit and proper person to perform that function.

1.2.1 G Under section 61(1) of the Act (Determination of applications), the FCA may grant an application for approval made under section 60 (Applications for approval) of the Act only if it is satisfied that the candidate is fit and proper to perform the controlled function to which the application relates.

1.2.1A G Under section 63F of the Act, a relevant authorised person an SMCR firm may issue a certificate to a person to perform a specified significant harm certification 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 FCA certification function, a relevant authorised person an SMCR firm 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 G The key general rules relating to the criteria listed in FIT 1.2.1BG 1.2.1BG 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 personnel of firms generally, SYSC 5.1.1R (the competent employees rule); and

(3) in relation to retail activities, TC 2.1.1R, TC 2.1.5BR and TC 2.1.12R (employees’ competence); and

(4) for those who are employees of insurance firms, SYSC 3.1.6R.

…
1.2.3A  G  Under section 63(1) of the Act (Withdrawal of approval), the FCA may withdraw an approval under section 59 given by the FCA or the PRA in relation to the performance by a person of a function if it considers that the person is not a fit and proper person to perform the function.

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

1.2.4A  G  

(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) Under Article 21(1)(d) of the MiFID Org Regulation and articles 34 and 35 of MiFID, the requirement to employ personnel with the knowledge, skills and expertise necessary for the discharge of the responsibilities allocated to them is reserved to the firm’s Home State. Therefore, in assessing the fitness and propriety of:

(a) a person to perform a controlled function; or

(b) a certification employee;

solely in relation to the MiFID business of an incoming EEA firm, the FCA will not have regard to that person’s competence and capability.

(2) Where the function relates to:

(a) matters outside the scope of MiFID; or

(b) business outside the scope of the MiFID business of an incoming EEA firm, for example insurance distribution activities in relation to life policies; or

(c) matters within the responsibility of the FCA as the Host State regulator, for example money laundering responsibilities (see the money laundering reporting function (CF11 and SMF17)) or (3) below;

the FCA will have regard to a person’s competence and capability as well as their honesty, integrity, reputation and financial soundness.

(3) The FCA will have regard to a natural person’s competence and capability to the extent they give a personal recommendation or
information about financial instruments, structured deposits, investment services or ancillary services on behalf of a UK branch of:

(a) an investment firm authorised under MiFID;
(b) an AIFM investment firm carrying out activities under article 6(4) of the AIFMD (provision of additional services);
(c) a UCITS investment firm carrying out activities under article 6(3) of the UCITS Directive (provision of additional services); or
(d) a credit institution.

(4) (3) is the result of the combined effect of articles 25(1) (Assessment of suitability and appropriateness and reporting to clients) and 35(8) (Establishment of a branch) of MiFID.

(5) (1) to (4) are also relevant to the matters an EEA relevant authorised person EEA SMCR firm should take into account when assessing any staff being assessed under FIT. Where, under (1) to (4):

(a) the FCA will have regard to a person’s competence and capability, so should a firm when assessing any staff being assessed under FIT; and
(b) the FCA will not have regard to a person’s competence and capability, a firm need not do so either when assessing any staff being assessed under FIT.

1.2.4B G Where the application relates to a function within a Solvency II firm and is for an FCA controlled function which is also a Solvency II Directive ‘key function’ as defined in the PRA Rulebook: Glossary, then the FCA will also have regard to the assessment made by the firm as required in article 273 of the Solvency II Regulation (EU) 2015/35 of 10 October 2014; Rules 2.1 and 2.2 of the PRA Rulebook: Solvency II Firms: Insurance - Fitness and Propriety, and other factors, as set out in EIOPA Guidelines on system of governance dated 28 January 2015 (see Guideline 16).

1.3 Assessing fitness and propriety

1.3.1 G The 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).

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 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 An SMCR firm 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 An SMCR firm 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 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. An SMCR firm 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 FCA’s attention which suggests that the person might not be fit and proper, the 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 an SMCR firm 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 An SMCR firm 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 an SMCR firm 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 An SMCR firm 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 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 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 FCA should be informed of these matters (see SUP 10A.14.17R and SUP 10C.14.18R), 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 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 An SMCR firm 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 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 an SMCR firm 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 FCA will have regard, and to which a relevant authorised person an SMCR firm should also have regard, include, but are not limited to:

(1) whether the person has been convicted of any criminal offence; this must include, where provided for by the Rehabilitation Exceptions Orders to the Rehabilitation of Offenders Act 1974 or the Rehabilitation of Offenders (Northern Ireland) Order 1978 (as applicable), any spent convictions; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, other financial services, insolvency, consumer credit companies, insurance, consumer protection, money laundering, market manipulation and insider dealing, whether or not in the United Kingdom;

(2) whether the person has been the subject of any adverse finding or any settlement in civil proceedings, particularly in connection with investment or other financial business, misconduct, fraud or the formation or management of a body corporate;

(3) whether the person has been the subject of, or interviewed in the course of, any existing or previous investigation or disciplinary proceedings, by the appropriate regulator, by other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;

(4) whether the person is or has been the subject of any proceedings of a disciplinary or criminal nature, or has been notified of any potential proceedings or of any investigation which might lead to those proceedings;

(5) whether the person has contravened any of the requirements and standards of the regulatory system or the equivalent standards or requirements of other regulatory authorities (including a previous regulator), clearing houses and exchanges, professional bodies, or government bodies or agencies;

(6) whether the person has been the subject of any justified complaint relating to regulated activities;

(7) whether the person has been involved with a company, partnership or other organisation that has been refused registration, authorisation, membership or a licence to carry out a trade, business or profession, or has had that registration, authorisation, membership or licence
revoked, withdrawn or terminated, or has been expelled by a regulatory or government body;

(8) whether, as a result of the removal of the relevant licence, registration or other authority, the person has been refused the right to carry on a trade, business or profession requiring a licence, registration or other authority;

(9) whether the person has been a director, partner, or concerned in the management, of a business that has gone into insolvency, liquidation or administration while the person has been connected with that organisation or within one year of that connection;

(10) whether the person, or any business with which the person has been involved, has been investigated, disciplined, censured or suspended or criticised by a regulatory or professional body, a court or Tribunal, whether publicly or privately;

(11) whether the person has been dismissed, or asked to resign and resigned, from employment or from a position of trust, fiduciary appointment or similar;

(12) whether the person has ever been disqualified from acting as a director or disqualified from acting in any managerial capacity;

(13) whether, in the past, the person has been candid and truthful in all his dealings with any regulatory body and whether the person demonstrates a readiness and willingness to comply with the requirements and standards of the regulatory system and with other legal, regulatory and professional requirements and standards.

2.2 Competence and capability

2.2.1 In determining a person’s competence and capability, the FCA, in accordance with FIT 1.1.2G, 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 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 In determining a person’s competence and capability to perform an FCA designated senior management function or an FCA specified significant
harm FCA certification function, a relevant authorised person an SMCR firm, in accordance with FIT 1.1.2G, 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 an SMCR firm 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 FCA certification function for which the person is, or is to be, employed.

2.3 Financial soundness

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

1. whether the person has been the subject of any judgment debt or award, in the United Kingdom or elsewhere, that remains outstanding or was not satisfied within a reasonable period;

2. whether, in the United Kingdom or elsewhere, the person has made any arrangements with his their creditors, filed for bankruptcy, had a bankruptcy petition served on him them, been adjudged bankrupt, been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order), offered a bankruptcy restrictions undertaking, had assets sequestrated, or been involved in proceedings relating to any of these.

2.3.2 G The FCA will not normally require a 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 their suitability to perform a controlled function. The FCA would expect a relevant authorised person an SMCR firm to take a similar view in assessing whether staff being assessed under FIT, are fit and proper.
Annex H

Amendments to the Training and Competence sourcebook (TC)

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

2 Competence

2.1 Assessing and maintaining competence

... Notification requirements

2.1.31 R A firm must notify the FCA as soon as reasonably practicable after it becomes aware, or has information which reasonably suggests, that any of the following events has occurred or may have occurred in relation to any of its retail investment advisers, and the event is significant:

... (3) a retail investment adviser has failed to comply with a Statement of Principle APER or COCON (as applicable) in carrying out their controlled function or has failed to comply with COCON (as applicable); and

...

App 6 Accredited bodies

App 6.1 Accredited bodies

6.1.1 G ...

<table>
<thead>
<tr>
<th>12.</th>
<th>The FCA will expect an accredited body to have in place effective procedures for carrying out its verification activities. These should include:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>verifying that each retail investment adviser who is a member of or subscriber to the accredited body’s verification</td>
</tr>
</tbody>
</table>
service has made an annual declaration in writing that the retail investment adviser has, in the preceding 12 months, complied with APER or, for a relevant authorised person, complied with COCON (as applicable) and completed the continuing professional development required under TC 2.1.15R;

14. …

(b) a false declaration in relation to a retail investment adviser’s compliance with APER or COCON (as applicable), or

c) for a relevant authorised person, compliance with COCON.

Having appropriate systems and controls in place and providing evidence to the FCA of continuing effectiveness

17. The FCA will expect an accredited body to have a code of ethics and to ensure that its code of ethics and verification service terms and conditions do not contain any provisions that conflict with APER or COCON (as applicable).

…

### Sch 2 Notification requirements

<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>
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<tbody>
<tr>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
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<tr>
<td>TC 2.1.31R</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
<td>…</td>
<td>(3) a retail investment</td>
<td>…</td>
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</tbody>
</table>
adviser has failed to comply with a Statement of Principle in carrying out his controlled function or, in the case of a relevant authorised person, has failed to comply with APER or, as applicable, COCON; and …
Annex I

Amendments to the General Provisions (GEN)

In this Annex, striking through indicates deleted text.

**Sch 4** Powers exercised

... 

Sch 4.2 G Powers to make rules

<table>
<thead>
<tr>
<th>The following powers and related provisions in or under the Act have been exercised by the FCA to make the rules in GEN:</th>
</tr>
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<tbody>
<tr>
<td>...</td>
</tr>
<tr>
<td>Section 60A (Vetting of candidates by relevant authorised persons)</td>
</tr>
<tr>
<td>...</td>
</tr>
</tbody>
</table>

... 

Sch 4.7 G Powers to direct, require or specify

<table>
<thead>
<tr>
<th>The following powers and related provisions in the Act have been exercised by the FCA in GEN to direct, require or specify:</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
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<tr>
<td>Section 63ZA (Variation of senior manager’s approval at request of relevant authorised person)</td>
</tr>
<tr>
<td>...</td>
</tr>
<tr>
<td>Section 63E (Certification of employees by relevant authorised persons)</td>
</tr>
<tr>
<td>Section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action)</td>
</tr>
<tr>
<td>...</td>
</tr>
</tbody>
</table>
Annex J

Amendments to the Prudential sourcebook for Investment Firms (IFPRU)

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

2 Supervisory processes and governance

...  

2.4 Reporting of breaches

...  

2.4.2 G SYSC 18 (Whistleblowing) contains requirements on UK relevant authorised persons SMCR banking firms and certain insurers (see SYSC 18.1.1AR) in relation to the adoption and communication of appropriate internal procedures for handling reportable concerns as part of an effective risk management system. SYSC 18.1.1CG provides that firms not otherwise subject to SYSC 18 may nonetheless wish to adopt the provisions in that chapter as best practice.

...
Annex K

Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)

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

2 Insurance and MCD mediation activity: responsibility, knowledge, ability and good repute

... 

2.2 Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity

...

2.2.2 The firm may allocate the responsibility for its insurance distribution activity or MCD credit intermediation activity to an approved person (or persons) who is:

(1) (if the firm is not a relevant authorised person):

(a) performing:

(i) an FCA governing function; or

(ii) a PRA governing function;

(other than a person who is a non-executive director of the firm); or

(b) performing the apportionment and oversight function; or

(e) performing the significant management function in so far as it relates to dealing in investments as principal, disregarding article 15 of the Regulated Activities Order (Absence of holding out etc) (or agreeing to do so) or an activity which is not designated investment business;

(2) (if a firm is a relevant authorised person) a director of the firm who:

(a) is not a non-executive director; and

(b) is an approved person of that firm. [deleted]

2.2.3 Typically a firm will appoint a director who is an approved person of that firm to direct its insurance distribution activity or MCD credit
intermediation activity. A firm that is not a relevant authorised person may also appoint a person performing another FCA governing function or PRA governing function.

(1A) A firm should not appoint someone performing one of the FCA’s or PRA’s non-executive director controlled functions or any other non-executive director.

(1B) Where responsibility for a firm’s insurance distribution activity or MCD credit intermediation activity is allocated to a person performing a controlled function that is not in paragraph (1), the firm must ensure that the firm’s insurance distribution activity or MCD credit intermediation activity is appropriately allocated. If the apportionment and oversight function applies to the firm, the person performing the apportionment and oversight function with responsibility for the apportionment of responsibilities should carry out the allocation.

(2) The descriptions of significant influence functions, other than the required functions, do not extend to activities carried on by an insurance intermediary with permission only to carry on insurance distribution activity and whose principal purpose is to carry on activities other than regulated activities (see SUP 10A.1.18 R). In this case, the firm may allocate the responsibility for the firm’s insurance distribution activity to one or more of the persons performing the apportionment and oversight function who will be required to be an approved person.

(2A) Paragraph (2) does not apply to a relevant authorised person.

(3) In the case of a sole trader, the sole trader will be responsible for the firm’s insurance distribution activity or MCD credit intermediation activity, as applicable. [deleted]
Annex L

Amendments to the Conduct of Business sourcebook (COBS)

In this Annex, underlining indicates new text.

19 Pensions supplementary provisions

…

19.5 Independent governance committees (IGCs)

…

19.5.8 G (1) A firm should consider allocating responsibility for the management of the relationship between the firm and its IGC to a person at the firm holding an FCA significant-influence function or designated senior management function.

…

…
Annex M

Amendments to the Client Assets sourcebook (CASS)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

1A CASS firm classification and operational oversight

... 

1A.3 Responsibility for CASS operational oversight

1A.3.1 R ... 

(2) A CASS small firm that is not a relevant authorised person an SMCR firm must make the allocation in (1) to a director or senior manager who is approved to perform a significant influence function for that firm.

... 

1A.3.1-A G The material in CASS 1A.3.1BG about how CASS 1A.3 fits into the FCA approved persons senior managers and certification regime for relevant authorised persons SMCR firms also applies to a CASS small firm that is an SMCR firm and the function in CASS 1A.3.1R. However:

(1) the function in CASS 1A.3.1R is not an FCA specified significant-harm a separate FCA certification function; and

(2) the person performing that function will not necessarily be subject to the employee certification regime described in SYSC 27 (Certification Regime) (Senior managers and certification regime: Certification regime).

... 

1A.3.1B G (1) (a) CASS 1A.3.1AR describes the FCA controlled function known as the CASS operational oversight function (CF10a). The table of FCA controlled functions in SUP 10A.4.4R together with SUP 10A.7.9R specify the CASS operational oversight function as an FCA required function for a firm to which CASS 1A.3.1AR applies.

(b) The CASS operational oversight function does not apply to a relevant authorised person an SMCR firm. For an SMCR firm, the function in CASS 1A.3.1AR is not a separate controlled function and performing that function does not
require approval as an approved person. Paragraphs (1A) to (4) describe how CASS 1A.3.1AR applies to SMCR firms.

(c) However, nothing in paragraphs (1A) to (4) affects the requirement for the function in CASS 1A.3.1AR to be allocated to a single director or senior manager of sufficient skill and authority in accordance with CASS 1A.3.1AR and CASS 1A.3.2AR.

(1A) There are three elements of the regime for SMCR firms that are particularly relevant to CASS 1A, although they do not all apply to all SMCR firms:

(a) a firm’s obligation to allocate certain responsibilities to its SMF managers (see SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));

(b) a firm’s obligation to ensure that one or more of its SMF managers have overall responsibility for each of its activities, business areas and management functions (see SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and

(c) the certification regime (see SYSC 27 (Senior managers and certification regime: Certification regime)).

(2) (a) For a firm that is a UK relevant authorised person, the function in CASS 1A.3.1AR is not a separate controlled function and performing that function does not require approval as an approved person. This paragraph (2) explains how CASS 1A.3.1AR applies to an SMCR firm to which SYSC 24 and SYSC 26 both apply.

(b) A UK relevant authorised person The firm must allocate overall responsibility for the firm’s compliance with CASS to one of its SMF managers (see SYSC 4.7.5R SYSC 24.2.1R). That responsibility is an “FCA-prescribed senior management responsibility”. The full list of FCA-prescribed senior management responsibilities is in the table in SYSC 24.2.6R.

(c) A UK relevant authorised person Although the CASS function in SYSC 24.2.1R is different from the function in CASS 1A.3.1AR, the firm may allocate the function in CASS 1A.3.1AR to the SMF manager in (b).

(d) A UK relevant authorised person The firm may allocate the CASS FCA-prescribed senior management responsibility described in (b) to an SMF manager who does not perform any other function coming within the FCA approved persons
regime for relevant authorised persons SMF managers in SMCR firms. See SUP 10C.7 (Other overall responsibility function (SMF18)) and SUP 10C.8.1R (Other local responsibility function (SMF22)) for details. Where this is the case, the manager will be performing the other overall responsibility function or the other local responsibility function.

(e) A UK relevant authorised person. The firm may choose to allocate the function in CASS 1A.3.1AR to someone who is not an approved person and SMF manager. If so:

(i) that person will be subject to the employee certification regime described in SYSC 27 (Senior managers and certification regime: Certification regime);

(ii) that person will be subject to supervision by the SMF manager in (b); and

(iii) the function in CASS 1A.3.1AR will be the CASS oversight FCA specified significant harm FCA certification function in SYSC 27.8.1R.

(3) Broadly speaking, paragraph (2) applies to a third country relevant authorised person, with certain differences. In relation to an SMCR firm to which SYSC 24 applies but SYSC 26 does not apply, the guidance in sub-paragraphs (2)(b), (2)(c), and 2(e) applies, but the guidance in sub-paragraph (2)(d) does not apply.

(a) SYSC 4.8.6R and SYSC 4.8.9R apply instead of SYSC 4.7.5R and SYSC 4.7.7R;

(b) SUP 10C.8 applies instead of SUP 10C.7;

(c) the other local responsibility function (SMF22) applies in place of the other overall responsibility function (SMF18).

(4) (a) The position of an incoming EEA firm that has a top up permission SMCR firm to which neither SYSC 24 nor SYSC 26 apply is slightly different.

(b) The firm may choose to allocate the function in CASS 1A.3.1AR to an SMF manager.

(c) The firm may instead choose to allocate the function in CASS 1A.3.1AR to someone who is not an SMF manager.

(d) Where (c) applies, the person performing the function in CASS 1A.3.1AR will fall into the certification regime. The
function in CASS 1A.3.1AR will be the CASS oversight FCA certification function in SYSC 27.8.1R.

(e) FCA prescribed senior management responsibilities do not apply to an incoming EEA firm that has a top up permission. There is no requirement in SYSC 4.7 or SYSC 4.8 that an SMF manager in an incoming EEA firm should have overall responsibility for CASS.

(f) Having responsibility for CASS may fall within the scope of the EEA branch senior manager function (SMF21).

(g) However, having responsibility for CASS may not fall into any controlled function.

1A.3.1C R If, at the time a firm that is not a relevant authorised person an SMCR firm becomes a CASS medium firm or a CASS large firm in accordance with CASS 1A.2.12 R(1) 1A.2.12R(1) or CASS 1A.2.12 R(2) 1A.2.12R(2), the firm is not able to comply with CASS 1A.3.1AR because it has no director or senior manager who is an approved person in respect of the CASS operational oversight function, the firm must:

…

1A.3.1D G (1) CASS 1A.3.1CR provides a grace period for a firm that is not a relevant authorised person an SMCR firm to apply for someone to be approved to perform the CASS operational oversight function.

(2) There is no equivalent to CASS 1A.3.1CR for a relevant authorised person an SMCR firm, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (5), below.

(3) As explained in CASS 1A.3.1BG(2), the function in CASS 1A.3.1AR is not, by itself, a controlled function.

(4) Therefore, if an approved person is to perform the function for a relevant authorised person an SMCR firm, it can be allocated to any director or senior manager who is already an approved person who is suitable to carry it out. However, if the firm wishes to allocate the function to someone as described in CASS 1A.3.1BG(2)(d), it will need to get FCA approval before the firm appoints them.

(5) If the function is to be carried out by a certification employee:

…

(b) the firm should:

(i) either issue them with a certificate under SYSC 27

(Senior managers and certification regime:...)
Certification regime) before the firm becomes a CASS medium firm or a CASS large firm; or

...
There are three elements of the regime for SMCR firms that are particularly relevant to CASS 11.3, although they do not all apply to all SMCR firms:

(a) a firm’s obligation to allocate certain responsibilities to its SMF managers (see SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities));

(b) a firm’s obligation to ensure that one or more of its SMF managers have overall responsibility for each of its activities, business areas and management functions (see SYSC 26 (Senior managers and certification regime: Overall and local responsibility)); and

(c) the certification regime (see SYSC 27 (Senior managers and certification regime: Certification regime)).

For a firm that is a relevant authorised person, the function in CASS 11.3.4R is not a separate controlled function and performing that function does not require approval as an approved person. Paragraphs (6) to (9) explain how CASS 11.3.4R applies to an SMCR firm to which SYSC 24 and SYSC 26 apply.

(6) A relevant authorised person The SMCR firm must allocate overall responsibility for the firm’s compliance with CASS to one of its SMF managers (see SYSC 4.7.5R SYSC 24.2.1R). That responsibility is an “FCA-prescribed senior management responsibility”. The full list of FCA-prescribed senior management responsibilities is in the table in SYSC 24.2.6R.

(7) A relevant authorised person Although the CASS function in SYSC 24.2.1R is different from the function in CASS 11.3.4R, the SMCR firm may allocate the function in CASS 11.3.4R to the SMF manager in (6).

(8) A relevant authorised person The SMCR firm may allocate the CASS FCA-prescribed senior management responsibility described in (6) to an SMF manager who does not perform any other function coming within the FCA approved persons regime for relevant authorised persons SMF managers in SMCR firms. See SUP 10C.7 (Other overall responsibility function (SMF18)) and SUP 10C.8.1R (Other local responsibility function (SMF22)) for details.

(9) A relevant authorised person The SMCR firm may choose to allocate the function in CASS 11.3.4R to someone who is not an approved person and SMF manager. If so:
(a) that person will be subject to the employee certification regime described in SYSC 27 (Certification Regime Senior managers and certification regime: Certification regime);

(b) that person will be subject to supervision by the SMF manager in (6); and

(c) the function in CASS 11.3.4R will be the CASS oversight FCA specified significant-harm FCA certification function in SYSC 27.8.1R.

(10) Broadly speaking, paragraphs (1) to (9) apply to a third country relevant authorised person, with certain differences: In relation to an SMCR firm to which SYSC 24 applies but SYSC 26 does not apply the guidance in paragraphs (6), (7) and (9) applies, but the guidance in paragraph (8) does not apply.

(a) SYSC 4.8.6R and SYSC 4.8.9R apply instead of SYSC 4.7.5R and SYSC 4.7.7R;

(b) SUP 10C.8 applies instead of SUP 10C.7;

(c) the other local responsibility function (SMF22) applies in place of the other overall responsibility function (SMF18).

(11) (a) The position of an incoming EEA firm that has a top-up permission SMCR firm to which neither SYSC 24 nor SYSC 26 apply is slightly different.

(b) The firm may choose to allocate the function in CASS 11.3.4R to an SMF manager.

(c) The firm may instead choose to allocate the CASS function to someone who is not an SMF manager.

(d) Where (c) applies, the person performing the function in CASS 11.3.4R will fall into the certification regime. The function in CASS 1A.3.1AR will be the CASS oversight FCA certification function in SYSC 27.8.1R.

(e) FCA prescribed senior management responsibilities do not apply to an incoming EEA firm that has a top-up permission. There is no requirement in SYSC 4.7 or SYSC 4.8 that an SMF manager in an incoming EEA firm should have overall responsibility for CASS.

(f) Having responsibility for CASS may fall within the scope of the EEA branch senior manager function (SMF21).

(g) However, having responsibility for CASS may not fall into any controlled function.
11.3.5 R If, at the time a CASS debt management firm that is not a relevant authorised person on SMCR firm becomes a CASS large debt management firm in accordance with CASS 11.2.8R, the firm is not able to comply with CASS 11.3.4R because it has no director or senior manager who is an approved person in respect of the CASS operational oversight function, the firm must:

…

11.3.5A G (1) CASS 11.3.5R provides a grace period for a firm that is not a relevant authorised person on SMCR firm to apply for someone to be approved to perform the CASS operational oversight function.

(2) There is no equivalent to CASS 11.3.5R for a relevant authorised person on SMCR firm, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (5), below.

(3) As explained in CASS 11.3.3G, the function in CASS 11.3.5R is not, by itself, a controlled function.

(4) Therefore, if an approved person is to perform the function for a relevant authorised person on SMCR firm, it can be allocated to any director or senior manager who is already an approved person who is suitable to carry it out. However, if the firm wishes to allocate the function to someone as described in CASS 11.3.3G(8), it will need to get FCA approval before the firm appoints them.

(5) If the function is to be carried out by a certification employee:

…

(b) the firm should:

(i) either issue them with a certificate under SYSC 27 (Senior managers and certification regime: Certification regime) before the firm becomes a CASS large debt management firm; or

…
Annex N

Amendments to the Market Conduct sourcebook (MAR)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

8 Benchmarks

…

8.5 Regulated benchmark administrators

…

Responsibility for benchmark activities: regulated benchmark administrators

8.5.2 R (1) This rule applies to a regulated benchmark administrator other than:

(a) an Annex II benchmark administrator;

(b) a relevant authorised person an SMCR firm.

…

8.5.3 G The rule in MAR 8.5.2R does not apply to a regulated benchmark administrator which is a relevant authorised person an SMCR firm. That is because:

(1) Most UK relevant authorised persons SMCR firms are already subject to the requirement to allocate overall responsibility for each of the activities, business areas and management functions of the firm in SYSC 4.7.8R SYSC 26.3 (Main rules) (the table in SYSC 25 Annex 1G (The main Examples of the business activities and functions of a relevant authorised person an SMCR firm) refers to administering a benchmark); and

(2) EEA relevant authorised persons and third country relevant authorised persons overseas SMCR firms do not require authorisation to carry out the activity of administering a benchmark unless they are located in the UK. That is because that regulated activity gives effect to article 34 of the benchmarks regulation and, for these purposes, the requirements of article 34 only apply to administrators which are located in the UK.

…
8.5.6 G  An Annex II benchmark administrator which is a relevant authorised person in a SMCR firm may comply with the requirement in MAR 8.5.4R(2) to notify the FCA of the identity of the most senior manager(s) responsible for implementing the requirements of the benchmarks regulation by including that responsibility in that person’s statement of responsibilities.

...

8.6 Responsibility for benchmark activities: benchmark contributors

...

8.6.4 G A UK benchmark contributor or third country benchmark contributor which is a relevant authorised person in a SMCR firm may comply with the requirement in MAR 8.6.2R to notify the FCA of the senior personnel responsible for the process for contributing input data to a BMR benchmark administrator by including that responsibility in that person’s statement of responsibilities.

...
Annex O

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

Part 1: Comes into force 28 September 2018

10C.13 Variation of conditional and time-limited approvals

Purpose

10C.13.1 G …

10C.13.2 G (1) …

(2) This section does not deal with the FCA’s policies on varying a condition on its own initiative. DEPP 8 deals with that. However this section gives a short description of the FCA’s powers to impose such variations.

Variation of a conditional approval at the request of the firm: general description

10C.13.3 G A firm may apply to the FCA to change a conditional or time-limited 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; or

(4) where the approval is time-limited:

(a) varying the time limit; or

(b) removing the time limit.

10C.13.4 G (1) If a firm is applying for a change of the type described in SUP 10C.13.3G(4), There are requirements about whether the firm applying for a change described in SUP 10C.13.3G should apply to the FCA if the FCA imposed that condition, even if the approval was given by or the PRA. Paragraphs (2) to (3) summarise these requirements.
(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.

(2A) 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 (subject to (2C)) apply to the FCA if the FCA imposed that condition, even if the approval was given by the PRA.

(2B) If a firm is applying for a change of the type described in SUP 10C.13.3G(4), the firm should (subject to (2C)) apply to the FCA if the FCA imposed that time limit, even if the approval was given by the PRA.

(2C) Where the time limit or condition has been varied before and the FCA was the last to vary it, the firm should apply to the FCA. This applies whether the variation was made on the application of the firm or on the initiative of the FCA or the PRA.

(3) In other cases, the application should be to the PRA.

10C.13.5 G The power right to apply for a variation does not apply to include the right to apply for a time limitation where the current approval has effect for an unlimited period.

10C.13.5A G The procedures described in this section for the variation of an approval at the request of a firm do not apply where the condition or time limit has effect by virtue of section 66 of the Act (Disciplinary powers).

...

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; or

(5) removing or varying a time limit on an approval.

...

After SUP TP 10 (Benchmarks Regulation Transitional Provisions) insert the following new SUP TP 11. The text is not underlined.
TP 11 Bank of England and Financial Services Act 2016: Approved persons in insurers

11.1 Application and purpose

11.1.1 R (1) SUP TP 11 applies to SMCR insurance firms.

(2) SUP TP 11.15 applies to every firm.

11.1.2 G (1) SUP TP 11 has transitional provisions relating to the changes to the approved persons regime made by Part 2 of the Bank of England and Financial Services Act 2016 and the Individual Accountability (Dual-Regulated Firms) Instrument 2018.

(2) In particular, it has procedures for converting existing approvals for the performance of controlled functions into approvals for the corresponding designated senior management functions.

11.1.3 G (1) The main time period for which SUP TP 11 operates is 2018.

(2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.

11.1.4 G Most of SUP TP 11 relates SUP 10C.

11.1.5 G SUP TP 11.22 has a glossary of terms used in SUP TP 11 which have meanings that only apply in SUP TP 11. These terms appear in bold type in SUP TP 11.

11.2 Conversion of existing approvals

11.2.1 R If the conditions set out in SUP TP 11.2.2R are met, a pre-implementation approval in relation to a particular approved person (AP) and a particular SMCR insurance firm (F) has effect on and after the commencement date as if it had been given in relation to the FCA-designated senior management function or FCA-designated senior management functions specified in SUP TP 11.2.2R(2) and (3).

11.2.2 R Those conditions are:

(1) the pre-implementation approval is in effect in relation to F:

(a) (in the case of a notifying firm) at the firm specific date; and

(b) immediately before the commencement date;

(2) AP is performing an FCA-designated senior management function in relation to F on the commencement date;
(3) the pre-implementation approval in (1) is potentially convertible into approval for the FCA-designated senior management function in (2); and

(4) (in the case of a notifying firm) F has notified the FCA:
   (a) before the commencement date;
   (b) that it considers that the pre-implementation approval will be converted into approval for the FCA-designated senior management function in (2) under SUP TP 11.2.

11.2.3 R (1) A pre-implementation approval is potentially convertible into approval for an FCA-designated senior management function if a single row within the applicable part of the mapping table in SUP TP 11.2.5R contains both:
   (a) the pre-implementation controlled function for which that pre-implementation approval was given; and
   (b) that FCA-designated senior management function.

(2) An approval for a pre-implementation controlled function excluded from SUP TP 11 by SUP TP 11.4.2R is not potentially convertible into approval for any FCA-designated senior management function.

(3) An approval for a pre-implementation controlled function is not potentially convertible into approval for an FCA-designated senior management function in relation to a firm if either that pre-implementation controlled function or that FCA-designated senior management function does not apply to the firm.

11.2.4 R (1) Part One of the table in SUP TP 11.2.5R applies to a non-notifying firm.

(2) Part Two of the table in SUP TP 11.2.5R applies to a notifying firm.

11.2.5 R Mapping table: Potential conversion of approval for existing controlled functions into approval for designated senior management functions

<table>
<thead>
<tr>
<th>Part One (non-notifying firms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Pre-Implementation Controlled Function</td>
</tr>
<tr>
<td>Executive functions</td>
</tr>
<tr>
<td>Director function</td>
</tr>
<tr>
<td>-------------------</td>
</tr>
<tr>
<td>Chief executive function</td>
</tr>
<tr>
<td>Director of unincorporated association function</td>
</tr>
<tr>
<td>Small friendly society function</td>
</tr>
</tbody>
</table>

**Required functions**

<table>
<thead>
<tr>
<th>Compliance oversight function</th>
<th>Compliance oversight function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money laundering reporting function</td>
<td>Money laundering reporting function</td>
</tr>
</tbody>
</table>

### Part Two (notifying firms)

<table>
<thead>
<tr>
<th>(1) Pre-Implementation Controlled Function</th>
<th>(2) New FCA-designated senior management function</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Executive functions</strong></td>
<td></td>
</tr>
<tr>
<td>Director function</td>
<td>(a) Executive director function</td>
</tr>
<tr>
<td></td>
<td>(b) Conduct risk oversight (Lloyd’s) function</td>
</tr>
<tr>
<td>Director of unincorporated association function</td>
<td>Executive director function</td>
</tr>
<tr>
<td>Small friendly society function</td>
<td>Executive director function</td>
</tr>
<tr>
<td><strong>Oversight functions</strong></td>
<td></td>
</tr>
<tr>
<td>Chair of the nomination committee function</td>
<td>Chair of the nomination committee function</td>
</tr>
<tr>
<td>Chair of the with-profits committee function</td>
<td>Chair of the with-profits committee function</td>
</tr>
<tr>
<td><strong>Systems and controls</strong></td>
<td></td>
</tr>
<tr>
<td>Systems and controls function</td>
<td>Other local responsibility function</td>
</tr>
<tr>
<td><strong>Required functions</strong></td>
<td></td>
</tr>
<tr>
<td>Compliance oversight function</td>
<td>Compliance oversight function</td>
</tr>
<tr>
<td>Money laundering reporting function</td>
<td>Money laundering reporting function</td>
</tr>
</tbody>
</table>
| CASS operational oversight function | (a) Other overall responsibility function  
| (b) Other local responsibility function |
|--------------------------------------|-------------------------------------------|
| Significant management function     | (a) Other overall responsibility function  
| (b) Other local responsibility function  
| (c) EEA branch senior manager function |
| Note for Parts One and Two of this table |
| All references to a new FCA-designated senior management function are to *FCA-designated senior management functions* brought into force for the *firm* concerned by the Individual Accountability (Dual-Regulated Firms) Instrument 2018. |

11.2.6 G If a **pre-implementation controlled function** does not apply to a *firm* immediately before the **commencement date**, the applicable row of the table in *SUP TP 11.2.5R* does not apply to it either.

11.2.7 G (1) The general principle is that a **pre-implementation approval** cannot be converted to approval for an *FCA-designated senior management function* if that *FCA-designated senior management function* will not apply to the *firm* or to the particular **approved person** on the **commencement date**.

(2) For example, if none of the *FCA-designated senior management functions* in a row of the table in *SUP TP 11.2.5R* apply to a *firm* on the **commencement date**, that row does not apply to the *firm*.

11.2.8 G Another example of the principle in *SUP TP 11.2.7G* is that if:

(1) the result of *SUP TP 11.2* would otherwise be that an **approved person** is deemed to be approved to perform the *other overall responsibility function* or the *other local responsibility function*; and

(2) either that **approved person**:

(a) is deemed by *SUP TP 11.2* to be approved to perform any other *FCA-designated senior management function* for the same *firm*; or

(b) has approval to perform a **PRA controlled function** for the same *firm*;

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that approved person’s pre-implementation approval will not be converted into approval for the other overall responsibility function or the other local responsibility function (whichever is applicable).

11.2.9 R (1) A notification to the FCA is not to be taken into account for the purposes of SUP TP 11.2.2R(4) so far as it concerns a particular approved person if the firm does not include a statement of responsibilities about that approved person with the notification when required to do so by SUP TP 11.11.

(2) A notification to the FCA is not to be taken into account for the purposes of SUP TP 11.2.2R(4) if the firm does not include a management responsibilities map with the notification when required to do so by SUP TP 11.12.

11.2.10 G SUP TP 11.2.2R(4)(a) (together with SUP TP 11.5 and SUP TP 11.6) means that:

(1) a failure to submit a Form K before the final notification date is a breach of the requirements of SUP TP 11; but

(2) despite that breach, the pre-implementation approval can still be converted into an approval for the applicable FCA-designated senior management function as long as it is received before the commencement date.

11.2.11 R (1) This rule applies to a firm (referred to as ‘B’ in this rule) in relation to an approved person (referred to as ‘AP’ in this rule) if:

(a) immediately before the commencement date, AP is treated under SUP 10A.11.12R (The main rule) as not performing an FCA governing function for B;

(b) approval for that FCA governing function is potentially convertible into approval for an FCA-designated senior management function;

(c) that FCA-designated senior management function is an FCA governing function; and

(d) AP would be performing that FCA-designated senior management function in relation to B on the commencement date but for this rule.

(2) SUP 10C.9.8R (The main rule) applies in relation to AP, B and the FCA-designated senior management function in (1) from the commencement date so that:

(a) that FCA-designated senior management function is treated as a ‘particular’ FCA governing function in SUP 10C.9.8R; and
(b) the functions included in what would have been that FCA governing function are treated as a potential FCA governing function in SUP 10C.9.8R that:

(i) meets the conditions in SUP 10C.9.8R(4); and

(ii) has met the conditions in SUP 10C.9.8R(5) up to the commencement date.

11.2.12 G (1) SUP 10A.11.12R and SUP 10C.9.8R say that a person performing a PRA controlled function does not need approval for carrying on an FCA governing function if certain conditions are met.

(2) The effect of SUP TP 11.2.11R is that if immediately before the commencement date, an approved person is taking advantage of SUP 10A.11.12R they will be able to rely on the corresponding arrangement in SUP 10C.9.8R for as long as they have approval for performing a PRA controlled function.

11.3 Effect of conversion

11.3.1 R (1) Where, immediately before the commencement date, a pre-implementation approval is subject to a suspension, condition or limitation imposed under section 66(3) of the Act (Disciplinary powers), that suspension, condition or limitation is to be treated as if it were imposed in respect of the converted approval from the beginning of the commencement date.

(2) This rule applies whether or not the FCA or the PRA has given a warning notice or a decision notice under:

(a) section 63 of the Act (Withdrawal of approval); or

(b) section 63B of the Act (Procedure and right to refer to tribunal); or

(c) section 67 of the Act (Disciplinary measures: procedure and right to refer to Tribunal).

11.3.2 R Anything done under section 63 of the Act (Withdrawal of approval) in respect of a pre-implementation approval before the commencement date continues to have effect on and after that day in respect of the converted approval.

11.4 Lapse of existing approvals and special provisions about appointed representatives
11.4.1 R Subject to SUP TP 11.4.2R, any pre-implementation approval that is in effect immediately before the commencement date that is not converted under SUP TP 11.2 ceases to have effect as from the beginning of the commencement date in relation to the controlled function concerned.

11.4.2 R SUP TP 11 does not apply to a pre-implementation approval that has effect under SUP 10A.1.15R to SUP 10A.1.16AR (appointed representatives).

11.4.3 G An approval excluded from SUP TP 11 by SUP TP 11.4.2R continues in force and is not affected by SUP TP 11.

11.5 Notification to the FCA: Initial notification

11.5.1 R (1) A notifying firm must notify the FCA of:

(a) each pre-implementation approval that it considers will be converted into approval for an FCA-designated senior management function under SUP TP 11.2 (assuming that the firm complies with the applicable notification requirements in SUP TP 11);

(b) the approved person in respect of whom that pre-implementation approval was given; and

(c) the FCA-designated senior management function referred to in (a).

(2) A firm must make the notification in (1) before the final notification date.

11.5.2 G SUP TP 11.10 explains how the firm should make the notification.

11.5.3 G (1) This paragraph (SUP TP 11.5.3G) gives examples of things that a firm should not include in a notification under SUP TP 11.5.1R.

(2) A firm should not include a pre-implementation approval for the customer function. This is because there is no need to notify a pre-implementation approval if it is not potentially convertible into any FCA-designated senior management function.

(3) A firm should not include a pre-implementation approval if:

(a) it is potentially convertible into an FCA-designated senior management function; but

(b) the firm considers that the approved person will not be performing that FCA-designated senior management function on the commencement date.
Therefore, a firm should not include an approved person who plans to resign before the commencement date if it is intended that they will have left the firm before then.

A firm should not include a pre-implementation approval if SUP TP 11.4.2R says that SUP TP 11 does not apply to it.

If the firm considers that some of an approved person's pre-implementation approvals will be converted and some will not be, the firm's notification should:

1. include the approved person; but
2. exclude the approvals that will not be converted.

Notification to the FCA: Revision of initial notice

This rule applies if, before the commencement date:

1. there is a change relating to information given in or accompanying a notification that the firm has previously made under SUP TP 11.5 (or a notification given under SUP TP 11.6); or
2. the firm giving the notice discovers that any part of that information is inaccurate.

Where circumstances described in (1) occur before the final notification date, the firm must submit a revision of the notice referred to in (1) to the FCA before the final notification date.

Where circumstances described in (1) occur between the final notification date and the commencement date, the firm must submit a revision of the notice referred to in (1) to the FCA before the commencement date.

SUP TP 11.10 explains how the firm should make the revised notification.

This paragraph SUP TP 11.6.3G gives examples of when a firm should revise its SUP TP 11.5 notice under SUP TP 11.6.

A firm need not include in a notification under SUP TP 11.5 an approved person who plans to leave the firm before the commencement date. However that plan may change and as a result the firm may later conclude that the approved person will carry on with their job after the commencement date. If so, the firm should revise the notice.

If, after the notice to the FCA, the FCA grants an approval under section 59 of the Act (Approval for particular arrangements) to
someone who did not have any such approval for the firm at the time of the notice, the firm should revise its notice by including that new approved person and that new pre-implementation approval.

(4) If, after a firm has given the notice to the FCA, the FCA grants a new approval under section 59 of the Act to someone who already was an approved person for the firm when the firm gave the notice to the FCA, the firm should revise its notice by including that new pre-implementation approval.

(5) If a firm includes an approved person in a notification under SUP TP 11.5 and the firm later concludes that that person’s pre-implementation approval will no longer qualify for conversion because that person will not be performing the relevant FCA-designated senior management function for the firm on the commencement date, the firm should revise its notice. Possible reasons for this include:

(a) the approved person leaves the firm;

(b) the approved person tells the firm they are going to leave the firm before the commencement date; or

(c) the approved person’s job changes so that it will no longer involve performing an FCA-designated senior management function on the commencement date.

(6) There is no need to include information about the matters set out in SUP TP 11.5.3G.

11.6.4 G If a firm gives a notification to the FCA under SUP TP 11.5 about an approved person and that approved person later leaves the firm or gives up performing some of their pre-implementation controlled functions before the commencement date, the firm should notify the FCA using Form C or Form E under SUP 10A as well as a Form K under SUP TP 11.10.

11.7 In-flight applications: Conversion

11.7.1 R (1) A pre-implementation application by a firm that has not been determined or withdrawn by the commencement date is to be treated, on and after the commencement date, as if it had been made for the corresponding FCA-designated senior management function or FCA-designated senior management functions (if there are any).

(2) If a firm is required to notify a pre-implementation application to the FCA under SUP TP 11.8R, (1) only applies to a corresponding FCA-designated senior management function if the firm has included in that notification:
(a) that pre-implementation application; and

(b) that FCA-designated senior management function.

11.7.2 R An FCA-designated senior management function “corresponds” to a pre-implementation controlled function if approval for the latter is potentially convertible into approval for the former and “corresponding” must be interpreted accordingly.

11.7.3 R SUP TP 11.7.1R is subject to any amendment the firm may make to the application before the commencement date to specify that on the commencement date:

(1) the pre-implementation application is to lapse; or

(2) the pre-implementation application is to be treated as only being for some of the FCA-designated senior management functions.

11.7.4 G SUP TP 11.8.3G explains what FCA-designated senior management functions are covered by SUP TP 11.7.1R(2).

11.7.5 G (1) SUP TP 11.7.3R is not the only way a firm may change the effect of SUP TP 11.7.

(2) After the commencement date a firm is free to amend its application in accordance with the Act and the FCA Handbook.

(3) Before the commencement date, a firm is free to amend its application in accordance with the Act and the FCA Handbook by changing the pre-implementation controlled function for which it is applying. That will affect the corresponding FCA-designated senior management function. If the firm amends its application in this way it should notify the FCA under SUP TP 11.8 as well as under SUP 10A.

11.7.6 R Subject to SUP TP 11.7.7R, a pre-implementation application lapses on the commencement date unless it is continued in force by SUP TP 11.7.

11.7.7 R SUP TP 11 does not apply to a pre-implementation application if the pre-implementation approval that would result if it was granted would be excluded from SUP TP 11 by SUP TP 11.4.2R.

11.8 In-flight applications: Notification requirements

11.8.1 R A notifying firm must, before the final notification date, notify the FCA of every pre-implementation application if:

(1) it has not been determined or withdrawn at the time of the notification;
it is not excluded under SUP TP 11.7.7R; and

(3) the firm would be required to notify the FCA under SUP TP 11.5 if that application had been granted and the approval was in effect immediately before the date of the notification in SUP TP 11.8.1R.

11.8.2 R The information about a pre-implementation application that the notification must contain is the information that the firm would be required to give the FCA in a notification under SUP TP 11.5 if:

(1) that pre-implementation application had been granted; and

(2) the resulting approval was in effect immediately before the date of the notification in SUP TP 11.8.1R.

11.8.3 G SUP TP 11.8.1R and SUP TP 11.8.2R mean:

(1) Only a notifying firm needs to make the notification.

(2) The information to be notified to the FCA about a particular pre-implementation application includes each FCA-designated senior management function that meets the following conditions:

   (a) approval for the pre-implementation controlled function for which the pre-implementation application is being made is potentially convertible into approval for that FCA-designated senior management function; and

   (b) the firm considers that the approved person concerned will be performing that FCA-designated senior management function on the commencement date if the pre-implementation application is approved before then.

(3) A firm should not notify the FCA about a particular pre-implementation application if the firm considers that even if the application were approved before the commencement date, the approved person will not be performing on the commencement date any of the FCA-designated senior management functions into which the applicable pre-implementation approval would be potentially convertible. This might be because the firm intends that the candidate will only be in post for a short time.

11.8.4 R (1) This rule applies if, before the commencement date:

   (a) a firm makes a pre-implementation application after the initial notice under SUP TP 11.8.1R; and

   (b) the firm would have been required to notify the FCA under SUP TP 11.8.1R if that application had been made before the date of the notification under SUP TP 11.8.1R.
(2) This rule also applies if, before the commencement date:

   (a) there is any other change relating to information given in or accompanying the initial notice under SUP TP 11.8.1R (or a notification given under SUP TP 11.8.4R); or

   (b) the firm discovers that any part of that information is inaccurate.

(3) Where circumstances described in (1) or (2) occur before the final notification date, the firm must submit a revision of the notice referred to in (1) or (2) to the FCA before the final notification date.

(4) Where circumstances described in (1) or (2) occur between the final notification date and the commencement date, the firm must submit a revision of the notice referred to in (1) or (2) to the FCA before the commencement date.

11.8.5 G SUP TP 11.10 explains how the firm should make the notification.

11.8.6 G If a firm notifies the FCA under SUP TP 11.8 of a pre-implementation application and that application is granted or refused before the commencement date, the firm should revise its notification under SUP TP 11.8.4R and, if applicable, SUP TP 11.6.

11.9 In-flight applications: Supplemental material

11.9.1 R (1) This rule applies if, in relation to a pre-implementation application continued in effect after the commencement date under SUP TP 11.7, the FCA has before the commencement date:

   (a) imposed a requirement under section 60 of the Act (Application for approval);

   (b) given a warning notice under section 62(2) of the Act (Applications for approval: procedure and right to refer to tribunal) or a decision notice under section 62(3) of the Act to the interested parties referred to in section 62(5); or

   (c) taken any step in connection with giving a warning notice or decision notice under section 62.

   (2) The requirement, notice or step in (1) is to be treated, on and after the commencement date, as having been imposed, given or taken in relation to the application as affected by SUP TP 11.7.

11.10 Procedure for notification
11.10.1  R  A firm must only make a single notification under SUP TP 11.5 and SUP TP 11.8.1R and must do so on the same notification form.

11.10.2  R  A firm must make a notification under SUP TP 11.5, SUP TP 11.6 or SUP TP 11.8 by completing Form K (SUP TP 11.23.1R).

11.10.3  R  A firm must make a notification or submit a document to the FCA under SUP TP 11 in accordance with SUP 10C.15.11R(1) and (3) (Method of submission: electronic submission).

11.10.4  R  (1)  A firm making a notification under SUP TP 11.10.3R in accordance with SUP 10C.15.11R(1) must use the version of Form K made available on the electronic system referred to in SUP 10C.15.11R, which is based on the version in SUP TP 11.23.1R.

(2)  A firm making a notification under SUP TP 11.10.3R in accordance with SUP 10C.15.11R(3) and SUP 10C.15.14R must use the version of Form K in SUP TP 11.23.1R.

11.10.5  G  If a firm discovers after the commencement date that any information it has given under SUP TP 11 is inaccurate it should notify the FCA as described in SUP 15.6 (Inaccurate, false or misleading information). If SUP TP 11.17.6R applies, the firm should notify the FCA under that rule instead.

11.11  Statements of responsibilities

11.11.1  G  The table in SUP TP 11.11.2G explains when a firm is required to prepare a statement of responsibilities as part of the transitional arrangements in SUP TP 11 and whether it is required to send it to the FCA.

11.11.2  G  Table: Preparing statements of responsibilities and sending them to the FCA

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Non-notifying firm</th>
<th>Notifying firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is a firm required to prepare a statement of responsibilities for their transitioned SMF managers?</td>
<td>Yes. The insurance firms commencement SI requires this. A firm should have prepared it by or soon after the commencement date.</td>
<td>Yes. The insurance firms commencement SI requires this.</td>
</tr>
<tr>
<td>Is a firm required to send it to the FCA?</td>
<td>No</td>
<td>Yes. See SUP TP 11.11.3R.</td>
</tr>
<tr>
<td>Question</td>
<td>Answer</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Is a firm required to prepare a statement of responsibilities for a pre-implementation application by the firm that has been converted into an application for approval for the performance of an FCA-designated senior management function under SUP TP 11.7?</td>
<td>Yes. The Act requires this. Yes. The Act and SUP TP 11.11.3R require this.</td>
<td></td>
</tr>
<tr>
<td>Is a firm required to send it to the FCA?</td>
<td>Yes. See SUP TP 11.11.4R.</td>
<td></td>
</tr>
<tr>
<td>Is a firm required to prepare a statement of responsibilities for an application under SUP TP 11.15?</td>
<td>Yes. The Act and SUP TP 11.15 require this.</td>
<td></td>
</tr>
<tr>
<td>Is a firm required to send it to the FCA?</td>
<td>Yes. The details are in SUP TP 11.15.</td>
<td></td>
</tr>
</tbody>
</table>

11.11.3 R A notification to the FCA under SUP TP 11.5, SUP TP 11.6 or SUP TP 11.8 about an approved person or candidate must be accompanied by a statement of responsibilities about that person.

11.11.4 R A non-notifying firm must, within five business days after the commencement date, give the FCA a statement of responsibilities for each candidate who is the subject of a pre-implementation application by the firm that has been converted into an application for approval for the performance of an FCA-designated senior management function under SUP TP 11.7.

11.11.5 G A statement of responsibilities should comply with all the rules and directions in the FCA Handbook that will apply to statements of responsibilities prepared by the firm (see SUP TP 11.16).

11.11.6 G (1) Before the commencement date, SYSC 2.2 required many firms to have a scope of responsibilities document for its senior approved persons.

(2) That document may also satisfy the requirements for a statement of responsibilities and the ongoing requirements after the commencement date for statements of responsibilities. If so, there is no need to create a new statement of responsibilities. To the extent
that the scope of responsibilities document does not satisfy those requirements, a firm should amend or replace it.

11.12  Management responsibilities maps

11.12.1  R  SUP TP 11.12 applies to a firm that will be required under SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) to have a management responsibilities map when that chapter comes into force on the commencement date.

11.12.2  R  A notification to the FCA under SUP TP 11.10.1R must be accompanied by a management responsibilities map.

11.12.3  G  A management responsibilities map should comply with all the rules and directions in the FCA Handbook that will apply to a management responsibilities map prepared by the firm (see SUP TP 11.16).

11.12.4  G  (1)  Before the commencement date, SYSC 2.2 required many firms to have a governance map.

(2)  That document may also satisfy the requirements for a management responsibilities map and the ongoing requirements after the commencement date for management responsibilities maps. If so, there is no need to create a new management responsibilities map. To the extent that the governance map does not satisfy those requirements, a firm should amend or replace it.

11.13  Supplemental material about statements of responsibilities and management responsibilities maps

11.13.1  R  A statement of responsibilities and a management responsibilities map must be prepared as of the commencement date.

11.13.2  D  SUP TP 11.13.1R also applies to a management responsibilities map or statement of responsibilities prepared under a direction.

11.13.3  G  (1)  If there has been a change relating to a statement of responsibilities or a management responsibilities map submitted to the FCA under SUP TP 11, the firm should submit a revised version.

(2)  This is the effect of SUP TP 11.6 and SUP TP 11.8.4R.

11.13.4  G  A firm should not assume that the FCA has reviewed a statement of responsibilities or a management responsibilities map submitted to it 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.
11.14  Criminal record checks and employment references

11.14.1 R  *SUP* 10C.10.16R (Criminal record checks) does not apply to any **pre-implementation application** continued in effect by *SUP* TP 11.7.1R after the **commencement date**.

11.14.2 G  *SUP* 10C.10.16R (Criminal record checks) applies to any application for approval made under *SUP* TP 11.15.

11.14.3 G  *SYSC* TP 7.4.2R (Transitional provisions about regulatory references) has transitional provisions about regulatory references in relation to a **pre-implementation application** continued in effect by *SUP* TP 11.7.1R and applications for approval made under *SUP* TP 11.15.

11.15  Applications of approved persons to take effect from the commencement date

11.15.1 D  (1) A **firm** may, before the **commencement date**, apply under section 60 of the Act (Applications for approval) 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 effect (as respects the **firm**) on the **commencement date**.

(2) Any such application is made on the basis that it is treated as being made on the **commencement date**.

(3) The application must be made using the version of Form A or Form E applicable from the **commencement date** and in accordance with the other requirements to be in effect on that date.

11.15.2 G  The rest of *SUP* TP 11 will not apply to an application under *SUP* TP 11.15. In particular, it is not a **pre-implementation application** and the application should not be included in the **firm**’s Form K.

11.15.3 G  Any such application should be accompanied by a **statement of responsibilities** and, if SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material) will apply, a **management responsibilities map**.

11.15.4 G  A **firm** does not have to make an application under *SUP* TP 11.15. It can make an application for an existing **controlled function** before the **commencement date** under the **rules** and directions in force at the time of the application. *SUP* TP 11 will apply to such applications.
11.16 Application of ongoing requirements to converted approvals and conversion documents

11.16.1 R (1) The rules of the FCA Handbook apply to a converted approval, as they do to approvals granted after the commencement date.

(2) The rules of the FCA Handbook apply to a pre-implementation application that is continued in force under SUP TP 11 after the commencement date as they do to applications made after the commencement date.

(3) This paragraph is subject to the other provisions of SUP TP 11.

11.16.2 R (1) A statement of responsibilities (including one revised under SUP TP 11.16.4R) must comply with all the rules and directions in the FCA Handbook that will apply to statement of responsibilities as from the commencement date.

(2) (2) applies even if the firm is not required to submit the statement of responsibilities to the FCA under SUP TP 11.12.

11.16.3 R A management responsibilities map submitted to the FCA under SUP TP 11.12 must comply with all the rules and directions in the FCA Handbook that will apply to the firm’s management responsibilities map as from the commencement date.

11.16.4 D SUP TP 11.16.1R to SUP TP 11.16.3R apply to directions in SUP 10C in the same way as they do to rules.

11.16.5 G The table in SUP TP 11.16.6G gives examples of how SUP 10C and other parts of the FCA Handbook apply to converted approvals.

11.16.6 G Table: Examples of how ongoing requirements apply to converted approvals

<table>
<thead>
<tr>
<th>Requirement in Handbook</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>
</tbody>
</table>

|SUP 10C.11.7D | Submission of revised statement of responsibilities | The effect of the Act and of the insurance firms commencement SI is that section 62A of the Act (Changes in responsibilities of senior managers) applies to a statement of responsibilities. This means that if after the commencement date there has been a significant change in a transitioned SMF manager’s responsibilities in relation to their |
The powers and requirements in the Act and in SUP 10C about variation of approvals at the request of a firm and at the initiative of the FCA apply to converted approvals.

If a transitioned SMF manager ceases to perform a designated senior management function but continues to perform a converted designated senior management function, the firm should submit a revised statement of responsibilities document under SUP 10C.11.12R.

**Single statement of responsibilities document**

| SUP 10C.11.13D | One statement of responsibilities for each SMF manager for each firm | Applies to statements of responsibilities in the same way as it applies to statements of responsibilities. For example:

(1) If on the commencement date a transitioned SMF manager is already approved by the PRA to perform a PRA-designated senior management function for that firm, the statement of responsibilities should cover both the converted designated senior management function and the PRA-designated senior management function. That single document should be treated as a statement of responsibilities prepared under the Act.

(2) If after the commencement date a firm applies for the FCA’s approval for a transitioned SMF manager to perform another FCA-designated senior management function, the statement of responsibilities prepared for that application should be... |
combined with the **statement of responsibilities** required by *SUP TP 11* and the **insurance firms commencement SI** into a single document.

(3) If:

(a) after the **commencement date** a **transitioned SMF manager** is approved by the **FCA** to perform another **FCA-designated senior management function**; and

(b) later there is a significant change in the **transitioned SMF manager’s responsibilities**;

the **firm** should notify the **FCA** and submit a single revised statement of responsibilities **document**, whether the change relates to the **converted designated senior management function** or to the additional **FCA-designated senior management function**.

<table>
<thead>
<tr>
<th><strong>SUP 10C.11.20R</strong></th>
<th><strong>Complete set of current statements of responsibilities</strong></th>
<th>Applies to <strong>statements of responsibilities</strong> in the same way as it does to <strong>statements of responsibilities</strong>.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUP 10C.11.12R</strong></td>
<td><strong>Statements of responsibilities to be included in notification</strong></td>
<td>Applies to ceasing to carry on a <strong>converted designated senior management function</strong> after the <strong>commencement date</strong>.</td>
</tr>
<tr>
<td><strong>SUP 10C.14.5R</strong></td>
<td><strong>Notification of ceasing to perform the function</strong></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.7R</strong></td>
<td><strong>Qualified Form C</strong></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><strong>Changes to details</strong></td>
<td>Applies to a <strong>transitioned SMF manager</strong> and to changes of any details</td>
</tr>
<tr>
<td><strong>SUP 10C.14.15R</strong></td>
<td><strong>Changes to arrangements</strong></td>
<td>relating to the converted designated senior management function. The Form D requirements also apply to a candidate whose application is continued in force by <strong>SUP TP 11</strong>. Before the <strong>commencement date</strong>, the existing requirements of <strong>SUP 10A</strong> apply to changes in a candidate’s fitness.</td>
</tr>
<tr>
<td><strong>SUP 10C.14.18R</strong></td>
<td><strong>Fitness</strong></td>
<td></td>
</tr>
<tr>
<td><strong>SUP 10C.14.22R</strong></td>
<td><strong>Notifications under the Act</strong></td>
<td>Applies to notification about a transitioning SMF manager.</td>
</tr>
<tr>
<td>Requirements referring to a current approved person approval</td>
<td><strong>General</strong></td>
<td>Apply to a converted approval.</td>
</tr>
<tr>
<td>Requirements referring to a current approved person approval held within the last six months</td>
<td></td>
<td>These requirements apply to an approval for a controlled function abolished after the <strong>commencement date</strong> and to an approval that ceased to have effect under <strong>SUP TP 11</strong> for some other reason. These requirements also apply to an approval given up within the last six months before the <strong>commencement date</strong> even though the controlled function ceases to exist after the <strong>commencement date</strong>.</td>
</tr>
<tr>
<td><strong>FCA-prescribed senior management responsibility (a)</strong></td>
<td>Responsibility for a firm’s performance of its obligations under the senior managers regime</td>
<td>Includes compliance with the requirements about statements of responsibilities</td>
</tr>
<tr>
<td><strong>SYSC 25</strong></td>
<td>Preparation of management responsibilities maps</td>
<td>A management responsibilities map should include a transitioning SMF manager and their converted designated senior management functions</td>
</tr>
</tbody>
</table>
11.17 Making sure that the Financial Services Register is accurate

Existing notification requirements

11.17.1 R (1) If before the **commencement date** a **firm** is required to notify the **FCA** using Form C or Form D or under **SUP** 10A.14.10R, that obligation continues to apply after the **commencement date** if the **firm** has not complied with that obligation before then.

(2) (1) applies whether the deadline for reporting expires before or after the **commencement date**.

(3) (1) applies to a **notifying firm** even if it is obliged to report the same facts under a Form K.

(4) (1) does not apply to the **customer function** (unless the **customer function** continues to apply after the **commencement date** under **SUP** TP 11.4.2R) if the deadline for reporting expires after the **commencement date**. Instead, the obligation to report ends on the **commencement date**.

Notification required from non-notifying firms in certain cases

11.17.2 R (1) This **rule** applies to a **non-notifying firm** (F) in relation to a particular **approved person** (AP) if:

(a) F has **pre-implementation approval** for the performance by AP of a **pre-implementation controlled function**;

(b) that **pre-implementation approval** is **potentially convertible** into an **FCA-designated senior management function**; and

(c) F believes that that **pre-implementation approval** will not be converted into approval for the performance of that **FCA-designated senior management function**.

(2) If F is not already required to notify the **FCA** of the facts giving rise to this, it must notify the **FCA** of the matters in (1) using Form C in accordance with **SUP** 10A before:

(a) the **final notification date**; or

(b) (if the situation in (1) first arises after the **final notification date**) the **commencement date**.

11.17.3 G (1) The most likely reason for the situation in **SUP** TP 11.17.2R to arise is that, before the **commencement date**, AP resigns or gives up their **controlled function** or plans to do so.
(2) In most cases F will already be required to notify the FCA. If so, SUP TP 11.17.2R will not apply, even if the reporting deadline is after the **commencement date**.

(3) An example of circumstances in which SUP TP 11.17.2R will apply is if:

(a) AP is going to remain in post after the **commencement date**; but

(b) their job does not come within the definition of the FCA-designated senior management function in SUP TP 11.17.2R even though their job comes within the **pre-implementation controlled function**.

11.17.4 G SUP TP 11.17.2R does not apply to a **notifying firm**. The FCA will rely on its Form K instead.

**Checking the Register**

11.17.5 R A **firm** must, in the **month** beginning five **business days** after the **commencement date**, check whether the **Financial Services Register**:

(1) correctly records all the **firm’s SMF managers**;

(2) correctly records each FCA-designated senior management function for the performance of which by the SMF manager the **firm** has approval;

(3) includes everyone performing an FCA-designated senior management function for the performance of which the **firm** should have obtained approval; and

(4) includes all the FCA-designated senior management functions for which the **firm** should have obtained approval in relation to **persons** in (3).

11.17.6 R (1) If:

(a) the **Financial Services Register** does not correctly do all the things in SUP TP 11.17.5R; and

(b) the **firm** is not already required to notify the FCA of the facts giving rise to (1)(a) or to apply for the necessary approvals under section 59 of the **Act** (Approval for particular arrangements);

the **firm** must (by the end of the one **month** period in **SUP TP 11.17.5R**) notify the FCA of that fact using the applicable form in **SUP 10C**.
(2) The applicable form in (1) is, in relation to a particular person (AP) and firm, whichever one or more of the following forms in SUP 10C applies:

(a) Form A (short form) where AP is not, but should be, included in the Financial Services Register or where the Financial Services Register omits some of AP’s FCA-designated senior management functions for which the firm has approval; or

(b) Form C where AP is, but should not be, included in the Financial Services Register or where the Financial Services Register shows an approval for AP to perform an FCA-designated senior management function that the firm does not have; or

(c) Form E where both (1) and (2) apply; or

(d) Form D in any other case.

11.17.7 G The requirement to check the Financial Services Register is particularly important in a case of a non-notifying firm because:

(1) the FCA will update the Financial Services Register based on the information it has; but

(2) the FCA may not have sufficient information to tell whether all the conversion conditions in SUP TP 11.2.2R have been met.

11.17.8 G (1) In practice it is unlikely that SUP TP 11.17.6R will normally apply because the firm will already be required to notify the FCA of the matter or apply for approval. For example:

(a) if the Financial Services Register does not include a person performing an FCA-designated senior management function because the firm has not yet applied for approval, the firm should apply for approval using Form A (long or short) or Form E as soon as possible;

(b) if the Financial Services Register includes a person who left the firm before the commencement date or who stopped performing their pre-implementation controlled function before then, the firm should report that using Form C (see SUP TP 11.17.1R);

(c) if the pre-implementation controlled function and the corresponding designated senior management function are so different that approval for the former is not converted into approval for the latter, a non-notifying firm should report that under SUP TP 11.17.2R.
(2) SUP TP 11.17.6R may apply for example if the firm has made all the
notifications (if any) required by SUP TP 11 and other parts of the
Handbook but:

(a) the Financial Services Register does not include one of the
firm’s approved persons even though their pre-
implementation controlled function was converted under
SUP TP 11; or

(b) the Financial Services Register includes one of the firm’s
approved persons even though none of their pre-
implementation controlled functions were converted under
SUP TP 11.

Abolition of the customer function

11.17.9 G A firm does not have to submit a Form C for an approved person who had a
pre-implementation approval to perform the customer function but ceases
to perform that function because the customer function is (except in relation
to appointed representatives) abolished after the commencement date.

11.18 The 12-week rule

11.18.1 G (1) SUP 10C.3.13R (The 12-week rule) allows a firm to appoint
someone (P) to perform a function which would normally be an
FCA-designated senior management function without needing to
apply for the FCA’s approval under section 59 of the Act (Approval
for particular arrangements) where P is filling in for someone who is
absent unexpectedly or temporarily. There is a maximum period for
which P’s appointment can last.

(2) When calculating the maximum time period in (1), the firm need not
take into account any time spent by P before the commencement
date performing what will become the FCA-designated senior
management function in (1).

11.18.2 G (1) SUP 10C.3.13R only applies where P (as referred to in SUP TP
11.18.1G) is providing cover for an SMF manager whose absence is
temporary or reasonably unforeseen.

(2) SUP 10C.3.13R may still apply if the absence referred to in (1)
began before the commencement date.

11.18.3 G SUP TP 11.18.1G and SUP TP 11.18.2G may apply even if:

(1) before the commencement date P was taking advantage of SUP
10A.5.6R (the equivalent of SUP 10C.3.13R under SUP 10A); and
approval for the controlled function disapplyed by SUP 10A.5.6R is potentially convertible into approval for the FCA-designated senior management function in SUP TP 11.18.1G and SUP TP 11.18.2G.

11.19 Application for permission

11.19.1 D (1) This direction applies to a pre-implementation application that is made by an authorisation applicant before the commencement date.

(2) A pre-implementation application in (1) must comply with (or, as the case may be, must be revised so that it complies with) the requirements (if any) of SUP TP 11 that apply to a pre-implementation application by a firm:

(a) of the type that the authorisation applicant will be if the authorisation application is granted or otherwise succeeds; and

(b) for an approval by the FCA for the performance of the same pre-implementation controlled function.

11.19.2 R SUP TP 11.7 and SUP TP 11.9 apply to a pre-implementation application in SUP TP 11.19.1D.

11.19.3 D SUP TP 11.15 applies to an authorisation applicant.

11.20 Prohibition orders

11.20.1 R The changes to the FCA Handbook made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018 do not affect:

(1) a warning notice or a decision notice under section 57 of the Act (Prohibition orders: procedure and right to refer to tribunal); or

(2) a prohibition order;

which is given or made before the commencement date.

11.21 Reporting under SUP 15.11

11.21.1 R The first notification period under SUP 15.11.13R (Timing and form of notifications: conduct rules staff other than SMF managers):

(1) starts on the commencement date; and
(2) ends on the last day of the following August.

### 11.22 Terms used in SUP TP 11

#### 11.22.1 R

The terms in the first column of the table in SUP TP 11.22.2R, where they appear in bold in SUP TP 11, have the meanings in the corresponding entry in column 2 for the purposes of SUP TP 11.

#### 11.22.2 R

Table: glossary of bespoke terms used in SUP TP 11

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>authorisation applicant</td>
<td>an applicant for <em>Part 4A permission</em>, or another person seeking to carry on regulated activities as an authorised person.</td>
</tr>
<tr>
<td>authorisation application</td>
<td>the application or other process referred to in the definition of <em>authorisation applicant</em>.</td>
</tr>
<tr>
<td>converted approval</td>
<td>(in relation to a <em>pre-implementation approval</em>) the approval for an <em>FCA-designated senior management function</em> which that <em>pre-implementation approval</em> becomes under SUP TP 11.2.1R.</td>
</tr>
<tr>
<td>converted designated senior management function</td>
<td>(in relation to a <em>transitioned SMF manager</em>) the <em>FCA-designated senior management function</em> for which they are treated as having approval under SUP TP 11.2.1R.</td>
</tr>
<tr>
<td>corresponding</td>
<td>(in relation to an <em>FCA-designated senior management function</em> and a <em>pre-implementation controlled function</em>) has the meaning in SUP TP 11.7.2R.</td>
</tr>
<tr>
<td>firm specific date</td>
<td>the later of the following:</td>
</tr>
<tr>
<td>(1)</td>
<td>the date (if any) on which a <em>firm</em> makes the notification in SUP TP 11.10.1R; or</td>
</tr>
<tr>
<td>(2)</td>
<td>(if the <em>firm</em> has updated a notification in (1) under SUP TP 11.6 or SUP TP 11.8.4R) the date that the most recent such updated notification was made to the FCA.</td>
</tr>
<tr>
<td>management responsibilities map</td>
<td>the document required to be produced under SUP TP 11.12, including under SUP TP 11.12 as applied by SUP TP 11.19.</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>non-notifying firm</td>
<td>each of the following types of SMCR insurance firm:</td>
</tr>
<tr>
<td></td>
<td>(1) a small non-directive insurer;</td>
</tr>
<tr>
<td></td>
<td>(2) a firm in SYSC 23 Annex 1 5.2R (firms in run-off) as set out in the Individual Accountability (Dual-Regulated Firms) Instrument 2018;</td>
</tr>
<tr>
<td></td>
<td>(3) an insurance special purpose vehicle;</td>
</tr>
<tr>
<td></td>
<td>(taking account of amendments to be made to the Glossary by the Individual Accountability (Dual-Regulated Firms) Instrument 2018).</td>
</tr>
<tr>
<td>notifying firm</td>
<td>an SMCR insurance firm that is not a non-notifying firm.</td>
</tr>
<tr>
<td>potentially convertible</td>
<td>has the meaning in SUP TP 11.2.3R.</td>
</tr>
<tr>
<td>pre-implementation application</td>
<td>an application made under section 60 of the Act (Applications for approval) if the application is:</td>
</tr>
<tr>
<td></td>
<td>(1) for approval for the performance of a pre-implementation controlled function; and</td>
</tr>
<tr>
<td></td>
<td>(2) received by the FCA before the commencement date.</td>
</tr>
<tr>
<td>pre-implementation approval</td>
<td>a current FCA approved person approval that is given by the FCA before the commencement date in relation to a pre-implementation controlled function.</td>
</tr>
<tr>
<td></td>
<td>If a person is approved to perform more than one pre-implementation controlled function for a firm, there is a separate pre-implementation approval in relation to each.</td>
</tr>
<tr>
<td>pre-implementation controlled function</td>
<td>(in relation to a firm) an FCA controlled function that, before the commencement date:</td>
</tr>
<tr>
<td></td>
<td>(a) the FCA has specified for the purposes of section 59 of the Act (approval for particular arrangements); and</td>
</tr>
<tr>
<td></td>
<td>(b) applies to the firm (even if the firm has no one approved to perform that function for the time being).</td>
</tr>
<tr>
<td>statement of responsibilities</td>
<td>any of the following:</td>
</tr>
</tbody>
</table>
(a) the document corresponding to a statement of responsibilities that a firm must produce under regulation 4 of the insurance firms commencement SI; or

(b) a statement of responsibilities that a firm must produce in relation to:

(i) a pre-implementation application that has been converted into an application for approval for the performance of an FCA-designated senior management function under SUP TP 11.7;

(ii) an application under SUP TP 11.15; or

(iii) an application under (b)(i) or (ii) as they apply in relation to SUP TP 11.19.

| SMCR banking firm, SMCR firm and SMCR insurance firm | has the meaning set out in the amendments to the Glossary to be made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018. This is subject to SUP TP 11.22.3R. |
| transitioned SMF manager | AP as defined in SUP TP 11.2.1R |

### Part Two: Fixed dates

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>final notification date</td>
<td>3 December 2018</td>
</tr>
<tr>
<td>commencement date</td>
<td>10 December 2018</td>
</tr>
</tbody>
</table>

Note: If a firm becomes an SMCR insurance firm or a notifying firm between the final notification date and the commencement date, the final notification date for it is the date it becomes an SMCR insurance firm or notifying firm.

11.22.3 R (1) Before the commencement date, the question of:

(a) whether a firm is an SMCR insurance firm for the purposes of SUP TP 11; and

(b) (if it is) into which category it falls;
is determined in accordance with SYSC 23 (as set out in the Individual Accountability (Dual-Regulated Firms) Instrument 2018) even though that chapter is not in force for other purposes.

(2) (1) does not apply to an SMCR banking firm. An SMCR banking firm cannot be an SMCR insurance firm for the purposes of SUP TP 11.

11.22.4 G (1) The effect of SUP TP 11.22.3R is that if an SMCR banking firm changes its permission in a way that would turn it into an SMCR insurance firm, the conversion arrangements in SUP TP 11 will not apply to it.

(2) SUP TP 11.15 will however apply and the firm can use this to apply for the approvals it needs because of its change of category.

11.22.5 G If a firm becomes a non-notifying firm after it has sent the FCA its Form K, it should notify the FCA as described in SUP 15.6 (Inaccurate, false or misleading information).

11.23 Forms

11.23.1 R Conversion Notification Form (Form K)

[Insert here the form titled “Conversion Notification Form (Form K) Solvency II and large non-directive firms”. The text of this form is contained in Part One of Annex Y of this instrument.]

Part 2: Comes into force 1 November 2018

Amend the following forms in SUP 10C Annex 5D (Statement of responsibilities) as shown in Part Two of Annex Y of this instrument:

(a) UK RAPs Statement of Responsibilities form; and
(b) Third Country RAPs Statement of Responsibilities form.

Part 3: Comes into force 10 December 2018

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

6 Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements
6.3 Applications for variation of permission and/or imposition, variation or cancellation of requirements

... 

How a variation of permission may affect the firm’s approved persons

6.3.8 G (1) Where a firm is submitting an application for variation of Part 4A permission which would lead to a change in the controlled functions of its approved persons, it should, at the same time and as appropriate:

(a) make an application for an internal transfer of an approved person, Form E (Internal transfer of a person performing a controlled function), or make an application for an individual to perform additional controlled functions, the relevant Form A (Application to perform controlled functions); see:

(i) SUP 10A.13.3D to SUP 10A.13.5G (for a firm that is not a relevant authorised person an SMCR firm);

(ii) SUP 10C.10 (for a relevant authorised person an SMCR firm); or

(iii) the corresponding PRA requirements;

(b) notify the appropriate regulator FCA or PRA of any approved person who has ceased to perform a controlled function specified by that regulator, Form C (Ceasing Notice of ceasing to perform controlled functions (including senior management functions)); see:

(i) SUP 10A.14 (for a firm that is not a relevant authorised person an SMCR firm);

(ii) SUP 10C.14 (for a relevant authorised person an SMCR firm); or

(iii) the corresponding PRA requirements;

(2) If the firm intends to recruit new individuals to perform controlled functions, it should apply for approval of the individuals as approved persons as soon as possible using Form A (Application to perform controlled functions); see:

(a) SUP 10A.13 (for a firm that is not a relevant authorised person an SMCR firm);
(b) SUP 10C.10 (for a relevant authorised person an SMCR firm); or

(c) the corresponding PRA requirements.

Relevant authorised person SMCR firm status

6.3.9 G A variation of a firm’s Part 4A permission may mean that it becomes a relevant authorised person an SMCR firm or that it changes from one type of SMCR firm to another. This would have a number of significant consequences, which include:

(1) the application of the special powers in relation to misconduct by approved persons (see DEPP 6.2.9-AG);

(2) the approved persons regime switches from SUP 10A to SUP 10C;

(3) COCON applies in place of APER; and

(4) the certification other elements of the regime for SMCR firms described in SYSC 27 apply 23.4 (Overview of the senior managers and certification regime) apply (which differ depending on the type of SMCR firm),

(5) the criminal offence in section 36 of the Financial Services (Banking Reform) Act 2013 (Offence relating to a decision causing a financial institution to fail) potentially applies, although that offence does not apply to every relevant authorised person; and [deleted]

(6) SYSC 4.5 (Management responsibilities maps for relevant authorised persons), SYSC 4.7 (Senior management responsibilities for relevant authorised persons: allocation of responsibilities and SYSC 4.9 (Handover procedures and material) apply. [deleted]

…

6.3.25 G Information which may be required. See SUP 6.3.24G

<table>
<thead>
<tr>
<th>Type of business</th>
<th>Information which may be required</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>…</td>
</tr>
<tr>
<td></td>
<td>3. Organisation charts and details of individuals transferring or being recruited to perform new controlled functions (see SUP 10A and SUP 10C, and the corresponding PRA requirements for details of the</td>
</tr>
</tbody>
</table>
application or transfer procedures under the approved persons or senior managers regime).

6.4 Applications for cancellation of permission

Approved persons

6.4.18 G (1) A firm which is applying for cancellation of Part 4A permission and which is not otherwise authorised by, or under, the Act should, at the same time:

(a) comply with:

(i) SUP 10A.14.8R (for a firm that is not a relevant authorised person an SMCR firm);

(ii) SUP 10C.14.5R (for a relevant authorised person an SMCR firm); or

(iii) the corresponding PRA requirements; and

(b) notify the appropriate regulator the FCA or PRA of persons ceasing to perform controlled functions specified by that regulator.

10A FCA Approved Persons

10A.1 Application

General

10A.1.1 R This chapter applies to every:

(1) firm that is not a relevant authorised person an SMCR firm; and

(2) relevant authorised person SMCR firm, but only to the extent required by SUP 10A.1.16BR (Appointed representatives).

10A.1.1A G SUP 10C deals with the approved persons regime for relevant authorised persons SMCR firms themselves.
10A.1.2 G This chapter is also relevant to every FCA-approved person:

(1) of a firm that is not a relevant authorised person an SMCR firm; and

(2) of any appointed representative, including of an appointed representative of a relevant authorised person an SMCR firm.

...

10A.1.8 G (4) ...

(2) For example, persons in Solvency II firms which are incoming EEA firms are not expected to be carrying out FCA functions to the extent that the person will be regarded as effectively running the firm or responsible for a Solvency II Directive ‘key function’: [deleted]

10A.1.9 G Notwithstanding SUP 10A.1.8G, an incoming EEA firm (other than an EEA pure reinsurer) or incoming Treaty firm will have had to consider the impact of the Host State rules with which it is required to comply when carrying on a passported activity or Treaty activity through a branch in the United Kingdom. An incoming EEA firm (other than an EEA pure reinsurer) will have been notified of those provisions under Part II of Schedule 3 to the Act in the course of satisfying the conditions for authorisation in the United Kingdom.

...

10A.1.12 R If an incoming EEA firm is an EEA pure reinsurer, then SUP 10A.1.11R does not apply. Instead, none of the FCA controlled functions apply with respect to its passported activities carried on from a branch in the United Kingdom. [deleted]

...

10A.1.16B R SUP 10A.1.15R and SUP 10A.1.16R apply to the appointed representative of a relevant authorised person an SMCR firm.

10A.1.16C G (1) References in this chapter to a firm include a relevant authorised person an SMCR firm, but only to the extent required by SUP 10A.1.16BR.

(2) References in SUP 10A.1.15R and SUP 10A.1.16R to FCA governing functions and other controlled functions are to controlled functions in this chapter, not in SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms).

10A.1.16D G (1) Under section 59(6A) of the Act, if the FCA is satisfied that, in relation to the carrying on of a regulated activity by a relevant
authorised person an SMCR firm, a controlled function is a senior management function, the FCA must designate the function in its rules as a senior management function.

…

(4) SUP 10C.1.8G (Approved persons in relation to appointed representatives of relevant authorised persons) explains that it is unlikely that SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms) will apply to approved persons working in appointed representatives of relevant authorised persons an SMCR firm in addition to this chapter.

…

Bidders in emissions auctions

10A.1.21 G …

This is because the FCA-approved person regime specifies a number of functions by incorporation of requirements in SYSC; however, a firm carrying on auction regulation bidding is only subject to SYSC to a limited extent in relation to that activity. This means that the FCA required functions do not apply to auction regulation bidding, except for the money laundering reporting function. Similarly, the significant management function does not apply in relation to auction regulation bidding because, in carrying on that activity, a firm is not subject to SYSC 2.1.1R or SYSC 4.1.1R and is not undertaking proprietary trading.

…

Swiss general insurers

10A.1.26 R For Swiss general insurers, references in this chapter to parts of the PRA Rulebook for ‘Solvency II firms’ are to be read as references to the corresponding parts of the PRA Rulebook applying to non directive insurers. [deleted]

10A.1.27 G Swiss general insurers are in the large non directive insurers sector of the PRA Rulebook and the PRA applies to them, in relation to their controlled functions, provisions equivalent to those applying to third country branches in the Solvency II firms sector of the PRA Rulebook. The FCA includes them as third country undertakings of Solvency II firms and so they must follow the requirements for Solvency II firms set out in SUP 10A. [deleted]
10A.2 Purpose

SUP 10A does not deal with the PRA’s approved persons regime. [deleted]

10A.2.2 The FCA has certain powers in relation to PRA-approved persons, such as the requirement to give its consent in certain cases to the PRA granting approval for the performance of a PRA-controlled function. [deleted]

10A.4 Specification of functions

Part 1 of the table of FCA controlled functions applies in relation to an FCA-authorised person. It also applies in relation to an appointed representative for the purposes of SUP 10A.1.15R to SUP 10A.1.16BR (Appointed representatives) whether its principal is an FCA-authorised person or a PRA-authorised person. Part 2 applies in relation to a PRA-authorised person, except in relation to CBTL business.

For the purposes of SUP 10A (and SYSC, APER, COCON and DEPP) a large non-directive insurer is treated as and included in the Glossary definition of a Solvency II firm. For large non-directive insurers, references to parts of the PRA Rulebook applicable to Solvency II Firms are to be read as references to the corresponding parts of the PRA Rulebook applying to large non-directive insurers. [deleted]

10A.4.4 FCA controlled functions

<table>
<thead>
<tr>
<th>Type</th>
<th>CF</th>
<th>Description of FCA controlled function</th>
</tr>
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</tbody>
</table>

Part 2 (FCA controlled functions for PRA-authorised persons)

(See Note 1)
### Type | CF | Description of FCA-controlled function
--- | --- | ---
**FCA governing functions** | 1 | Director function  
(see Note 2)
2a | Chair of the nomination committee function  
(See Note 2.3)
2b | Chair of the with-profits committee function  
(See Note 2.3)
3 | Chief executive function  
(see Note 3A)
5 | Director of an unincorporated association function  
(See Note 2.3B)
6 | Small friendly society function  
(see Note 3C)
10 | Compliance oversight function
10A | CASS operational oversight function
11 | Money laundering reporting function
51 | Actuarial conduct function (third country)  
(see Note 4)
**Systems and controls function** | 28 | Systems and control function  
(see Note 5)
**Significant management function** | 29 | Significant management function
**Customer-dealing function** | 30 | Customer function

*FCA significant-influence functions*

**Note 1:** Part 2 of this table does not apply to appointed representatives of PRA-authorised persons. Part 1 applies instead. (See SUP 10A.4.2R.)

**Note 2:** Solvency II firms (including large non-directive insurers) and small non-directive insurers.

**Note 3:** Solvency II firms (including large non-directive insurers) only.
| Note 3A: | small non-directive insurers only. |
| Note 3B: | Solvency II firms (including large non-directive insurers) and small non-directive insurers. |
| Note 3C: | small non-directive insurers and large non-directive insurers only. |
| Note 4: | Third country insurance or reinsurance undertakings which are Solvency II firms only. |
| Note 5: | Only Solvency II firms that are: (a) third-country insurance or reinsurance undertakings; or (b) ISPVs. |

---

**10A.6 FCA governing functions**

**Introduction**

10A.6.1 G (1) Every firm will have one or more persons responsible for directing its affairs. These persons will be performing the FCA governing functions and will be required to be FCA-approved persons unless the application provisions in SUP 10A.1, or the particular description of an FCA controlled function, provide otherwise. For example, each director of a company incorporated under the Companies Acts will perform an FCA governing function. However, if the firm is a PRA-authorised person, the governing functions apply in the manner set out in (2) and (3). Note that for the purposes of SUP 10A (and SYSC, APER, COCON and DEPP) a large non-directive insurer is treated as and included in the definition of a Solvency II firm.

(2) For a Solvency II firm, the FCA governing functions CF1, CF2a, CF2b, CF5 and (for large non-directive insurers only) CF6 may apply and for a small non-directive insurer, the FCA governing functions CF1, CF3, CF5 or CF6 may apply. These functions will apply if the person carrying out the function is not approved to carry out a PRA controlled function or the other conditions in SUP 10A.11.12R (minimising overlap with the PRA-approved persons regime) are not satisfied. [deleted]

(3) For a Solvency II firm and a small non-directive insurer, if the person is approved to carry out a PRA controlled function and the conditions in SUP 10A.11.12R are satisfied, the relevant FCA function is instead absorbed into the PRA controlled function that the person is approved for (by virtue of its
inclusion in PRA Rulebook: Solvency II firms: Insurance—Senior Insurance Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms—Senior Insurance Management Functions, 2.6 and Non-Solvency II firms: Large Non-Solvency II firms—Senior Insurance Management Functions, 2.5).
[deleted]

... 10A.6.2A G (4) As explained in more detail in the rest of this section, a number of FCA governing functions do not apply to a PRA-authorized person.

(2) However, (1) does not apply to an FCA governing function under SUP 10A.1.15R to SUP 10A.1.16BR (Appointed representatives). The FCA governing functions continue to apply for appointed representatives of a PRA-authorized person:

(3) For example, the chief executive function does not apply to a PRA-authorized person. A PRA controlled function applies instead.

(4) However, the chief executive function may apply to someone who is the chief executive of an appointed representative of a PRA-authorized person:

(5) See SUP 10A.1.15R to SUP 10A.1.16BR and SUP 10A.4.2R for the main rules that deal with what controlled functions apply to appointed representatives: [deleted]

What the FCA governing functions include

10A.6.3 R Each of the FCA governing functions includes:

(1) (where apportioned under SYSC 2.1.1R or SYSC 4.3.1R and SYSC 4.4.3R (or, for a full-scope UK AIFM apportioned under article 60(1) of the AIFMD level 2 regulation))

... 10A.6.11 G (4) The director function applies in relation to a PRA-authorized person, as set out below.

(2) For a Solvency II firm or a small non-directive insurer, the FCA director function may apply if the person carrying out the function is not approved to carry out a PRA controlled function or the other conditions in SUP 10A.11.12R (minimising overlap
with the PRA approved persons regime) are not satisfied. [deleted]

10A.6.11A R For the purposes of SUP 10A.6.7R and SUP 10A.6.8R (the director function), ‘director’ includes an executive member of a committee to which the Council of the Society directly delegates authority to carry out the Society’s regulatory functions. [deleted]

…

10A.6.15 G The non-executive director function does not apply in relation to a PRA-authorised person. PRA approval is required instead. [deleted]

Chair of the nomination committee (CF2a) and chair of the with-profits committee functions (CF2b) (Solvency II firms only)

10A.6.15A R (1) For a Solvency II firm only, if the firm has a nomination committee, the chair of the nomination committee function is the function of acting in the capacity of a non-executive chairman of that committee:

(2) The chair of the nomination committee function does not apply to a Solvency II firm that is a third-country insurance or reinsurance undertaking. [deleted]

10A.6.15B R (1) For a Solvency II firm only, if the firm has a with-profits committee, the chair of the with-profits committee function is the function of acting in the capacity of a non-executive chairman of the committee:

(2) The chair of the with-profits committee function does not apply to a Solvency II firm that is a third-country insurance or reinsurance undertaking. [deleted]

10A.6.15C G (1) For a Solvency II firm, the chair of the nomination committee function and the chair of the with-profits committee function may not apply if the person carrying out the function is approved to carry out a PRA controlled function and the conditions in SUP 10A.11.12R (minimising overlap with the PRA approved persons regime) are satisfied.

(2) In that case, the relevant FCA function is instead absorbed into the PRA controlled function that the person is approved for (by virtue of its inclusion in PRA Rulebook: Solvency II firms: Senior Insurance Managers Regime, 2.5). [deleted]

…

10A.6.21 G Note that a body corporate may be a chief executive. If so, it will need to be approved (if the firm in question is an FCA-authorised person) to perform the chief executive function.
10A.6.22 G The **chief executive function** does not apply in relation to a **PRA-authorised person**. **PRA approval** is required instead. [deleted]

... 

10A.6.24 G Any apportionment referred to in **SUP 10A.6.23R(3)(b)** will have taken place under **SYSC 2.1.1R** or **SYSC 4.3.1R** and **SYSC 4.4.3R**. The **FCA** may ask to see details of the apportionment but will not require, as a matter of course, a copy of the material which records this (see **SYSC 2.2**).

... 

10A.6.28 G The **partner function** does not apply in relation to a **PRA-authorised person**. **PRA approval** is required instead. [deleted]

Director of unincorporated association function (CF5)

10A.6.29 R If a **firm** is an unincorporated association, the **director of unincorporated association function** is the function of acting in the capacity of a **director** of the unincorporated association. In a **Solvency II firm** and a **small non-directive insurer** the function does not include acting in the capacity of a non-executive director.

10A.6.30 G The **director of unincorporated association function** applies in relation to a **PRA-authorised person** as set out in **SUP 10A.6.1G** above. [deleted]

Small friendly society function (CF6)

10A.6.31 R (1) If a **firm** is a **non-directive friendly society**, the **small friendly society function** is the function of directing its affairs, either alone or jointly with others. In a **large non-directive insurer** and a **small non-directive insurer** the function does not include acting in the capacity of a non-executive director.

... 

10A.6.34 G In **practice**, the **FCA** expects that most **non-directive friendly societies** will be **PRA-authorised persons**. Where that is the case, this chapter **does not apply** and so the **small friendly society function** will **not** apply as set out in **SUP 10A.6.1G** above.

10A.7 FCA required functions

Apportionment and oversight function (CF8)
10A.7.1 R (1) The apportionment and oversight function is the function of acting in the capacity of a director or senior manager responsible for the apportionment function and/or the oversight function set out in SYSC 2.1.3R or SYSC 4.4.5R.

(2) The apportionment and oversight function does not apply in relation to a Solvency II firm or a small non-directive insurer. [deleted]

10A.7.2 G In requiring someone to apportion responsibility, neither a common platform firm nor a Solvency II firm or small non-directive insurer should not apply for that person or persons to be FCA-approved to perform the apportionment and oversight function (see SUP 10A.7.1R, SYSC 2.1.3R and SYSC 1 Annex 1).

…

10A.7.4 G Generally, in relation to a UK establishment of an overseas firm or a firm which is part of an overseas group, where an overseas manager’s responsibilities in relation to the United Kingdom are strategic only, he they will not need to be an FCA-approved person. However, where, in accordance with SYSC 3 or SYSC 4 to SYSC 10, he is they are responsible for implementing that strategy in the United Kingdom, and has have not delegated that responsibility to a senior manager in the United Kingdom, he is they are likely to be performing an FCA controlled function for example, the chief executive function or a PRA controlled function.

10A.7.5 A firm carrying on insurance distribution activity, other than a sole trader, must allocate to a director or senior manager the responsibility for the firm’s insurance distribution activity (MIPRU 2.2.1R). MIPRU 2.2.2R(2) provides that the The firm may allocate this responsibility to the person performing the apportionment and oversight function.

…

10A.7.7 G As explained in SUP 10A.11 (Minimising overlap with the PRA approved persons regime), the application of the apportionment and oversight function is sometimes disapplied for a PRA-authorised person. [deleted]

Compliance oversight function (CF10)

10A.7.8 R The compliance oversight function is the function of acting in the capacity of:

(1) a director or senior manager who is allocated the function set out in:

(a) SYSC 3.2.8R; [deleted]
10A.7.11 G A firm’s obligations in respect of its money laundering reporting officer are set out elsewhere in the FCA Handbook (see SYSC 3.2.6R and SYSC 6.3.9R and for their scope, see the application provisions in SYSC 1 Annex 1).

10A.7.14 R The actuarial conduct function (third country) is that part of the function of acting in the capacity of an actuary appointed (by a Solvency II firm which is a third country insurance or reinsurance undertaking) under rule 7.1(2) of the PRA Rulebook: Solvency II Firms: Third Country Branches that relates to compliance with FCA requirements and standards under the regulatory system. [deleted]

10A.8 Systems and controls functions

Systems and controls function (CF28)

10A.8.1 R The systems and controls function is the function of acting in the capacity of an employee of the firm with responsibility for reporting to the governing body of a firm, or the audit committee (or its equivalent) in relation to:

(2) setting and controlling its risk exposure (see SYSC 3.2.10G, SYSC 7.1.6R, article 23(2) of the MiFID Org Regulation and article 23(2) of the MiFID Org Regulation (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R)); and

(3) adherence to internal systems and controls, procedures and policies (see SYSC 3.2.16G, SYSC 6.2, article 24 of the MiFID Org Regulation and article 24 of the MiFID Org Regulation (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2-AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R).
10A.8.1A  R  For a Solvency II firm which is an insurance special purpose vehicle or a third-country insurance or reinsurance undertaking, the systems and controls function is modified as follows:

(1) it does not include any of the activities described in any PRA controlled function if that controlled function applies to the firm;

(2) it does not include activities allocated to and carried on by another person who is a PRA approved person; and

(3) it only includes that part of the function that relates to compliance with FCA requirements and standards under the regulatory system. [deleted]

…

10A.8.3  G  (1) The systems and controls function does not apply in relation to a PRA authorised person. PRA approval is required instead.

(2) The exception is a Solvency II firm which is an insurance special purpose vehicle or a third-country insurance or reinsurance undertaking. For such firms, FCA approval may be required but only to the extent that the activities are not already covered by a PRA controlled function that applies to the firm or are not activities allocated to and carried on by another person who is a PRA approved person.

(3) Also, for firms in (2), the function is expressly limited to that part of the function that relates to compliance with FCA requirements and standards under the regulatory system.

(4) For firms in (2), references in SUP 10A.8.1R to SYSC should also be read as including references to comparable provisions in the PRA Rulebook: Solvency II Firms: Third Country Branches and Solvency II Regulations, as appropriate. [deleted]

10A.9  Significant management functions

Application

10A.9.1  R  SUP 10A.9 applies only to a firm which:

(1) under SYSC 2.1.1R, chapters 2, 3 and 5 of the Allocation of Responsibilities parts of the PRA Rulebook applicable to Solvency II Firms and Non-Solvency II firms or SYSC 4.1.1R, apportions a significant responsibility, within the description of the significant management function, to a senior manager of a significant business unit; or
undertakes proprietary trading.

10A.9.2 G

The FCA anticipates that there will be only a few firms needing to seek approval for an individual to perform the significant management function set out in SUP 10A.9.1R(1). In most firms, those approved for the FCA governing functions, FCA required functions and, where appropriate, the systems and controls function or the equivalent PRA controlled functions, are likely to exercise all the significant influence at senior management level.

…

10A.9.4 G

The scale, nature and complexity of the firm’s business may be such that a firm apportions, under SUP 10A.9.1R(1), a significant responsibility to an individual who is not approved to perform the FCA governing functions, FCA required functions or, where appropriate, the systems and controls function or the equivalent PRA controlled functions. If so, the firm should consider whether the functions of that individual fall within the significant management function. For the purposes of the description of the significant management functions, 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 approved persons (for example, in excess of 100 individuals); or a firm carrying on general insurance business may have gross written premiums in excess of £100m;

…

Significant management function (CF29)

10A.9.9 R

The significant management function is the function of acting as a senior manager with significant responsibility for a significant business unit that:

…

(2) effects contracts of insurance (other than contractually based investments); [deleted]

…

10A.9.11 R

The significant management function does not include any of the activities described in any other FCA controlled function or PRA controlled function if that other controlled function applies to the firm.
A firm carrying on insurance distribution activity, other than a sole trader, must allocate to a director or senior manager the responsibility for the firm’s insurance distribution activity (MIPRU 2.2.1R). MIPRU 2.2.2R(3) provides that the firm may allocate this responsibility to the person performing the significant management function.

... 

10A.10 Customer-dealing functions

... 

10A.10.5 R ... 

10A.10.5A R In SUP 10A.10.5R, customer, in relation to a firm, means a person who is using, or who is or may be contemplating using, any of the services provided by the firm.

10A.10.6 G The FCA interprets the phrase “dealing with” 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.

... 

10A.11 Minimising overlap with the PRA approved persons regime [deleted] 

Introduction

10A.11.1 G SUP 10A.11 deals with how the FCA’s approved persons regime applies to PRA-authorised persons. SUP 10A.11 therefore only applies if the firm in question is a PRA-authorised person.

10A.11.2 G Both the FCA and the PRA may specify a function as a controlled function in relation to a PRA-authorised person. However, only the FCA has power to specify a customer-dealing function as a controlled function.

10A.11.3 G Therefore, if a person’s job for a firm involves:

(1) an FCA controlled function, the firm should apply to the FCA for approval;

(2) a PRA controlled function, the firm should apply to the PRA for approval

(3) both an FCA controlled function and a PRA controlled function, the firm should apply to both the FCA and the PRA for approval.
(the purpose of SUP 10A.11 is to cut down the need for this sort of dual approval).

10A.11.4 G The PRA cannot give its approval for the performance of a PRA controlled function without the consent of the FCA. The firm does not need to apply to the FCA for that consent. The PRA must as soon as practicable notify the FCA of the receipt or withdrawal of an application to the PRA.

10A.11.5 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.

10A.11.6 G The FCA and PRA have coordinated their approved persons regime to reduce the amount of overlap. These arrangements do not relate to the customer-dealing functions.

10A.11.7 G [deleted]

Guidance on how SUP 10A.11 works

10A.11.8 G (2) For a Solvency II firm and a small non-directive insurer only, SUP 10A.11.12R disapplies the FCA governing functions for a person who is approved to perform a PRA controlled function, subject to the conditions in SUP 10A.11.12R.

(3) The FCA functions disapplied in accordance with the FCA governing functions overlap rule for Solvency II firms and small non-directive insurers (SUP 10A.11.12R) are absorbed into the relevant PRA controlled function by virtue of their inclusion in PRA Rulebook: Insurance—Solvency II firms: Senior Insurance Management Functions, 2.5; Non-Solvency II firms: Non-Solvency II firms—Senior Insurance Management Functions, 2.5, and Non-Solvency II firms: Large Non-Solvency II firms—Senior Insurance Management Functions, 2.5).

10A.11.9 G [deleted]

10A.11.10 G [deleted]

The main rule

10A.11.11 R [deleted]

10A.11.12 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 Solvency II firm or a small non-directive insurer (referred to as "B" in this rule), at a particular time, if:
(1) A has been approved by the PRA to perform any PRA controlled 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 controlled function in relation to B;

(3) at the time of the PRA approval in (1), A was not subject to a current FCA approved person approval to perform the particular FCA controlled function in relation to B;

(4) as part of the application for the PRA approval 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.

10A.12 Procedures relating to FCA-approved persons

...  

10A.12.2 G Table: FCA-approved persons forms

<table>
<thead>
<tr>
<th>Form</th>
<th>Purpose</th>
<th>Handbook requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Form B</td>
<td>Notice to withdraw an application to perform controlled functions under the approved persons regime</td>
<td>SUP 10A.13.19R</td>
</tr>
<tr>
<td>Form C</td>
<td>Notice of ceasing to perform controlled functions</td>
<td>SUP 10A.14.8R</td>
</tr>
<tr>
<td>Form D</td>
<td><strong>SUP 10A Annex 7R SUP 10C Annex 6R</strong></td>
<td>Notification of changes in personal information or application details</td>
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<td>…</td>
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</tbody>
</table>

Note (1): The form in the SUP annex shown is to be used by credit unions a firm whose Part 4A permission covers only credit-related regulated activities, and by other firms only in the event of a failure of the information technology systems used by the FCA. See the relevant “Handbook requirement”.

Note (2): Where SUP 10A.1.16BR (appointed representative of an SMCR firm) applies, the version of the form to be used is the one required by SUP 10C (FCA senior managers regime for approved persons in SMCR firms).

…

**10A.13 Application for approval and withdrawing an application for approval**

…

How to apply for approval

10A.13.3 D …

10A.13.3A D If a firm must make an application using Form A, it must use Form A (shortened form) if:

1. the candidate:
   1.1 has current approved person approval to perform:
   1.1.1 an FCA controlled function that is a significant influence function; or
   1.1.2 an FCA-designated senior management function; or
   1.1.3 a PRA controlled function; or
   1.2 has had current approved person approval of the type described in (a) within the previous six months; and
   2. 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 in (1)(a) or (b) may have changed since the application for that current approved person approval was made.

10A.13.3B  D  

A firm must not use Form A (shortened form) if:

(1) the firm is a MiFID investment firm (except a credit institution); and

(2) SUP 10A.14.4BD applies to that application.

...

Who should make the application?

10A.13.5  G  ...

(2) Usually this will be the firm that is employing the FCA candidate to perform the FCA controlled function. Where a firm has outsourced the performance of an FCA controlled function, the details of the outsourcing determine where responsibility lies and whom the FCA anticipates will submit FCA-approved persons application forms. SUP 10A.13.6G describes some common situations. The firm which is outsourcing is referred to as “A” and the person to whom the performance of the FCA controlled function has been outsourced, or which makes the arrangement for the FCA controlled 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 controlled 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. See also SYSC 3.2.4G and SYSC 8.1.1R, and SYSC 13.9 for insurers.

10A.13.6  G  Outsourcing arrangements

<table>
<thead>
<tr>
<th>Outsourcing arrangements</th>
<th>Submitting form</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
</tr>
<tr>
<td>(i) A to B, where B is a non-authorised person not part of the same group as A</td>
<td>Responsibility for (as opposed to the performance of) any activity outsourced to B will remain with A. See SYSC 3.2.4G and SYSC 8</td>
</tr>
<tr>
<td>(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</td>
<td>A ensures that an individual approved by the FCA or the PRA under a controlled function that is a significant-</td>
</tr>
</tbody>
</table>
(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

| influence function has responsibility for the outsourced arrangement and A submits a form in relation to that individual |

... Withdrawing an application for approval

10A.13.19 R A firm notifying the FCA of its withdrawal of an application for approval must notify the FCA, using Form B, in the form set out in SUP 10A Annex 5R (SUP 10C Annex 4R).

... 10A.14 Changes to an FCA-approved person’s details

Moving within a firm

10A.14.1 G An FCA-approved person’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. Where the changes will involve the person performing one or more FCA controlled functions different from those for which approval has already been granted, then an application must be made to the FCA for approval for the person to perform those FCA controlled functions. The firm must take reasonable care to ensure that an individual does not begin performing an FCA controlled function until the FCA has granted FCA-approved person status to that individual in respect of that FCA controlled function. Similarly, a firm must get the FCA’s approval if a person is to start performing an FCA controlled function in relation to that firm when he already has the PRA’s approval to perform a PRA controlled function in relation to that firm.

10A.14.2 G If an FCA-approved person or a PRA-approved person is ceasing to perform FCA controlled functions or a PRA controlled function, as well as applying for approval in respect of FCA controlled functions within the same firm or group, SUP 10A.14.4D the firm should generally applies use Form E. Further details can be found in SUP 10A Annex 2 SUP 10A.14.4D.

10A.14.3 G If a person is to perform an FCA controlled function for a firm for which he they already performs perform a PRA controlled function or
an FCA controlled function as an approved person but they are not at the same time ceasing to perform an FCA controlled function or PRA controlled function for the firm or a firm in the same group, a firm should use Form A. It is not mandatory to complete all parts of the form. See the notes relevant to each form SUP 10A.13.3D and SUP 10A.13.3AD for full further details.

10A.14.4 D …

(2) …

(c) any of the following apply (where applicable):

(i) a notification referred to in SUP 10C.10.9D(4)(b) or (c) (notification obligations under the Act applying to relevant authorised persons SMCR firms) has been made or should be made; or

(ii) …

in relation to any:

(iii) …

(iv) any controlled function that they are continuing to perform for that firm or a firm in the same group.

(3) …

(b) SUP 10C.14.18R (the corresponding requirement for relevant authorised persons SMCR firms); or

…

10A.14.4A G (1) The MiFID II ITS MiFID authorisation and management body change notification ITS requires that MiFID investment firms (except credit institutions) submit the Annex III information on the ESMA template available at https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.docx (‘Annex III template’) where there is a change to a member of the management body or a person who effectively directs the business.

(2) MiFID investment firms (except credit institutions) need to submit this Annex III template within ten business days of the change in the online notification and application system (also known as Connect).

(3) In summary, where there is a change to a member of the management body or a person who effectively directs the
business of a MiFID investment firm (except a credit institution) then the firm is required. **SUP 10A.14.4BD** explains how this requirement fits in with the requirement to submit the following forms (in addition to the relevant a Form A, C, or Form E, about a candidate):

(a) Where a new member of the management body or a person who effectively directs the business is appointed:

(i) The Annex III template; and

(ii) MiFID Article 4 APER Information Form.

(b) Where a person ceases being a member of the management body or a person who effectively directs the business, the Annex III template (in addition to the relevant Form E).

(4) Where the Annex III template requires the firm to provide information which is also contained in Form A and/or E, the firm may, instead of duplicating the information, cross-reference to the information in the relevant Form A or E and annex those forms to the Annex III template (see **SUP 10A.14.4C**).

10C.14.4A A (1) The MiFID authorisation and management body change notification ITS requires that a person applying to be a MiFID investment firm (except a credit institution) notify the appropriate regulator of information about members of its management body by filling in the template set out in Annex II of the MiFID authorisation and management body change notification ITS.

(2) This applies whether:

(a) the person is applying for authorisation; or

(b) the person is a firm applying for a variation of its permission that would turn it into a MiFID investment firm.

(3) The requirement in **SUP 10A.14.4BD** to fill in the MiFID Article 4 SMR Information Form along with a Form A or Form E does not apply.

10A.14.4B D Where:

(1) there is a change to a member of the management body or person who directs the business, of a MiFID investment firm (except a credit institution) that the firm must notify to the appropriate regulator under Annex III of the
MiFID authorisation and management body change notification ITS; and

(2) that change also requires the firm to apply for approval for that member or person to perform an FCA controlled function;

the firm must submit to the FCA the completed form found in SUP 10A Annex 10D (MiFID Article 4 APER Information Form) at the same time as submitting the Form A and/or Form E about the candidate.

[Editor’s note: This is in accordance with the information required in article 4 of the Commission Delegated Regulation of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms.]

Therefore, MiFID investment firms (except credit institutions) who submit:

(a) Form A and/or E; and

(1)

(b) the MiFID Article 4 APER Information Form

(2)

about a candidate can complete the Annex III template outlined in SUP 10A.14.4AG(1) by cross-referring to the any information required by the template that has been included in the relevant Form A and/or Form E. The template should where it has already been provided by the firm, and this would then be annexed to the relevant Form A and/or Form E.

…

10A.14.7 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.

[deleted]

Ceasing to perform an FCA controlled function

10A.14.8 R (1) A firm must submit to the FCA a completed Form C, in the form set out in SUP 10A Annex 6R, (SUP 10C Annex 5R) no later than ten business days after an FCA-approved person ceases to perform an FCA controlled function.

…
10A.14.9A  G  (1) The MiFID authorisation and management body change notification ITS requires that a MiFID investment firm (except a credit institution) submit the information in Annex III of the MiFID authorisation and management body change notification ITS on the ESMA template where there is a change to a member of the management body or a person who effectively directs the business.

(2) This means that a MiFID investment firm required to notify the FCA under (1) may also need to submit the Annex III information along with the Form C or Form E.

(3) See SUP 10A.14.4AG to SUP 10A.14.4CG for more about these notification requirements in a case in which the firm is applying for approval under section 59 of the Act (Approval for particular arrangements).

Changes to an approved person’s personal details

10A.14.15  R  If an FCA-approved person’s title, name or national insurance number changes, the firm for which the person performs an FCA controlled function must notify the FCA on Form D, in the form set out in SUP 10A Annex 7R, (SUP 10C Annex 6R) of that change within seven business days of the firm becoming aware of the matter.

10A.14.21  G  (1) If, in relation to a firm which has completed the relevant Form A (SUP 10A Annex 4D), any of the details relating to arrangements and FCA controlled functions are to change, the firm must notify the FCA on Form D (SUP 10A Annex 7R) (SUP 10C Annex 6R).

10A.15  References and accurate information

References

10A.15.1  G  …

(2) This applies even if A is a firm to which SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms) applies rather than this chapter.
(3) SYSC 22 also requires certain insurers to get a reference before applying to have someone approved as an approved person. [deleted]

10A.16 How to apply for approval and give notifications

10A.16.1 D …

(2) Subject to (2A), an application by a firm other than a credit union must be made by submitting the Form online at fca.org.uk using the form specified on the FCA’s and PRA’s online notification and application system.

…

(3) An application by a credit union must be made using the form in SUP 10A Annex 4D or SUP 10A Annex 8D and must be submitted in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). [deleted]

…

(5) An application by a firm in relation to a controlled function to which SUP 10A.1.16BR (appointed representative of an SMCR firm) applies must be made in accordance with SUP 10C.15 (Forms and other documents and how to submit them to the FCA) and not this section.

10A.16.2 R …

(2) A notification must be made in accordance with SUP 10A.16.1D, except that the annexes to SUP 10A in which the forms are to be found are SUP 10A Annex 6R SUP 10C Annex 5R or SUP 10A Annex 7 SUP 10C Annex 6R, rather than the Annexes mentioned in SUP 10A.16.1D.

(3) A notification by a firm in relation to a controlled function to which SUP 10A.1.16BR (appointed representative of an SMCR firm) applies must be made in accordance with SUP 10C.15 (Forms and other documents and how to submit them to the FCA) and not this section.

10A.16.2A R SUP 10A.16.2R(3) also applies to Form B in relation to a controlled function to which SUP 10A.1.16BR (appointed representative of an SMCR firm) applies.

…
10A Annex  Frequent asked questions
1G

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type of firm</strong></td>
<td></td>
</tr>
<tr>
<td>-1 Does this chapter apply to all types of firm? If not, where can I find the equivalent material?</td>
<td>No, SUP 10A does not apply to relevant authorised persons SMCR firms (broadly speaking, banks, credit unions, building societies, insurance firms and investment firms that are PRA-authorised persons). The requirements for these firms can be found in SUP 10C. However, this chapter does cover approved persons in appointed representatives of such firms.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Requirements of the regime</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
</tr>
<tr>
<td>7 Do Lloyd’s underwriting agents still require registration with Lloyd’s? [deleted]</td>
<td>Yes. Approval for a controlled function is not sufficient.</td>
</tr>
</tbody>
</table>

10A Annex Approved person regime: summary of forms and their use for applications for approval to perform an FCA-controlled function
2G

<table>
<thead>
<tr>
<th>Function</th>
<th>Form</th>
<th>Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Person</em> remaining with the same <em>firm group</em> but giving up a PRA controlled function and taking up an FCA controlled function.</td>
<td>E</td>
<td>Submitted by <em>firm</em> to the FCA before changes take place.</td>
</tr>
<tr>
<td><em>Person</em> remaining with the same <em>firm</em> in the circumstances described in Example 6 in the table in SUP 10A.11.10G (giving up a PRA controlled function triggering need for FCA approval).</td>
<td>E</td>
<td>Submitted by <em>firm</em> to the FCA in hard copy in advance of giving up the PRA governing function.</td>
</tr>
<tr>
<td><em>Person</em> remaining with the same <em>firm group</em> but giving up an FCA significant-influence function</td>
<td>E</td>
<td>Submitted by <em>firm</em> to the PRA before changes take place (see</td>
</tr>
</tbody>
</table>
function and taking up a PRA controlled function.

Delete the following Annexes. The deleted text is not shown but [deleted] tags are added to the section headings as shown below.

10A Annex 5R Form B: Notice to withdraw an application to perform controlled functions (including senior management functions) [deleted]

10A Annex 6R Form C: Notice of ceasing to perform controlled functions (including senior management functions) [deleted]

10A Annex 7R Form D: Notification of changes in personal information or application details and conduct breaches/disciplinary action related to conduct [deleted]

Delete the following forms from the following Annexes. The deleted text is not shown.

<table>
<thead>
<tr>
<th>Annex where form to be found</th>
<th>Name of form to be deleted</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUP 10A Annex 4D (Form A: Application to perform controlled functions under the approved person regime)</td>
<td>Long Form A – Solvency II firms only</td>
</tr>
<tr>
<td></td>
<td>Short Form A - Solvency II firms only</td>
</tr>
<tr>
<td></td>
<td>Long Form A – Large non-directive insurers only</td>
</tr>
<tr>
<td></td>
<td>Short Form A – Large non-directive insurers only</td>
</tr>
<tr>
<td></td>
<td>Long Form A – Small non-directive insurers only</td>
</tr>
<tr>
<td></td>
<td>Short Form A – Small non-directive insurers only</td>
</tr>
<tr>
<td></td>
<td>Solvency II Firms: Scope of Responsibilities</td>
</tr>
<tr>
<td></td>
<td>Large non-directive insurers: Scope of Responsibilities</td>
</tr>
<tr>
<td></td>
<td>Small non-directive insurers: Scope of Responsibilities</td>
</tr>
</tbody>
</table>
Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

<table>
<thead>
<tr>
<th>10C</th>
<th>FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>10C.1</td>
<td>Application</td>
</tr>
<tr>
<td>10C.1.1</td>
<td>R This chapter applies to every relevant authorised person SMCR firm.</td>
</tr>
<tr>
<td>10C.1.2</td>
<td>G This chapter is also relevant to FCA-approved SMF managers of a relevant authorised person an SMCR firm.</td>
</tr>
<tr>
<td>10C.1.2A</td>
<td>G SUP 10C Annex 1 (What functions apply to what type of firm) sets out: (1) how this chapter applies to different types of SMCR firm; and (2) the SMCR firms to which this chapter does not apply.</td>
</tr>
<tr>
<td>10C.1.3</td>
<td>R This chapter does not apply to a non-UK relevant authorised person an overseas SMCR firm in relation to regulated activities which are carried on in the United Kingdom, other than in relation to an establishment maintained by it or its appointed representative in the United Kingdom.</td>
</tr>
</tbody>
</table>
| 10C.1.4 | R This chapter does not apply to an EEA relevant authorised person SMCR firm if and in so far as the question of whether a person is fit and proper to perform a particular function in relation to that firm is
reserved to an authority in a country or territory outside the United Kingdom under:

(1) the Single Market Directives;
(2) the Treaty;
(3) the auction regulation;
(4) the benchmarks regulation.

10C.1.5 G (1) SUP 10C.1.4R reflects the provisions of section 59(8) of the Act and, where relevant, the Treaty.

(2) It preserves the principle of Home State prudential regulation.

(3) For an EEA relevant authorised person SMCR firm, the effect is to reserve to the Home State regulator the assessment of fitness and propriety of a person performing a function in the exercise of an EEA right. A member of the governing body, or the notified UK branch manager, of an EEA relevant authorised person SMCR firm, acting in that capacity, will not, therefore, have to be approved by the FCA under the Act.

(3A) For example, persons in Solvency II firms which are incoming EEA firms are not expected to be carrying out FCA functions to the extent that the person will be regarded as effectively running the firm or responsible for a Solvency II Directive ‘key function’.

(4) Aside from (1) to (3), an EEA relevant authorised person SMCR firm should have:

(a) considered the impact of the Host State rules with which it is required to comply when carrying on a passported activity or a Treaty activity through a branch in the United Kingdom;

(b) been notified of those provisions under Part II of Schedule 3 to the Act in the course of satisfying the conditions for authorisation in the United Kingdom; and

(c) considered, for example, the position of a branch manager based in the United Kingdom who may also be performing a function in relation to the carrying on of a regulated activity not covered by the EEA right of the firm. In so far as the function is within the description of an FCA controlled function, the firm will need to seek approval for that person to perform that FCA controlled function.
Overseas firms: general

10C.1.5A G (1) Generally, where an overseas manager of a non-UK relevant authorised person an overseas SMCR firm has responsibilities in relation to its branch in the United Kingdom that are strategic only, they will not need to be an FCA-approved SMF manager.

(2) However, where an overseas manager is responsible for implementing that strategy for its branch in the United Kingdom, and has not delegated that responsibility to an SMF manager in the United Kingdom, they will potentially be performing an FCA controlled function if the detailed conditions in this chapter defining the relevant FCA controlled function are met.

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 SMCR firms.

(2) In general this chapter does not apply to appointed representatives of relevant authorised persons SMCR firms. SUP 10A applies instead.

(3) In theory, a person employed by an appointed representative of a relevant authorised person an SMCR firm 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 unless the person is seconded to the firm.

(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 normally 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.

Swiss general insurers

10C.1.10 R For Swiss general insurers, references in this chapter to parts of the PRA Rulebook for ‘Solvency II firms’ are to be read as references to the corresponding parts of the PRA Rulebook applying to large non-directive insurers.

10C.1.11 G Swiss general insurers are in the large non-directive insurers sector of the PRA Rulebook and the PRA applies to them, in relation to their controlled functions, provisions equivalent to those applying to third country branches in the Solvency II firms sector of the PRA Rulebook. The FCA includes them as third country undertakings of Solvency II firms and so they must follow the requirements for Solvency II firms set out in this chapter.

Insurance and mortgage credit mediation

10C.1.12 G See MIPRU 2.2 (Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity) for how the FCA’s senior managers regime for SMCR firms is adjusted for a firm carrying on insurance distribution activity or MCD credit intermediation activity.

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 SMCR firms, which are listed in SUP 10C.4.3R; and

(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 managers 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’. [deleted]

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 for SMF managers in PRA-authorised persons.

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 SMCR firms 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-designated senior management 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).
An arrangement need not be a written contract but could arise by conduct, custom and practice.

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

Each FCA-designated senior management function is one which comes within the definition of a senior management function.

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.

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

If:

(1) a firm appoints an individual to perform a function which, but for this rule, would be an FCA-designated senior management function;
the appointment is to provide cover for an SMF manager whose absence is:

(a) temporary; or

(b) reasonably unforeseen; and

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 SUP 10C.12.14G (time-limited approvals) for procedures for temporary appointments longer than 12 weeks.

10C.3.16 G (1) A firm to which SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies may have allocated responsibilities under that chapter to an SMF manager who is absent under SUP 10C.3.13R.

(2) SYSC 26.4.6R (Exclusion where the 12-week rule applies) deals with how those responsibilities may be reallocated during the SMF manager’s absence.

(3) SYSC 26.4.8G explains that SYSC 26.4.6R and SUP 10C.3.13R apply to a person performing the other overall responsibility function or the other local responsibility function as well as to other designated senior management functions.

10C.3.17 G (1) If:

(a) a firm allocates any FCA-prescribed senior management responsibilities to an SMF manager; and

(b) the SMF manager later becomes absent;

the firm should reallocate them to another SMF manager.

(2) The firm may not allocate the absent manager’s FCA-prescribed senior management responsibilities to the person providing cover for that manager unless the person providing cover is also an SMF manager of the firm.
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 UK relevant authorised persons. SUP 10C Annex 1 (What functions apply to what type of firm) sets out which of the functions in SUP 10C.4.3R apply to which kind of firm.

(2) Part 2 of the table in SUP 10C.4.3R applies to EEA relevant authorised persons.

(3) Part 3 of the table in SUP 10C.4.3R applies to third country relevant authorised persons.

10C.4.3 R Table of FCA-designated senior management functions for relevant authorised persons SMCR firms

Delete the table in SUP 10.4.3R and replace it with the following. The deleted text is not shown and the new text is not shown underlined.

<table>
<thead>
<tr>
<th>Type</th>
<th>SMF</th>
<th>Description of FCA controlled function</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FCA governing functions</strong></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></td>
<td>SMF 15</td>
<td>Chair of the with-profits committee function</td>
</tr>
<tr>
<td></td>
<td>SMF 27</td>
<td>Partner function</td>
</tr>
<tr>
<td></td>
<td>SMF 23b</td>
<td>Conduct risk oversight (Lloyd’s) function</td>
</tr>
<tr>
<td><strong>FCA required functions</strong></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>
<tr>
<td></td>
<td>SMF22</td>
<td>Other local responsibility function</td>
</tr>
</tbody>
</table>

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Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

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 SMCR firms.

10C.4A  FCA governing functions: General

PRA-authorised persons

10C.4A.1  G SUP 10C.9 (Minimising overlap with the PRA approved persons regime) explains that in many cases a person performing one of the functions set out in SUP 10C.5 or SUP 10C.5A for a PRA-authorised person will not in fact require approval from the FCA to perform the function and will just require PRA approval.

10C.5  FCA governing functions: Executive

Executive director function (SMF3): General

10C.5.1  R  (1) For a UK relevant authorised person SMCR firm, the executive director function is the function of acting in the capacity of a director (other than a non-executive director) of the firm.

(2) For a third-country relevant authorised person an overseas SMCR firm, the executive director function is the function of acting in the capacity of a director (other than a non-executive director) in relation to its branch in the United Kingdom where the person performing that function has responsibility for managing one or more aspects of the firm’s affairs so far as relating to the activities of the branch.

(3) Paragraph (2) includes a person who is a member (other than a non-executive member) of the branch’s governing body.

(4) The executive director function does not apply to a UK SMCR firm that is:
(a) a partnership; or

(b) a limited liability partnership.

Chairman of the nomination committee function (SMF13)

10C.5.2 R [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.5A.3R]

10C.5.3 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.5A.4G]

10C.5.4 G Please note that the chair of the nomination committee function still applies if the firm is not a CRR firm. [deleted]

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. [deleted]

(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 [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.5A.1G]

Insurance distribution

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 distribution activity. [deleted]

Executive director function: Extension of definition for Lloyd’s

10C.5.8 R In the case of the Society, the executive director function also includes the function of acting in the capacity of an executive member of a committee to which the Council of the Society directly delegates authority to carry out the Society’s regulatory functions.

Executive director function: Adjustment of definition for non-directive friendly societies

10C.5.9 R (1) This rule applies to a non-directive friendly society.
(2) The executive director function is the function of directing the affairs of the firm, either alone or jointly with others. Each such person is referred to in this rule as a “director”.

(3) The executive director function includes the function of being or acting in the capacity of a member of the firm’s governing body. The term director also includes each such a person.

(4) If the principal purpose of the firm is to carry on regulated activities, each director performs the FCA controlled function.

(5) If the principal purpose of the firm is other than to carry on regulated activities, a director performs the FCA controlled function only to the extent that they have responsibility for a regulated activity.

(6) Each person on the firm’s governing body will be taken to have responsibility for its regulated activities, unless the firm has apportioned this responsibility to one particular person to whom it is reasonable to give this responsibility.

(7) The “particular” person referred to in (6) need not be a member of the firm’s governing body.

(8) The executive director function does not include acting in the capacity of a non-executive director.

(9) This rule applies in place of SUP 10C.5.1R.

10C.5.10 G (1) Typically a non-directive friendly society will appoint a “committee of management” to direct its affairs.

(2) However, the governing arrangements may be informal and flexible. If this is the case, the FCA would expect the society to resolve to give responsibility for the carrying on of regulated activities to one individual who is appropriate in all the circumstances.

(3) The individual in (2) may, for example, have the title of chief executive or similar.

10C.5.11 G In practice, the executive director function will often not apply (see SUP 10C.4A.1G).

Executive director function: Addition for small non-directive insurers

10C.5.12 R (1) This rule applies to a small non-directive insurer.

(2) The executive director function includes being a chief executive of the firm.
10C.5.13 G

SUP 10C.5.12R means:

(1) that being the chief executive of a small non-directive insurer is an FCA controlled function (subject to (4));

(2) but being chief executive is not an FCA controlled function in its own right but is rolled up into the executive director function;

(3) that being promoted from executive director to chief executive does not require a new approval from the FCA;

(4) that being the chief executive is not an FCA controlled function where SUP 10C.4A.1G applies; and

(5) SUP 10C.5.9R(4) to SUP 10C.5.9R(7) do not apply to the chief executive.

Partner function (SMF27): Partnerships and limited liability partnerships

10C.5.14 R

(1) This rule applies to a UK SMCR firm that is a partnership.

(2) The partner function is the function of being or occupying the position of a partner in that firm.

(3) The partner function also includes:

(a) the function of being or occupying the position of a partner in that firm (by whatever name called); and

(b) acting as a member of the firm’s governing body.

10C.5.15 G

(1) The purpose of SUP 10C.5.14R(3) is to make sure that every partner and everyone else performing a function in SUP 10C.5.14R(3) is potentially included in the partner function even if the Glossary definition of partner is not wide enough to cover them all.

(2) Therefore, for example, the partner function applies to every partner in a firm unless SUP 10C.5.18G applies.

(3) In practice most functions in SUP 10C.5.14R(3) will also fall within SUP 10C.5.14R(2).

10C.5.16 R

(1) This rule applies to a UK SMCR firm that is a limited liability partnership.

(2) The partner function is the function of being or acting in the capacity of:
(a) a member in that firm or a person occupying the position of a member (by whatever name called);

(b) a person appointed to direct the firm’s affairs;

(c) a member of the firm’s governing body; or

(d) a person in accordance with whose directions or instructions (not being advice given in a professional capacity) the members or directors are accustomed to act.

Partner function: Limited partnerships

10C.5.17 R If a partnership is registered under the Limited Partnership Act 1907, the partner function does not extend to any function performed by a limited partner.

Partner function: Partners without influence

10C.5.18 G (1) SUP 10C.5.14R to SUP 10C.5.17R (Partner function) are drafted to cover all partners and members.

(2) However, the partner function (as are all FCA-designated senior management functions) is subject to SUP 10C.3.10R (Definition of FCA-designated senior management function).

(3) The effect is that unless the function performed by the partner or member in question comes within the definition of a senior management function, the function does not come within the partner function. Therefore partners or members who play no part in the management of the firm are unlikely to be performing the partner function.

10C.5A FCA governing functions: Oversight

Non-executive directors

10C.5A.1 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 one of the FCA-designated senior management functions set out in this section.

No requirement to set up committees
This section says that being the chair of certain committees is an FCA-designated senior management function.

If a firm is not otherwise required to have one of the committees described in this section but chooses to set one up anyway:

(a) being the chair of that committee is still an FCA-designated senior management function; and

(b) this is the case even if the firm is not subject to any requirements of the regulatory system about the matters dealt with by the committee.

So for example being the chair of the firm’s nomination committee is an FCA-designated senior management function even if the firm:

(a) is not required to have a nomination committee by SYSC 4.3A.8R or some other requirement of the regulatory system; and

(b) is not subject to any requirements of the regulatory system dealing with nominations to the firm’s governing body or the other matters covered by SYSC 4.3A.9R.

However, nothing in SUP 10C requires a firm to set up one of the committees mentioned in this section if the firm is not required to have that committee by a rule elsewhere in the FCA Handbook or by some other requirement of the regulatory system.

So for example if a firm is not otherwise required to have a nomination committee nothing in this section requires it to set one up.

If a firm:

(a) is not otherwise required to have one of the committees described in this section;

(b) chooses to set it up anyway; and

(c) gets approval for the chair of the committee to perform the applicable FCA-designated senior management function;

then:

(d) the firm is free to scrap that committee later; and
(e) if it does so, the chair will cease to perform that FCA-designated senior management function.

Chairman Chair of the nomination committee function (SMF13)

10C.5A.3 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.5A.4 G See SYSC 4.3A (Management body and nomination committee) for material about nomination committees.

Chair of the with-profits committee function (SMF15)

10C.5A.5 R If the firm has a with-profits committee, the chair of the with-profits committee function is the function of acting in the capacity of a non-executive chair of the committee.

10C.5A.6 R If the firm has a with-profits advisory arrangement, the chair of the with-profits committee function is the function of being whichever of the following applies to the firm:

(1) the independent person referred to in paragraph (a) of the definition of with-profits advisory arrangement; or

(2) the non-executive directors referred to in paragraph (b) of that definition.

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 person who is allocated the function in:

(1) SYSC 6.1.4R(2); or

(2) article 22(3) of the MiFID Org Regulation; or

(3) article 22(3) of the MiFID Org Regulation (as applied in accordance with SYSC 1 Annex 1 2.8AR, SYSC 1 Annex 1 3.2AR, SYSC 1 Annex 1 3.2-BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R);

(4) SYSC 6.1.4CR; or

(5) SYSC 3.2.8R.
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). [deleted]

Conduct risk oversight (Lloyd’s) function (SMF23b)

10C.6.4  R  The conduct risk oversight (Lloyd’s) function is the function of acting in the capacity of a person who is allocated the function in SYSC 3.2.9AR.

10C.7  Other overall responsibility function (SMF18)

Application

10C.7.1-2  R  This section applies to a firm:

(1) to which SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies; and

(2) that is a UK SMCR firm.

10C.7.1-1  G  The effect of SUP 10C.7.1-2R is that this section only applies to one of the following types of UK SMCR firm:

(1) an SMCR banking firm; and

(2) a Solvency II firm (including a large non-directive insurer) but excluding an insurance special purpose vehicle and certain firms in run-off.

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) SYSC 26.3.1R (Main rules) in relation to the firm; or

(b) FCA-prescribed senior management responsibility number (11) (z) in the table in SYSC 24.2.6R (functions in relation to CASS) allocated to that person under SYSC
4.7.5R (Allocation of FCA-prescribed senior management responsibilities) SYSC 24.2 (Allocation of FCA-prescribed senior management responsibilities: Main allocation rules); and

(2) does not have an approval to perform any other designated senior management function in relation to the firm.

The 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 <em>executive director function</em> and to perform a potential <em>other overall responsibility function</em> for the same firm.</td>
<td>A only needs approval to perform the <em>executive director function</em>.</td>
</tr>
<tr>
<td>(2) ‘A’ is approved to perform the <em>other overall responsibility function</em>. Later, A is appointed to perform the <em>executive director function</em> for the same firm.</td>
<td>A requires approval for the <em>other overall responsibility function</em> when A is first appointed. When A is later approved to perform the <em>executive director function</em>, A stops performing the <em>other overall responsibility function</em>. The firm should use Form E to apply for approval for A to perform the <em>executive director function</em> and to notify the FCA that A is no longer performing the <em>other overall responsibility function</em>.</td>
</tr>
<tr>
<td>(3) ‘A’ is appointed to perform the PRA’s Head of Key Business Area designated senior management function for Firm X and to perform a potential <em>other overall responsibility function</em> for</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 <em>other overall responsibility function</em> that A performs is connected to the PRA’s Head of Key Business Area.</td>
</tr>
</tbody>
</table>
the same firm. Firm X is an SMCR banking firm.

| (4) ‘A’ is approved to perform the other overall responsibility function for Firm X. Firm X is an SMCR banking firm. Later, A is appointed to perform the PRA’s Head of Key Business Area designated senior management function for the same firm. | 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, A stops performing the other overall responsibility function. |
| (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 an SMCR firm to which the other overall responsibility function applies); and (b) a function coming within the scope of the other overall responsibility function for another firm (which is a relevant authorised person an SMCR firm to which the other overall responsibility function applies) 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 for Firm X 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. Firm X is an SMCR banking firm. | 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. | On A’s first appointment, A will need to be approved to perform the other overall responsibility function. |
Later, A is appointed as chief risk officer. The firm is one of those for which being chief risk officer is a PRA-designated senior management 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 for Firm X that comes within the other overall responsibility function. Firm X is an SMCR banking firm. 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. On A’s first appointment, A will need to be approved to perform the other overall responsibility function.

When A is later approved to perform the PRA’s Head of Key Business Area designated senior management function, A stops performing the other overall responsibility function.

(9) ‘A’ is appointed to a role for Firm X 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.

On A’s first appointment, 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 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’.

This example only applies if Firm X is an SMCR banking firm. If Firm X is an insurer it will need to obtain FCA approval before the reorganisation takes effect as the relevant PRA insurance rules are
| (10)  | ‘A’ is appointed to a role for Firm X that comes within the PRA’s Head of Key Business Area designated senior management function. A also performs a potential other overall responsibility function. Later, A gives up the PRA role but carries on with the potential other overall responsibility function. | The answer to example (9) applies. |
| (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. | 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 takes up their new responsibilities. |

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 SYSC 26.4.5G, the FCA does not expect that a non-executive director will ever perform the other overall responsibility function.

Temporary absences

10C.7.5  R  A person does not perform the other overall responsibility function in relation to a firm by performing a function allocated to that person under SYSC 26.4.6R (Exclusion where the 12-week rule applies) in relation to the firm.
10C.8 The other local responsibility function (SMF22) and EEA branch senior manager functions (SMF21)

Application

10C.8.-2 R This section:

(1) applies to an overseas SMCR firm to which SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies; and

(2) does not apply to an EEA SMCR firm.

10C.8.-1 G The other local responsibility function only applies to one of the following types of overseas SMCR firm:

(1) an SMCR banking firm; and

(2) a Solvency II firm (including a large non-directive insurer) but excluding certain firms in run-off;

but does not apply to any EEA SMCR firm.

Other local responsibility function (SMF22)

10C.8.1 R A person performs the other local responsibility function in relation to a branch maintained in the United Kingdom by a third country relevant authorised person an overseas SMCR firm if that person:

(1) is performing:

(a) a function allocated to that person under SYSC 4.8.10R (Local responsibility for a firm’s activities, business areas and management functions) SYSC 26.3.1R (Main rules) in relation to the firm; or

(b) FCA-prescribed senior management responsibility number (8) (z) in the table in SYSC 4.8.9R SYSC 24.2.6R (functions in relation to CASS) allocated to that person under SYSC 4.8.6R (FCA-prescribed senior management responsibilities) SYSC 24.2 (Allocation of FCA-prescribed senior management responsibilities: Main allocation rules); and

(2) does not have an approval to perform any other designated senior management function in relation to the branch.

10C.8.2 G The table in SUP 10C.8.3G gives:

(1) examples of how SUP 10C.8.1R(2) works; and
other examples of how the *other local responsibility function* works.

### Table: Examples of how the other local responsibility function applies

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) ‘A’ is allocated local responsibility for one of a branch’s main business lines. A is also appointed to perform a <em>PRA-designated senior management function</em> for the same branch.</td>
<td>A only needs approval to perform the <em>PRA-designated senior management function</em>.</td>
</tr>
<tr>
<td>(2) ‘A’ is outside the branch’s management structure and A’s responsibilities for the branch are limited to setting overall strategy for the branch. A does not have responsibility for implementing that strategy.</td>
<td>A is not performing the <em>other local responsibility function</em>. The reason for this is explained in SYSC 26.8.3G. <strong>SUP 10C.8.1R(2)</strong> is irrelevant to this example.</td>
</tr>
<tr>
<td>(3) A small branch undertakes two business lines (wholesale lending and corporate investments). ‘A’ is head of wholesale lending and is also an executive director of the branch. ‘B’ is head of corporate investments and does not sit on the branch management committee but reports to it on corporate investments. The branch allocates local responsibility for these functions to A and B. Neither A nor B performs any other <em>PRA- or FCA-designated senior management function</em> or <em>PRA-designated senior management function</em>.</td>
<td>A only needs approval to perform the executive <em>executive director function</em>. B needs approval to perform the <em>other local responsibility function</em>.</td>
</tr>
<tr>
<td>(4) A branch does not have a Head of Internal Audit. ‘P’ is</td>
<td>P needs approval to perform the <em>other local responsibility function</em>.</td>
</tr>
<tr>
<td>Cell</td>
<td>Text</td>
</tr>
<tr>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>1</td>
<td>allocated local responsibility for internal audit in relation to that branch.</td>
</tr>
<tr>
<td>2</td>
<td>However, if P has already been approved to perform another PRA or FCA-designated senior management function or PRA-designated senior management function for that firm, then P will not be performing the other local responsibility function.</td>
</tr>
<tr>
<td>3</td>
<td>(5) ‘A’ is appointed to perform the executive director function. The same branch also allocates local responsibility for some branch functions to A.</td>
</tr>
<tr>
<td>4</td>
<td>A only needs approval to perform the executive director function.</td>
</tr>
<tr>
<td>5</td>
<td>(6) ‘A’ is approved to perform the other local responsibility function. Later, A is appointed to perform the executive director function for the same firm.</td>
</tr>
<tr>
<td>6</td>
<td>A requires approval for the other local responsibility function when A is first appointed. When A is later approved to perform the executive director function, A stops performing the other local responsibility function. The firm should use Form E to apply for approval for A to perform the executive director function and to notify the FCA that A is no longer performing the other local responsibility function.</td>
</tr>
<tr>
<td>7</td>
<td>(7) ‘A’ is appointed to perform:</td>
</tr>
<tr>
<td>8</td>
<td>(a) the compliance oversight function for one firm (Firm X) in a group (which may or may not be a relevant person) an SMCR firm to which the other local responsibility function applies); and</td>
</tr>
<tr>
<td>9</td>
<td>(b) a function coming within the scope of the other local responsibility function for the United Kingdom branch of another firm (which is a third-country relevant person an overseas SMCR firm to which the other local responsibility function applies).</td>
</tr>
<tr>
<td>10</td>
<td>A needs approval to perform the compliance oversight function for Firm X and the other local responsibility function for Firm Y.</td>
</tr>
</tbody>
</table>
responsibility function applies) in the same group (Firm Y).

(8) ‘A’ is appointed to take on some functions that come within the other local responsibility function. Later, A is appointed as chief risk officer. A is a type of firm for which being chief risk officer is a PRA designated senior management function.

On A’s first appointment, A will need to be approved to perform the other local responsibility function.

On being approved as chief risk officer, A stops performing the other local responsibility function as being chief risk officer is a PRA designated senior management function.

(9) ‘A’ is appointed as an executive director. A then resigns and takes up a job with the same firm coming within the other overall local responsibility function.

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 local responsibility function before A gives up being a director takes up their new responsibilities.

Note: Local responsibility is explained in SYSC 4.8.10R (Third-country relevant authorised persons: Allocation of responsibilities) SYSC 26 (Senior managers and certification regime: Overall and local responsibility).

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10C.8.4 R [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.2R]

10C.8.5 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.3G]

10C.8.6 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.4G]

10C.8.7 G [deleted] [Editor’s note: The text of this provision has been moved to SUP 10C.8A.3G]

Temporary absences

10C.8.8 R A person does not perform the other local responsibility function in relation to a firm by performing a function allocated to that person under SYSC 26.4.6R (Exclusion where the 12-week rule applies) in relation to the firm.
10C.8A  

**EEA branch senior manager function (SMF21)**

10C.8A.1  

| R | This section applies to an **EEA SMCR firm**. |

10C.8A.2  

| R (1) | A person performs the **EEA branch senior manager function** in relation to the **branch** in the **United Kingdom** of an **EEA relevant authorised person** **SMCR firm** if that person has significant responsibility for one or more significant business units of the **branch** that carry on any of the activities listed in (2). |

(2) The activities listed in this paragraph are:

(a) designated investment business other than dealing in investments as principal, disregarding article 15 of the Regulated Activities Order;

(b) processing confirmations, payments, settlements, insurance claims, client money and similar matters, in so far as this relates to designated investment business;

(c) the activity of accepting deposits from banking customers and activities substantially connected to that activity to the extent that it does not fall within (a) or (b), above; and

(d) activities that are subject to **CASS**.

10C.8A.3  

| G (1) | The definition of the **EEA branch senior manager function** (SMF21) is similar to that of the significant management **FCA-specified significant-harm FCA certification function** under **SYSC 27.8.4R**. However, only the former is an **FCA-designated senior management function**. |

(2) The main differences are:

(a) **SUP 10C.8.4R(2)(d)** **SUP 10C.8A.2R(2)** is not included in the significant management **FCA-specified significant-harm FCA certification function**; and

(b) the overriding requirements in **SUP 10C.3** (General material about the definition of controlled functions) do not apply to the significant management **FCA-specified significant-harm FCA certification function**.
10C.8A.4 G A person performing the EEA branch senior manager function could, for example, be:

10C.8.6 (1) the head of a significant business unit carrying on the activities in SUP 10C.8A.2R (2) SUP 10C.8A.2R (2); or

(2) a member of a committee (that is, a person who, together with others, has authority to commit the branch) making decisions about those activities.

EEA branch senior manager function (SMF21): meaning Meaning of “significance”

10C.8A.5 G When considering whether a business unit is significant for the purposes of SUP 10C.8A.2R, 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 that 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 or approved persons working in the business unit;

(5) the number of customers; and

(6) any other factor which makes the unit significant to the conduct of the branch’s affairs.

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 managers regime for relevant authorised persons SMCR firms 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. The following parts of the PRA Rulebook deal with this:

(a) Chapter Two 2 of the part of the PRA’s rulebook PRA Rulebook titled ‘Senior Management Functions’ deals with this;

(b) Chapter 2 of the part of the PRA Rulebook titled ‘Insurance - Senior Management Functions’;

(c) Chapter 2 of the part of the PRA Rulebook titled ‘Large Non-Solvency II Firms – Senior Management Functions’;

(d) Chapter 2 of the part of the PRA Rulebook titled ‘Non-Solvency II Firms - Senior Management Functions’;

(e) Chapter 6 of the part of the PRA Rulebook titled ‘Insurance - Senior Managers Regime – Transitional Provisions’; and
Chapter 6 of the part of the PRA Rulebook titled ‘Large
Non-Solvency II Firms – Senior Managers Regime –
Transitional Provisions’.

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 A 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 risk officer role.</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>Example</td>
<td>Whether FCA approval required</td>
<td>Whether PRA approval required</td>
<td>Comments</td>
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<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 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 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 executive director function.</td>
</tr>
<tr>
<td>(6) A is appointed as an executive director. Later, A takes on the chief risk officer function and remains as an executive director.</td>
<td>Yes, when A is appointed as director. The executive executive director function applies.</td>
<td>Yes, when A takes up the chief risk officer role.</td>
<td>When A is appointed as chief risk officer, A is still treated as carrying on the executive executive director 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</td>
<td>Yes, when A is appointed as an executive director. The executive 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>Example</td>
<td>Whether FCA approval required</td>
<td>Whether PRA approval required</td>
<td>Comments</td>
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<tr>
<td>---------</td>
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<tr>
<td><em>function for that firm.</em> Later, A is appointed as an executive director with the same firm.</td>
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<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, <em>FCA</em> approval is needed to perform the <em>executive director function.</em></td>
<td>Yes, on A’s first appointment.</td>
<td>When A stops being a chief risk officer, A stops performing a <em>PRA-designated senior management function.</em> However, being an executive director requires <em>FCA</em> 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 <em>PRA-designated senior management function.</em> Form A should be used if there have been</td>
<td></td>
<td></td>
<td>The combined effect of <em>SUP 10C.9.8R</em> and the relevant <em>PRA</em> rules is that the <em>firm</em> has three months to secure approval by the <em>FCA</em>. During that interim period, A keeps the status of a <em>PRA approved person</em> performing the director element of the <em>PRA chief risk designated senior management function</em> - which is included in that function under relevant <em>PRA</em> rules. The relevant <em>PRA</em> rules say</td>
</tr>
<tr>
<td>Example</td>
<td>Whether FCA approval required</td>
<td>Whether PRA approval required</td>
<td>Comments</td>
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<tr>
<td>changes in A’s fitness (SUP 10C.10.9D(4))</td>
<td></td>
<td>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>
<td></td>
</tr>
<tr>
<td>(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.</td>
<td>No</td>
<td>Yes</td>
<td>The arrangements in SUP 10C.9.8R continue to apply, even though A switches between PRA-designated senior management function functions after the PRA’s first approval.</td>
</tr>
<tr>
<td>(10) A is appointed chief risk officer and an executive director. A goes on temporary sick leave. A takes up their old job</td>
<td>No, neither on A’s first appointment nor when A comes back from sick leave.</td>
<td>Yes</td>
<td>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.</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>
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<tr>
<td>when he A comes back.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(11) A is appointed to be chairman of the governing body and chairman of the nomination committee at the same time.</td>
<td>No. A does not need approval to perform the chair of the nomination committee function.</td>
<td>Yes, on first appointment.</td>
<td>Being chairman of the governing body is a PRA-designated senior management function. Therefore, the answer for example (1) applies.</td>
</tr>
<tr>
<td>(12) ‘A’ is to be appointed to perform the Head of Overseas Branch PRA-designated senior management function (SMF19) for a third-country relevant authorised person an overseas SMCR firm that is not an EEA SMCR firm. A is also an executive director of that firm’s UK branch.</td>
<td>No. A is not treated as performing the executive director function.</td>
<td>Yes</td>
<td>A’s functions as a director will be included in the PRA controlled function.</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>
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<td>------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Note 1: The relevant PRA rules can be found in Chapter 2 of the parts of the PRA rulebook called ‘Senior Management Functions’ Rulebook listed in SUP 10C.9.6G.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note 2: Where one of the examples in this table includes someone being chief risk or finance officer or chair of the governing body, the example assumes that the firm is of a type for which that function is a PRA-designated senior management function.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 R 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 an SMCR firm.
10C.10.2A D SUP 10C.10.2R applies to every direction in SUP 10C.10 to SUP 10C.15.

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.
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><strong>Firm A to firm B</strong></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 (both being a member of the same United Kingdom group and each having</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</td>
</tr>
</tbody>
</table>
its registered office in the United Kingdom)  

<table>
<thead>
<tr>
<th>(i) A to B, where B:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) is not an authorised person; and</td>
</tr>
<tr>
<td>(b) is not part of the same group as A; or</td>
</tr>
<tr>
<td>(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</td>
</tr>
<tr>
<td>(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.</td>
</tr>
</tbody>
</table>

Responsibility for (as opposed to the performance of) any activity outsourced to B will remain with A. See SYSC 8.

A ensures that an individual approved by the FCA or the PRA to perform a designated senior management function has 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 SUP 10C Annex 3D), 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: in the circumstances described in SUP 10C.10.8AD.

(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.10.8A D If a firm must make an application using Form A, it must use Form A (shortened form) if:

(1) the candidate:

   (a) 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; or

   (b) has had current approved person approval of the type described in (a) within the previous six months; and

(2) 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 in (1)(a) or (b) may have changed since the application for that current approved person approval was made.

10C.10.8B D A firm must not use Form A (shortened form) if:

(1) the firm is a MiFID investment firm (except a credit institution); and

(2) SUP 10C.10.9BD applies to that application.
A firm must use Form E (SUP 10C Annex 3D SUP 10C Annex 7D) where an approved person:

(a) is both ceasing to perform one or more controlled functions; and

(b) needs to be approved in relation to one or more FCA-designated senior management function;

within the same firm or group.

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.

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.

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; or

(iii) to the FCA under SUP 10A.14.17R (the equivalent to (i) for firms that are not relevant authorised persons); or in SUP 10A); 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:
section 63(2A) of the Act (Duty to notify regulator of grounds for withdrawal of approval); or

(ii) [deleted]

(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 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.10.9A G (1) The MiFID II ITS MiFID authorisation and management body change notification ITS requires that MiFID investment firms (except credit institutions) submit the Annex III information on the ESMA template available at https://www.fca.org.uk/publication/forms/mifid-changes-management-body-form.doc (‘Annex III template’) where there is a change to a member of the management body or a person who effectively directs the business.

(2) MiFID investment firms (except credit institutions) need to submit this Annex III template within ten business days of the change in the online notification and application system (also known as Connect).

(3) In summary, where there is a change to a member of the management body or a person who effectively directs the business of a MiFID investment firm (except a credit institution) then the firm is required. SUP 10C.10.9BD explains how this requirement fits in with the requirement to submit the following forms (in addition to the relevant a Form A, C, or Form E, about a candidate):

(a) Where a new member of the management body or a person who effectively directs the business is appointed.
(i) the Annex III template; and

(ii) MiFID Article 4 SMR Information Form.

(b) Where a person ceases being a member of the management body or a person who effectively directs the business, then the firm must submit the Annex III template (in addition to the relevant Form E).

(4) Where the Annex III template requires the firm to provide information which is also contained in Form A and/or E, the firm may, instead of duplicating the information, cross-refer to the information in the relevant Form A or E and annex those forms to the Annex III template (see SUP 10C.10.9C). [deleted]

10C.10.9AA G (1) The MiFID authorisation and management body change notification ITS requires that a person applying to be a MiFID investment firm (except a credit institution) should notify the appropriate regulator of information about members of its management body by filling in the template set out in Annex II of the MiFID authorisation and management body change notification ITS.

(2) This applies whether:

(a) the person is applying for authorisation; or

(b) the person is a firm applying for a variation of its permission that would turn it into a MiFID investment firm.

(3) There is no requirement to fill in the MiFID Article 4 SMR Information Form referred to in SUP 10C.10.9BD along with a Form A or Form E.

10C.10.9B D Where:

(1) there is a change to a member of the management body or person who directs the business, of a MiFID investment firm (except a credit institution) that the firm must notify to the appropriate regulator under Annex III of the MiFID authorisation and management body change notification ITS; and

(2) that change also requires the firm to apply for approval for that member or person to perform an FCA-designated senior management function;

the firm must submit to the FCA the completed form found in SUP 10C Annex 7D 11D (MiFID Article 4 SMR Information Form) at the same time as submitting the Form A and/or Form E about the candidate.
Editor’s note: This is in accordance with the information required in article 4 of the Commission Delegated Regulation of 14 July 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on information and requirements for the authorisation of investment firms.

10C.10.9C G MiFID investment firms (except credit institutions) who submit:

(a) Form A and/or Form E; and

(1)

(b) the MiFID Article 4 SMR Information Form;

(2)

about a candidate can complete the Annex III template outlined in SUP 10C.10.9AG by cross-referencing any information required by the template that has been included in the relevant Form A and/or Form E. The template should where it has already been provided by the firm, and this would then be annexed to the relevant Form A and/or Form E.

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 about the candidate.

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 to which SYSC 25.9 (Handover procedures and material) applies should include in an application a reasonable summary of:

(1) any handover certificate; and

(2) any other handover material;

referred to in SYSC 25.9 (Handover procedures and material) that relates to the responsibilities that the candidate is to perform.

10C.10.13A D A firm to which SYSC 25.2 (Management responsibilities maps: Main rules) applies must include in an application 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 the latest version of the firm’s management responsibilities map.

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  (1) This rule applies to 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.

(2) 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 Records, etc &c) 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 the 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 Subject to SUP 10C.10.18A, the firm should not send a copy of the certificate to the FCA unless required to do so under SUP 10C.10.18AG or SUP 10C.10.28G (requests for additional information).

10C.10.18A G MiFID investment firms (except credit institutions) should provide a copy of the certificate to the FCA in cases where they disclose, in accordance with the MiFID authorisation and management body change notification ITS, the existence of a criminal conviction in response to the questions in:

(a) Long Form A; and or

(b) The MiFID Article 4 SMR Information Form accompanied by Form E.

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.

10C.10.23 G Please see SYSC 22 (Regulatory references) about the requirement for a firm to ask for references from previous employers.

10C.10.23A G (1) SUP 10C.10.16R (Criminal records checks) does not require a firm to carry out a criminal records check for the purposes of its
annual assessment of the fitness and propriety of its SMF managers under section 63(2A) of the Act.

(2) The requirement in section 63(2A) of the Act is summarised in SUP 10C.14.24G (Table: Explanation of the sections of the Act mentioned in SUP 10C.14.22R).

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 SUP 10C.10.33G(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 SUP 10C Annex 4R).
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.

SUP 10C.15 (Forms and other documents and how to submit them to the FCA) explains how a notice of withdrawal should be submitted.

Statements of responsibilities

What a statement of responsibilities is

(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 section 62A of the Act (see SUP 10C.11.5G).

What this section covers

(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 SUP 10C.11.13D 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

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) (SUP 10C Annex 10D).

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.
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 a PRA-prescribed UK branch 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) SYSC 26 (Senior managers and certification regime: Overall and local responsibility); may involve a significant change.

The sharing or dividing of a function in (4) an FCA-prescribed senior management responsibility or a PRA-prescribed senior management responsibility that was originally performed by one person between two or more persons may involve a significant change.

Ceasing to share a function in (4) an FCA-prescribed senior management responsibility or a PRA-prescribed senior management responsibility that was originally shared with another, or others, may involve a significant change.

Beginning or ceasing to share responsibility for a function under SYSC 26 (Senior managers and certification regime: Overall and local responsibility) may involve a significant change.

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 (SUP 10C Annex 10D) under cover of Form J (SUP 10C Annex 5D) (SUP 10C Annex 9D).

(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.

(3) Where the change to be notified to the FCA under section 62A of the Act is part of an arrangement under which:

(a) the firm is also required to make an application or notification about the FCA-approved SMF manager to the PRA which involves sending a statement of responsibilities for that FCA-approved SMF manager in relation to the same firm to the PRA; but

(b) the firm is not required to send any other application or notice about the FCA-approved SMF manager under this chapter directly to the FCA;

the firm must provide the revised statement of responsibilities to the FCA by including it with the application or notice to the PRA.

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, the MiFID Article 4 SMR Information Form 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) and (3) 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 (1) If:

(a) an FCA-approved SMF manager ceases to perform a designated senior management function for a firm; but

(b) 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 FCA-designated senior management functions complying with the requirements of this section (including SUP 10C.11.13D).

(2) Where the change to be notified to the FCA meets the conditions in SUP 10C.11.7D(3)(a) and (b), the firm must provide the revised statement of responsibilities to the FCA by including it with the application or notice to the PRA.

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 FCA-approved 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 (SMCR firms), 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 SUP 10C Annex 10D (the FCA’s template for statements of responsibilities) allows this.

Submitting statements of responsibilities: examples of how the requirements work
The table in SUP 10C.11.19G gives examples of how the requirements in this section for submitting statements of responsibilities (combined with the corresponding PRA requirements) work in different cases.

Table: Examples of how the requirements for submitting statements of responsibilities work

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
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<tbody>
<tr>
<td>(1) A firm applies for approval for A to perform the executive director function and the money laundering reporting 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 reporting function. Both firms are relevant authorised persons-SMCR firms.</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 the PRA functions.</td>
<td>The single statement of responsibilities document should cover both the FCA and the PRA functions.</td>
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<tr>
<td>(4) A has approval to perform the executive director function. Later, A is to be appointed to perform the money laundering reporting 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</td>
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<td>Example</td>
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<td>the money laundering reporting function. The single statement of responsibilities document should cover both functions. The part relating to A’s duties as an executive director should be updated.</td>
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<tr>
<td>(5) A has approval to perform the executive director function. Later, A is to be appointed to perform the PRA’s chief risk officer designated senior management function for the same firm. This will also result in substantial changes to A’s duties as an executive director.</td>
<td></td>
</tr>
<tr>
<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 PRA function. The firm should not submit the revised single statement of responsibilities 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. The part relating to A’s duties as an executive director should be updated.</td>
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<tr>
<td>(6) A has approval to perform the money laundering reporting function. The approval to perform the money laundering reporting function is subject to a condition. The firm is applying to vary that condition.</td>
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<td>The firm should include a revised statement of responsibilities with the application. The firm should not use Form J. It should submit a revised statement of</td>
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<table>
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<tr>
<th>Example</th>
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<tr>
<td><strong>(7) A has approval to perform the executive director function and the money laundering reporting function for the same firm.</strong> The approval to perform the money laundering reporting 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.</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 vary the approval for the money laundering reporting function. The single statement of responsibilities document should be updated and should cover both functions.</td>
</tr>
<tr>
<td><strong>(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.</strong> 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.</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 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...</td>
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<td>Example</td>
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<td>(9) A has approval to perform the <strong>executive director function</strong> and the <strong>money laundering reporting function</strong> for the same firm. Sometime later, A is to give up the <strong>money laundering reporting function</strong> and take up the PRA’s chief risk officer <strong>designated senior management function</strong>. This will involve major changes to A’s role as executive director.</td>
<td>The answer to example (5) applies. The application to the PRA to perform the PRA function should be accompanied by a single 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 reporting function.</td>
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<td>(10) A <strong>firm</strong> has approval for A to perform the <strong>executive director function</strong> and the <strong>money laundering reporting function</strong>. A then ceases to perform the <strong>money laundering reporting function</strong> but continues to perform the <strong>executive director function</strong>.</td>
<td>The firm must submit: (a) Form C for the money laundering reporting function; (b) Form J; and (c) a single updated statement of responsibilities document that covers the executive director function and reflects the fact that A is no longer performing the money laundering reporting function.</td>
</tr>
<tr>
<td>(11) A has approval to perform the <strong>executive director function</strong> and the <strong>PRA’s chief risk officer designated senior management function</strong> for the same firm.</td>
<td>The firm must submit: (a) Form C for the PRA function;</td>
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<td>Example</td>
<td>Comments</td>
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<td>Later, A gives up his role as chief risk officer.</td>
<td>(b) Form J; and (c) a single updated <em>statement of responsibilities</em> document that covers the <em>executive director function</em>. The <em>firm</em> 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 notification to the PRA.</td>
</tr>
<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 reporting 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 FCA may contact the <em>firm</em> to agree a revised single <em>statement of</em></td>
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### Example

<table>
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<th>Example</th>
<th>Comments</th>
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<tr>
<td>(13) A has approval to perform the <strong>executive director</strong> <strong>money laundering reporting function</strong>. Later, A is to be appointed to perform the <strong>money laundering function</strong> as an <strong>executive director</strong> for the same <strong>firm</strong>. This will not result in any <strong>significant</strong> changes to A’s duties as an <strong>executive director</strong> in the <strong>money laundering reporting function</strong>. However, there have been some insignificant changes to A’s role as an <strong>executive director</strong> in the <strong>money laundering reporting function</strong> since the <strong>firm</strong> submitted the most recent single <strong>statement of responsibilities</strong> document. The changes are not connected to A’s appointment to perform the <strong>money laundering function</strong> as executive director.</td>
<td>The answer for example (4) applies. The <strong>single statement of responsibilities</strong> document should be updated to cover the changes to A’s duties as executive director, as well as covering A’s new in the money laundering role as well as covering A’s appointment to perform the <strong>executive director function</strong>. It does not matter that the changes to A’s money laundering role as an executive director are not significant.</td>
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(14) A has approval to perform the **executive executive director function**. Later, A’s business unit grows in size and so the **firm** needs to apply for A to be approved to perform the **PRA’s Head of Key Business Area designated senior management function**. However, A’s responsibilities do not change. | The **firm** should submit a revised single **statement of responsibilities** document along with the application to perform the **PRA function**. The **firm** should submit a single **statement of responsibilities** document that covers both the **FCA** and the **PRA functions**. It should not submit the revised single **statement of responsibilities** document separately to the **FCA**. Instead, it should include it as part of the application to the **PRA**. |
Example
(15) Firm X has a branch in the United Kingdom. Firm Y is a UK authorised subsidiary of firm X. Firm X is a third country relevant authorised person an overseas SMCR firm that is not an EEA SMCR firm and firm Y is a UK relevant authorised person SMCR firm. Both firms apply for approval for the same individual (P) to perform the executive director function.

Note: The single statement of responsibilities document means the single document described in SUP 10C.11.13D2.

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 and this chapter.

(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 (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) the regulatory system.

10C.11.22A R (1) This rule applies to an SMCR firm that is a Solvency II firm (including a large non-directive insurer).

(2) A firm must retain each version of a statement of responsibilities for:
(a) (in the case of a large non-directive insurer) six years; or

(b) (in any other case) ten years;

from the date on which it was superseded by a more up-to-date version.

(3) A firm must be in a position to provide each version to the FCA on request for as long as the firm is required to retain it.

What statements of responsibilities should contain:

10C.11.23 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

(1A) be consistent with the statement of responsibilities for the firm’s other SMF managers; and

(2) be consistent with the firm’s management responsibilities map (if the firm is required to have one).

(See SYSC 4.5.9G, SYSC 4.6.12G and SYSC 4.6.27G SYSC 25.4.1G and SYSC 25.4.2G for more about this.)

10C.11.24 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 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 and the PRA-prescribed UK branch 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) An example of the requirement that a firm’s statements of responsibilities for its SMF managers should be consistent (see SUP 10C.11.23G) is that they should together demonstrate that there are no gaps in the allocation of responsibilities among the firm’s 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.

(3) Paragraphs (1) and (2) are not relevant to EEA relevant authorised persons apply to a firm to which SYSC 26 (Senior
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 and PRA-prescribed UK branch senior management responsibilities allocated to the SMF manager;

(b) functions that are included in a PRA controlled function under the arrangements described in 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) or SYSC 4.8.10R (Local responsibility for a branch’s activities, business areas and management functions); SYSC 26 (Senior managers and certification regime: Overall and local responsibility) if that chapter applies to the firm; and

(d) responsibilities allocated under MIPRU 2.2 (Responsibility for insurance distribution activity or MCD credit intermediation activity).

Paragraph (1)(c) applies even if the responsibility is excluded from the other overall responsibility function under SUP 10C.7.1R(2) (Exclusion exclusion for approved person with approval to perform other controlled functions) or from the other local responsibility function under SUP 10C.8.1R(2) (Exclusion exclusion for approved person with approval to perform other controlled functions).

The definition of every FCA-designated senior management function contains a responsibility which is inherent, inseparable from and intrinsically built into the specific role.

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.

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.
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 and, if applicable, between which SMF managers and 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 is divided or shared between several SMF managers; or

(b) any function allocated under SYSC 4.7.8R (Allocation of overall responsibility for a firm’s activities, business areas and management functions) or SYSC 4.8.10R (Local responsibility for a branch’s activities, business areas and management functions) SYSC 26 (Senior managers and certification regime: Overall and local responsibility) is shared between several SMF managers (if that chapter applies to the firm):
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 SMCR firms 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:
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. As 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
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).

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.

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.

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

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 necessarily 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.12.47  G  However the *Act* does allow a condition to be drafted in such a way that the approval ends if the condition is not met or is no longer met.

10C.13  Variation of conditional and time-limited approvals

Purpose

10C.13.1  G  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  G  (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. However this section gives a short description of the *FCA’s* powers to impose such variations.

Variation of a conditional approval at the request of the firm: general description

10C.13.3  G  A *firm* may apply to the *FCA* to change a conditional or time-limited approval. The changes for which a *firm* may apply are:
(1) a variation of the condition;
(2) removal of the condition;
(3) the imposition of a new condition; or
(4) where the approval is time-limited:
    (a) varying the time limit; or
    (b) removing the time limit.

10C.13.4  G (1) There are requirements about whether the firm applying for a change described in SUP 10C.13.3G should apply to the FCA or the PRA. Paragraphs (2) to (3) summarise these requirements.

(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.

(2A) 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 (subject to (2C)) apply to the FCA if the FCA imposed that condition, even if the approval was given by the PRA.

(2B) If a firm is applying for a change of the type described in SUP 10C.13.3G(4), the firm should subject to (2C) apply to the FCA if the FCA imposed that time limit, even if the approval was given by the PRA.

(2C) Where the time limit or condition has been varied before and the FCA was the last to vary it, the firm should apply to the FCA. This applies whether the variation was made on the application of the firm or on the initiative of the FCA or the PRA.

(3) In other cases, the application should be to the PRA.

10C.13.5  G The right to apply for a variation does not include the right to apply for a time limitation where the current approval has effect for an unlimited period.

10C.13.5A  G The procedures described in this section for the variation of an approval at the request of a firm do not apply where the condition or time limit has effect by virtue of section 66 of the Act (Disciplinary powers).

Variation of a conditional approval at the request of the firm: process

10C.13.6  D 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) (SUP 10C Annex 8D).

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) (SUP 10C Annex 4R).

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;
(4) limiting the period for which the approval is to have effect; or
(5) removing or varying a time limit on an approval.

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.

(2A) When a MiFID investment firm (except a credit institution) notifies the FCA of a change using Form A or Form E, they must it may also have to submit the MiFID Article 4 SMR Information Form (see SUP 10C.10.9BD).

(3) The details can be found in SUP 10C.10.8D to SUP 10C.10.9CG.

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 (see SUP 10C.10 (Application for approval and withdrawing an application for approval) for details).

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 SUP 10C.10.8D to SUP 10C.10.8BD 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 ten 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 SUP 10C Annex 5R).

(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; or

(ii) to the FCA using Form E (rather than a Form A) under SUP 10A; or

(iii) 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.14.6A G (1) The MiFID authorisation and management body change notification ITS requires that a MiFID investment firm (except a credit institution) submit the information in Annex III of the MiFID authorisation and management body change notification ITS on the ESMA template where there is a change to a member of the management body or a person who effectively directs the business.

(2) This means that a MiFID investment firm required to notify the FCA under (1) may also need to submit the Annex III information along with the Form C or Form E.

(3) See SUP 10C.10.9AAG to SUP 10C.10.9CG for more about these notification requirements in a case in which the firm is applying for approval under section 59 of the Act (Approval for particular arrangements).

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
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 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 (and the any MiFID Article 4 SMR Information Form required by SUP 10C.10.9BD) 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:

(a) does not submit Form C (including a qualified one), the MiFID Article 4 SMR Information Form, or Form E, following notification under SUP 10C.14.7R; or

(b) submits a form in advance under (1) but it turns out that there is no requirement to have done so (because for example the approved person is staying in post);

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 SUP 10C Annex 6R), 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 SUP 10C Annex 6R).

(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 a 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); or

(2) [deleted]

(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.

Table: Explanation of the sections of the Act mentioned in SUP 10C.12.22G SUP 10C.14.22R

<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>Section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval)</td>
<td>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.</td>
<td></td>
<td>FIT sets out guidance on the factors a firm should take into account when assessing the fitness and propriety of an approved person.</td>
</tr>
<tr>
<td>Section 64C of the Act (Requirement for relevant authorised persons to notify regulator of disciplinary action)</td>
<td>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</td>
<td>SUP 15.11 (Notification of COCON breaches and disciplinary action)</td>
<td>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</td>
</tr>
</tbody>
</table>
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 to the FCA 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.

**Forms and documents**

10C.15.2 G The main forms and other documents used in this chapter are listed in SUP 10C.15.3G.

10C.15.3 G 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 designated senior management functions under the approved persons regime</td>
<td>SUP 10C.10.8D</td>
</tr>
<tr>
<td>SUP 10C Annex 2D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUP 10C Annex 3D</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Form B</td>
<td>Notice to withdraw an application to perform controlled functions under the approved</td>
<td>SUP 10C.10.36R</td>
</tr>
<tr>
<td>SUP 10A Annex 5R</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SUP 10C Annex 4R</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Form</td>
<td>Notice or Notification</td>
<td>Rationale or Details</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>C</td>
<td>Notice to withdraw an application to vary an approval under the senior management regime for SMF managers</td>
<td>SUP 10C.13.15R</td>
</tr>
<tr>
<td></td>
<td>Notice of ceasing to perform controlled functions</td>
<td>SUP 10C.14.5R</td>
</tr>
<tr>
<td>D</td>
<td>Notification of changes in personal information or application details or functions</td>
<td>SUP 10C.14.13R</td>
</tr>
<tr>
<td></td>
<td>Notification about fitness or breach of conduct rules</td>
<td>SUP 10C.14.18R</td>
</tr>
</tbody>
</table>
| Form E | SUP 10C Annex 3D  
SUP 10C Annex 7D | Internal transfer of an approved person | SUP 10C.10.9D |
|--------|------------------|--------------------------------------|----------------|
| Form I | SUP 10C Annex 4D  
SUP 10C Annex 8D | Application to vary a conditional approval under the senior management regime for SMF managers | SUP 10C.13.6D |
| Form J | SUP 10C Annex 6D  
SUP 10C Annex 9D | Notification of significant change to a statement of responsibilities | SUP 10C.11 |
| Relevant statement of responsibilities | SUP 10C Annex 5D  
SUP 10C Annex 10D | | SUP 10C.11 |
| MiFID Article 4 SMR Information Form | SUP 10C Annex 7D  
SUP 10C Annex 11D | As required by MiFID II ITS the MiFID authorisation and management body change notification ITS | SUP 10C.10.9B  
SUP 10C.10.9AG  
SUP 10C.14.6AG |

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 4G 2G 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 FCA’s Customer Contact Centre for approved persons enquiries:

(1) telephone: 0300 500 0597;

(2) email: firm.queries@fca.org.uk; or

(3) fax: 020 7066 0017; or [deleted]

(4) write to:

Customer Contact Centre
The Financial Conduct Authority
12 Endeavour Square
London
E20 1JN.

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>Relevant statement of responsibilities</td>
<td>In accordance with the requirements for the form with which it is submitted</td>
<td>In accordance with the requirements for the form with which it is submitted</td>
</tr>
<tr>
<td>MiFID Article 4 SMR Information Form</td>
<td>Submit at the same time as Form A and/or E</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Annex II or III template</td>
<td>Submit at the same time as Form A, C and/or E</td>
<td>Not applicable</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 online notification and application system.

(2) A firm must use the version of the form or document made available on the electronic system referred to in (1), which, if the form or document is included in an Annex to this chapter, that electronic version 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 If the form or document is included in an Annex to this chapter, 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).

10C.16 References and accurate information

References

10C.16.1 G (1) SYSC 22 (Regulatory references) says that if a firm (A):

(a) is considering appointing a person (P) to perform any controlled function or certain other functions;

(b) requests a reference from a firm (B) that is P’s current or former employer; and

(c) indicates to B the purpose of the request;

B should, as soon as reasonably practicable, give a reference to A.

(2) This applies even if A is a firm to which SUP 10A (FCA Approved Persons) applies rather than this chapter.
SYSC 22 also requires firms to get a reference before applying to have someone approved as an approved person.

The need for complete and accurate information

(1) The obligations to supply information to:

(a) the FCA under this chapter;

(b) [deleted]

apply notwithstanding any:

(c) agreement (for example a ‘COT 3’ Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)); or

(d) 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 chapter.

Failing to disclose relevant information to the FCA may be a criminal offence under section 398 of the Act.
Delete the existing SUP 10C Annex 1G (Summary of forms and their use in the senior management regime for SMF managers) and replace it with the following new annex. The text is not underlined.

### 10C Annex 1

#### What functions apply to what type of firm

**Part One: Introduction**

1.1 R This annex sets out which *FCA controlled function* applies to which type of *SMCR firm*.

1.2 G If an *FCA controlled function* is not included in a table for a particular class of *firm*, that *FCA controlled function* does not apply to any *firm* in that class.

1.3 G (1) If one of the tables in this annex shows that an *FCA controlled function* applies to a type of *firm*, that function does not necessarily apply to every *firm* in that class.

(2) That may be because of limitations in the description of the function itself. For example, the *partner function* only applies to partnerships.

(3) Another reason would be if the *rules* defining the *FCA controlled function* refer to a *rule* elsewhere in the *FCA Handbook* and the latter only applies to certain types of *firm*.

(4) The exclusions in *SUP 10C.1* are also relevant.

1.4 R In the tables in this annex:

(1) ✓ means that the *FCA controlled function* applies; and

(2) × means that the *FCA controlled function* does not apply.

**Part Two**

[This part has been left blank deliberately]

**Part Three: Functions applying to banking sector firms**

3.1 R (1) The table in *SUP 10C Annex 1 3.2R* sets out which *FCA controlled function* applies to which type of *SMCR banking firm*.

(2) *SMCR firms* in (1) are divided into the following categories for the purposes in (1):
(a) a UK SMCR banking firm;
(b) an EEA SMCR banking firm; and
(c) a third-country SMCR banking firm.

3.2 Table: Controlled functions applying to banking firms

<table>
<thead>
<tr>
<th>(1) Brief description of function</th>
<th>(2) Function number</th>
<th>(3) UK firm</th>
<th>(4) EEA firm</th>
<th>(5) Third-country firm</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governing functions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive director function</td>
<td>SMF 3</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Chair of the nomination committee function</td>
<td>SMF 13</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Partner function</td>
<td>SMF 27</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td><strong>Required functions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance oversight function</td>
<td>SMF 16</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Money laundering reporting function</td>
<td>SMF 17</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Other overall responsibility function</td>
<td>SMF 18</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Other local responsibility function</td>
<td>SMF 22</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Other high-level management functions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA branch senior manager function</td>
<td>SMF 21</td>
<td>×</td>
<td>✓</td>
<td>×</td>
</tr>
</tbody>
</table>

Note: The categories of firm in the column headings of this table are to be interpreted in accordance with the classification of firms in SUP 10C Annex 1 3.1.R. Therefore:
(1) column three (UK firm) refers to SUP 10C Annex 1 3.1R(2)(a);
(2) column four (EEA firm) refers to SUP 10C Annex 1 3.1R(2)(b); and
(3) column five (Third-country firm) refers to SUP 10C Annex 1 3.1R(2)(c).
Part Four: Functions applying to insurance sector firms

4.1 R (1) The table in SUP 10C Annex 1 4.2R sets out which FCA controlled function applies to which type of SMCR insurance firm.

(2) SMCR firms in (1) are divided into the following categories for the purposes in (1):

(a) a Solvency II firm not within any other paragraph of this rule;

(b) a Solvency II firm within paragraph (c) of the Glossary definition of Solvency II firm (EEA branch);

(c) a Solvency II firm within paragraph (b) of the Glossary definition of Solvency II firm (third country branch);

(d) a small non-directive insurer;

(e) a firm in SYSC 23 Annex 1 5.2R (firms in run-off); and

(f) an insurance special purpose vehicle.

(3) An insurance special purpose vehicle only falls into paragraph (2)(f). Subject to that, a firm in (2)(e) does not fall into any other paragraph.

4.2 G References to a Solvency II firm include a large non-directive insurer.

4.3 R Table: Controlled functions applying to insurance sector firms

<table>
<thead>
<tr>
<th>(1) Brief description of function</th>
<th>(2) Function number</th>
<th>(3) Solvency II and large NDF</th>
<th>(4) EEA branches</th>
<th>(5) Third country branches</th>
<th>(6) Small NDF and other</th>
<th>(7) ISPV</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governing functions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive director function</td>
<td>SMF 3</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Chair of the nomination committee function</td>
<td>SMF 13</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>✓</td>
<td>×</td>
</tr>
<tr>
<td>Chair of the with-profits committee function</td>
<td>SMF 15</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Partner function</td>
<td>SMF 27</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>
</tr>
<tr>
<td><strong>Required functions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compliance oversight function</td>
<td>SMF 16</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Money laundering reporting function</td>
<td>SMF 17</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
</tr>
<tr>
<td>Other overall responsibility function</td>
<td>SMF 18</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Other local responsibility function</td>
<td>SMF 22</td>
<td>×</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Conduct risk oversight (Lloyd’s) function</td>
<td>SMF 23b</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>See Note 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other high-level management functions</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EEA branch senior manager function</td>
<td>SMF 21</td>
<td>×</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>×</td>
</tr>
</tbody>
</table>

Note 1: The categories of *firm* in the column headings of this table are to be interpreted in accordance with the classification of *firms* at *SUP 10C* Annex 1 4.1R. Therefore:

(a) column three (Solvency II and large NDF) refers to *SUP 10C* Annex 1 4.1R(2)(a);
(b) column four (EEA branches) refers to *SUP 10C* Annex 1 4.1R(2)(b);
(c) column five (Third country branches) refers to *SUP 10C* Annex 1 4.1R(2)(c);
(d) column six (Small NDF and other) refers to *SUP 10C* Annex 1 4.1R(2)(d) and (e); and
(e) column seven (ISPV) refers to *SUP 10C* Annex 1 4.1R(2)(f).

Note 2: The *conduct risk oversight (Lloyd’s) function* only applies to the *Society*.

Delete the existing SUP 10C Annex 2D (Form A: Application to perform senior management functions) and replace it with a new annex. The text of the deleted annex is not shown. The text of the new annex is the same as what was SUP 10C Annex 1G (Summary of forms and their use in the senior management regime for SMF managers) before the insertion of a new SUP 10C Annex 1 by this instrument but is amended as shown.
<table>
<thead>
<tr>
<th>Function</th>
<th>Form</th>
<th>Submission</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Person about to perform an FCA-designated senior management function* (he has they have never been approved by the FCA or PRA before)</td>
<td>A</td>
<td>Submitted by the firm making the application before activities requiring approval commence.</td>
</tr>
<tr>
<td>(2) The candidate is to perform an FCA-designated senior management function and either:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(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</td>
<td>Shortened Form A (if the other conditions are met)</td>
<td>Submitted by the firm making the application before activities requiring approval commence.</td>
</tr>
<tr>
<td>(b) has had such an approval within the previous six months.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) Candidate ceased to be an approved person more than six months ago.</td>
<td>A</td>
<td>Submitted by the firm making the application before activities requiring approval commence.</td>
</tr>
<tr>
<td>(4) Either:</td>
<td>A</td>
<td>Submitted by the firm making the application before activities requiring approval commence.</td>
</tr>
<tr>
<td>(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</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(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.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(5) Firm withdrawing an outstanding application to perform an FCA-designated senior management function.</td>
<td>B</td>
<td>Submitted by the firm: signed by all interested parties.</td>
</tr>
<tr>
<td>(6) Person ceasing to perform an FCA-designated senior management function.</td>
<td>C</td>
<td>Submitted by the firm within seven business days of approved</td>
</tr>
</tbody>
</table>

*In the context of senior management functions, particularly where an FCA-designated senior management function is involved, the application must be submitted before the activities requiring approval commence. This ensures that all regulatory approvals are in place to prevent any potential regulatory non-compliance.
(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.

<table>
<thead>
<tr>
<th>under Form E)</th>
<th>person ceasing to perform controlled function(s).</th>
</tr>
</thead>
<tbody>
<tr>
<td>D Form C to be used instead where the person is ceasing to perform a controlled function.</td>
<td>Submitted by firm within seven business days of the firm becoming aware of the matter.</td>
</tr>
</tbody>
</table>

(8) **Firm** obliged to notify the FCA about an *SMF manager* under:
   (a) section 63(2A) of the Act (Duty to notify regulator of grounds for withdrawal of approval); or
   (b) [deleted]
   (c) section 64C of the Act (Requirement for relevant authorised persons to notify regulator of disciplinary action).

<table>
<thead>
<tr>
<th>Form D.</th>
<th>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.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form C to be used instead where the person is ceasing to perform a controlled function.</td>
<td>Submitted by firm within seven business days of the firm becoming aware of the matter.</td>
</tr>
</tbody>
</table>

(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 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).

|   |   | Submitted by *firm* to:
|---|---|---
| E |   | (a) the PRA (if the new function is a *PRA controlled function*); or
|   |   | (b) the FCA (if the new function is an *FCA controlled function*).

(14) *Person* remaining with the same *firm* in the circumstances described in example 8 in the table in SUP 10C.9.9G (giving up a *PRA controlled function* triggering need for *FCA approval*).

|   |   | Submitted by *firm* to the FCA in advance of giving up the *PRA controlled function*.

(15) *Firm* applying for the variation of a conditional approval.

|   |   | Form I

(16) *Firm* withdrawing an outstanding application to vary a conditional approval.

|   |   | Form B

Submitted by the *firm*: signed by all interested parties.

(17) Significant change to an approved person’s responsibilities.

|   |   | Form J

Form J should not be used if the *firm* is also submitting a Form A, E or I for the same *SMF manager*.

The revised statement of responsibilities should be included. A statement of responsibilities must be submitted in the format prescribed by the FCA (SUP 10C Annex 5D) (SUP 10C Annex 10D).

(18) *Person* (P) has approval to perform a governing function under SUP 10A for an appointed representative of an SMCR *firm* (F). P then takes up an *FCA-designated senior management function* position with F itself and gives up their role with the appointed representative.

|   |   | Form E

Submitted by F to the FCA before changes take place.

F should use a Form E because P is treated as performing an *FCA-designated senior management function* for the same *firm* (F).

---

Delete the following annexes to SUP 10C. The deleted text is not shown

SUP 10C Annex 3D: Form E: Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

SUP 10C Annex 4D: Form I: Application for the variation of a conditional approval for performance of a senior management function

SUP 10C Annex 5D: Statement of responsibilities
SUP 10C Annex 6D: Form J: Notification of significant change to a statement of responsibilities
SUP 10C Annex 7D: MiFID Article 4 SMR Information Form

Insert the following annexes in the appropriate position. The text (which consists of forms) is included in Part Three of Annex Y of this instrument. The text in ordinary type underneath the Annex number and title is the title of the form to be included and is to be included in the Handbook as a sub-heading or heading as shown. Underlined text is to be included in the Handbook as a heading with the underlining included.

10C Annex Form A: Application to perform senior management functions 3D

Long Form A
Long Form A – Dual-regulated firms (including EEA and third country firms)
Long Form A – UK and overseas firms (not incoming EEA) for MiFID authorisation applications
Short Form A
Short Form A – Dual-regulated firms (including EEA and third country firms)

10C Annex Form B: Notice to withdraw an application to perform controlled functions (including senior management functions) 4R

Form B – Notice to withdraw an application to perform controlled functions (including senior management functions)

10C Annex Form C: Notice of ceasing to perform controlled functions including senior management functions 5R

Form C – Notice of ceasing to perform controlled functions including senior management functions

10C Annex Form D: Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct 6R

Form D – Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

10C Annex Form E: Internal transfer of a person performing a controlled function 7D

Form E – Internal transfer of a person performing a controlled function for dual-regulated firms
10C Annex  Form I: Application to add, vary or remove a conditional approval for the performance of a senior management function

Form I – Application to add, vary or remove a conditional approval for the performance of a senior management function

10C Annex  Form J: Notification of significant changes in responsibilities of a person performing a senior management function

Form J – Notification of significant changes in responsibilities of a person performing a senior management function

10C Annex  Statement of responsibilities

Statement of responsibilities for dual-regulated SMCR firms

10C Annex  MiFID Article 4 SMR Information Form

MiFID Article 4 SMR Information Form

Amend the following as shown. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

…

12  Appointed representatives

…

12.4  What must a firm do when it appoints an appointed representative or an EEA tied agent?

…

Appointment of an appointed representative (other than an introducer appointed representative)

…

12.4.2B  A firm to which SUP 12.4.2AR applies should also have regard to SYSC 5.1 (Skills, knowledge and expertise). The requirements of the Training and Competence sourcebook (TC)
and guidance in the Fit and Proper Test for Approved Persons and specified significant-harm functions Employees and Senior Personnel (FIT) may also be relevant.

...

12.4.4 G In assessing, under SUP 12.4.2R(2)(b), whether an appointed representative or prospective appointed representative is otherwise suitable to act for the firm in that capacity, a firm should consider:

...

(2) the fitness and propriety (including good character and competence) and financial standing of the controllers, directors, partners, proprietors and managers of the person; firms seeking guidance on the information which they should take reasonable steps to obtain and verify should refer to FIT and the questions in the relevant Form A (Application to perform controlled functions under the approved person regime) in SUP 10A Annex 4 or in the PRA’s rulebook.

...

12.6 Continuing obligations of firms with appointed representatives or EEA tied agents

...

Obligations of firms under the approved persons and senior managers regime

12.6.8 G ...

(4) The approved persons regime for relevant authorised persons SMCR firms is in SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms), rather than SUP 10A. However, SUP 10A still applies to approved persons of appointed representatives of relevant authorised persons SMCR firms (see SUP 10A.1.16BR to SUP 10A.1.16DG and SUP 10C.1.8G for more about this).

...

The certification regime

12.6.16 G SYSC 27.4.2G explains the application of the certification regime in SYSC 27 to appointed representatives of relevant authorised persons SMCR firms. The certification regime does not apply to firms that are not relevant authorised persons SMCR firms.
13A Qualifying for authorisation under the Act

…

13A.6 Which rules will an incoming EEA firm be subject to?

…

13A.6.3 G …

(2) An EEA SMCR firm or Treaty firm which is an EEA relevant authorised person should also refer to SUP 10C (FCA senior management regime for approved persons in relevant authorised persons SMCR firms).

…

13A Annex Application of the Handbook to Incoming EEA Firms

1G …

<table>
<thead>
<tr>
<th>(1) Module of Handbook</th>
<th>(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of a firm (or its appointed representative) in the United Kingdom</th>
<th>(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYSC</td>
<td>… SYSC 19A, 19B, 19C and 19D do not apply. … SYSC 23 to 27 apply with the modifications described in those chapters.</td>
<td>SYSC 23 to 27 do not apply.</td>
</tr>
<tr>
<td>COCON</td>
<td>COCON applies to employees of firms which are relevant</td>
<td>Does not apply.</td>
</tr>
</tbody>
</table>
| **authorised persons**  
| **SMCR firms.** See **COCON 1.1** for detailed rules on the application of **COCON.** |
| ... |
| **APER**  
| APER applies to approved persons other than relevant authorised persons of firms other than SMCR firms (APER 1.1A.1G). See below under **SUP 10A** as to whether controlled functions are performed, and approval therefore required. |
| ... |
| **SUP**  
| **SUP 10A (Approved persons)**  
| Applies to an EEA firm that is not an SMCR firm, but the applicable controlled functions are limited. See **SUP 10A.1** (Application) for more detailed guidance. **SUP 10A** applies in a limited way in relation to an incoming EEA firm that is a Solvency II firm (see **SUP 10A.1.8G**). |
| ... |
| **SUP 10C (FCA senior management regime for approved persons in relevant authorised persons) (FCA senior managers regime for approved persons in SMCR firms)**  
| Applies to EEA incoming firms which are EEA relevant authorised persons, but the applicable controlled functions are limited. See **SUP 10C.1** (Application) for more detailed guidance.  
| Does not apply. |
Applies to EEA SMCR firms, but the applicable controlled functions are limited. See SUP 10C.1 (Application) and SUP 10C Annex 1 (What functions apply to what type of firm) for more details of what functions apply.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

15 Notifications to the FCA

15.1 Application

Relevant authorised persons: SMCR firms

15.1.7 R The following apply only to relevant authorised persons: SMCR firms:

... 

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 an SMCR firm where the relevant authorised person SMCR firm 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. This is a requirement imposed under section 64C of the Act.

...

15.3 General notification requirements

...

15.3.14A G ...
(4) SUP 10C.14 only applies to relevant authorised persons SMCR firms. SUP 10A.14 applies similar, but less extensive, obligations to firms that are not relevant authorised persons SMCR firms. Paragraphs (2) and (3) apply to those notifications as well. Such notifications should however be made under SUP 10A.14.

…

15.6 Inaccurate, false or misleading information

…

15.6.6A G SUP 15.11.13R(4) adjusts the time when, and how, a relevant authorised person an SMCR firm should make updates under SUP 15.6.4R about notifications under section 64C of the Act (Notification of disciplinary action against certain employees).

…

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 certain other persons who work for a firm.

15.11.2 G COCON sets out rules under section 64A of the Act and guidance on those rules for relevant authorised person and insurers SMCR firms.

15.11.3 G [deleted]

15.11.4 G Under section 64C of the Act, a firm must notify the FCA if it takes disciplinary action against certain people working for a relevant authorised person an SMCR firm and the reason for this action is a reason specified in rules made by the FCA (those rules are set out in SUP 15.11.6R).

15.11.5 G Disciplinary action against a person is defined in section 64C of the Act as the issuing of a formal written warning, the suspension or dismissal of that person or the reduction or recovery of any of such person’s remuneration.

15.11.6 R If a reason for taking the disciplinary action as referred to in section 64C of the Act (Requirement for authorised persons to notify regulator of disciplinary action) is any action, failure to act or circumstance that amounts to a breach of COCON, then the relevant authorised person SMCR firm is required to notify the FCA of the disciplinary action.
The effect of section 64C of the Act and SUP 15.11.6R is that the reporting obligation in section 64C of the Act and in this section:

(a) only applies to relevant authorised persons SMCR firms; and

(1) only covers persons who are subject to COCON (who are called conduct rules staff in the FCA Handbook) rather than to the whole workforce of a relevant authorised person an SMCR firm.

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 the person pursuant to SUP 15.3.11R(1)(a) because of a breach of COCON; 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.

If, after a firm has made a notification for a person (A) pursuant to 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, SUP 15.6.4R and, if applicable, SUP 10C or SUP 15.11.13R(4).

If a firm takes disciplinary action as a result of a conduct breach (see SUP 15.11.6R) against an employee but the employee has appealed or plans to appeal, the firm should still report the disciplinary action under section 64C of the Act but should include the appeal in the notification.

The firm should update the FCA on the outcome of any appeal.

In relation to any conduct rules staff, the FCA does not expect a firm to notify it pursuant to section 64C of the Act if the breach of COCON occurred before the application of COCON to that firm.

Timing and form of notifications: SMF managers

Where a firm is required to notify the FCA pursuant to 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: conduct rules staff other than SMF managers

15.11.13 R (1) A firm must make any notifications required pursuant to section 64C of the Act relating to conduct rules staff other than SMF managers in accordance with SUP 15.11.13R to SUP 15.11.15R.

(2) That notification must be made annually.

(3) Each notification must:

(a) cover the 12 month period ending on the last day of August; and

(b) be submitted to the FCA:

(i) within two months of the end of the reporting period; or

(ii) (if the end of the reporting submission period in (b)(i) falls on a day which is not a business day) so as to be received no later than the first business day after the end of that submission period.

(4) SUP 15.6.4R and SUP 15.6.5R (updates to a notification that is or has become incorrect) apply to a notification under this rule but the firm must include the update or correction in the next notification it is due to make under this rule rather than in the time and manner otherwise required for notifications under those rules.

(5) If a firm (other than a credit union) has nothing to report under section 64C of the Act and nothing to report under SUP 15.11.13R(4) for a particular reporting period, it must notify the FCA of that fact in accordance with SUP 15.11.13R to SUP 15.11.14R.

15.11.13A G SUP 15.11.8G gives and SUP 15.11.9G(2) give examples of when a notification should be updated under SUP 15.11.13R(4).

15.11.14 R (1) A firm other than a credit union must make each notification pursuant to SUP 15.11.13R (notifications about section 64C of the Act relating to conduct rules staff other than SMF managers) by submitting it online through the FCA's website using the electronic system made available by the FCA for this purpose.
(2) A firm must use the version of Form H (named REP008 – Notification of Disciplinary Action) made available on the electronic system referred to in (1), which is based on the version found in SUP 15 Annex 7R.

(3) If the information technology systems used by the FCA fail and online submission is unavailable for 24 hours or more, SUP 15.11.15R applies until such time as the facilities for online submission are restored.

15.11.14A G (1) If the information technology systems used by the FCA fail and online submission is unavailable for 24 hours or more, the FCA will endeavour to publish a notice on its website confirming that:

(a) online submission is unavailable; and

(b) the alternative methods of submission in SUP 15.11.15R apply.

(2) Where SUP 15.11.14R(3) applies to a firm, GEN 1.3.2R (Emergency) does not apply.

15.11.15 R A credit union must make each notification pursuant to SUP 15.11.13R (notifications about section 64C of the Act relating to conduct rules staff other than SMF managers) in accordance with the rules and guidance in SUP 15.7, using Form H as set out in SUP 15 Annex 7R.

15.11.15A R (1) If a firm to which SUP 15.11.14R applies fails to submit a completed notification under SUP 15.11.13R by the date on which it is due, in accordance with SUP 15.11.13R, the firm must pay an administrative fee of £250.

(2) The administrative fee in (1) does not apply if the firm is unable to submit a report in electronic format within the time required because of a systems failure of the kind described in SUP 15.11.14R(3).

General guidance on notifications of rule breaches and disciplinary action

15.11.17 G The obligation to notify pursuant to section 64C of the Act or to update or correct a notification under SUP 15.11.13R(4) 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 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 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 Annex 7R  Form H: Form for the notification of disciplinary action relating to conduct rules staff (other than SMF managers) in relevant authorised persons SMCR firms

Delete the form in SUP 15 Annex 7R and replace it with the new form titled “Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms” as set out in Part Three of Annex Y of this instrument. The deleted text is not shown.

Amend the following as shown.

…

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

Note to the reader

6.1.1-2  G  (1)  SUP TP 6 has not been amended to reflect changes in the FCA Handbook and Glossary since the beginning of 2018. This is because it is made up of transitional provisions that mostly expired before then.

(2)  A small number of provisions may have effect beyond that date. To help the reader, the table in SUP 6.1.1-1G explains how superseded Glossary terms in SYSC TP 5 should be interpreted.

6.1.1-1  G  Table: Meaning of superseded Glossary terms

<table>
<thead>
<tr>
<th>Term in SYSC TP 5</th>
<th>Term that has replaced it</th>
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<tbody>
<tr>
<td>EEA relevant authorised person</td>
<td>EEA SMCR banking firm</td>
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<tr>
<td>non-UK relevant authorised person</td>
<td>an <em>EEA SMCR banking firm</em> or a <em>third-country SMCR banking firm</em></td>
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<tr>
<td>relevant authorised person</td>
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<td>third-country relevant authorised person</td>
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<td>UK relevant authorised person</td>
<td><em>UK SMCR banking firm</em></td>
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Annex P

Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

6 Penalties

...

6.2 Deciding whether to take action

...

Action against individuals under section 66 of the Act

...

6.2.7 G The FCA will not discipline individuals on the basis of vicarious liability (that is, holding them responsible for the acts of others), provided appropriate delegation and supervision has taken place (see APER 4.6.13G, APER 4.6.14G, COCON 4.1.8G and COCON 4.2.17G to COCON 4.2.24G). In particular, disciplinary action will not be taken against an approved person performing a significant influence function or a senior conduct rules staff member simply because a regulatory failure has occurred in an area of business for which they are responsible. The FCA will consider that an approved person performing a significant influence function may have breached Statements of Principle 5 to 7, or that a senior conduct rules staff member may have breached rules SC1/SI1 to SC4/SI4 in COCON 2.2, only if their conduct was below the standard which would be reasonable in all the circumstances at the time of the conduct concerned (see also APER 3.1.8AG and COCON 3.1.6G, as applicable).

...

6.2.9-E G When determining under section 66A(5)(d) of the Act whether or not an SMF manager has taken such steps as a person in their position could reasonably be expected to take to avoid the contravention of a relevant requirement by the firm occurring (or continuing), additional considerations to which the FCA would expect to have regard include, but are not limited to:

(1) the role and responsibilities of the SMF manager (for example, such steps as an SMF manager in a non-executive role could reasonably be expected to take may differ, depending on the circumstances, from those reasonably expected of an SMF manager in an executive role: see, for example, the guidance on the role and responsibilities
of non-executive directors for relevant authorised persons SMCR firms in COCON 1 Annex 1G); …

…

6.5B The five steps for penalties imposed on individuals in non-market abuse cases

…

Step 2 – the seriousness of the breach

6.5B.2 G …

(3) This approach reflects the FCA’s view that an individual receives remuneration commensurate with his responsibilities, and so it is reasonable to base the amount of penalty for failure to discharge his duties properly on his remuneration. The FCA also believes that the extent of the financial benefit earned by an individual is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. The FCA recognises that in some cases an individual may be approved for only a small part of the work he carries out on a day-to-day basis. However, in these circumstances the FCA still considers it appropriate to base the relevant income figure on all of the benefit that an individual gains from the relevant employment, even if his employment is not totally related to a controlled function.

…

…

8 Variation of SMF managers’ approval on the FCA’s own initiative

8.1 Introduction

8.1.1 G DEPP 8 sets out the FCA’s statement of policy on the exercise of its power under section 63ZB of the Act to vary, on its own initiative, an approval given by the FCA or the PRA for the performance of a designated senior management function in relation to the carrying on of a regulated activity by a relevant authorised person an SMCR firm. The FCA is required to publish this statement of policy by section 63ZD of the Act.

[Note: the FCA’s statement of policy on the exercise of its power under section 63ZA of the Act to vary an approval at the request of a relevant authorised person an SMCR firm is set out in SUP 10C.]…
Annex Q

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

1  Treating complainants fairly

…

1.3  Complaints handling rules

…

1.3.7  R  (1)  A firm must appoint an individual at the firm, or in the same group as the firm, to have responsibility for oversight of the firm's compliance with DISP 1.

(2)  The individual appointed must be carrying out a FCA governing function at the firm or in the same group as the firm.

(3)  If there are no individuals at the firm or in the same group as the firm within (2), the firm must appoint an individual of appropriate seniority.

(4)  A person approved to perform the apportionment and oversight function for the firm or for a firm in the same group as the firm satisfies the condition in (3).

…

1.10  Complaints reporting rules

…

1.10.2A  R  …

(3)  For the purposes of DISP 1 Annex 1CR retail investment adviser information must be reported by:

(a)  the employee’s Individual Reference Number (IRN); or

(b)  in the case of an employee of a relevant authorised person an SMCR firm who is performing an FCA-specified significant-harm FCA certification function and has no IRN:

…
Annex R

Amendments to the Credit Unions sourcebook (CREDS)

In this Annex, underlining indicates new text and striking through indicates deleted text. Where a cross-reference is amended by paragraph F of this instrument, that change is not shown.

2 Senior management arrangements, systems and controls

...

2.1 Application and purpose

...

2.1.3 G (1) ...

(2) SYSC 4 to SYSC 10 (other than SYSC 4.5 to SYSC 4.9 and SYSC 4 Annex 4) and SYSC 14 do not apply to a firm (including a credit union) in relation to its carrying on benchmark activities (see SYSC 1 Annex 1 for the detailed rules on the application of SYSC 4 to SYSC 10).

...

2.2 General provisions

...

Governance and senior manager arrangements: general

2.2.65 G (1) SYSC 4.5, SYSC 4.7 and SYSC 4.9 SYSC 23 to SYSC 27 have a number of requirements about the governance and senior management arrangements of relevant authorised persons SMCR firms.

(2) A credit union is a type of relevant authorised person SMCR firm.

(3) SYSC 4.5, SYSC 4.7 and SYSC 4.9 SYSC 23 to SYSC 27 are summarised in CREDS 2.2.66G to CREDS 2.2.70G.

(4) The PRA’s requirements about the subjects dealt with in SYSC 4.5, SYSC 4.7 and SYSC 4.9 SYSC 23 to SYSC 27 are set out in its Rulebook. CREDS does not summarise them.

Governance and senior management arrangements: responsibilities maps
2.2.66 G (1) SYSC 25 says that a relevant authorised person certain SMCR firms, including a credit union, should, at all times, have a comprehensive and up-to-date document that describes its management and governance arrangements. This is called the management responsibilities map.

(2) SYSC 4.5.13G SYSC 25.4.14G has guidance on management responsibilities maps for small firms, which is likely to be of particular relevance to credit unions.

Governance and senior management arrangements: allocation of senior management responsibilities

2.2.67 G SYSC 4.7 says that a relevant authorised person, including a credit union, should:

(1) SYSC 24 says that certain SMCR firms, including a credit union, should allocate a number of specified management responsibilities (called FCA-prescribed senior management responsibilities) to one or more of its SMF managers; and

(2) SYSC 26 says that certain SMCR firms, including a credit union, should 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.

... 

2.2.69 G (1) The list of FCA-prescribed senior management responsibilities that a credit union should allocate is simpler than for most other relevant authorised persons SMCR firms.

... 

Certification regime

2.2.71 G Under section 63E(1) of the Act, a relevant authorised person an SMCR firm (including a credit union) should take reasonable care to ensure that no employee of the firm performs an FCA specified significant harm FCA certification 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 the certificate relates. The definition of employee for these purposes goes beyond a conventional employee and is explained in more detail in SYSC 27.4.1G. It includes volunteers or unpaid staff.

2.2.72 G SYSC 27 gives details about the certification requirement described in CREDS 2.2.71G and sets out rules and guidance about it, including a list of FCA specified significant harm FCA certification functions.
8 Supervision

8.3 Approved persons

8.3.4 G (1) The regime for approved persons differs between relevant authorised persons SMCR firms and other types of firm.

(2) A credit union is a type of relevant authorised person SMCR firm.

(3) SUP 10C deals with the approved persons requirements for credit unions and other relevant authorised persons SMCR firms.

8.3.5 G (1) The controlled functions specified by the FCA for credit unions and other relevant authorised persons SMCR firms can be found in the table in SUP 10C.4.3R. The table in SUP 10C Annex 1.3.2R sets out which of them apply to credit unions.

(2) The controlled functions specified by the PRA for credit unions and other relevant authorised persons SMCR firms can be found in the PRA’s Rulebook. They are not summarised in the Handbook.

8.3.8 G …

(3) Designated senior management functions only apply to relevant authorised persons SMCR firms, including credit unions.

8.3.9 G As well as listing the FCA’s designated senior management functions for credit unions and other relevant authorised persons SMCR firms, SUP 10C has other requirements about SMF managers:

…

10 Application of other parts of the Handbook to credit unions

10.1 Application and purpose

…

Application of other parts of the Handbook and of Regulatory Guides to Credit Unions
### Module Relevance to Credit Unions

<table>
<thead>
<tr>
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<th>Relevance to Credit Unions</th>
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<td>Senior Management Arrangements, Systems and Controls (SYSC)</td>
<td>SYSC 1, SYSC 4 to 10 and SYSC 21 apply to all <em>credit unions</em> in respect of the carrying on of their <em>regulated activities</em> and unregulated activities in a <em>prudential context</em>. 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) SYSC 23 (Senior managers and certification regime: Introduction and classification), SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities), SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material), SYSC 26 (Senior managers and certification regime: Overall and local responsibility), SYSC 27 (Senior managers and certification regime: Certification regime) and SYSC 18 apply to all <em>credit unions</em> in respect of both their <em>regulated activities</em> and their unregulated activities.</td>
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<tr>
<td>The Fit and Proper test for Approved Persons, The Fit and Proper test for Employees and Senior Personnel (FIT)</td>
<td>The purpose of <em>FIT</em> is to set out and describe the criteria that a <em>firm</em> should consider when assessing the fitness and propriety of a person (1) in respect of whom an application is being made for approval to undertake a <em>controlled function</em> under the approved persons senior managers regime, (2) who has already been approved, (3) who is a <em>certification employee</em> or (4) whom a <em>firm</em> is considering appointing to be a <em>certification employee</em>. It also sets out and describes criteria that the <em>FCA</em> will consider when assessing the fitness and propriety of a <em>candidate</em> for a <em>controlled function</em> position and that it may consider when assessing the continuing fitness and propriety of <em>approved persons</em>.</td>
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<td>Supervision manual (SUP)</td>
<td>The following provisions of <em>SUP</em> are relevant to <em>credit unions</em>: <em>SUP</em> 1A (The FCA’s approach to supervision),</td>
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<tr>
<td><strong>SUP 2</strong></td>
<td>(Information gathering by the FCA or PRA on its own initiative), <strong>SUP 3.1</strong> to <strong>SUP 3.8</strong> (Auditors), <strong>SUP 5</strong> (Skilled persons), <strong>SUP 6</strong> (Applications to vary or cancel Part 4A permission), <strong>SUP 7</strong> (Individual requirements), <strong>SUP 8</strong> (Waiver and modification of rules), <strong>SUP 9</strong> (Individual guidance), <strong>SUP 10C</strong> (FCA senior management regime for approved persons in relevant authorised persons SMCR firms), <strong>SUP 11</strong> (Controllers and Close links), <strong>SUP 15</strong> (Notifications to the FCA or PRA) and <strong>SUP 16</strong> (Reporting Requirements).</td>
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Annex S

Amendments to the Consumer Credit sourcebook (CONC)

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

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

<table>
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<th>Module</th>
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<td>Supervision manual (SUP)</td>
<td>SUP 3 (Auditors), SUP 10A (FCA Approved persons), SUP 10C (FCA senior management managers regime for approved persons in relevant authorised persons SMCR firms) and SUP 12 (Appointed representatives) (see Note 2) do not apply: (1) to a firm with only an interim permission; or (2) with respect to a credit-related regulated activity or operating an electronic system in relation to lending for which a firm has an interim permission that is treated as a variation of permission, except that SUP 3.10 and SUP 3.11 apply to a firm in relation to its designated investment business that comprises operating an electronic system in relation to lending.</td>
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Annex T

Amendments to the Energy Market Participants guide (EMPS)

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

1 Special guide for energy market participants

…

1.2 Parts of the Handbook applicable to energy market participants

…

1.2.3 G Applicability of parts of Handbook to energy market participants

This table belongs to EMPS 1.2.1G

<table>
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<td>Statements of Principle and Code of Practice for Approved Persons (APER)</td>
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<td>The Fit and Proper test for Approved Persons (FIT)</td>
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Annex U

Amendments to the Oil Market Participants guide (OMPS)

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

1 Special guide for oil market participants

...  

1.2 Parts of the Handbook applicable to oil market participants

...  

1.2.2 G Parts of the Handbook applicable to oil market participants

This table belongs to OMPS 1.2.1G

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Annex V

Amendments to the Service companies guide (SERV)

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

1   Handbook requirements for service companies

    ...

1.2   Parts of the Handbook applicable to service companies

    ...

1.2.2   G   Parts of the Handbook applicable to service companies

    This table belongs to SERV 1.2.1G

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Annex W

Amendments to General guidance on Benchmark Administration, Contribution and Use (BENCH)

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

...  

2  Parts of the Handbook applicable to regulated benchmark administrators and benchmark contributors

2.1  Parts of the Handbook applicable to regulated benchmark administrators

...  

2.1.2  Parts of the Handbook applicable to the regulated activity of administering a benchmark.

<table>
<thead>
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</tr>
<tr>
<td>Code of Conduct sourcebook (COCON)</td>
<td>This applies to conduct rules staff of relevant authorised persons SMCR firms.</td>
</tr>
<tr>
<td>The Fit and Proper test for Approved Persons and specified significant-harm functions Employees and Senior</td>
<td>…</td>
</tr>
</tbody>
</table>
| Personnel (FIT) | Regulatory Processes | This applies subject to the following qualifications:
(a) …
(b) *SUP 10A* only applies to a *regulated benchmark administrator* which is not a *relevant authorised person* an *SMCR firm* (but not all *controlled functions* apply to a *firm* which only has *permission* to carry on the *regulated activity of administering a benchmark*).
(c) *SUP 10C* only applies to a *regulated benchmark administrator* which is a *relevant authorised person* an *SMCR firm*.
Annex X

Amendments to the Enforcement Guide (EG)

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

9 Prohibition Orders and withdrawal of approval

...  

9.3 Prohibition Order and withdrawal of approval - approved persons

...  

9.3.2 When the FCA decides whether to make a prohibition order against an approved person and/or withdraw their approval, the FCA will consider all the relevant circumstances of the case. These may include, but are not limited to those set out below.

...  

(3) Whether, and to what extent, the approved person has:

   (a) failed to comply with the Statements of Principle or COCON, as applicable, issued by the FCA with respect to the conduct of approved persons; or

...  

...  

9.3.5 The following are examples of types of behaviour which have previously resulted in the FCA the deciding to issue a prohibition order or withdraw the approval of an approved person:

...  

(5) Serious breaches of the Statements of Principle APER or COCON, for approved persons, such as failing to make terms of business regarding fees clear or actively misleading clients about fees; acting without regard to instructions; providing misleading information to clients; consumers or third parties; giving clients poor or inaccurate advice; using intimidating or threatening behaviour towards clients and former clients; failing to remedy breaches of the general prohibition or to ensure that a firm acted within the scope of its permissions.

...
Disqualification of auditors and actuaries

...15

Disqualification of auditors and actuaries under its powers contained in section 345, section 249 and section 261K of the Act: the FCA’s general approach

...15.2

Actuaries appointed by firms under rule 4.3.1 of the FCA’s Supervision Manual are approved persons and as such will be subject to the FCA’s Statements of Principle and Code of Practice for Approved Persons APER or COCON, as applicable. When deciding whether to exercise its power to disqualify an actuary who is an approved person, the FCA will consider whether the particular breach of duty can be adequately addressed by the exercise of its disciplinary powers in relation to approved persons.

...App 3

Appendix 3 – Appendix to the guidelines on investigation of cases of interest or concern to the financial conduct authority and other prosecuting and investigating agencies

App 3.1 The FCA

...3.1.4 The FCA has the power to take the following enforcement action:

discipline authorised firms under Part XIV of the 2000 Act and approved persons and other individuals under s.66 of the 2000 Act;

impose penalties on persons that perform controlled functions without approval under s.63A of the 2000 Act;

...
Annex Y

Handbook forms

All the text in this Annex is new and so it is not underlined. The forms are to be inserted in the place specified in paragraph H of the cover sheet of this instrument.

Part 1: Comes into force 28 September 2018
Form K - Conversion Notification Form

Solvency II¹ and large non-directive firms²

FCA Handbook Reference: SUP TP 10.23.1R

If a firm intends that any individual will not perform any controlled function that they would be eligible to take up through conversion (including those functions where information is not required to be submitted in this form), it should submit a Form C (notice of ceasing to perform controlled functions) accordingly.

<table>
<thead>
<tr>
<th>Name of firm</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Firm Reference Number (FRN)</th>
</tr>
</thead>
</table>

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website http://www.fca.org.uk
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

---

¹ Including EEA and Third Country branches but excluding Insurance Special Purpose Vehicles
² Please see the FCA Handbook Glossary for the definitions of large non-directive insurer and small non-directive insurer.
### Contact Details

**Section 1**

1.01 Contact for this notification

<table>
<thead>
<tr>
<th>1.01 Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.02 First name</td>
<td></td>
</tr>
<tr>
<td>1.03 Surname</td>
<td></td>
</tr>
<tr>
<td>1.04 Job title</td>
<td></td>
</tr>
<tr>
<td>1.05 Business address</td>
<td></td>
</tr>
<tr>
<td>1.06 Postcode</td>
<td></td>
</tr>
<tr>
<td>1.07 Phone number</td>
<td></td>
</tr>
<tr>
<td>1.08 Email address</td>
<td></td>
</tr>
<tr>
<td>1.09 Mobile number</td>
<td></td>
</tr>
</tbody>
</table>
2.01 The table below provides a breakdown of possible applicable senior management functions. Please tick all of the senior management functions which have been allocated in this conversion notification. Only those senior management functions potentially applicable to the firm types below are listed.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Management Function</th>
<th>Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chairman of the Nomination Committee</td>
<td></td>
</tr>
<tr>
<td>SMF15</td>
<td>Chairman of With Profits Committee</td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
</tr>
<tr>
<td>SMF21</td>
<td>EEA Branch Senior Manager (EBSM)</td>
<td></td>
</tr>
<tr>
<td>SMF22</td>
<td>Other local responsibility function</td>
<td></td>
</tr>
<tr>
<td>SMF23b</td>
<td>Conduct Risk Oversight Function (Lloyd’s)</td>
<td></td>
</tr>
</tbody>
</table>

2.02 Provide details of each currently approved person who will perform a senior management function following the commencement date, in accordance with the Bank of England and Financial Services Act 2016 and SYSC 25 and SUP 10C of the FCA Handbook, 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 conversion notification please complete Section 3.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a senior management function</th>
<th>Name of person to whom allocation of senior management function is proposed</th>
<th>Current controlled function(s) held</th>
<th>IRN</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Function</td>
<td>Description of a senior management function</td>
<td>Name of person to whom allocation of senior management function is proposed</td>
<td>Current controlled function(s) held</td>
<td>IRN</td>
</tr>
<tr>
<td>----------</td>
<td>---------------------------------------------</td>
<td>-----------------------------------------------------------------</td>
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</tr>
<tr>
<td>SMF13</td>
<td>Chairman of the Nomination Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF15</td>
<td>Chairman of With Profits Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF23b</td>
<td>Conduct Risk Oversight Function (Lloyd’s)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.03 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 any of these individuals will perform a senior management function following commencement date in accordance with the Bank of England and Financial Services Act 2016, and the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018, provide details below of which senior management functions are to be carried out by each such approved person.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Management Function</th>
<th>Name of person to whom allocation of senior management function is proposed</th>
<th>Controlled functions applied for</th>
<th>IRN or application reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chairman of the Nomination Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF15</td>
<td>Chairman of With Profits Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF23b</td>
<td>Conduct Risk Oversight Function (Lloyd’s)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.01 If you need to update a previous conversion notification, please provide details of updates to the firm’s Conversion Notification Form 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>
<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>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Details of change and reasons for such change.
4.01 Please attach a statement of responsibilities for each individual identified in this form as being converted to perform one or more senior management functions.
Please also attach the firm's management responsibilities map

4.02 How many additional sheets are being submitted?
Declarations and signatures  Section 4

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 conversion 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 their prospective regulatory responsibilities as set out in the FCA’s Code of Conduct (COCON).

It is a criminal offence, knowingly or recklessly, to give the FCA information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

The applicant must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the FCA matters of which it would reasonably expect to be notified. Failure to notify the FCA of such information may lead to the FCA taking disciplinary or other action against the firm and/or individuals.

For the purposes of complying with data protection legislation, please read the FCA’s privacy notice at https://www.fca.org.uk/data-protection. This notice will tell you what to expect when the FCA collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The person signing on behalf of the applicant confirms that:
- they have read this declaration in full;
- they have confirmed that the information supplied is accurate and complete to the best of their knowledge, and that each statement of responsibilities 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 their proposed senior management functions.

Name of the applicant

Name of person signing on behalf of the applicant

Position

Signature

Date
Part 2: Comes into force 1 November 2018
Senior Management Regime: 
Statement of Responsibilities (Third Country Relevant Authorised Persons only)

This form applies to third country relevant authorised persons. It does not apply to UK relevant authorised persons, EEA 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.

FCA Handbook Reference: SUP 10C, SYSC 4.6, SYSC 4.8
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

1 November 2018

Name of individual
(to be completed by firm)

Name of firm
(as entered in 2.01)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom

Telephone +44 (0) 300 500 0597
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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.
### Personal identification details

<table>
<thead>
<tr>
<th>Section 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Individual Reference Number (IRN)</td>
</tr>
<tr>
<td>1.02</td>
<td>Title (e.g. Mr, Mrs, Ms, etc)</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname</td>
</tr>
<tr>
<td>1.04</td>
<td>ALL forenames</td>
</tr>
<tr>
<td>1.05</td>
<td>Date of birth</td>
</tr>
<tr>
<td>1.06</td>
<td>National Insurance number</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 firm</td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td>2.03 a</td>
<td>Who should the FCA/PRA contact at the firm in relation to this statement of responsibilities?</td>
</tr>
<tr>
<td>2.03 b</td>
<td>Position</td>
</tr>
<tr>
<td>2.03 c</td>
<td>Telephone</td>
</tr>
<tr>
<td>2.03 d</td>
<td>Fax</td>
</tr>
<tr>
<td>2.03 e</td>
<td>E-mail</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4

YES □ NO □
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 or include 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 those responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having local responsibility for each of the business areas, activities, management functions and risks 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.
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, the Money Laundering Reporting function). Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

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).

### 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 responsibilities.

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>za</td>
<td>Responsibility for the branch’s performance of its obligations under the senior management regime</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zb</td>
<td>Responsibility for the branch’s performance of its obligations under the employee certification regime</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>b-1</td>
<td>Responsibility for the firm’s obligations for conduct rules training and conduct rules reporting</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zc</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>zd</td>
<td>Responsibility for management of the UK branch’s risk management processes in the UK</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>ze</td>
<td>Responsibility for the branch’s compliance with the UK regulatory system applicable to the branch</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zf</td>
<td>Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the branch to the governing body and/or the management body of the firm or, where appropriate, of the parent undertaking or holding company of the firm’s group</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zg</td>
<td>Local responsibility for the branch’s policies and procedures for countering the risk that the branch might be used to further financial crime</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zh</td>
<td>Local responsibility for the branch’s compliance with CASS</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zi</td>
<td>Responsibility for management of the branch’s systems and controls in the UK</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zj</td>
<td>Responsibility for the allocation of all UK branch prescribed responsibilities</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zk</td>
<td>Responsibility for the management of the branch’s liquidity or, where a liquidity waiver is in place, the submission of information to the PRA on the firm’s liquidity position</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
<tr>
<td>zl</td>
<td>Responsibility for the production and integrity of the branch’s financial information and its regulatory reporting in respect of its regulated activities</td>
<td>Yes □ No □</td>
<td>Yes □ No □</td>
</tr>
</tbody>
</table>

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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.
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>
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<tr>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.
3.3 Local Responsibility

This section deals with having local responsibility for each of the business areas, activities and management functions of the firm.

Local responsibility is explained in SYSC 4.8. In summary, by local responsibility we mean:

a) for a person who is allocated local responsibility under SYSC 4.8.10R(1), ultimate responsibility (under the governing body of the branch) for managing or supervising that function and primary and direct responsibility for briefing and reporting about that function to the branch’s governing body or equivalent and for putting matters for decision about that function to the branch’s governing body or equivalent. SYSC 4.8 states that, in general, the FCA expects that a person to whom overall responsibility for a function is allocated under SYSC 4.8.10R(1), will be the most senior employee or officer responsible for managing or supervising that function under the management of the branch’s governing body;

b) for a person who is allocated local responsibility under SYSC 4.8.10R(2), a person who is directly involved in the management of the relevant activity, business area or management function. SYSC 4.8 states that, the FCA expects that a firm appointing someone to have local responsibility for a function under SYSC 4.8.10R(2) will appoint the most senior employee or officer of the firm with responsibility for that activity, business area or management function.

(SYSC 4.8)

3.3.1 If the individual has local responsibility for any or part of the activities, business areas or management functions of a branch, 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 local responsibility for an activity, business area or management function of the branch, please skip this section.

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 local 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 local responsibility for business areas, activities and management functions, in line with SYSC 4.8.10R.
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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.

<table>
<thead>
<tr>
<th>Please provide a title for this local responsibility</th>
<th>Please provide further details of this local responsibility</th>
<th>Is this local responsibility shared?</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></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.

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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.
| Please provide a title for this other responsibility | Please provide further details of this other responsibility | 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) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></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>

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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.
### 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 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 or in ‘Senior Managers Regime – Applications and Notifications’ in the PRA Rulebook.
### 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: (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.</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). 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: (a) it covers all types of assets; and (b) the exclusions in the Regulated Activities Order do not apply. 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. 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. It includes savings accounts. It does not include the activities in (1).</td>
</tr>
<tr>
<td>(9) Trading for clients</td>
<td>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</td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td></td>
<td>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) Investment research</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 Glossary 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>(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.</td>
</tr>
<tr>
<td></td>
<td>It also includes:</td>
</tr>
<tr>
<td></td>
<td>(1) any similar procedures relating to activities that do not come under the jurisdiction of the Financial Ombudsman</td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td><strong>Service</strong>:</td>
<td></td>
</tr>
<tr>
<td>(2) activities that take place outside the UK; and</td>
<td></td>
</tr>
<tr>
<td>(3) activities that are not subject to any ombudsman service.</td>
<td></td>
</tr>
<tr>
<td>(20) Collection and recovering amounts owed to a <em>firm</em> 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 <em>firm</em> and not just those that are provided in the course of carrying on a regulated activity or an ancillary service.</td>
</tr>
<tr>
<td>Dealing with customers in arrears</td>
<td></td>
</tr>
<tr>
<td>(21) Middle office</td>
<td>This means risk management and controls in relation to, and accounting for, transactions in <em>securities</em> or <em>derivatives</em>.</td>
</tr>
<tr>
<td>(22) The <em>firm’s</em> 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 <em>firm’s</em> 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 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.
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

1 November 2018

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.
### 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</strong></td>
<td>Who should the FCA/PRA contact at the firm in relation to this statement of responsibilities?</td>
</tr>
<tr>
<td></td>
<td>Position</td>
</tr>
<tr>
<td></td>
<td>Telephone</td>
</tr>
<tr>
<td></td>
<td>Fax</td>
</tr>
<tr>
<td></td>
<td>E-mail</td>
</tr>
</tbody>
</table>

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 or in “Senior Managers Regime - Applications and Notifications” in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities
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.
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.

3.1.3 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>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.
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>b-1</td>
<td>Responsibility for the firm’s obligations for conduct rules training and conduct rules reporting</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>
</tbody>
</table>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.

Senior Management Regime: Statement of Responsibilities
<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>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>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>
</tbody>
</table>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.
### Prescribed Responsibility (Applicable to all firms except small firms)

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<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>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>

### Prescribed Responsibility (Applicable to specific types of firm)

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility</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</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.

Senior Management Regime: Statement of Responsibilities
<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></td>
<td>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></td>
<td></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>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities
<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to small firms only)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<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>

1 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)).

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.

Senior Management Regime: Statement of Responsibilities
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>
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<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

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities
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>
</tbody>
</table>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities
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 of 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 ☐

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities
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>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.2 How many additional sheets are being submitted?
## SYSC 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></td>
<td>(1) <em>payment services</em>;</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 <em>electronic money</em>; 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). 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 <em>managing investments</em> 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 <em>Regulated Activities Order</em> 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 <em>advising on investments</em>.</td>
</tr>
<tr>
<td>(5) Mortgage advice</td>
<td>This has the same meaning as <em>advising on regulated mortgage contracts</em> 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 <em>firm's</em> investments made for its own account.</td>
</tr>
<tr>
<td>(7) Wholesale sales</td>
<td>This means the <em>selling</em> of any investment to a <em>person</em> other than a <em>retail customer</em>. 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>(8) Retail sales</td>
<td>This means the <em>selling</em> of any <em>investment</em> to a <em>retail customer</em>. It includes savings accounts. It does not include the activities in (1).</td>
</tr>
<tr>
<td>(9) Trading for clients</td>
<td>This means <em>dealing in investments as agent</em> and <em>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 <em>MIFID</em> (see the definition of market maker in article 4.1(8)).</td>
</tr>
</tbody>
</table>
| (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 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. |
| (12) Origination/syndication and underwriting | Deciding whether, and on what terms, to lend to *retail customers*. Lending includes granting credit, leasing and hire (including finance leasing). |
| (13) Retail 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). |
| (14) Wholesale lending decisions      | Wholesale customers mean *persons who are not retail customers* |
| (15) Design and manufacturing of products intended for wholesale customers | |
| (16) Design and manufacture of products intended for retail | |

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook.

Senior Management Regime: Statement of Responsibilities
<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>customers</strong></td>
<td></td>
</tr>
<tr>
<td>(17) Production and distribution of marketing materials and communications</td>
<td>This includes <em>financial promotions</em></td>
</tr>
<tr>
<td>(18) Customer service</td>
<td>This means dealing with <em>clients</em> after the point of sale, including queries and fulfilment of <em>client</em> requests</td>
</tr>
<tr>
<td>(19) Customer complaints handling</td>
<td>This includes the <em>firm’s</em> compliance with <em>DISP</em>. It also includes: (1) any similar procedures relating to activities that do not come under the jurisdiction of the <em>Financial Ombudsman Service</em>; (2) activities that take place outside the <em>UK</em>; and (3) activities that are not subject to any ombudsman service.</td>
</tr>
<tr>
<td>(20) Collection and recovering amounts owed to a <em>firm</em> by its customers</td>
<td></td>
</tr>
<tr>
<td>Dealing with customers in arrears</td>
<td>“Customer” means any <em>person</em> falling into any of the definitions of <em>client</em> in the <em>Glossary</em> so far as they apply to the <em>FCA’s Handbook</em>. The definition is extended to cover all services provided by the <em>firm</em> and not just those that are provided in the course of carrying on a <em>regulated activity</em> or an <em>ancillary service</em>.</td>
</tr>
<tr>
<td>(21) Middle office</td>
<td>This means risk management and controls in relation to, and accounting for, transactions in <em>securities or derivatives</em></td>
</tr>
<tr>
<td>(22) The <em>firm’s</em> 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 <em>firm’s</em> 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 benchmark</td>
<td></td>
</tr>
</tbody>
</table>

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the *PRA Rulebook*
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.

<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td></td>
</tr>
</tbody>
</table>
Part 3: Comes into force 10 December 2018
The FCA has produced notes which will assist both the applicant firm and the candidate in answering the questions in this form. Please read these notes, which are available on both the FCA and PRA websites at: https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html

Both the applicant firm and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Long Form A – Dual-regulated firms (including EEA and third country firms)

Application to perform controlled functions including senior management functions

FCA Handbook Reference: SUP 10C Annex 3D
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

10 December 2018

Name of candidate
(to be completed by applicant firm)

Name of applicant firm
(as entered in 2.01)

Firm reference number
(as entered in 2.02)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

1 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications

Long Form A – Dual-regulated firms (including EEA and third country firms)
## Personal identification details

### Section 1

<table>
<thead>
<tr>
<th>1.01</th>
<th>Candidate Individual Reference Number (IRN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.02</td>
<td>Title (e.g. Mr, Mrs, Ms)</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname</td>
</tr>
<tr>
<td>1.04</td>
<td>ALL forenames</td>
</tr>
<tr>
<td>1.05</td>
<td>Name commonly known by</td>
</tr>
<tr>
<td>1.06</td>
<td>Date of birth (dd/mm/yyyy)</td>
</tr>
<tr>
<td>1.07</td>
<td>National Insurance number</td>
</tr>
<tr>
<td>1.08</td>
<td>Previous name</td>
</tr>
<tr>
<td>1.09</td>
<td>Date of name change</td>
</tr>
<tr>
<td>1.10</td>
<td>Nationality</td>
</tr>
<tr>
<td>1.11</td>
<td>Place of birth</td>
</tr>
<tr>
<td>1.12</td>
<td>Phone number</td>
</tr>
<tr>
<td>1.13</td>
<td>Email address</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6  

YES □  NO □
1.14 a Private address

b Postcode
c Dates resident at this address (dd/mm/yyyy) From To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

b Postcode
c Dates resident at this address (dd/mm/yyyy) From To

1.16 a Previous address 2

b Postcode
c Dates resident at this address (dd/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>2.01</td>
</tr>
<tr>
<td>2.02</td>
</tr>
<tr>
<td>2.03a</td>
</tr>
<tr>
<td>b</td>
</tr>
<tr>
<td>c</td>
</tr>
<tr>
<td>d</td>
</tr>
</tbody>
</table>

Please note that the contact at the *firm* cannot be the same person as the *candidate*

I have supplied further information related to this page in Section 6

YES [ ]  NO [ ]
Complete this section if the application is for a senior management function. If you are submitting an application for a controlled function at an appointed representative, then please complete Section 3B.

### 3A.01 Nature of the arrangement between the candidate and the applicant firm

<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></td>
<td>Name of group</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

**Proposed date of appointment**

**Length of appointment (if applicable)**

### 3A.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 leave the boxes below blank and go to question 3A.04

The table below sets out the full list of senior management functions (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Management Function</th>
<th>UK banks*</th>
<th>UK branches of EEA banks and insurers</th>
<th>UK branches of non-EEA banks</th>
<th>Credit unions</th>
<th>Solvency II firms &amp; large NDFs</th>
<th>Small NDFs</th>
<th>ISPVs</th>
<th>Small firms in run off</th>
<th>UK branches of non-EEA insurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
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<tr>
<td>SMF 4</td>
<td>Chief Risk</td>
<td></td>
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<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
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<tr>
<td>SMF 6</td>
<td>Head of Key Business Area</td>
<td></td>
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<tr>
<td>Function</td>
<td>Description of a Senior Management Function</td>
<td>UK banks*</td>
<td>UK branches of EEA banks and insurers</td>
<td>UK branches of non-EEA banks</td>
<td>Credit unions</td>
<td>Solvency II firms &amp; large NDFs</td>
<td>Small NDFs</td>
<td>ISPVs</td>
<td>Small firms in run off</td>
<td>UK branches of non-EEA insurers</td>
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<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
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<td>SMF 8</td>
<td>Credit Union Senior Manager</td>
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<td>SMF 9</td>
<td>Chair of the Governing Body</td>
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<td>SMF10</td>
<td>Chair of the Risk Committee</td>
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<td>Chair of the Audit Committee</td>
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<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
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<td>SMF13</td>
<td>Chair of the Nomination Committee</td>
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<td>SMF14</td>
<td>Senior Independent Director</td>
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<td>SMF15</td>
<td>Chair of With Profits Committee</td>
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<td>SMF16</td>
<td>Compliance Oversight</td>
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<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
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<td>SMF18</td>
<td>Other Overall Responsibility</td>
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<tr>
<td>SMF19</td>
<td>Head of Third Country Branch/Head of Overseas</td>
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<tr>
<td>SMF20</td>
<td>Chief Actuary</td>
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<tr>
<td>SMF20a</td>
<td>With-Profits Actuary</td>
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<tr>
<td>SMF21</td>
<td>EEA Branch Senior Manager (EBSM)</td>
<td></td>
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<tr>
<td>SMF22</td>
<td>Other Local Responsibility</td>
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<tr>
<td>SMF23</td>
<td>Chief Underwriting Officer</td>
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<tr>
<td>SMF23a</td>
<td>Underwriting Risk Oversight (Lloyd’s)</td>
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<tr>
<td>SMF23b</td>
<td>Conduct Risk Oversight (Lloyd’s)</td>
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</tr>
<tr>
<td>Function</td>
<td>Description of a Senior Management Function</td>
<td>UK banks*</td>
<td>UK branches of EEA banks and insurers</td>
<td>UK branches of non-EEA banks</td>
<td>Credit unions</td>
<td>Solvency II firms &amp; large NDFs</td>
<td>Small NDFs</td>
<td>ISPVs</td>
<td>Small firms in run off</td>
<td>UK branches of non-EEA insurers</td>
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<tr>
<td>SMF24</td>
<td>Chief Operations</td>
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<tr>
<td>SMF25</td>
<td>Small Insurer Senior Management Function</td>
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<tr>
<td>SMF26</td>
<td>Head of Small Run-Off Firm</td>
<td></td>
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<tr>
<td>SMF27</td>
<td>Partner</td>
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</tr>
</tbody>
</table>

*UK Banks’ refers to UK banks, building societies and PRA designated investment firms

3A.03 Job title

Insurance distribution
Will the candidate be responsible for insurance distribution 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))

Mortgage Credit Directive
Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm? YES ☐ NO ☐

→ I have supplied further information related to this page in Section 6 YES ☐ NO ☐
3A.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>Responsible for insurance distribution?</th>
<th>Responsible for mortgage credit intermediation?</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
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<td>b</td>
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<td>c</td>
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<td>d</td>
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</tr>
</tbody>
</table>

⇒ I have supplied further information related to this page in Section 6

YES ☐ NO ☐
Complete this section if the application is for a controlled function at an appointed representative (AR). If you are submitting an application for a senior management function, then please complete Section 3A.

For limited permission consumer credit firms that are also appointed representatives, only the customer function is relevant in this section. For these firms, relevant senior management functions apply instead of the governing functions (ie CF1 (AR), CF3 (AR), CF4 (AR) and CF5 (AR)). We do not expect this to apply to many firms.

3B.01 Nature of the arrangement between the candidate and the applicant.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Appointed representative/tied agent – customer function</td>
</tr>
<tr>
<td></td>
<td>AR firm name and reference number</td>
</tr>
<tr>
<td>b</td>
<td>Appointed representative/tied agent – governing function</td>
</tr>
<tr>
<td></td>
<td>AR firm name and reference number</td>
</tr>
<tr>
<td>c</td>
<td>Other</td>
</tr>
</tbody>
</table>

Give details

3B.02 For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed. If the controlled functions are to be performed for more than one firm, please go to question 3B.05.

a Significant influence functions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>CF 1 (AR)</td>
<td>Director function</td>
</tr>
<tr>
<td>CF 3 (AR)</td>
<td>Chief executive function</td>
</tr>
<tr>
<td>CF 4 (AR)</td>
<td>Partner function</td>
</tr>
<tr>
<td>CF 5 (AR)</td>
<td>Director of an unincorporated association function</td>
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</tbody>
</table>

b Senior Management Functions

(This section is only applicable for limited permission consumer credit firms that are ARs for other business)

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>SMF1 (AR)</td>
<td>Chief Executive function</td>
</tr>
<tr>
<td>SMF3 (AR)</td>
<td>Executive Director function</td>
</tr>
<tr>
<td>SMF4 (AR)</td>
<td>Partner function</td>
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</tbody>
</table>

c Customer function

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>CF 30 (AR)</td>
<td>Customer function</td>
</tr>
</tbody>
</table>

3B.03 Effective date of controlled functions indicated above

3B.04 Job title

Please refer to notes on the requirements for submitting a CV.

⇒ I have supplied further information related to this page in Section 6

YES  NO
3B.05 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 controlled function for that firm.

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Controlled function</th>
<th>Job title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
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<td>b</td>
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</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 (1)

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<thead>
<tr>
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<th>From</th>
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<th>To</th>
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<tbody>
<tr>
<td>a</td>
<td>Period (dd/mm/yyyy)</td>
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</tr>
<tr>
<td>b</td>
<td>Nature of employment</td>
<td>a</td>
<td>Employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>b</td>
<td>Self-employed</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>c</td>
<td>Not employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>d</td>
<td>Full-time education</td>
<td></td>
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</tbody>
</table>

If c or d is ticked, please give details

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<td>c</td>
<td>Name of employer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>d</td>
<td>Nature of business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e</td>
<td>Previous / other names of employer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>f</td>
<td>Last known address of employer</td>
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</table>

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<tbody>
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<td>g</td>
<td>Is/was employer regulated by a regulatory body?</td>
<td>YES</td>
</tr>
<tr>
<td>h</td>
<td>Is/was employer an appointed representative/tied agent?</td>
<td>YES</td>
</tr>
<tr>
<td>i</td>
<td>Position held</td>
<td></td>
</tr>
<tr>
<td>j</td>
<td>Responsibilities</td>
<td></td>
</tr>
<tr>
<td>k</td>
<td>Reason for leaving:</td>
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<tr>
<td></td>
<td>a</td>
<td>Resignation</td>
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<td>b</td>
<td>Redundancy</td>
</tr>
<tr>
<td></td>
<td>c</td>
<td>Retirement</td>
</tr>
<tr>
<td></td>
<td>d</td>
<td>Termination/dismissal</td>
</tr>
<tr>
<td></td>
<td>e</td>
<td>End of contract</td>
</tr>
<tr>
<td></td>
<td>f</td>
<td>Other</td>
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</table>

If ‘other’, please specify |   |   |   |
4.02 Employment details (2)

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<th>Period (dd/mm/yyyy)</th>
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<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>b</td>
<td>Nature of employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a Employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>b Self-employed</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>c Not employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>d Full-time education</td>
<td></td>
<td></td>
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</tbody>
</table>

If c or d is ticked, please give details

c | Name of employer |
---|-----------------|

d | Nature of business |
---|-------------------|
e | Previous / other names of employer |
   |                   |
f | Last known address of employer |
   |                               |
g | Is/was employer regulated by a regulatory body? |
   | YES | NO |
   |     |     |
   | Name of regulatory body |
   |                   |
h | Is/was employer an appointed representative/tied agent? |
   | YES | NO |
   |     |     |
   | If yes, of which firm? |
   |                   |
i | Position held |
   |               |
j | Responsibilities |
   |               |
k | Reason for leaving: |
   | a Resignation |     |
   | b Redundancy  |     |
   | c Retirement  |     |
   | d Termination/dismissal | |
   | e End of contract |     |
   | f Other        |     |

If ‘other’, please specify

→ I have supplied further information related to this page in Section 6

YES | NO
5.01 Criminal Proceedings

When answering the questions in this section the 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, the candidate must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the candidate is subject to the law of Scotland or Northern Ireland, the candidate must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

If any question has been answered ‘yes’ in Section 5, further details should be provided in Section 6. If there is any other information the candidate or the firm considers to be relevant to the application, it must be included in Section 6.

5.01.1a Has the candidate ever been convicted of any criminal offence (whether spent or not and whether or not in the United Kingdom):
   i. 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
   ii. 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?

   YES □ NO □

b Is the candidate currently the subject of any criminal proceedings, whether in the UK or elsewhere?

   YES □ NO □

c Has the candidate ever been given a caution in relation to any criminal offence?

   YES □ NO □

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)?

   YES □ NO □

5.01.3 Is the candidate the subject of any ongoing criminal investigation?

   YES □ NO □

5.01.4 Has the candidate been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

   YES □ NO □

In answering question 5.01.4, you should include all matters even where the candidate was not the subject of the investigation.

⇒ I have supplied further information related to this page in Section 6

   YES □ NO □
### 5.01.5

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>
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</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Been convicted of any criminal offence?</td>
<td>[ ] YES [ ] NO</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?</td>
<td>[ ] YES [ ] NO</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Been the subject of any criminal proceeding which has not resulted in a conviction?</td>
<td>[ ] YES [ ] NO</td>
</tr>
<tr>
<td><strong>d</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>
<td>[ ] YES [ ] NO</td>
</tr>
</tbody>
</table>

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the firm was not the subject of the investigation. However, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.

[ ] I have supplied further information related to this page in Section 6 [ ] YES [ ] NO
### 5.02 Civil Proceedings

#### 5.02.1 Has the **candidate**, ever been the subject of a judgement debt or award against the **candidate** (whether satisfied or not)?

- **YES**
- **NO**

Please give a full explanation of the events in question, *The candidate* 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 judgement 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)? (the **candidate** 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**

#### 5.02.4 Does the **candidate** have any **current** judgement 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:

a
Filed for the candidate’s own bankruptcy or had a bankruptcy petition served on the candidate?

b
Been adjudged bankrupt?

c
Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?

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)?

e
Had assets sequestrated?

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?

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)?

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? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?

5.02.9 Is the candidate currently:

a
Party to any civil proceedings (including those covered in 5.02.7 above)?

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.)

5.02.10 During the period over which the candidate has held a position of influence and/or in the 10 years after this, 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?

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.)

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?

→ 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; and/or

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 UK 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 ☐

YES ☐ NO ☐

YES ☐ NO ☐

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)?
  - YES ☐ NO ☐

- b The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the candidate)?
  - YES ☐ NO ☐

- c The subject of any investigation which has led or might lead to disciplinary proceedings?
  - YES ☐ NO ☐

- d Notified of any potential proceedings of a disciplinary nature against the candidate?
  - YES ☐ NO ☐

- 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.)
  - YES ☐ NO ☐

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?
- 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 ☐

5.03.4 Has the candidate ever participated in arbitration proceedings? (This question only applies where the applicant firm is a Solvency II insurance firm).
- 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, has:

- the candidate, or
- any company, partnership or unincorporated association 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 –

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?

YES ☐ NO ☐

b. Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?

YES ☐ NO ☐

c. Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the candidate or the firm?

YES ☐ NO ☐

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?

YES ☐ NO ☐

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)?

YES ☐ NO ☐

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?

YES ☐ NO ☐

g. Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?

YES ☐ NO ☐

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?

YES ☐ NO ☐

i. Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?

YES ☐ NO ☐

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?

YES ☐ NO ☐

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)?

YES ☐ NO ☐

l. Been on a board of directors in an operating undertaking that has not been granted a release from liability? (This question only applies where the applicant firm is a Solvency II insurance firm).

YES ☐ NO ☐

⇒ 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:

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?

   YES [ ]  NO [ ]

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?

   YES [ ]  NO [ ]

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?

   YES [ ]  NO [ ]

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?

   YES [ ]  NO [ ]

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?

   YES [ ]  NO [ ]

f. Been the subject of a prohibition order under section 56 of the Financial Services and Markets Act 2000, or received a warning notice proposing that such a direction or order be made, or received a private warning?

   YES [ ]  NO [ ]

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?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

#### 5.05.2
Question 5.05.2 should only be answered if the applicant firm is a Solvency II Insurer. Does the candidate have, or know of any:

| a | Qualifying ownership\(^2\) or any other form of substantial influence in the firm or group, or any other companies |
|YES | NO |

If yes, please provide:
1. Company name and registration number
2. Nature and scope of the operations
3. The registered office of the company
4. Possession in percentage

| b | Close relatives with any other financial relations in the firm or group |
|YES | NO |

| c | Any other commitments that may give rise to a conflict of interest |
|YES | NO |

If the response is ‘yes’ to any of the above, please provide, in Section 6, explanations of the circumstances and how the candidate intends to mitigate this.

#### 5.05.3
Is the candidate or the firm aware of any other information relevant to this notification that the FCA/PRA might reasonably expect from the candidate?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

#### 5.05.4
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, under PRA rules, to request and under FCA rules, 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 subordinate legislation of the UK or any part of the UK before making the application (SUP 10C.10 and PRA Rulebook: Fitness and Propriety).\(^3\)

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

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

#### 5.05.5
Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the FCA or PRA?

If no, please provide details why the reference or references has/have not been obtained.

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

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\(^2\) As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is ‘direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking’.

\(^3\) The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety 2 in the PRA Rulebook). “Employer” has an extended meaning for these purposes.
Supplementary information for Senior Management Functions  

Section 6

6.01 Please provide full details of:
   a) why the candidate is competent and capable to carry out the controlled function(s) applied for;
   b) why the appointment complements the firm’s business strategy, activity and market in which it operates;
   c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
   d) 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); and
   e) if the candidate currently holds more than one directorship, please provide a breakdown on the candidate’s time commitment to each directorship.

6.02 If there is any additional information indicated in previous sections or any other information the candidate or the firm considers being relevant to this application it must be included here. (Please also provide full details of 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)

Note: 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.

6.03 Firms must also provide the following supporting documents required with this form (please tick)

   - Statement of responsibilities
   - Candidate’s Curriculum Vitae (C.V)
   - Role(s) description
   - A copy of the firm’s management responsibilities map (SYSC 25 and Allocation of Responsibilities in the PRA Rulebook). This requirement does not apply to all firms.
   - A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10 and senior management functions in the PRA Rulebook). This requirement does not apply to all firms.

---

4 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying
5 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
A description or copy of the candidate’s Skills Gap Analysis.

A description or copy of the candidate’s Induction programme

A description or copy of the candidate’s Learning and Development plan (including the name of the individual responsible for monitoring the candidate’s progress against the development points and the time frame for completion)

A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).
Declarations and signatures

Section 7

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 of the Financial Services and Markets Act 2000 – ‘FSMA’). 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.

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 candidate and/or lead to the FCA and/or PRA exercising their 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 are 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 their knowledge and that they have 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 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 the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the candidate.

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The candidate confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the FCA’s COCON or APER and/or the PRA Rulebook: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards, and Large Non-Solvency II Firms – Conduct Standards.

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 candidates/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 Applicant and/or the candidate.

Tick here to confirm you have read and understood this declaration:

7.01 Name of candidate

7.02 Signature

Date
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 of the 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 candidate and/or lead to the FCA and/or PRA exercising their powers under FSMA (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 are reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms and candidates/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 Applicant and/or the candidate.

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.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the candidate under Part V of the Police Act 1997 and any related subordinate legislation of the UK or any part of the UK, and (where available) has given due consideration to that information in determining that candidate to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT in the FCA Handbook and/or the Fitness and Propriety part of the PRA Rulebook that the candidate is a fit and proper person to perform the controlled function(s) listed in Section 3.

The Applicant 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). Note: For EEA firms, this would only apply to those firms undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the candidate to perform the function(s) applied for.

The Applicant confirms that it has made the candidate aware of their regulatory responsibilities as set out in the rules of conduct in the FCA’s COCON or APER and/or the PRA Rulebook: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

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.

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Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

In signing this form on behalf of the Applicant 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 Applicant, 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
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.04</td>
<td>Name of person signing on behalf of the Applicant firm</td>
<td></td>
</tr>
<tr>
<td>7.05</td>
<td>Job title</td>
<td></td>
</tr>
<tr>
<td>7.06</td>
<td>Signature</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Date</td>
<td></td>
</tr>
</tbody>
</table>
The FCA has produced notes which will assist both the applicant firm and the candidate in answering the questions in this form. Please read these notes, which are available on the Handbook website at: https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3.html

Both the applicant firm and the candidate will be treated by the FCA as having taken these notes into consideration when completing their answers to the questions in this form.

Long Form A – UK and Overseas Firms (not Incoming EEA) for MiFID authorisation applications

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 3D

10 December 2018

| Name of candidate†
(to be completed by applicant firm) |
<table>
<thead>
<tr>
<th></th>
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<td></td>
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</table>

| Name of applicant firm†
(as entered in 2.01) |
<table>
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<tr>
<th></th>
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<tbody>
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<td></td>
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| Firm reference number†
(as entered in 2.02) |
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<td></td>
</tr>
</tbody>
</table>

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@fca.org.uk
Website http://www.fca.org.uk
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

*This Form should only be used when an unauthorised firm applies for permission to carry out MiFID activities and where an authorised firm which does not have permission to carry out MiFID activities applies for permission to carry out those activities.

† 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
### Personal identification details

**Section 1**

<table>
<thead>
<tr>
<th>1.01 a</th>
<th>Candidate Individual Reference Number (IRN) †</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01 b</td>
<td>OR name of previous regulatory body †</td>
</tr>
<tr>
<td>1.01 c</td>
<td>AND previous reference number (if applicable) †</td>
</tr>
<tr>
<td>1.02</td>
<td>Title (e.g. Mr, Mrs, Ms, etc) †</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname †</td>
</tr>
<tr>
<td>1.04</td>
<td>ALL forenames †</td>
</tr>
<tr>
<td>1.05</td>
<td>Name commonly known by †</td>
</tr>
<tr>
<td>1.06</td>
<td>Date of birth (dd/mm/yyyy) †</td>
</tr>
<tr>
<td>1.07</td>
<td>National Insurance number †</td>
</tr>
<tr>
<td>1.08</td>
<td>Previous name †</td>
</tr>
<tr>
<td>1.09</td>
<td>Date of name change †</td>
</tr>
<tr>
<td>1.10 a</td>
<td>Nationality †</td>
</tr>
<tr>
<td>1.10 b</td>
<td>Passport number (if National Insurance number not available) †</td>
</tr>
<tr>
<td>1.11</td>
<td>Place of birth †</td>
</tr>
<tr>
<td>1.12</td>
<td>Phone number</td>
</tr>
<tr>
<td>1.13</td>
<td>Email address</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6 †

† 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
1.14 a Private address†

b

c Dates resident at this address (dd/mm/yyyy) †

From To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1†

b

c Dates resident at this address (dd/mm/yyyy) †

From To

1.16 a Previous address 2†

b

c Dates resident at this address (dd/mm/yyyy) †

From To

I have supplied further information related to this page in Section 6† 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
<table>
<thead>
<tr>
<th>Question</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Name of firm making the application</td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td>2.03 a</td>
<td>Who should the FCA contact at the firm in relation to this application?</td>
</tr>
<tr>
<td>b</td>
<td>Position</td>
</tr>
<tr>
<td>c</td>
<td>Phone number</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 6†

† 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
## Arrangements and senior management functions

### Section 3

#### 3.01 Nature of the arrangement between the candidate and the applicant.

<table>
<thead>
<tr>
<th></th>
<th>Nature of the arrangement between the candidate and the applicant.</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/Sole trader</td>
</tr>
<tr>
<td>e</td>
<td>Other</td>
</tr>
</tbody>
</table>

**Give details**

- **Proposed date of appointment**
- **Length of appointment (if applicable)**

#### 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 3.05

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of Senior Management Function</th>
<th>Tick (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Core firms</strong></td>
</tr>
<tr>
<td>SMF 1</td>
<td>Chief Executive</td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance</td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk Officer</td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
</tr>
</tbody>
</table>

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1 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
<table>
<thead>
<tr>
<th>SMF</th>
<th>Role</th>
<th>Yes</th>
<th>No</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chair of the governing body</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nomination Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF19</td>
<td>Head of Third Country Branch</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF24</td>
<td>Chief Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF27</td>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF29</td>
<td>Limited scope function (limited scope SMCR firms only)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3.03  
Job title†
Please refer to notes on the requirements for submitting a CV

**Insurance distribution**
Will the candidate be responsible for insurance distribution at the firm?
(Note: Yes can only be selected if the individual is applying for (SMF1, SMF3, SMF27 or SMF29))

**Mortgage Credit Directive**
Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm?
(Note: Yes can only be selected if the individual is applying for (SMF1, SMF 3, SMF 27 or SMF 29.)

† 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
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

† 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
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>Responsible for insurance distribution?</th>
<th>Responsible for MCD credit intermediation?</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>b</td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

† 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

I have supplied further information related to this page in Section 6†
**Employment history for the past 10 years**  

**Section 4**

N.B.: ALL gaps must be accounted for

### 4.01 Employment details (1)†

<table>
<thead>
<tr>
<th></th>
<th>From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong> Period (dd/mm/yyyy)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>b</strong> Nature of employment</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>a</strong> Employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>b</strong> Self-employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>c</strong> Not employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>d</strong> Full-time education</td>
<td></td>
</tr>
</tbody>
</table>

If c or d is ticked, please give details

| **c** Name of employer |      |
| **d** Nature of business |      |
| **e** Previous / other names of employer |      |
| **f** Last known address of employer |      |

### Is/was employer regulated by a regulatory body?

- [ ] YES
- [ ] NO

Name of regulatory body

### Is/was employer an appointed representative/tied agent?

- [ ] YES
- [ ] NO

If yes, of which firm?

| **i** Position held |      |
| **j** Responsibilities |      |

### Reason for leaving:

- [ ] a Resignation
- [ ] b Redundancy
- [ ] c Retirement
- [ ] d Termination/dismissal
- [ ] e End of contract
- [ ] f Other

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
### Employment details (2)  

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Period (dd/mm/yyyy)</td>
<td></td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Nature of employment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Self-employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Not employed</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d. Full-time education</td>
<td></td>
</tr>
<tr>
<td></td>
<td>If c or d is ticked, please give details</td>
<td></td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Name of employer</td>
<td></td>
</tr>
<tr>
<td><strong>d</strong></td>
<td>Nature of business</td>
<td></td>
</tr>
<tr>
<td><strong>e</strong></td>
<td>Previous / other names of employer</td>
<td></td>
</tr>
<tr>
<td><strong>f</strong></td>
<td>Last known address of employer</td>
<td></td>
</tr>
<tr>
<td><strong>g</strong></td>
<td>Is/was employer regulated by a regulatory body?</td>
<td>YES ☐ NO ☐ Name of regulatory body</td>
</tr>
<tr>
<td><strong>h</strong></td>
<td>Is/was employer an appointed representative/tied agent?</td>
<td>YES ☐ NO ☐ If yes, of which firm?</td>
</tr>
<tr>
<td><strong>i</strong></td>
<td>Position held</td>
<td></td>
</tr>
<tr>
<td><strong>j</strong></td>
<td>Responsibilities</td>
<td></td>
</tr>
<tr>
<td><strong>k</strong></td>
<td>Reason for leaving:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Resignation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>b. Redundancy</td>
<td></td>
</tr>
<tr>
<td></td>
<td>c. Retirement</td>
<td></td>
</tr>
<tr>
<td></td>
<td>d. Termination/dismissal</td>
<td></td>
</tr>
<tr>
<td></td>
<td>e. End of contract</td>
<td></td>
</tr>
<tr>
<td></td>
<td>f. Other</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Specify</td>
<td></td>
</tr>
</tbody>
</table>

⇒ I have supplied further information related to this page in Section 6  

YES ☐ NO ☐
5.01 Criminal Proceedings

When answering the questions in this section the candidate should include any 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, the candidate must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the candidate is subject to the law of Scotland or Northern Ireland, you must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

5.01.1a Has the candidate ever been convicted of any criminal offence (whether spent or not and whether or not in the United Kingdom):
   i. 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
   ii. 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?

   YES ☐   NO ☐

b Is the candidate currently the subject of any criminal proceedings, whether in the UK or elsewhere?

   YES ☐   NO ☐

c Has the candidate ever been given a caution in relation to any criminal offence?

   YES ☐   NO ☐

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)?

   YES ☐   NO ☐

If the answer to questions 5.01.1a or 5.01.2 is “yes”, please provide an official certificate of conviction or equivalent document if and so far as it is available from the UK or, where applicable, another country. Please attach a copy of this form as an Additional Supporting Document.

5.01.3 Is the candidate the subject of any ongoing criminal investigation?

   YES ☐   NO ☐

5.01.4 Has the candidate been ordered to produce documents pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

   YES ☐   NO ☐

In answering question 5.01.4, you should include all matters even where the candidate was not the subject of the investigation.

† 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
5.01.5 Has any firm at which the candidate holds or has held a position of influence ever:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
</table>
| a | Been convicted of any criminal offence?  
(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.) | [ ] YES [ ] NO |
| b | Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence? | [ ] YES [ ] NO |
| c | Been the subject of any criminal proceeding which has not resulted in a conviction? | [ ] YES [ ] NO |
| d | 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? | [ ] YES [ ] NO |

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the firm was not the subject of the investigation. However, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.

I have supplied further information related to this page in Section 6† [ ] 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
5.02 Civil Proceedings

5.02.1 Has the candidate, ever been the subject of a judgment debt or award against the candidate?

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 Judgment(s) (CCJs) made against the candidate, whether satisfied or not; and
i) the sum and date of all judgment 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 judgment debt or award referred to in 5.02.1 above)? (You should include, for example, injunctions and employment tribunal proceedings.)

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 judgment debt?

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 judgment debt?

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?

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?

⇒ I have supplied further information related to this page in Section 6† 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
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? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved? 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? (You 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 During the period over which the candidate has held a position of influence and/or in the 10 years after this, 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 judgment debt or award against the firm? (You 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 ☑

† 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
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?  [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)?  [YES □  NO □]

b  the subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the candidate)?  [YES □  NO □]

c  the subject of any investigation which has led or might lead to disciplinary proceedings?  [YES □  NO □]

d  notified of any potential proceedings of a disciplinary nature against the candidate?  [YES □  NO □]

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.)  [YES □  NO □]

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?  [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?

I have supplied further information related to this page in Section 6

† 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
5.04 Regulatory Matters

5.04.1 In relation to activities regulated by the FCA or any other regulatory body (see Section 5 guidance notes), 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 –

  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†

† 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
5.04.2 In relation to activities regulated by the FCA 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 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 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 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 controlled function (or an equivalent function requiring approval by the FCA 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 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 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 controlled functions for which approval is now being sought? Please include details of any financial or non-financial interests or relationships of the candidate and their close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders? For the purposes of this question “management body” has the meaning in Directive 2014/65/EU.

5.05.2 Is the candidate or the firm aware of any other information relevant to this notification that we might reasonably expect from the candidate?

Has the firm undertaken a criminal records check in accordance with the requirements of the FCA?

Please note that a firm is required to request 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)

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 Section 6
5.05.4 Has / Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the FCA?
If no, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22) “Employer” has an extended meaning for these purposes.

YES ☐ NO ☐

I have supplied further information related to this page in Section 6

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
Supplementary information

Section 6

6.00 Please provide full details of:

a) why the candidate is competent and capable to carry out the controlled function(s) applied for;
b) why the appointment complements the firm's business strategy, activity and market in which it operates;
c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
d) 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); and
e) the minimum time that will be devoted to the performance of the candidate’s functions within the firm (please provide an indication of the time spent per month and per annum);
f) the human and financial resources devoted to the induction and training of the candidate (please provide an indication of the time spent per annum);
g) details of any previous assessments of the candidate’s fitness and propriety as a controller or director which have been undertaken by any other regulatory body (if known) (please include the date of the assessment, the name of the regulatory body and details of the outcome);
h) If there is any additional information indicated in previous sections or any other information the candidate or the firm considers being relevant to this application it must be included here. (Please also provide full details of 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)

6.01

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
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<tbody>
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</tbody>
</table>

6.03 Firms must also provide the following supporting documents required with this form (please tick)

<table>
<thead>
<tr>
<th>Statement of responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Candidate’s Curriculum Vitae (C.V)</td>
</tr>
<tr>
<td>The candidate’s C.V. should include the names of all organisations for whom the candidate has worked during the past ten years, details of the nature and duration of the functions performed at those organisations and details of any activities at those organisations which are related to the role for which is approval is being sought. The C.V. should also include details of all delegated powers and internal decision-making powers and details of the areas of operations for which the candidate was responsible whilst working at the organisations above. The information above does not need to be included in the C.V. if it has been provided in Section 4 of this form.</td>
</tr>
</tbody>
</table>

<p>| References in relation to the candidate’s reputation and experience (including contact details of the referees) |</p>
<table>
<thead>
<tr>
<th>Role(s) description</th>
<th>Organisational chart</th>
</tr>
</thead>
<tbody>
<tr>
<td>A description or copy of the candidate's Skills Gap Analysis.</td>
<td>A description or copy of the candidate's Induction programme</td>
</tr>
<tr>
<td>A description or copy of the candidate's Learning and Development plan (including the name of the individual responsible for monitoring the candidate's progress against the development points and the time frame for completion)</td>
<td>A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).</td>
</tr>
</tbody>
</table>

6.04 In addition, enhanced scope SMCR firms must also provide:-

| A copy of the firm's management responsibilities map (SYSC 25 and SUP 10C.9) | A summary of any handover material (SYSC 25.9 and SUP 10C.10) |

1 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
Declarations and signatures

Section 7

Declaration of Candidate

Knowingly or recklessly giving the FCA 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 merely because it is in the public domain or has previously been disclosed to the FCA or another regulatory body.

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

In signing the form below:

a) I authorise the FCA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Disclosure and Barring Service for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed 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 Code of Conduct for staff sourcebook (COCON)

(https://www.handbook.fca.org.uk/handbook/COCON/1/?view=chapter)

Tick here to confirm you have read and understood this declaration ☐

7.01 Candidate’s full name†

7.02 Signature*

Date †
Declaration of Firm

Knowingly or recklessly giving the FCA 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 requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and to notify the FCA immediately if materially inaccurate information has been provided.

COCON 4.2 provides that, where an approved person is responsible for reporting matters to the FCA, failure to inform the FCA of materially significant information of which he is aware is a breach of Senior Conduct Rule 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FCA. It should not be assumed that information is known to the FCA merely because it is in the public domain or has previously been disclosed to the FCA or another regulatory body.

In making this application the firm believes on the basis of due and diligent enquiry 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).

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 sign this Form, on behalf of each firm identified in Section 3.05. I also confirm that a copy of this Form, as submitting to the FCA, will be sent to each of those firms at the same time as submitting the Form to the FCA.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Code of Conduct for Staff Sourcebook (COCON) (https://www.handbook.fca.org.uk/handbook/COCON/1/?view=chapter)

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
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These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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†
The FCA has produced notes which will assist both the applicant firm and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA website at: https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html

Both the applicant firm and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

### Short Form A – Dual-regulated firms (including EEA and third country firms)

**Application to perform controlled functions including senior management functions**

FCA Handbook Reference: SUP 10C Annex 3D  
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications¹

10 December 2018

| Name of candidate  
<table>
<thead>
<tr>
<th>(to be completed by applicant firm)</th>
</tr>
</thead>
</table>
| Name of applicant firm  
| (as entered in 2.01) |
| Firm reference number  
| (as entered in 2.02) |

Financial Conduct Authority  
12 Endeavour Square  
Stratford  
London E20 1JN  
United Kingdom  
Telephone +44 (0) 300 500 0597  
E-mail firm.queries@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

¹ The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications.
### Personal identification details

**Section 1**

<table>
<thead>
<tr>
<th></th>
<th>Field Description</th>
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<tr>
<td>1.01</td>
<td><strong>a</strong> Candidate Individual Reference Number (IRN)</td>
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<td><strong>b</strong> OR name of previous regulatory body</td>
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<tr>
<td></td>
<td><strong>c</strong> AND previous reference number (if applicable)</td>
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<tr>
<td>1.02</td>
<td><strong>Title</strong> (e.g. Mr, Mrs, Ms.)</td>
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<tr>
<td>1.03</td>
<td><strong>Surname</strong></td>
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<tr>
<td>1.04</td>
<td><strong>ALL forenames</strong></td>
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<tr>
<td>1.05</td>
<td><strong>Name commonly known by</strong></td>
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<tr>
<td>1.06</td>
<td><strong>Date of birth</strong> (dd/mm/yyyy)</td>
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<td>1.07</td>
<td><strong>National Insurance number</strong></td>
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<td>1.08</td>
<td><strong>Previous name</strong></td>
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<td>1.09</td>
<td><strong>Date of name change</strong></td>
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<td>1.10</td>
<td><strong>a</strong> Nationality</td>
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<tr>
<td></td>
<td><strong>b</strong> Passport number (if National Insurance number not available)</td>
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<td><strong>Place of birth</strong></td>
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<td>1.12</td>
<td><strong>Phone number</strong></td>
</tr>
<tr>
<td>1.13</td>
<td><strong>Email address</strong></td>
</tr>
</tbody>
</table>

† I have supplied further information related to this page in Section 6

**YES** □ **NO** □
1.14 a Private address

b

c Dates resident at this address (dd/mm/yyyy)  

From  
To  
PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.15 a Previous address 1

b

c Dates resident at this address (dd/mm/yyyy)  

From  
To

1.16 a Previous address 2

b

c Dates resident at this address (dd/mm/yyyy)  

From  
To

I have supplied further information related to this page in Section 6  

YES  
NO
### Firm identification details

**Section 2**

| 2.01 | Name of firm making the application |
| 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 | Phone number |
| d | E-mail |

Please note that the contact at the firm cannot be the same person as the candidate

→ I have supplied further information related to this page in Section 6

YES ☐ NO ☐
Complete this section if the application is for a senior management function. If you are submitting an application for a controlled function at an appointed representative, then please complete Section 3B.

3A.01 Nature of the arrangement between the candidate and the applicant firm.

| a | Employee |   |
| b | Group employee |   |

Name of group

| c | Contract for services |   |
| d | Partner |   |
| e | Other |   |

Give details

Proposed date of appointment

Length of appointment (if applicable)

3A.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 leave blank and go to question 3A.04

The table below sets out the full list of senior management functions (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Management Function</th>
<th>UK banks*</th>
<th>UK branches of EEA banks and insurers</th>
<th>UK branches of non-EEA banks</th>
<th>Credit unions</th>
<th>Solvency II firms &amp; large NDFs</th>
<th>Small NDFs</th>
<th>ISPVs</th>
<th>Small firms in run off</th>
<th>UK branches of non-EEA insurers</th>
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</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive</td>
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<td>SMF 2</td>
<td>Chief Finance</td>
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<td>SMF 3</td>
<td>Executive Director</td>
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<td>Head of Internal Audit</td>
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<tr>
<td>SMF 6</td>
<td>Head of Key Business Area</td>
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<tr>
<td>Function</td>
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<td>Small NDFs</td>
<td>ISPVs</td>
<td>Small firms in run off</td>
<td>UK branches of non-EEA insurers</td>
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<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
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<td>SMF 8</td>
<td>Credit Union Senior Manager</td>
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<tr>
<td>SMF 9</td>
<td>Chair of the Governing Body</td>
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<td>SMF10</td>
<td>Chair of the Risk Committee</td>
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<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
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<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
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<td>Chair of the Nomination Committee</td>
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<td>SMF14</td>
<td>Senior Independent Director</td>
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<tr>
<td>SMF15</td>
<td>Chair of With Profits Committee</td>
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<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
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<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
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<td>Other Overall Responsibility</td>
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<tr>
<td>SMF19</td>
<td>Head of Third Country Branch/Head of Overseas</td>
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<td>Chief Actuary</td>
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<td>With-Profits Actuary</td>
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<td>SMF21</td>
<td>EEA Branch Senior Manager (EBSM)</td>
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<td>SMF23</td>
<td>Chief Underwriting Officer</td>
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<tr>
<td>Function</td>
<td>Description of a Senior Management Function</td>
<td>UK banks*</td>
<td>UK branches of EEA banks and insurers</td>
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<td>Small firms in run off</td>
<td>UK branches of non-EEA insurers</td>
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<td>SMF26</td>
<td>Head of Small Run-Off Firm</td>
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</tbody>
</table>

*UK Banks’ refers to UK banks, building societies and PRA designated investment firms

3A.03 Job title

Insurance distribution

Will the candidate be responsible for Insurance distribution at the firm?  

(Note: Yes can only be selected if the candidate is applying for a governing function (other than a non-executive director function))

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm?

I have supplied further information related to this page in Section 6
3A.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>Responsible for insurance distribution?</th>
<th>Responsible for mortgage credit intermediation?</th>
<th>Effective date</th>
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</thead>
<tbody>
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</table>

I have supplied further information related to this page in Section 6

YES ☐ NO ☐
Arrangements and controlled functions – Appointed Representatives
Section 3B

Complete this section if the application is for a controlled function at an appointed representative (AR). If you are submitting an application for a senior management function, then please complete Section 3A.

For limited permission consumer credit firms that are also appointed representatives, only the customer function is relevant in this section. For these firms, relevant senior management functions apply instead of the governing functions (i.e., CF1 (AR), CF3 (AR), CF4 (AR) and CF5 (AR)). We do not expect this to apply to many firms.

3B.01 Nature of the arrangement between the candidate and the applicant

a  Appointed representative/tied agent – customer function
AR firm name and reference number

b  Appointed representative/tied agent – governing function
AR firm name and reference number

c  Other
Give details

3B.02 For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed. If the controlled functions are to be performed for more than one firm, please go to question 3B.05.

a Significant influence functions
CF 1 (AR)  Director function
CF 3 (AR)  Chief executive function
CF 4 (AR)  Partner function
CF 5 (AR)  Director of an unincorporated association function

b Senior Management Functions
SMF1 (AR)  Chief Executive function
SMF3 (AR)  Executive Director function
SMF4 (AR)  Partner function

(This section is only applicable for limited permission consumer credit firms that are ARs for other business)

c Customer function
CF 30 (AR)  Customer function

3B.03 Effective date of controlled functions indicated above

3B.04 Job title
Please refer to notes on the requirements for submitting a CV.
I have supplied further information related to this page in Section 6† ☐ YES ☐ NO ☐
3B.05 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 controlled function for that firm.

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Controlled function</th>
<th>Job title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>b</td>
<td></td>
<td></td>
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<tr>
<td>c</td>
<td></td>
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<td>d</td>
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<td></td>
<td></td>
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<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

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.
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.

5.1 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, under PRA rules, to request and, under FCA rules, 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 and PRA Rulebook: Fitness and Propriety).

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 in Section 6.

5.2 Has/Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the FCA or PRA.

If no, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety in the PRA Rulebook). “Employer” has an extended meaning for these purposes.

I have supplied further information related to this page in Section 6

---

2 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
3 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
Supplementary Information

Section 6

6.01 Please provide full details of:
   a) why the candidate is competent and capable to carry out the controlled function(s) applied for;
   b) why the appointment complements the firm's business strategy, activity and market in which it operates;
   c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
   d) 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); and
   e) if the candidate currently holds more than one directorship, please provide a breakdown on the candidate’s time commitment to each directorship.

6.02 If there is any additional information indicated in previous sections or any other information the candidate or the firm considers being relevant to this application it must be included here. (Please also provide full details of any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer or if any question has been answered ‘yes’ in Section 5)

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</table>

Note: 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.

6.03 Firms must also provide the following supporting documents required with this form (please tick)

It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.

- Statement of responsibilities
- Candidate’s Curriculum Vitae (C.V)
- Role(s) description
- A copy of the firm’s management responsibilities map (SYSC 25 and Allocation of Responsibilities in the PRA Rulebook). This requirement does not apply to all firms.
- A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10 and senior management functions in the PRA Rulebook). This requirement does not apply to all firms.

---

4 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying
5 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying
<table>
<thead>
<tr>
<th>Description/Document</th>
</tr>
</thead>
<tbody>
<tr>
<td>A description or copy of the candidate’s Skills Gap Analysis</td>
</tr>
<tr>
<td>A description or copy of the candidate’s Induction programme</td>
</tr>
<tr>
<td>A description or copy of the candidate’s Learning and Development plan (including the name of the individual responsible for monitoring the candidate’s progress against the development points and the time frame for completion)</td>
</tr>
<tr>
<td>A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role).</td>
</tr>
</tbody>
</table>
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 of the Financial Services and Markets Act 2000 – ‘FSMA’). 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.

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 candidate and/or lead to the FCA and/or PRA exercising their 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 are 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 their knowledge and that they have 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 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 the Financial Services and Markets Act 2000 (Service of Notices) Regulations (SI 2001/1420)) to serve any notices on the candidate.

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice: https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The candidate confirms that they understand the regulatory responsibilities of the proposed role as set out in the rules of conduct in the FCA’s COCON or APER and/or the PRA Rulebook: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

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 candidates/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 Applicant and/or the candidate.

Tick here to confirm you have read and understood this declaration:

7.01 Name of candidate

7.02 Signature

Date

Short Form A – Dual-regulated firms (including EEA and third country firms)
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 of the Financial Services and Markets Act – 'FSMA'). 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 candidate and/or lead to the FCA and/or PRA exercising their powers under FSMA (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 are reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and candidates/ 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 Applicant and/or the candidate.

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.

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Where applicable, the Applicant confirms that it has requested the fullest information that it is lawfully able to obtain about the candidate under Part V of the Police Act 1997 and any related subordinate legislation of the UK or any part of the UK, and (where available) has given due consideration to that information in determining that candidate to be fit and proper.

In making this application the Applicant believes on the basis of due and diligent enquiry, and, where applicable, by reference to the criteria in FIT in the FCA Handbook and/or the Fitness and Propriety sections in the PRA Rulebook that the candidate is a fit and proper person to perform the controlled function(s) listed in Section 3.

The Applicant 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). Note: For EEA firms, this would only apply to those firms undertaking any non MiFID business.

The Applicant confirms that it has complied with its obligations under equality and diversity legislation when selecting the candidate to perform the function(s) applied for.

The Applicant confirms that it has made the candidate aware of their regulatory responsibilities as set out in the rules of conduct in the FCA’s COCON or APER and/or the PRA Rulebook: Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

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 Applicant 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 Applicant, 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
The FCA has produced notes which will assist both the applicant firm and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA website at https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex4.html

Both the applicant firm and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

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 add, vary or remove a conditional approval

FCA Handbook Reference: SUP 10C Annex 4R
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

10 December 2018

Name of candidate / approved person (as applicable) (to be completed by applicant firm)

Name of applicant firm (as entered in 2.01)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

1 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance – Senior Managers Regime – Applications and Notifications.
## Personal identification details

### Section 1

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Candidate/Approved Person Individual Reference Number (IRN)</td>
</tr>
<tr>
<td>1.02</td>
<td>Title (e.g. Mr, Mrs, Ms)</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname</td>
</tr>
<tr>
<td>1.04</td>
<td>ALL forenames</td>
</tr>
<tr>
<td>1.05</td>
<td>Date of birth</td>
</tr>
<tr>
<td>1.06</td>
<td>National Insurance number</td>
</tr>
<tr>
<td>1.07</td>
<td>Candidate/Approved Person’s private address</td>
</tr>
<tr>
<td>1.08</td>
<td>Phone number</td>
</tr>
<tr>
<td>1.09</td>
<td>Email address</td>
</tr>
</tbody>
</table>

---

I have supplied further information related to this page in Section 4

[ ] YES  [ ] NO

---

Form B - Notice to withdraw an application to perform controlled functions (including senior management functions)
Firm identification details

Section 2

2.01 Name of applicant firm

2.02 Firm Reference Number (FRN)

2.03 a Who should the FCA/PRA contact at the applicant firm in relation to this notice?

b Position

c Phone number

d E-mail

Please note that the contact at the applicant firm cannot be the same person as the candidate

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>
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<td>b</td>
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</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.
<table>
<thead>
<tr>
<th>Reason for Withdrawal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicate the reason for withdrawal of application to perform controlled functions including senior management functions</td>
</tr>
<tr>
<td>a</td>
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<tr>
<td>b</td>
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<tr>
<td>c</td>
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<td>h</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

YES ☐ NO ☐
Supplementary Information

5.01 Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly to which question supplementary information relates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</table>

5.02 How many additional sheets are being submitted?

Form B - Notice to withdraw an application to perform controlled functions (including senior management functions)
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 – ‘FSMA’).

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 data protection legislation, please read our privacy notices:

- FCA’s privacy notice https://www.fca.org.uk/data-protection
- Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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.

---

6.01 Candidate/approved person’s full name

6.02 Signature

Date

DECLARATION BY APPOINTED REPRESENTATIVE OR OTHER FIRM (if applicable)

We concur that the application to perform controlled functions (including senior management functions) made in respect of the above candidate should be withdrawn with immediate effect.

6.03 Name of appointed representative or other firm

6.04 Name of person signing on behalf of the appointed representative or other firm

6.05 Job title

6.06 Signature

Date
DECLARATION BY APPLICANT 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 FSMA). SUP 15.6 (FCA) and Notifications in the PRA Rulebook (PRA)\(^2\) 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.

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA’s privacy notice [https://www.fca.org.uk/data-protection](https://www.fca.org.uk/data-protection)

Bank of England’s privacy notice [https://www.bankofengland.co.uk/prudential-regulation/authorisations](https://www.bankofengland.co.uk/prudential-regulation/authorisations)

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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 applicant firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.08</td>
<td>Name of person signing on behalf of the applicant firm</td>
</tr>
<tr>
<td>6.09</td>
<td>Job title</td>
</tr>
<tr>
<td>6.10</td>
<td>Signature</td>
</tr>
</tbody>
</table>

Date

---

\(^2\) The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
The FCA has produced notes which will assist both the applicant firm and the approved person in answering the questions in this form. Please read these notes, which are available on the FCA website at https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex5.html.

Both the applicant firm and the approved person will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Form C - Notice of ceasing to perform controlled functions including senior management functions

FCA Handbook Reference: SUP 10C Annex 5R (Notifications)
PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications

10 December 2018

Name of approved person

Name of firm (as entered in 2.01)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

1 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications.
<table>
<thead>
<tr>
<th>Section 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01 Individual Reference Number (IRN)</td>
<td></td>
</tr>
<tr>
<td>1.02 Title (e.g. Mr, Mrs, Ms)</td>
<td></td>
</tr>
<tr>
<td>1.03 Surname</td>
<td></td>
</tr>
<tr>
<td>1.04 ALL forenames</td>
<td></td>
</tr>
<tr>
<td>1.05 Date of birth</td>
<td></td>
</tr>
<tr>
<td>1.06 National Insurance number</td>
<td></td>
</tr>
<tr>
<td>1.07 Approved person’s private address</td>
<td></td>
</tr>
<tr>
<td>1.08 Phone number</td>
<td></td>
</tr>
<tr>
<td>1.09 Email address</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>2.01</strong></td>
<td><strong>Name of applicant firm</strong></td>
</tr>
<tr>
<td><strong>2.02</strong></td>
<td><strong>Firm Reference Number (FRN)</strong></td>
</tr>
<tr>
<td><strong>2.03 a</strong></td>
<td><strong>Who should the FCA/PRA contact at the applicant firm in relation to this notice?</strong></td>
</tr>
<tr>
<td><strong>b</strong></td>
<td><strong>Business address</strong></td>
</tr>
<tr>
<td><strong>c</strong></td>
<td><strong>Position</strong></td>
</tr>
<tr>
<td><strong>d</strong></td>
<td><strong>Phone number</strong></td>
</tr>
<tr>
<td><strong>g</strong></td>
<td><strong>E-mail</strong></td>
</tr>
</tbody>
</table>
### List of Senior management functions

**Section 3A**

3A.01 If the firm is submitting this notification on behalf of an appointed representative, please complete Section 3B instead.

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 of the FCA Handbook and/or Notifications; Senior Managers Regime - Applications and Notifications parts of the PRA Rulebook, as applicable by telephone, fax or email) that this Form will be submitted.

<table>
<thead>
<tr>
<th>A</th>
<th>Full explanation in section 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Dismissal/ termination of employment or contract</td>
</tr>
<tr>
<td></td>
<td>Suspension</td>
</tr>
<tr>
<td></td>
<td>Other</td>
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<tr>
<td></td>
<td>(specify in Section 4)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FRN</th>
<th>Name of firm</th>
<th>Senior management function</th>
<th>Effective date</th>
<th>Reason</th>
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</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td>Internal movement of staff</td>
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<td>Resignation</td>
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<td>End of contract</td>
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<tr>
<td>c</td>
<td></td>
<td>Internal movement of staff</td>
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<td>Internal movement of staff</td>
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<td></td>
<td>End of contract</td>
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</tbody>
</table>
3A.02 Does the firm also seek to notify the FCA and/or PRA under one or both of section 63(2A) (withdrawal of approval) or section 64C (Requirement for Relevant Authorised Persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000?

YES ☐ NO ☐

If the firm has answered “No”, please go to Section 4.

If the firm has answered “Yes”, please complete the below.

3A.03 If the firm is making a notification under question 3.02 based on any breach(es) of the individual or senior manager conduct rules set out in the FCA’s COCON or PRA’s Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards, please complete the relevant boxes below.

<table>
<thead>
<tr>
<th>Rule</th>
<th>Relevant to this notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 1: You must act with integrity.</td>
<td>☐</td>
</tr>
<tr>
<td>Rule 2: You must act with due skill, care and diligence.</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>
</tr>
<tr>
<td>Rule 4: You must pay due regard to the interests of customers and treat them fairly.</td>
<td>☐</td>
</tr>
<tr>
<td>Rule 5: You must observe proper standards of market conduct.</td>
<td>☐</td>
</tr>
<tr>
<td>SC1: You must take reasonable steps to ensure that the business of the firm</td>
<td>☐</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4† ☐ YES ☐ NO ☐
<table>
<thead>
<tr>
<th>Individual Conduct Rules</th>
<th>Tick the rule(s) relevant to this notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>for which you are responsible is controlled effectively.</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>
</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>
</tr>
<tr>
<td>SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice.</td>
<td>☐</td>
</tr>
<tr>
<td>SC5: When exercising your responsibilities, you must pay due regard to the interests of current and potential future policyholders in ensuring the provision by the firm of an appropriate degree of protection for their insured benefits.</td>
<td>☐</td>
</tr>
</tbody>
</table>

3A.04 For each breach please provide the following information. Please attach additional sheets as necessary.

Details of the breach:

3A.05 If the firm is making a notification under section 64C (Requirement for Relevant Authorised Persons to notify the regulator of disciplinary action) of Financial Services and Markets Act 2000, please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions 3A.03 and 3A.04 above. If necessary please cross refer to the answers provided.
3A.06 If the firm is making a notification under section 63(2A) (withdrawal of approval) of the Financial Services and Markets Act 2000, please provide details below. Please do not repeat information already included in the answers to Questions 3A.05 and 3A.06 above. If necessary please cross refer to the answers provided.
3B.01 Please complete this section if you are submitting this notification on behalf of an approved person performing controlled functions at an FCA solo regulated firm prior to commencement of the SMCR. Following commencement of the SMCR only appointed representatives should complete this section. All other SMCR firms should complete Section 3A instead.

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 reason for ceasing to perform the controlled function is indicated in column B, the FCA should be notified in accordance with SUP 10A.14 and SUP 10B.12 (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>Reason B</th>
<th>Full explanation in section 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
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<td>Dismissal/ termination of employment or contract</td>
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<td>Suspension</td>
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<td>Other (specify in Section 4)</td>
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<td>Other (specify in Section 4)</td>
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<td>Dismissal/ termination of employment or contract</td>
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<td>Other (specify in Section 4)</td>
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<td>Dismissal/ termination of employment or contract</td>
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<td>Suspension</td>
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<td>Other (specify in Section 4)</td>
</tr>
<tr>
<td>Internal movement of staff</td>
<td>Dismissal/ termination of employment or contract</td>
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<tr>
<td>Resignation</td>
<td>□</td>
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<tr>
<td>Redundancy</td>
<td>□</td>
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<tr>
<td>Retirement</td>
<td>□</td>
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<tr>
<td>End of contract</td>
<td>□</td>
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<tr>
<td>Other (specify in Section 4)</td>
<td>□</td>
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</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4

YES [ ] NO [ ]
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 to which question the supplementary information relates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
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</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>
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</tbody>
</table>

Other information (please specify)

<p>| |</p>
<table>
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</thead>
</table>
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 FSMA). 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 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 the individuals.

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA’s privacy notice https://www.fca.org.uk/data-protection

Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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 and/or 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 it 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.

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.

**By signing below you confirm that you have read and understood the above declaration.**

Name of the firm

Name of person signing on behalf of the firm

Position

Signature

Date
The FCA has produced notes which will assist both the firm and the approved person in answering the questions in this form. Please read these notes, which are available on the FCA website at: https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex6.html

Both the firm and the approved person will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Form D Notification - Changes to personal information/application details and conduct breaches/disciplinary action related to conduct

FCA Handbook Reference: SUP 10C Annex 6R
PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications

10 December 2018

Name of approved person
(to be completed by firm)

Name of firm
(as entered in 4.01)

______________________________________________________________

______________________________________________________________

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

1 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications
**What sections should you complete?**

The question below will help you determine the sections of the form you must complete.

**Please select the outcome**

| Change in personal details | YES □ You must complete Sections 1, 2, 6 (if applicable) & 7 |
| Change in *arrangements*   | YES □ You must complete Sections 1, 2, 3, 4, 6 (if applicable) & 7 |
| Change to fitness and propriety information | YES □ You must complete Sections 1, 2, 5, 6 (if applicable) & 7 |
| Notifications under section 64C of the Financial Services and Markets Act 2000 (FSMA) | YES □ You must complete Sections 1, 2, 6 & 7 |
1.01 Input applicant firm contact for this notification. Please note that the contact at the applicant firm contact cannot be the same person as the approved person to whom this application relates.

<table>
<thead>
<tr>
<th>Title</th>
<th></th>
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</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>Postcode</td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 7  YES ☐  NO ☐
<table>
<thead>
<tr>
<th>2.01</th>
<th><strong>Approved person</strong> Individual Reference Number (IRN)</th>
</tr>
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<tbody>
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</table>

**DETAILS TO BE CHANGED**

<table>
<thead>
<tr>
<th>2.02</th>
<th>Title (e.g. Mr, Mrs, Ms)</th>
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<tbody>
<tr>
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<table>
<thead>
<tr>
<th>2.03</th>
<th>Surname</th>
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<table>
<thead>
<tr>
<th>2.04</th>
<th>ALL forenames</th>
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<thead>
<tr>
<th>2.08</th>
<th>Job title or position</th>
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<table>
<thead>
<tr>
<th>2.09</th>
<th>Effective date of change</th>
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<thead>
<tr>
<th>2.10</th>
<th>Reason for change</th>
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</table>

→ I have supplied further information related to this page in Section 7  YES ☐  NO ☐
## Arrangements and Controlled Functions (including Senior Management Functions)

### Section 3

#### Add New Arrangement

<table>
<thead>
<tr>
<th>3.01</th>
<th>State the nature of the arrangement between the approved person and the firm?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employee [ ] Continue to Section 4</td>
</tr>
<tr>
<td></td>
<td>Group employee [ ] Continue to Question 3.02</td>
</tr>
<tr>
<td></td>
<td>Contract for services [ ] Continue to Section 4</td>
</tr>
<tr>
<td></td>
<td>Appointed representative [ ] Continue to Question 3.04</td>
</tr>
<tr>
<td></td>
<td>Other arrangement [ ] Continue to Question 3.03</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3.02</th>
<th>Name of group</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Once completed continue to Section 4.)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>3.03</th>
<th>Details of the other arrangement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Once completed continue to Section 4.)</td>
</tr>
</tbody>
</table>

### Appointed Representatives

<table>
<thead>
<tr>
<th>3.04</th>
<th>Please provide details of the appointed representatives you would like to add and/or remove.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If you are removing an appointed representative you will need to consider whether to submit a withdrawal of a controlled function (Form C) and/or an appointed representative termination.</td>
</tr>
<tr>
<td></td>
<td>You must use a separate sheet of paper if necessary.</td>
</tr>
<tr>
<td></td>
<td>If you have used separate sheets of paper, you must indicate how many here.</td>
</tr>
</tbody>
</table>

#### Appointed Representative 1

<table>
<thead>
<tr>
<th>Are you adding or removing an appointed representative?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add [ ] Remove [ ]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Appointed Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Firm Reference Number</td>
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</table>

<table>
<thead>
<tr>
<th>Firm name</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
</table>
### Appointed Representative 2

Are you adding or removing an appointed representative?  
- Add [ ]  
- Remove [ ]

<table>
<thead>
<tr>
<th>Appointed Representative Number</th>
<th>Firm Reference</th>
<th>Firm name</th>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
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</tbody>
</table>

### Appointed Representative 3

Are you adding or removing an appointed representative?  
- Add [ ]  
- Remove [ ]

<table>
<thead>
<tr>
<th>Appointed Representative Number</th>
<th>Firm Reference</th>
<th>Firm name</th>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
<tbody>
<tr>
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</tbody>
</table>

### Appointed Representative 4

Are you adding or removing an appointed representative?  
- Add [ ]  
- Remove [ ]

<table>
<thead>
<tr>
<th>Appointed Representative Number</th>
<th>Firm Reference</th>
<th>Firm name</th>
<th>Effective date (dd/mm/yy)</th>
</tr>
</thead>
<tbody>
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</tbody>
</table>
### Firm Identification Details

**Section 4**

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>4.01</strong></td>
<td><strong>Name of firm</strong> making the notification</td>
<td></td>
</tr>
<tr>
<td><strong>4.02</strong></td>
<td><strong>Firm Reference Number (FRN)</strong></td>
<td></td>
</tr>
</tbody>
</table>

Other firms for whom the approved person performs senior management functions or, for FCA solo regulated firms prior to the commencement of the SMCR, performs controlled functions.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>FRN</strong></td>
<td><strong>Name of firm</strong></td>
<td><strong>Senior management function/controlled function</strong></td>
</tr>
<tr>
<td>a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
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<td>c</td>
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<tr>
<td>d</td>
<td></td>
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<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  
Section 5

Only complete Section 5 if the notification relates to changes to the approved person’s fitness and propriety.

5.01  Do you want to notify us of a change to the approved person’s fitness and propriety?

[ ] YES  [ ] NO

5.01 Criminal Proceedings

When answering the questions in this section the approved person should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the approved person is subject to the law of England and Wales, the approved person must disclose spent convictions and cautions (other than a protected conviction or caution). By virtue of the Rehabilitation of Offenders Act 1974 (Exclusions and Exceptions) (Scotland) Order 2013 and the Rehabilitation of Offenders (Exceptions) Order (Northern Ireland) 1979, if the approved person is subject to the law of Scotland or Northern Ireland, the approved person must disclose spent convictions (other than a protected conviction).

For the avoidance of doubt, references to the legislation above are references to the legislation as amended.

If you answer ‘yes’ to any of the questions in Section 5, further details should be provided in Section 7.

If there is any other information the candidate or the firm considers to be relevant to the application, it must be included in Section 7.

5.01.1a Has the approved person ever been convicted of any criminal offence (whether spent or not and whether or not in the UK):

i. 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

ii. 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?

[ ] YES  [ ] NO

b Is the approved person currently the subject of any criminal proceedings, whether in the UK or elsewhere?

[ ] YES  [ ] NO

c Has the approved person ever been given a caution in relation to any criminal offence?-.

[ ] YES  [ ] NO

5.01.2 Has the approved person 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)?

[ ] YES  [ ] NO

5.01.3 Is the approved person the subject of any ongoing criminal investigation?

[ ] YES  [ ] NO

I have supplied further information related to this page in Section 7

5.01.4 Has the approved person been ordered to produce documents

[ ] YES  [ ] NO
pursuant to any ongoing criminal investigation or been the subject of a search (with or without a warrant) pursuant to any ongoing criminal investigation?

In answering question 5.01.4, you should include all matters even where the approved person was not the subject of the investigation.

<table>
<thead>
<tr>
<th>5.01.5</th>
<th>Has any firm at which the approved person holds or has held a position of influence ever:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Please check the guidance notes for the meaning of ‘position of influence’ in the context of the questions in this part of the form.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>a</th>
<th>Been convicted of any criminal offence?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES □ NO □</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>b</th>
<th>Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES □ NO □</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>c</th>
<th>Been the subject of any criminal proceeding which has not resulted in a conviction?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES □ NO □</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>d</th>
<th>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?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES □ NO □</td>
</tr>
</tbody>
</table>

In answering question 5.01.5, you should include all matters even when the summons, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01.5d, even where the firm was not the subject of the investigation. However, firms are not required to disclose details of any specific individuals who were subject to historic (as opposed to ongoing) criminal investigations, prosecutions, summons or other historic criminal proceedings.

I have supplied further information related to this page in Section? YES □ NO □
### 5.02 Civil Proceedings

**5.02.1** Has the approved person ever been the subject of a judgement debt or award against the approved person (whether satisfied or not)?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

Please give a full explanation of the events in question.

The approved person should include all County Court Judgement(s) (CCJs) made against the approved person, 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 judgement debts, awards or CCJs ordered.

**5.02.2** Has the approved person ever been party to any civil proceedings which resulted in any order against the approved person (other than a judgement debt or award referred to in 5.02.1 above)? (the approved person 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 approved person aware of:

a) Any proceedings that have begun, or anyone’s intention to begin proceedings against the approved person, for a CCJ or another judgement debt?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

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?

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
</table>

**5.02.4** Does the approved person have any current judgement 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 approved person ever failed to satisfy any such judgement 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 7
5.02.6 Has the approved person ever:

- **a** Filed for the approved person’s own bankruptcy or had a bankruptcy petition served on the approved person?  
  - **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 approved person’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**

5.02.7 Does the approved person, 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 approved person ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct? Or been found by a judge or tribunal to have lied on oath and/or that their evidence was to be disbelieved?  
  - **YES**  
  - **NO**

5.02.9 Is the approved person 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 approved person? (The approved person should include any ongoing disputes whether or not such dispute is likely to result in any order against the approved person).  
  - **YES**  
  - **NO**

5.02.10 During the period over which the approved person has held a position of influence and/or in the 10 years after this, has any firm at which the approved person 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? (The approved person 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 7  
  - **YES**  
  - **NO**
5.02.11 Is any firm at which the approved person 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; and/or

b aware of anyone’s intention to begin civil proceedings against them?

YES ☐ NO ☐

YES ☐ NO ☐

5.02.12 Has any company, partnership or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner or company secretary, in the UK 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?

YES ☐ NO ☐

I have supplied further information related to this page in Section 7

YES ☐ NO ☐
5.03 Business and Employment Matters

5.03.1 Has the approved person ever been:

a. Disqualified from acting as a director or similar position (one where the approved person acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?
   - YES [ ]  NO [ ]

b. The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the approved person)?
   - YES [ ]  NO [ ]

c. The subject of any investigation which has led or might lead to disciplinary proceedings?
   - YES [ ]  NO [ ]

d. Notified of any potential proceedings of a disciplinary nature against the approved person?
   - YES [ ]  NO [ ]

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.)
   - YES [ ]  NO [ ]

5.03.2 Has the approved person 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 approved person have any material written complaints made against the approved person by the approved person’s clients or former clients in the last five years which the approved person has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?
   - YES [ ]  NO [ ]

5.03.4 Has the candidate ever participated in arbitration proceedings? (This question only applies where the applicant firm is a Solvency II insurance firm)
   - YES [ ]  NO [ ]

   ➔ I have supplied further information related to this page in Section 7
   - 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 the guidance notes on Section 5), has:

- The approved person, or
- Any company, partnership or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner or company secretary, during the approved person’s association with the entity and for a period of three years after the approved person ceased to be associated with it, ever –

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<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>
<td>YES</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>
<td>YES</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 approved person or the firm?</td>
<td>YES</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>
<td>YES</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 an investigation (whether against the firm or otherwise)?</td>
<td>YES</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>
<td>YES</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>
<td>YES</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>
<td>YES</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>
<td>YES</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>
<td>YES</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>
<td>YES</td>
</tr>
<tr>
<td>l</td>
<td>Been on a board of directors in an operating undertaking that has not been granted a release from liability? (This question only applies where the applicant firm is a Solvency II insurance firm)</td>
<td>YES</td>
</tr>
</tbody>
</table>
5.04.2 In relation to activities regulated by the FCA/PRA or any other regulatory body, has the approved person or any firm at which the approved person holds or has held a position of influence at any time during and within one year of the approved person’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 approved person?

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 approved person?

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 a prohibition order under section 56 of the Financial Services and Markets Act 2000, 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 approved person, 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 controlled functions (including senior management functions) for which approval is now being sought?

5.05.2 5.05.2 should only be answered if the firm is a Solvency II insurer. Does the approved person have, or know of any:

I have supplied further information related to this page in Section 7
a Qualifying ownership\(^2\) or any other form of substantial influence in the firm or group, or any other companies

If yes, please provide:
1. Company name and registration number
2. Nature and scope of the operations
3. The registered office of the company
4. Possession in percentage

b Close relatives with ownership shares in the firm or group

c Close relatives with any other financial relations in the firm or group

d Any other commitments that may give rise to a conflict of interest

If the response is ‘yes’ to any of the above, please provide, in Section 6, explanations of the circumstances and how the candidate intends to mitigate this.

5.05.3 Is the approved person or the firm aware of any other information relevant to this notification that the FCA/PRA might reasonably expect

⇒ I have supplied further information related to this page in Section 7

\(^2\) As defined in Article 13(21) of the Solvency II Directive, qualifying ownership is ‘direct or indirect holding in an undertaking which represent 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking’.
Fitness and Propriety – Notifications under section 64C of the Financial Services and Markets Act 2000

Section 6

This section does not apply to appointed representatives. It should be completed by an SMCR firm to:

(a) make a notification of disciplinary action (as defined in section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of FSMA) 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, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards

(b) make a follow up notification to update a determination that has previously been the subject of a notification made by the firm in relation to (a) (and to the extent required by, in the case of the FCA, SUP 10C.15, or in the case of the PRA, Notifications in the Rulebook3).

6.01 Initial or update on previous notification

Is the firm updating a previous notification made under section 64C of FSMA?

YES ☐ NO ☐

If the firm has answered “No”, please go to 6.02.

If the firm has answered “Yes”, please complete the below:

<table>
<thead>
<tr>
<th>Date of previous notification:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Please provide brief details of prior notification including reference number:</td>
</tr>
<tr>
<td>Description of the update to the previous notification:</td>
</tr>
</tbody>
</table>

6.02 Notification of disciplinary action where the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules.

3 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
6.02.1 Please include details in the relevant boxes below of the individual or senior manager conduct rules set out in the FCA’s COCON or PRA Conduct Rules, relevant to this notification.

<table>
<thead>
<tr>
<th>Individual Conduct Rules</th>
<th>Tick the rule(s) relevant to this notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rule 1: You must act with integrity.</td>
<td></td>
</tr>
<tr>
<td>Rule 2: You must act with due skill, care and diligence.</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>
</tr>
<tr>
<td>Rule 4: You must pay due regard to the interests of customers and treat them fairly.</td>
<td></td>
</tr>
<tr>
<td>Rule 5: You must observe proper standards of market conduct.</td>
<td></td>
</tr>
</tbody>
</table>

| 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. |                                                |
| 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. |                                                |
| 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. |                                                |
| SC4: You must disclose appropriately any information of which the FCA or PRA would reasonably expect notice. |                                                |
| SC5: When exercising your responsibilities, you must pay due regard to the interests of current and potential future policyholders in ensuring the provision by the firm of an appropriate degree of protection for their insured benefits. |                                                |

6.02.2 For each breach of an individual or senior manager conduct rule 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 breach came to the attention of the firm:</td>
</tr>
<tr>
<td>Date or period of breach:</td>
</tr>
<tr>
<td>Further details of the breach:</td>
</tr>
</tbody>
</table>
6.02.3 Please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions 6.02.1 and 6.02.2 above. If necessary please cross refer to the answers provided.

I have supplied further information related to this page in Section 7

YES ☐ NO ☐
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 to which question the supplementary information relates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
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<tbody>
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<td></td>
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</table>

How many additional sheets are being submitted?

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.02</td>
<td></td>
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</tbody>
</table>
### Supporting Documents

7.03 Indicate the required supporting documents to accompany this form.

<table>
<thead>
<tr>
<th>Documents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
Declarations and signatures

Declaration

The firm must ask the approved person to make the declaration only where the firm becomes aware of information that would reasonably be material to the assessment of the approved person’s continuing fitness and propriety.

However, note that it may not be appropriate to ask the approved person to make the declaration below where the applicant 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 FSMA). 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 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 the approved person.

DECLARATION OF APPROVED PERSON

The approved person confirms that the information in this form is accurate and complete to the best of their knowledge and belief and that they have 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.

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA’s privacy notice https://www.fca.org.uk/data-protection

Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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.

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA's privacy notice https://www.fca.org.uk/data-protection

Bank of England's privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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 their 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 Job title

8.06 Signature

Date
The FCA has produced notes which will assist both the applicant firm and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA website at https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html

Both the applicant firm and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Form E - Internal transfer of a person performing a controlled function for dual regulated firms

FCA Handbook Reference: SUP 10C Annex 7D
PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications¹

10 December 2018

Name of candidate
(to be completed by applicant firm)

Name of firm
(as entered in 2.01)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

¹ The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications.
**Personal identification details**

<table>
<thead>
<tr>
<th>Section 1</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Individual Reference Number (IRN)</td>
</tr>
<tr>
<td>1.02</td>
<td>Title (e.g. Mr, Mrs, Ms.)</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname</td>
</tr>
<tr>
<td>1.04</td>
<td>ALL forenames</td>
</tr>
<tr>
<td>1.05</td>
<td>Date of birth</td>
</tr>
<tr>
<td>1.06</td>
<td>National Insurance number</td>
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<td>1.07</td>
<td>Place of birth</td>
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<tr>
<td>1.08</td>
<td>Phone number</td>
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<td>1.09</td>
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**Firm identification details**

<table>
<thead>
<tr>
<th>Section 2</th>
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</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Name of applicant firm</td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td>2.03 a</td>
<td>Who should the FCA/PRA contact at the applicant firm in relation to this application?</td>
</tr>
<tr>
<td>b</td>
<td>Position</td>
</tr>
<tr>
<td>c</td>
<td>Phone number</td>
</tr>
<tr>
<td>d</td>
<td>E-mail</td>
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</tbody>
</table>

Please note that the contact at the firm cannot be the same person as the candidate

I have supplied further information related to this page in Section 5

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>
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</tbody>
</table>

→ I have supplied further information related to this page in Section 5

[ ] YES  [ ] NO
### Section 4A - Arrangement and Senior management functions

<table>
<thead>
<tr>
<th>4A.01</th>
<th>Nature of the arrangement between the candidate and the applicant.</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee</td>
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<tr>
<td>b</td>
<td>Group employee</td>
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<tr>
<td></td>
<td>Name of group</td>
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<td>c</td>
<td>Contract for services</td>
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<td>d</td>
<td>Partner</td>
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<td>e</td>
<td>Other</td>
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<td></td>
<td>Give details</td>
</tr>
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</table>

1. **Proposed date of appointment**
2. **Length of appointment (if applicable)**
4A.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 leave the boxes below blank and go to question 4.05.

The table below sets out the full list of senior management functions (SMFs). Please refer to the PRA Rulebook and FCA Handbook for the mandatory SMFs for your firm.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of a Senior Management Function</th>
<th>UK banks*</th>
<th>UK branches of EEA banks and insurers</th>
<th>UK branches of non-EEA banks</th>
<th>Credit unions</th>
<th>Solvency II firms &amp; large NDFs</th>
<th>Small NDFs</th>
<th>ISPVs</th>
<th>Small firms in run off</th>
<th>UK branches of non-EEA insurers</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive</td>
<td></td>
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<td>SMF 2</td>
<td>Chief Finance</td>
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<td>SMF 3</td>
<td>Executive Director</td>
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<td>SMF 4</td>
<td>Chief Risk</td>
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<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
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<td>SMF 6</td>
<td>Head of Key Business Area</td>
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<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
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<tr>
<td>SMF 8</td>
<td>Credit Union Senior Manager</td>
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<tr>
<td>SMF 9</td>
<td>Chair of the Governing Body</td>
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<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
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<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
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<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
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<tr>
<td>SMF13</td>
<td>Chair of the Nomination Committee</td>
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<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
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<tr>
<td>SMF15</td>
<td>Chair of With Profits Committee</td>
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<tr>
<td>Function</td>
<td>Description of a Senior Management Function</td>
<td>UK banks*</td>
<td>UK branches of EEA banks and insurers</td>
<td>UK branches of non-EEA banks</td>
<td>Credit unions</td>
<td>Solvency II firms &amp; large NDFs</td>
<td>Small NDFs</td>
<td>ISPVs</td>
<td>Small firms in run off</td>
<td>UK branches of non-EEA insurers</td>
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<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
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<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
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<td>SMF18</td>
<td>Other Overall Responsibility</td>
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<tr>
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<td>Head of Third Country Branch/ Head of Overseas</td>
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<tr>
<td>SMF20</td>
<td>Chief Actuary</td>
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<td>SMF20a</td>
<td>With-Profits Actuary</td>
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<td>SMF21</td>
<td>EEA Bank Senior Manager (EBSM)</td>
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<td>SMF23</td>
<td>Chief Underwriting Officer</td>
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<td>SMF23a</td>
<td>Underwriting Risk Oversight (Lloyd’s)</td>
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<tr>
<td>SMF23b</td>
<td>Conduct Risk Oversight (Lloyd’s)</td>
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<tr>
<td>SMF24</td>
<td>Chief Operations</td>
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<tr>
<td>SMF25</td>
<td>Small Insurer Senior Management Function</td>
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<tr>
<td>SMF26</td>
<td>Head of Small Run-Off Firm</td>
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<tr>
<td>SMF27</td>
<td>Partner</td>
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</tbody>
</table>

*UK Banks’ refers to UK banks, building societies and PRA-designated investment firms
4A.03 Job title

4A.04 Insurance distribution
Will the candidate be responsible for insurance distribution 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))

4A.05 Mortgage Credit Directive
Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm? YES ☐ NO ☐

4A.06 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 under PRA rules to request and, under FCA rules, 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 and PRA Rulebook – Fitness and Propriety).²
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 in Section 5.

➡️ I have supplied further information related to this page in Section 5 YES ☐ NO ☐

² The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
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 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>Responsible for insurance distribution?</th>
<th>Responsible for mortgage credit intermediation?</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
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</tbody>
</table>

4A.08

Has/Have a reference or references been obtained from current or previous employer(s) in accordance with the requirements of the FCA or PRA? If no, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable steps to obtain an appropriate reference from any current or previous employer of the candidate during the last 6 years (see SYSC 22 and Fitness and Propriety in the PRA Rulebook). "Employer" has an extended meaning for these purposes.

YES □      NO □

---

3 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
I have supplied further information related to this page in Section 6. YES ☐ NO ☐
Complete this section if the application is for a controlled function at an appointed representative (AR). If you are submitting an application for a senior management function, then please complete Section 4A.

For limited permission consumer credit firms that are also appointed representatives, only the customer function is relevant in this section. For these firms, relevant senior management functions apply instead of the governing functions (ie CF1 (AR), CF3 (AR), CF4 (AR) and CF5 (AR)). We do not expect this to apply to many firms.

**4B.01** Nature of the arrangement between the candidate and the applicant.

- **a** Appointed representative/tied agent – customer function
  - AR firm name and reference number
- **b** Appointed representative/tied agent – governing function
  - AR firm name and reference number
- **c** Other
  - Give details

**4B.02** For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed. If the controlled functions are to be performed for more than one firm, please go to question 4B.05.

- **a** Significant influence functions
  - CF 1 (AR) Director function
  - CF 3 (AR) Chief executive function
  - CF 4 (AR) Partner function
  - CF 5 (AR) Director of an unincorporated association function

- **b** Senior Management Functions
  - SMF1 (AR) Chief Executive function
  - SMF3 (AR) Executive Director function
  - SMF4 (AR) Partner function

- **c** Customer function
  - CF 30 (AR) Customer function

**4B.03** Effective date of controlled functions indicated above

**4B.04** Job title

Please refer to notes on the requirements for submitting a CV.

_allocated information related to this page in Section 6_ YES [ ]  NO [ ]
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 controlled function for that firm.

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Controlled function</th>
<th>Job title</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
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</tbody>
</table>

I have supplied further information related to this page in Section 6

[ ] YES  [ ] NO
Supplementary information for Senior Management Functions
Section 5

5.01 Please provide full details of:
   a) why the candidate is competent and capable to carry out the controlled function(s) applied for;
   b) why the appointment complements the firm's business strategy, activity and market in which it operates;
   c) how the appointment was agreed including details of any discussions at governing body level (where applicable);
   d) 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); and
   e) if the candidate currently holds more than one directorship, please provide a breakdown on the candidate's time commitment to each directorship.

5.02 If there is any additional information to be given (as indicated in previous sections), or any other information the candidate or the firm considers relevant to this application, then it must be included here.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
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<tbody>
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</tbody>
</table>

Note: 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.

5.03 Firms must also provide the following supporting documents required with this form (please tick)

It is for firms to assess which supporting documents they should submit but, in the majority of cases, it is expected that firms will submit all of the listed supporting documents.

- [ ] Statement of responsibilities
- [ ] Candidate’s Curriculum Vitae (C.V)
- [ ] Role(s) description
A copy of the firm’s management responsibilities map (SYSC 25 and Allocation of Responsibilities in the PRA Rulebook). This requirement does not apply to all firms.

A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10 and senior management functions in the PRA Rulebook). This requirement does not apply to all firms.

A description or copy of the candidate’s Skills Gap Analysis

A description or copy of the candidate’s Induction programme

A description or copy of the candidate’s Learning and Development plan (including the name of the individual responsible for monitoring the candidate’s progress against the development points and the time frame for completion)

A description or documentation setting out how the competency was assessed (demonstrating competence and suitability mapped to the specific role and responsibilities of the role)

---

4 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.

5 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
Declarations and signatures

Section 6

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 (sections 398 and 400 of the Financial Services and Markets Act 2000 – ‘FSMA’). 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 the statement of responsibilities.

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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 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 understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the FCA’s Conduct Rules (COCON or APER) and/or PRA Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

c) I confirm that the statement of responsibilities 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. I confirm that I have accepted all the responsibilities set out in this statement of responsibilities.

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 FSMA). SUP 15.6 of the FCA Handbook and Notification 6 of the PRA Rulebook require a firm 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 in the FCA Handbook and the Fitness and Propriety Part of the PRA Rulebook 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 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 candidate and has given due consideration to the information contained in that certificate in determining that candidate 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 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 or APER) and/or PRA Conduct Rules, Insurance – Conduct Standards, Non-Solvency II Firms – Conduct Standards and Large Non-Solvency II Firms – Conduct Standards.

d) I confirm that 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.

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 The relevant section of the PRA Rulebook should be referred to depending on which firm is applying
6.06 Signature

Date
Form H - Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms


10 December 2018

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail firm.queries@fca.org.uk
Website http://www.fca.org.uk
### 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</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>1.06</td>
<td>Post code</td>
</tr>
<tr>
<td>1.07</td>
<td>Phone number</td>
</tr>
<tr>
<td>1.08</td>
<td>Email address</td>
</tr>
<tr>
<td>1.09</td>
<td>Mobile No</td>
</tr>
</tbody>
</table>
### Firm Identification Details

<table>
<thead>
<tr>
<th>Section 2</th>
</tr>
</thead>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Name of firm</td>
</tr>
<tr>
<td>2.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
</tbody>
</table>
Fitness and Propriety - Notifications under section 64C of the Financial Services and Markets Act 2000

Section 3

This section should be completed by a firm to:

(a) 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) Sourcebook; or

(b) make a follow up notification to update a notification that has been previously made by the firm in relation to (a); or

(c) confirm that there is nothing to be reported under (a) or (b)

Is the firm making a nil return (see paragraph (c) of the introduction to this section)?

YES ☐ NO ☐

If the firm has answered “Yes”, please go straight to Section 5. If the firm has answered “No”, please go to Section 4.

Firms must notify us if they have taken disciplinary action against a person subject to our conduct rules between last September and August where that person was in breach of our conduct rules. Disciplinary action against a person means issuing a formal written warning, suspension or dismissal of that person, or reducing or recovering any of that person’s remuneration. As a reminder, disciplinary actions against SMF managers for a breach of our conduct rules must be reported to us within 7 days via the appropriate form.

A credit union is not required to make a nil return (see SUP 15.11. If a credit union has nothing to notify for a particular reporting period, it should not send a Form H to the FCA for that period.)
### Disciplinary Action Details

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>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
<th>I</th>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title</td>
<td>Surname</td>
<td>Forename(s)</td>
<td>IRN</td>
<td>Date of Birth</td>
<td>National Insurance Number</td>
<td>Passport Number</td>
<td>Nationality</td>
<td>Job Title</td>
<td>Position And Department</td>
<td>Division</td>
<td>Has the person, at any time during the reporting period, been (a) certified to perform an FCA specified significant harm function? If yes, please specify which one(s) or (b) a standard non-executive director?</td>
<td>Please identify the relevant conduct rule(s) that have been breached which form the basis of the disciplinary action taken. Refer to Conduct Rules</td>
</tr>
</tbody>
</table>

**Note 1:**
(a) If an Individual Reference Number (IRN) is available for a person about whom a notification is being made, please complete column D but do not complete columns E, F, G or H.
(b) If an IRN is not available for a person about whom a notification is being made, but that person has a national insurance number, please complete columns E and F but do not complete columns G or H.
(c) If neither an IRN nor a national insurance number is available for a person about whom a notification is being made, please complete columns E, G and H.

**Note 2:** If the answer is Yes, please state which of the listed functions the person performed. The term “standard non-executive director” is defined in the Glossary.

**Note 3:** If the firm is updating a previous notification, please confirm this in this column but include the details in column M (see note 3).

**Note 4:**
(a) If the person about whom the notification is being made is appealing against the firm’s decision, please include details here.
(b) If the firm is updating a previous notification, please include the details in this column. This includes (1) any appeal made by the subject of the notification subsequent to a previous notification or (2) the outcome of any appeal previously notified.
(c) The firm should specify which of the listed types of disciplinary action it has taken.

---

Form H – Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms
Declaring and signatures  Section 5

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 notification or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this notification. 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 if there is a material change to the information provided. In addition to other regulatory responsibilities, firms have a responsibility to disclose to the FCA 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 taking disciplinary or other action against the firm. The firm authorises the FCA 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 may require it to provide further information or documents at any time.

For the purposes of complying with data protection legislation, please read the FCA’s privacy notice at https://www.fca.org.uk/data-protection. This notice will tell you what to expect when the FCA collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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 their knowledge and they have read and understood the notes to this form.

<table>
<thead>
<tr>
<th>Name of the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of person signing on behalf of the firm</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Position</th>
</tr>
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<tr>
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</table>

<table>
<thead>
<tr>
<th>Signature</th>
</tr>
</thead>
<tbody>
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</table>

<table>
<thead>
<tr>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>
Form I – Application to add, vary or remove a conditional approval for the performance of a senior management function

FCA Handbook Reference: SUP 10C Annex 8D

Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

10 December 2018

Name of individual
(to be completed by applicant firm)

Name of applicant firm
(as entered in 2.01)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

### Contact Details

#### Section 1

1.01 Contact for this application (at the applicant firm)

<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>Postcode</td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
</tr>
</tbody>
</table>
**Personal identification details**  
Section 2

2.01 Individual Reference Number (IRN)

2.02 Title  
(e.g. Mr, Mrs, Ms)

2.03 Surname

2.04 ALL forenames

2.05 Date of birth

2.06 National Insurance number

**Firm identification details**  
Section 3

3.01 Name of applicant firm

3.02 Firm Reference Number (FRN)

3.03 a Who should the FCA/PRA contact at the applicant firm in relation to this notice?

   b Business address

   c Position

   d Telephone

   e Mobile

   f E-mail
### Condition(s)  
**Section 4**

<table>
<thead>
<tr>
<th>4.01</th>
<th>Are you applying to add, vary or remove a condition?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Add [ ]</td>
</tr>
<tr>
<td></td>
<td>Vary [ ]</td>
</tr>
<tr>
<td></td>
<td>Remove [ ]</td>
</tr>
</tbody>
</table>

| 4.02 | 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 senior management function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current condition</td>
</tr>
<tr>
<td>Proposed variation</td>
</tr>
<tr>
<td>Reason for variation</td>
</tr>
</tbody>
</table>

| 4.03 | If you are applying to add a condition to an existing conditional approval, please provide details and the reason for the proposed condition. |

<table>
<thead>
<tr>
<th>Applicable senior management function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposed condition</td>
</tr>
<tr>
<td>Reason for proposed condition</td>
</tr>
</tbody>
</table>
4.04 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 senior management function</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current condition</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 [ ]
**Supplementary information**  
**Section 5**

5.01 Is there any other information that the applicant firm considers to be relevant to the application? Please indicate clearly to which section the supplementary information relates. 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>

5.02 How many additional sheets are being submitted?

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
</table>
Declarations and signature

Declaration of Applicant 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 firm”. 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 firm 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 the individual.

The applicant understands that the FCA/PRA (as applicable) may require it to provide further information or documents at any time.

For the purposes of complying with data protection legislation, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

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 firm confirms that they have authority to submit this form and, on behalf of the applicant, confirms that they have read and understood the notes to this form and the declaration given by the applicant.

Name of applicant firm

Name of person signing on behalf of the applicant firm

Position

Signature

Form I – Application to add, vary or remove a conditional approval for the performance of a senior management function

Page | 7
Date
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.

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).

For the purposes of complying with data protection legislation, The General Data Protection Regulation (EU) 2016/679 and the Data Protection Act 2018, please read our privacy notices:
FCA’s privacy notice https://www.fca.org.uk/data-protection
Bank of England’s privacy notice https://www.bankofengland.co.uk/prudential-regulation/authorisations

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we both use your personal information and who to contact if you have any queries or wish to exercise your rights.

Name of candidate/approved person

Signature

Date
Form J - Notification of Significant Changes in Responsibilities of a Person Performing a Senior Management Function

FCA Handbook Reference: SUP 10C Annex 9D
PRA Rulebook Reference: Notifications and Senior Managers Regime - Applications and Notifications¹

Please submit with this form an updated statement of responsibilities including the effective date.

Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

10 December 2018

Name of approved person
(to be completed by applicant firm)

Name of applicant firm
(as entered in 3.01)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
United Kingdom
Telephone +44 (0) 300 500 0597
E-mail firm.queries@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

¹ The relevant section of the PRA Rulebook should be referred to depending on which firm is applying. For example: CRR firms: Senior Managers Regime - Applications and Notifications; Non – CRR firms: Senior Managers Regime - Applications and Notifications; Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Large Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications; Non-Solvency II firms: Insurance - Senior Managers Regime – Applications and Notifications
Contact Details

1.01  Contact for this notification (at the applicant firm)

<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>Postcode</td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
</tr>
<tr>
<td>Email address</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)</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 applicant firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.02</td>
<td>Firm Reference Number (FRN)</td>
</tr>
<tr>
<td>3.03</td>
<td>Who should the FCA/PRA contact at the applicant firm in relation to this notice?</td>
</tr>
<tr>
<td></td>
<td>b Business address</td>
</tr>
<tr>
<td></td>
<td>c Position</td>
</tr>
<tr>
<td></td>
<td>d Telephone</td>
</tr>
<tr>
<td></td>
<td>e Mobile</td>
</tr>
<tr>
<td></td>
<td>f E-mail</td>
</tr>
</tbody>
</table>
4.1 Summary of Significant Changes made

Please provide a summary of the significant changes made since the date of the previously submitted statement of responsibilities.

Please submit with this form an updated statement of responsibilities including the effective date.

If applicable, please submit with this form an updated management responsibilities map. Banking sector firms, Solvency II insurers, Large non-directive insurers and enhanced-scope SMCR firms are all required to have management responsibilities maps. Please see SYSC 25 in the FCA Handbook and Allocation of Responsibilities in the PRA Rulebook\(^2\) for more information.

\(^2\) The relevant section of the PRA Rulebook should be referred to depending on which firm is applying.
Declarations and signatures

Declaration by **approved person**

The candidate/approved person confirms that this statement of responsibilities accurately reflects the aspects of the affairs of the applicant 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.

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).

This is given as the date in which the individual took up the roll or intends to take up the role.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA's privacy notice [https://www.fca.org.uk/data-protection](https://www.fca.org.uk/data-protection)*

*Bank of England's privacy notice [https://www.bankofengland.co.uk/prudential-regulation/authorisations](https://www.bankofengland.co.uk/prudential-regulation/authorisations)*

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Name of candidate/approved person

Signature

Date

Declaration by Applicant **Firm**

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive.

The applicant firm confirms that the information provided is accurate and complete to the best of its knowledge.

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 the approved person.

The person signing on behalf of the applicant firm confirms that:

• they have read this declaration in full;

• they have confirmed that the information supplied is accurate and complete to the best of their knowledge, and the updated 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.

For the purposes of complying with data protection legislation, please read our privacy notices:

*FCA’s privacy notice [https://www.fca.org.uk/data-protection](https://www.fca.org.uk/data-protection)*

*Bank of England’s privacy notice [https://www.bankofengland.co.uk/prudential-regulation/authorisations](https://www.bankofengland.co.uk/prudential-regulation/authorisations)*

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Name of applicant firm

Name of person signing on behalf of applicant firm
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

1 November 2018

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook

Senior Management Regime: Statement of Responsibilities
### 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 [ ]

---

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Senior Management Regime: Statement of Responsibilities
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.
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.

3.1.3 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 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>b-1</td>
<td>Responsibility for the firm’s obligations for conduct rules training and conduct rules reporting</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>
</tbody>
</table>

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Senior Management Regime: Statement of Responsibilities
<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>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>
</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 SYSC 7.1.22R (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                               |

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Senior Management Regime: Statement of Responsibilities
Ref | Prescribed Responsibility (Applicable to all firms except small firms) | Does this prescribed responsibility apply? | Is this prescribed responsibility shared?
--- | --- | --- | ---
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
t | Responsibility for the development and maintenance of the firm’s business model by the governing body; | Yes / No | Yes / No
u | 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 | Yes / No | Yes / No

Ref | Prescribed Responsibility (Applicable to specific types of firm) | Does this prescribed responsibility apply? | Is this prescribed responsibility shared?
--- | --- | --- | ---
v | If the firm carries out proprietary trading, responsibility for the firm’s proprietary trading activities; | Yes / No | Yes / No
w | 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. | Yes / No | Yes / No
x | 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... | Yes / No | Yes / No

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Senior Management Regime: Statement of Responsibilities
<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></td>
<td>perform external audit, including</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Supervision and management of the work of outsourced internal auditors and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) Management of potential conflicts of interest between the provision of external audit and internal audit services</td>
<td></td>
<td></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)</td>
<td>Does this prescribed responsibility apply?</td>
<td>Is this prescribed responsibility shared?</td>
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<td>-----</td>
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<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>

1 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)).

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Senior Management Regime: Statement of Responsibilities
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>
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<tr>
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</tbody>
</table>

I have supplied further information related to this page in Section 4

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Senior Management Regime: Statement of Responsibilities
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 ☐

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Senior Management Regime: Statement of Responsibilities

Page 13
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 of 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 ☐

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Senior Management Regime: Statement of Responsibilities
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>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.2 How many additional sheets are being submitted?

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 or in ‘Senior Managers Regime - Applications and Notifications’ in the PRA Rulebook
## 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>
<tbody>
<tr>
<td>(1) Payment services</td>
<td>This means:</td>
</tr>
<tr>
<td></td>
<td>(1) <em>payment services</em>;</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 <em>electronic money</em>; 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). 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 <em>managing investments</em> 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 <em>Regulated Activities Order</em> 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 <em>advising on investments</em>.</td>
</tr>
<tr>
<td>(5) Mortgage advice</td>
<td>This has the same meaning as <em>advising on regulated mortgage contracts</em> 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 <em>firm’s</em> investments made for its own account.</td>
</tr>
<tr>
<td>(7) Wholesale sales</td>
<td>This means the <em>selling of any investment to a person</em> other than a <em>retail customer</em>. 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>
</tbody>
</table>
| (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               | Originates in 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* 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. |
| (12) Origination/syndication and underwriting | Deciding whether, and on what terms, to lend to *retail customers.*  
Lending includes granting credit, leasing and hire (including finance leasing). |
| (13) Retail 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). |
| (14) Wholesale lending decisions       | Wholesale customers mean *persons who are not retail customers.* |
| (15) Design and manufacturing of products intended for wholesale customers | |
| (16) Design and manufacture of products intended for retail | |

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Senior Management Regime: Statement of Responsibilities
<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 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>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.</td>
<td></td>
</tr>
<tr>
<td>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:</td>
<td></td>
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<tr>
<td>(a) treat retail and wholesale activities together; or</td>
<td></td>
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<tr>
<td>(b) use its own definition of retail and wholesale activities.</td>
<td></td>
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</tbody>
</table>
MIFID members of the management body and key function holders - Article 4 Information Form (SMR)

Full name of applicant firm and Firm Reference Number (FRN)

Important information you should read before completing this form

We require all MIFID firms making changes to their management body or key function holders to provide these details as part of their application for the individual to hold a senior management function or internal transfer of an approved person (for firms and individuals subject to the senior managers regime).

Please keep a copy of the forms you complete and the supporting documents that you include with the application for your future reference.

The notes that accompany this form will help you complete the questions and they also explain why we require the information we ask you for.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it will call into question your suitability to be authorised, and you may be committing a criminal offence and could face prosecution under section 398A of the FSMA regardless of the status of your application.

Terms in this form

In this application pack we use the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm;
- 'the individual' refers to the person holding the controlled function
- 'the applicant firm' refers to the firm applying for authorisation of the individual;
- 'we', 'us' or 'our' refers to the appropriate regulator;
- 'the FCA' refers to the Financial Conduct Authority;
- 'the PRA' refers to the Prudential Regulation Authority; and
**Purpose of this form**

MIFID II requires certain information to be provided by the applicant firm when making changes to their management body or key function holders. The information in this form is required to enable us to fulfil our obligations in obtaining this information.

**Contents of this form**

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
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</thead>
<tbody>
<tr>
<td>1 Long Form A completed</td>
<td>4</td>
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<tr>
<td>2 Form E completed</td>
<td>7</td>
</tr>
<tr>
<td>3 Form M completed</td>
<td>12</td>
</tr>
</tbody>
</table>

**Filling in the form using Connect**

1. If you are using your computer to complete the form:
   - use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and
   - save all the parts of the form you have completed and attach to your application.

2. If you think a Question is not relevant to you, write 'not applicable' and explain why.

3. If you leave a Question blank or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

4. If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

5. Ensure you have:
   - completed the relevant Long Form A, Form E or Form M
   - completed the Annex III ESMA template;
   - completed this additional information form; and
   - attached any supporting documents.

When you are required to attach supporting documents (e.g. Disclosure and Barring Service check where relevant) to your application, failure to do so will mean your application will not be progressed and you will be prevented from being able to submit your application through Connect.
Filling in the form using the paper application forms on the FCA website

1 If you are using your computer to complete the form:
   • use the TAB key to move from Question to Question and press SHIFT TAB to move back to the previous Question; and

2 If you are filling in the form by hand:
   • use black ink;
   • write clearly; and
   • sign the declaration in the 'checklist and declaration' form.

3 If you think a Question is not relevant to you, write 'not applicable' and explain why.

4 If you leave a Question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time taken to assess your application.

5 If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant Question number.

6 Post the application consisting of:
   • completed the relevant Long Form A or Form E
   • completed the Annex III ESMA template;
   • completed this additional information form; and
   • attached any supporting documents.

For Solo Regulated Firms:-

Permissions Department
The Financial Conduct Authority
12 Endeavour Square
Stratford
London
E20 1JN

For Dual Regulated Firms:-

The Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
If you have completed a Long Form A, please provide the information below

1 Personal details

Phone number (including STD code)

Email address

2 Curriculum Vitae

a. Relevant education and professional training

This information may already have been included in the CV or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

Relevant Education

Professional Training

b. Professional experience, including the names of all organisation for which the person has worked and nature and duration of the functions performed

This information may already have been included in the CV or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Nature of functions performed</th>
<th>Duration</th>
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</table>

For positions held in the previous 10 years, when describing those activities, details shall be included on all delegated powers and internal decision-making powers held and the areas of operations under control

This information may already have been included in the Long Form A (Section 4) or CV.

The Long Form A requests employment history for the past 5 years. If you have not provided the information above, or need to provide information for a further 5 years, you can detail below.
3  Reputation and experience

The Long Form A queries if you have obtained a reference/references from current or previous employers (Section 5.05) during the last six years in accordance with SYSC 22 and Fitness and Propriety 2 in the PRA Rulebook.

   a.  Please provide a list of reference persons including contact information

<table>
<thead>
<tr>
<th>Reference</th>
<th>Contact information</th>
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</table>

   b.  Please attach any letters of recommendation to the application

4  Investigations

If a question in section 5 of the Long Form A is answered positively, the information could be provided through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document.

In the Long form A (Section 5) firms are asked to confirm if they have undertaken a criminal records check in accordance with the requirements of the FCA or PRA. In the United Kingdom, a copy of this check could be provided as the official certificate requested.

For on-going investigations information could be provided through a declaration of honour.

5  Assessment of reputation and experience

MIFID II requires information on whether an assessment of reputation and experience as an acquirer or as a person who directs the business has already been conducted (including the date of the assessment, the identity of that authority and evidence of the outcome of this assessment).

If an assessment of reputation and experience as an acquirer or as a person who directs the business already been conducted please provide details of:

Date of assessment
Identity of the authority that conducted the assessment

Evidence of the outcome of assessment (please detail if this evidence is attached as a supporting document)

6 Financial and non-financial interests

If you have not already provided this information in section 5 of the Long Form A, please provide information on any financial and non-financial interests or relationships of the person and his/her close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders

7 Time devoted to the performance of functions

MIFID II requires information on the minimum time that will be devoted to the performance of the individual's functions within the firm (annual and monthly indications).

Please provide this information below:

8 Human and financial resources

MIFID II requires information on human and financial resources devoted to the induction and training of the members (annual indication).

Please provide this information below:
1 Personal details

Phone number (including STD code)

Email address

2 Curriculum Vitae

a. Relevant education and professional training

This information may already have been included in any CV provided or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

<table>
<thead>
<tr>
<th>Relevant Education</th>
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<tr>
<th>Professional Training</th>
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</table>

b. Professional experience, including the names of all organisation for which the person has worked and nature and duration of the functions performed

This information may already have been included in the CV or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Nature of functions performed</th>
<th>Duration</th>
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</table>

If you have completed a Form E, please provide the information below
3  Reputation and experience

a. Please provide a list of reference persons including contact information

<table>
<thead>
<tr>
<th>Reference</th>
<th>Contact information</th>
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</table>

b. Please attach any letters of recommendation to the application

4  Investigations

MIFID II requires information on:

- criminal records and information on criminal investigations and proceedings
- relevant civil and administrative cases, and
- disciplinary actions opened against them (including disqualifications as a company director, bankruptcy, insolvency and similar procedures).

This information could be provided through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document.

In the Form E (Section 4.3) firms are asked to confirm if they have undertaken a criminal records check in accordance with the requirements of the FCA or PRA. In the United Kingdom, a copy of this check could be provided as the official certificate requested.

For on-going investigations information could be provided through a declaration of honour.

If not already provided, please provide information on:

- criminal records and information on criminal investigations and proceedings

- relevant civil and administrative cases, and
disciplinary actions opened against them (including disqualifications as a company director, bankruptcy, insolvency and similar procedures).

5 Previous registration, authorisation, membership or licence

MIFID II requires information on:

- refusal of registration, authorisation, membership or licence to carry out a trade, business or profession; or
- the withdrawal, revocation or termination of such a registration, authorisation, membership or licence; or
- expulsion by a regulatory or government body or by a professional body or association

If not already provided, please provide information on:

- refusal of registration, authorisation, membership or licence to carry out a trade, business or profession

- the withdrawal, revocation or termination of such a registration, authorisation, membership or licence

- expulsion by a regulatory or government body or by a professional body or association

6 Previous dismissals

MIFID II requires information on dismissal from employment or a position of trust, fiduciary relationship, or similar situation.

If not already provided, please provide this information:
7 Assessment of reputation and experience

MIFID II requires information on whether an assessment of reputation and experience as an acquirer or as a person who directs the business has already been conducted (including the date of the assessment, the identity of that authority and evidence of the outcome of this assessment).

If an assessment of reputation and experience as an acquirer or as a person who directs the business already been conducted please provide details of:

- Date of assessment
- Identity of the authority that conducted the assessment
- Evidence of the outcome of assessment (please detail if this evidence is attached as a supporting document)

8 Financial and non-financial interests

If you have not already provided this information, please provide information on any financial and non-financial interests or relationships of the person and his/her close relatives to members of the management body and key function holders in the same institution, the parent institution and subsidiaries and shareholders.

9 Time devoted to the performance of functions

MIFID II requires information on the minimum time that will be devoted to the performance of the individual's functions within the firm (annual and monthly indications).

Please provide this information below:
10 Human and financial resources

MIFID II requires information on human and financial resources devoted to the induction and training of the members (annual indication).

**Please provide this information below:**

<table>
<thead>
<tr>
<th>Organisation name</th>
<th>Type of directorship</th>
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</table>

11 Executive and non executive directorships

MIFID II requires a list of executive and non-executive directorships currently held by the person.

**If not already provided, please provide a list of executive and non-executive directorships held by the person:**

<table>
<thead>
<tr>
<th>Organisation name</th>
<th>Type of directorship</th>
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</table>
3 If you have completed a Form M, please provide the information below

1 Personal details

Phone number (including STD code) 

Email address 

2 Curriculum Vitae

a. Relevant education and professional training

This information may already have been included in any CV provided or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

<table>
<thead>
<tr>
<th>Relevant Education</th>
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<tr>
<th>Professional Training</th>
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</table>

b. Professional experience, including the names of all organisation for which the person has worked and nature and duration of the functions performed

This information may already have been included in any CV provided or page 4 of the Annex III ESMA template. If already provided, there is no need to detail here.

Complete any information not already provided

<table>
<thead>
<tr>
<th>Name of organisation</th>
<th>Nature of functions performed</th>
<th>Duration</th>
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</table>

For positions held in the previous 10 years, when describing those activities, details shall be included on all delegated powers and internal decision-making powers held and the areas of operations under control.

This information may already have been included in any CV provided.

If you have not provided the information above, or need to provide information for a further 5 years, you can detail below.
3 Reputation and experience

a. **Please provide a list of reference persons including contact information**

<table>
<thead>
<tr>
<th>Reference</th>
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b. **Please attach any letters of recommendation to the application**

4 Investigations

If a question in section 4 of the Form M is answered positively, the information could be provided through an official certificate (if and so far as it is available from the relevant Member State or third country), or through another equivalent document.

In the United Kingdom, a copy of any criminal records check could be provided as the official certificate requested.

For on-going investigations information could be provided through a declaration of honour.

5 Time devoted to the performance of functions

MIFID II requires information on the minimum time that will be devoted to the performance of the individual's functions within the firm (annual and monthly indications).

**Please provide this information below:**

<table>
<thead>
<tr>
<th>Period (mm/yyyy) From - To</th>
<th>Name of employer</th>
<th>Delegated powers and internal decision making powers</th>
<th>Areas of operation under control</th>
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</tbody>
</table>
6 Human and financial resources

MIFID II requires information on human and financial resources devoted to the induction and training of the members (annual indication).

Please provide this information below: