INDIVIDUAL ACCOUNTABILITY (FCA-AUTHORISED FIRMS) INSTRUMENT
2019

Powers exercised

A. The Financial Conduct Authority ("the FCA") 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 39 (Exemption of appointed representatives);
   (2) section 55U (Applications under this Part);
   (3) section 59 (Approval for particular arrangements);
   (4) section 59AB(1) (Specifying functions as controlled functions: transitional provision);
   (5) section 60 (Applications for approval);
   (6) section 60A (Vetting candidates by authorised persons);
   (7) section 61 (Determination of applications);
   (8) section 62A (Changes to responsibilities of senior managers);
   (9) section 63ZA (Variation of senior manager’s approval at request of authorised person);
   (10) section 63ZD (Statement of policy relating to conditional approval and variation);
   (11) section 63C (Statement of policy);
   (12) section 63E (Certification of employees by authorised persons);
   (13) section 63F (Issuing of certificates);
   (14) section 64A (Rules of conduct);
   (15) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
   (16) section 69 (Statement of policy);
   (17) section 137A (The FCA’s general rules);
   (18) section 137T (General supplementary powers);
   (19) section 138D (Action for damages);
   (20) section 139A (Power of the FCA to give guidance);
   (21) section 347 (The record of authorised persons etc);
   (22) section 395 (The FCA’s and PRA’s procedures);
   (23) paragraph 23 of Schedule 1ZA (Fees) and regulations 5 and 6 of the Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019.

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 9 December 2019 except as follows:

<table>
<thead>
<tr>
<th>Annex</th>
<th>Date comes into force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1 of Annex B</td>
<td>26 July 2019</td>
</tr>
</tbody>
</table>
Part 1 of Annex C  26 July 2019  
Part 1 of Annex D  26 July 2019  
Part 1 of Annex J  26 July 2019  
Part 1 of Annex Q  26 July 2019  
Part 3 of Annex B  9 December 2020  
Part 3 of Annex D  9 December 2020

## Amendments to the Handbook

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

### E.  
Amendments to the numbering and location of provisions in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) are set out in the table in Annex A.

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

### F.  
The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are 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</td>
<td>Annex C</td>
</tr>
<tr>
<td>sourcebook (SYSC)</td>
<td></td>
</tr>
<tr>
<td>Code of Conduct (COCON)</td>
<td>Annex D</td>
</tr>
<tr>
<td>Statements of Principle and Code of Practice for</td>
<td>Annex E</td>
</tr>
<tr>
<td>Approved Persons (APER)</td>
<td></td>
</tr>
<tr>
<td>Fit and Proper test for Employees and Senior Personnel</td>
<td>Annex F</td>
</tr>
<tr>
<td>(FIT)</td>
<td></td>
</tr>
<tr>
<td>Prudential sourcebook for Investment Firms (IFPRU)</td>
<td>Annex G</td>
</tr>
<tr>
<td>Client Assets (CASS)</td>
<td>Annex H</td>
</tr>
<tr>
<td>Claims Management: Conduct of Business sourcebook (CMCOB)</td>
<td>Annex I</td>
</tr>
<tr>
<td>Supervision manual (SUP)</td>
<td>Annex J</td>
</tr>
<tr>
<td>Dispute Resolution: Complaints (DISP)</td>
<td>Annex K</td>
</tr>
<tr>
<td>Credit Unions sourcebook (CREDS)</td>
<td>Annex L</td>
</tr>
</tbody>
</table>

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

## Amendments to the material outside the Handbook

### H.  
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>
<th>(2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Energy Market Participants guide (EMPS)</td>
<td>Annex M</td>
</tr>
<tr>
<td>The Oil Market Participants guide (OMPS)</td>
<td>Annex N</td>
</tr>
<tr>
<td>Service companies guide (SERV)</td>
<td>Annex O</td>
</tr>
<tr>
<td>General guidance on Benchmark Administration, Contribution and Use (BENCH)</td>
<td>Annex P</td>
</tr>
</tbody>
</table>

**Citation**

I. This instrument may be cited as the Individual Accountability (FCA-Authorised Firms) Instrument 2019.

By order of the Board
25 July 2019
Annex A

Renumbering in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

<table>
<thead>
<tr>
<th>Old numbering</th>
<th>New numbering</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.3.5G(1)</td>
<td>22.4.6G(-1)</td>
</tr>
<tr>
<td>22.3.5G(2)</td>
<td>22.4.7G</td>
</tr>
<tr>
<td>22.3.6G</td>
<td>22.4.8G</td>
</tr>
<tr>
<td>22.4.3</td>
<td>22.4.6G(1) to (3)</td>
</tr>
<tr>
<td>22.5.12G(1)</td>
<td>22.8.10G(2)</td>
</tr>
<tr>
<td>22.5.12G(2)</td>
<td>22.8.10G(1)</td>
</tr>
<tr>
<td>22.7.1R</td>
<td>22.8A.1R</td>
</tr>
<tr>
<td>22.7.2G</td>
<td>22.8A.2G</td>
</tr>
<tr>
<td>22.7.8G</td>
<td>22.8A.3G</td>
</tr>
<tr>
<td>22.8.7G</td>
<td>22.8A.4G</td>
</tr>
<tr>
<td>22.8.8G</td>
<td>22.8A.5G</td>
</tr>
<tr>
<td>22.8.9G</td>
<td>22.8A.6G</td>
</tr>
</tbody>
</table>
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 26 July 2019

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

SMCR legal function (in relation to an SMCR firm) has the meaning in SYSC 26.4.10R to SYSC 26.4.11R.

Amend the following definitions as shown.

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

... (d) is a non-executive director who comes within row (8) of the table in COCON 1.1.2R (a board director of a UK SMCR firm).

Part 2: Comes into force 9 December 2019

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

chair of the audit committee function FCA controlled function SMF11 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.9R.

chair of the governing body function FCA controlled function SMF9 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.7R.
<table>
<thead>
<tr>
<th>Role / Function Description</th>
<th>FCA Controlled Function SMF</th>
<th>Table</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>chair of the remuneration committee function</td>
<td>SMF12</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5A.10R.</td>
</tr>
<tr>
<td>chair of the risk committee function</td>
<td>SMF10</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5A.8R.</td>
</tr>
<tr>
<td>chief finance officer function</td>
<td>SMF2</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5A.8R.</td>
</tr>
<tr>
<td>chief operations function</td>
<td>SMF24</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5A.8R.</td>
</tr>
<tr>
<td>chief risk officer function</td>
<td>SMF4</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5A.8R.</td>
</tr>
<tr>
<td>core SMCR firm</td>
<td></td>
<td></td>
<td>a firm identified as a core SMCR firm in the flow diagram in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).</td>
</tr>
<tr>
<td>EEA core SMCR firm</td>
<td></td>
<td></td>
<td>a core SMCR firm that is an incoming EEA firm or incoming Treaty firm.</td>
</tr>
<tr>
<td>enhanced scope SMCR firm</td>
<td></td>
<td></td>
<td>a firm identified as an enhanced scope SMCR firm in the flow diagram in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).</td>
</tr>
<tr>
<td>group entity senior manager function</td>
<td>SMF7</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5B.1R.</td>
</tr>
<tr>
<td>head of internal audit function</td>
<td>SMF5</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.6A.6R.</td>
</tr>
<tr>
<td>head of third country branch function</td>
<td>SMF19</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.5.24R.</td>
</tr>
<tr>
<td>limited scope function</td>
<td>SMF29</td>
<td>FCA-designated senior management functions</td>
<td>described more fully in SUP 10C.6.5R.</td>
</tr>
<tr>
<td>limited scope SMCR firm</td>
<td></td>
<td></td>
<td>a firm identified as a limited scope SMCR firm in the flow diagram in SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).</td>
</tr>
</tbody>
</table>
(in relation to an SMCR firm) a board director of the firm who meets the following conditions:

(a) they are not an SMF manager of the firm; and

(b) the firm is required to assess their fitness and propriety under the competent employees rule, SYSC 28 (Insurance distribution: specific knowledge, ability and good repute requirements), any directly applicable EU legislation or any other requirement of the regulatory system.

a core SMCR firm that is an overseas firm.

FCA controlled function SMF14 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5A.11R.

a core SMCR firm that is a UK domestic firm.

Amend the following definitions as shown.

…

(2) …

(3) (in relation to an SMCR firm that is an FCA-authorised person and subject to SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies)) 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 (3) of this definition applies until 9 December 2020.]

(1) (for an SMCR firm) FCA controlled function SMF1 in the table of FCA-designated senior management functions, described more fully in SUP 10C.5.21R;
(2) (for other firms and in relation to an appointed representative) FCA controlled function CF3 in the table of FCA controlled functions, described more fully in SUP 10A.6.17R.

compliance oversight function

(1) (for SMCR firms) FCA controlled function SMF16 in 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 the table of FCA controlled functions, described more fully in SUP 10A.7.8R.

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); or

(e) article 61 of the AIFMD level 2 regulation (Permanent compliance function).

director

(1) …

…

(d) (in SYSC and SUP 10A (FCA Approved persons) and SUP 10C (FCA senior managers regime for approved persons in SMCR firms) a sole trader; …

…

employee

…

(4A) (for the purposes of SYSC 22 (Regulatory references)) has the same meaning as in (3) and, in addition, includes a person who:

…
(c) performs any service or function for another person (“the employer”) in their capacity as an employee of another member of the employer’s group. For the purpose of (c) an employee of another member of the employer’s group means:

…

(iii) a person who performs a function of that group member under an arrangement entered into by the group member or a contractor of the group member; or

(d) is a board director of a person (the “employer”) who is not an SMF manager or certification employee of the employer.

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

(a) (for SMCR firms) the table of FCA-designated senior management functions; or

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

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); or

(e) article 62 of the AIFMD level 2 regulation (Permanent internal audit function).

money laundering reporting function

(1) (for SMCR firms) FCA controlled function SMF17 in the 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 of the table of FCA controlled functions, described more fully in SUP 10A.7.10R.
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**;

... 

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);

(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**); or

(f) articles 38 to 45 of the **AIFMD level 2 regulation** (Risk management).

staff being assessed under FIT

(in **FIT** and in relation to an **SMCR firm**) those persons set out in **FIT 1.1.1G(4) to (7)(8)**.

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

apportionment and oversight function  

**FCA controlled function** CF8 in the table of FCA controlled functions, described more fully in **SUP 10A.7.1R**.

CASS operational oversight function  

**FCA controlled function** CF10a in the table of FCA controlled functions, described more fully in **SUP 10A.7.9R**.

small friendly society function  

**FCA controlled function** CF6 in the table of FCA controlled functions, described more fully in **SUP 10A.6.31R** to **SUP 10A.6.32R**.

Page 10 of 328
systems and controls  FCA controlled function CF28 in the table of FCA controlled functions, described more fully in SUP 10A.8.1R and SUP 10A.8.1AR.

Part 3: Comes into force 9 December 2020

Amend the following definition as shown.

*certification employee* ... 

(3) (in relation to an *SMCR firm* that is an *FCA-authorised person* and subject to SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies)) 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 (3) of this definition applies until 9 December 2020.]
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.

Part 1: Comes into force 26 July 2019

4 General organisational requirements

…

4.4 Apportionment of responsibilities

…

4.4.6 G Frequently asked questions about allocation of functions in SYSC 4.4.5R

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
</table>
| 1 Does an individual to whom a function is allocated under SYSC 4.4.5R need to be an approved person or a certification employee? | …  
The apportionment and oversight function does not apply to a relevant authorised person. However, a person performing the role in SYSC 4.4.5R will fall into the certification regime in SYSC 5.2 (Certification Regime), unless the person performing it is an approved person. A person performing the role in SYSC 4.4.5R may be an approved person because of another role that they perform (such as being an executive director). |
| 3 What is meant by “appropriately allocate” in this context? | The allocation of functions should be compatible with delivering compliance with Principle 3, SYSC 4.4.3R and SYSC 4.1.1R. The appropriate regulator FCA considers that allocation to one or two individuals is likely to be appropriate for most firms. |

…

…

…
7 If a firm has an individual as chief executive, must the functions be allocated to that individual?

If the firm chooses to allocate the functions to a director or senior manager responsible for the overall management of a relevant group division, the FSA FCA would expect that individual to be of a seniority equivalent to or greater than a chief executive of the firm for the allocation to be appropriate.

See also Question 14.

11 How does the requirement to allocate the functions in SYSC 4.4.5R apply to an overseas firm which is not an incoming EEA firm, incoming Treaty firm or UCITS qualifier?

The firm must appropriately allocate those functions to one or more individuals, in accordance with SYSC 4.4.5R, but:

The apportionment and oversight function applies to such a firm, unless it falls within a particular exception from the approved persons regime (see Question 1).

12 How does the requirement to allocate the functions in SYSC 4.4.5R apply to an incoming EEA firm or incoming Treaty firm?

SYSC 1 Annex 1.1.1R(2) and SYSC 1 Annex 1.1.8R restrict the application of SYSC 4.4.5R for such a firm. Accordingly:

(2) Such a firm is required to allocate the function of oversight in SYSC 4.4.5R(2). However, the systems and controls that must be overseen are those relating to matters which the appropriate regulator FCA, as Host State regulator, is entitled to regulate (there is guidance on this in SUP 13A Annex 2). Those are primarily, but not exclusively, the systems and controls relating to the conduct of the firm’s activities carried on from its UK branch.
### What about a firm that is a partnership or a limited liability partnership?

The appropriate regulator FCA envisages that most if not all partners or members will be either directors or senior managers, but this will depend on the constitution of the partnership (particularly in the case of a limited partnership) or limited liability partnership. A partnership or limited liability partnership may also have a chief executive (see Question 5). A limited liability partnership is a body corporate and, if a member of a group, will fall within SYSC 4.4.5R, row (1) or (2).

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### Additional rules and guidance for all firms Policies and appointed representatives

Policies and procedures

<table>
<thead>
<tr>
<th>Section</th>
<th>Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.8.2</td>
<td>G (1)</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
<td>(1) applies to a firm whether or not SYSC 22.9.1R applies to it.</td>
</tr>
</tbody>
</table>

Appointed representatives

<table>
<thead>
<tr>
<th>Section</th>
<th>Rule</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>22.8.3</td>
<td>R</td>
<td>...</td>
</tr>
<tr>
<td>22.8.4</td>
<td>R</td>
<td>When SYSC 22.8.3R applies to an SMCR firm, the requirements of this chapter for firms that are not SMCR firms apply in place of the requirements that only apply to SMCR firms. In particular, the following requirements do not apply in relation to an appointed representative:</td>
</tr>
<tr>
<td></td>
<td>(1)</td>
<td>SYSC 22.2.1R (Obligation to obtain references);</td>
</tr>
<tr>
<td></td>
<td>(2)</td>
<td>SYSC 22.2.2R(4) (Obligation to give references);</td>
</tr>
</tbody>
</table>
(3) SYSC 22.2.4R to SYSC 22.2.6R (Obligation to revise references);

(4) SYSC 22.4.2R (How to draft the reference);

(5) SYSC 22.7.1R (Intra-group transfers); and

(6) SYSC 22.9.1R (General record keeping rules).

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.1.16BR (Appointed representatives); and

(b) to update any such reference; and [deleted]

...

...

22.8.6 G (1) ...

(2) ...

(3) The appointed representative need not give the reference using the template in SYSC 22 Annex 1 (Template for regulatory references given by SMCR firms and disclosure requirements).

22.8.6A G If an appointed representative asks a firm for a reference, the firm should give one. The requirements of this chapter apply to the firm in the same way as they would if the appointed representative were a firm.

...

23 Senior managers and certification regime: Introduction and classification

...

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

...

Part Three: Definition of exempt firm

...

3.3 R ...
An incoming ECA provider acting as such is an exempt firm.

Senior managers and certification regime: Allocation of prescribed responsibilities

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

What the FCA-prescribed senior management responsibilities are

Table: FCA-prescribed senior management responsibilities

<table>
<thead>
<tr>
<th>FCA-prescribed senior management responsibility</th>
<th>Explanation</th>
<th>Reference letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Responsibility for the firm’s performance of its obligations under the senior managers regime</td>
<td>... This responsibility includes: ... (4) compliance by the firm with the requirements in SYSC 22 (Regulatory references) (and the corresponding PRA requirements) so far as they relate to the senior managers regime, including the giving of references to another firm about an SMF manager or former SMF manager.</td>
<td>(a)</td>
</tr>
</tbody>
</table>
(2) Responsibility for the firm’s performance of its obligations under the employee certification regime

The \textit{employee certification regime} means the requirements of sections 63E and 63F of the \textit{Act} (Certification of employees) and all other requirements of the \textit{regulatory system} about the matters dealt with in those sections, including:

\ldots

(2) the requirements in SYSC 22 (Regulatory references) so far as they relate to the employee certification regime, including the giving of references to another firm about a certification employee or former certification employee; and

\ldots

\ldots \hspace{1cm} \ldots \hspace{1cm} \ldots

---

25 Senior managers and certification regime: Management responsibilities maps and handover procedures and material

\ldots

25 Examples of the business activities and functions of an SMCR firm

\textbf{Annex 1G}

<table>
<thead>
<tr>
<th>Business areas and management functions</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>\ldots</td>
<td>\ldots</td>
</tr>
</tbody>
</table>
26 Senior managers and certification regime: Overall and local responsibility

26.4 Exclusions

26.4.8 G ...

Exclusion of the legal function

26.4.9 R (1) SYSC 26.3 (Main rules) applies to the SMCR legal function as modified by (2).

(2) A firm may allocate local or overall responsibility for the SMCR legal function to someone who is not an SMF manager.

26.4.10 R (1) The SMCR legal function of a firm means an activity of the firm that consists of one or more of the following:

(a) the provision of legal advice or assistance to the firm or any member of its group in connection with the application of the law or with any form of resolution of legal disputes;

(b) the provision of representation for the firm or any member of its group in connection with any matter concerning the application of the law or any form of resolution of legal disputes;

(c) a reserved legal activity as defined in section 12 of the Legal Services Act 2007 (Meaning of “reserved legal activity” and “legal activity”) when carried out for the firm or any member of its group; or

(d) any of the activities set out in section 32(1) of the Solicitors (Scotland) Act 1980 (Offence for unqualified persons to prepare certain documents) when carried out for the firm or any member of its group.

(2) For the purposes of the definition of the SMCR legal function, legal dispute includes a dispute as to any matter of fact the resolution of
which is relevant to determining the nature of any person's legal rights or liabilities.

26.4.11 R (1) If a firm allocates the functions in (2) to the same person as the one to whom it allocates responsibility for activities in SYSC 26.4.10R, the functions in (2) also form part of the SMCR legal function. As a result the exclusion in SYSC 26.4.9R(2) also applies.

(2) A function is covered by this rule to the extent that it directly supports the activities in SYSC 26.4.10R.

26.4.12 G (1) The purpose of SYSC 26.4.11R is to treat support services for the legal function as part of the legal function where responsibility for the support services is allocated to the person with overall responsibility for the legal function.

(2) A support service is one that is directly related, but subordinate, to the legal services described in SYSC 26.4.10R. It should be necessary for the successful or better functioning of the main legal services and be an integral part of them.

(3) One example of a support service is human resources services for the legal staff. This includes recruitment, training, continuing professional development, appraisal and discipline.

(4) The effect of SYSC 26.4.11R is that if the person with overall responsibility for the legal function also has overall responsibility for human resources services for the staff of the legal function, those services are covered by the exclusion in SYSC 26.4.9R(2). However, they are not excluded if those services are provided by a separate human resources department.

26.4.13 G (1) A firm may divide its legal function into different parts and appoint a different person to have overall responsibility for each.

(2) If it does, SYSC 26.4.9R and SYSC 26.4.11R still apply.

(3) So for example, if the firm has two legal departments, one headed by A (for which A has overall responsibility) and one headed by B (for which B has overall responsibility):

(a) neither A nor B need be an SMF manager; and

(b) the firm may allocate overall responsibility for the human resources function for A’s department to A and overall responsibility for the human resources function for B’s department to B even though neither A nor B is an SMF manager.
26.4.14 G  *SUP 10C.7.1R and SUP 10C.8.1R exclude the person with overall responsibility for the legal function from the other overall responsibility function (SMF18) and the other local responsibility function (SMF22).*

26.4.15 G  The exclusions in SYSC 26.4.9R(2), SYSC 26.4.11R and SYSC 26.4.14G do not affect the scope of the following or the obligation to appoint an SMF manager to carry them out:

(1)  any *FCA-designated senior management function* other than the ones in SYSC 26.4.14G; or

(2)  any of the *FCA-prescribed responsibilities*.

…

27 Senior managers and certification regime: Certification regime

…

27.6 Other exclusions

…

Overall responsibility

27.6.6 R  …

27.6.7 R  *SYSC 27.6.6R does not apply to having overall or local responsibility for the SMCR legal function.*

Administrators

27.6.8 R  A function in paragraph (A) of row (6) of the table in *COCON 1.1.2R* (Table: To whom does COCON apply?) is not an *FCA certification function*.

…

27.7 Specification of functions

…

27.7.4 G  …

Overlap with designated senior management functions

27.7.5 G  (1)  *SYSC 27.7.1R(1) means that an FCA-designated senior management function cannot also be an FCA certification function at the same time.*

(2)  So an *SMF manager* performing an activity that forms part of their *FCA-designated senior management function* is not, by performing that activity, also performing an *FCA certification function.*
(3) But if an FCA-designated senior management function does not apply to a firm, performing the function described in the definition of that FCA-designated senior management function can be an FCA certification function.

27.8 Definitions of the FCA certification functions

... Significant management function ...

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, the legal department, operations or information technology.

... Client-dealing function ...

27.8.22 R ... A 27.8.22 R (1) This rule qualifies rows (3) and (4) of the table in SYSC 27.8.19R (Table: Activities covered by the client-dealing FCA certification function).

(2) A person does not perform a function in (1) if their only activities that would otherwise come within the client-dealing FCA certification function do not require them to exercise a significant amount of discretion, judgment or technical skill.

27.8.22B G (1) The client-dealing FCA certification function does not apply to purely administrative roles even though they involve customer contact.

(2) SYSC 27.8.22AR excludes someone who has no scope to choose, decide or reach a judgement on what should be done in a given situation, and whose tasks do not require them to exercise significant technical skill.

(3) SYSC 27.8.22AR is likely to exclude a role that is simple or largely automated.

(4) There is no need to apply SYSC 27.8.22AR to row (1)(b) or (2)(b) of the table in SYSC 27.8.19R, because a person must also be carrying...
out the functions in row (1)(a) or (2)(a) for the client-dealing *FCA certification function* to apply and the functions in row (1)(a) or (2)(a) require judgment and skill.

...  

27.9 **Material relating to several FCA certification functions**  

Legal function  

27.9.1 **G** A *person* performing the function described in SYSC 26.4.9R (Exclusion of the legal function) will perform the significant management or the material risk taker *FCA certification function*, or both.

...  

TP 7 **Bank of England and Financial Services Act 2016: Certification and regulatory references**  

7.1 **Application and purpose**  

...  

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 <strong>SMCR insurance firm</strong> except one in the following row</td>
<td>…</td>
</tr>
<tr>
<td>An SMCR insurance firm <strong>SMCR insurance firm</strong> that is a <em>Solvency II firm</em> (including a large non-directive insurer)</td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>

...  

7.1.6 **R** Table: glossary of bespoke terms used in SYSC TP 7

---

**Part One: General**
### Defined term

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>insurance firms commencement SI</strong></td>
<td>the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018 (SI 2018/990)</td>
</tr>
<tr>
<td><strong>SMCR insurance firm</strong> [deleted]</td>
<td>has the meaning set out in the amendments to the <em>Glossary to be made by the Individual Accountability (Dual-Regulated Firms) Instrument 2018</em>). [deleted]</td>
</tr>
</tbody>
</table>

### Part Two: Dates

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>insurance firms commencement SI</strong></td>
<td>the Bank of England and Financial Services Act 2016 (Commencement No. 5 and Transitional Provisions) Regulations 2018 (SI 2018/990)</td>
</tr>
</tbody>
</table>

#### 7.2 Certification: 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>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td><strong>SYSC 27.8</strong></td>
<td>Definitions of the FCA certification functions</td>
<td>...</td>
</tr>
<tr>
<td><strong>SYSC 27.9</strong></td>
<td>Material relating to several FCA certification functions</td>
<td>...</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>
Part 2: Comes into force 9 December 2019

1 Application and purpose

1.1A Application

…

1.1A.1A G The application of this sourcebook to specific firms that are not PRA-authorised persons 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><em>Full-scope UK AIFM</em></td>
<td>Chapters 4 to 10, 12, 18, 19B, 19F.2, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
<tr>
<td><em>BIPRU firm</em> (including a third-country BIPRU firm)</td>
<td>Chapters 4 to 10, 12, 18, 19C, 19F.2, 20, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
<tr>
<td><em>IFPRU investment firm</em> (including an overseas firm that would have been an IFPRU investment firm if it had been a UK domestic firm)</td>
<td>Chapters 4 to 10, 12, 18, 19A, 19F.2, 20, 21, 22, 23, 24, 25, 26, 27, 28</td>
</tr>
</tbody>
</table>

1 Annex Detailed application of SYSC 1

…

| Part 2 | Application of the common platform requirements |
2.3 R For a sole trader:

(1) SYSC 4.3 and 4.4 do not apply as long as the person who is required to be approved under section 59 of the Act (Approval for particular arrangements);

(2) ...

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

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>SYSC 4.4.1AR</td>
<td>…</td>
<td>…</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rule applies this section only to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) an authorised professional firm in respect of its non-mainstream regulated activities unless the firm is also conducting other regulated activities and has appointed approved persons to perform the governing functions with equivalent responsibilities for the firm’s non-mainstream regulated activities and other regulated activities;</td>
</tr>
<tr>
<td>(2) activities carried on by a firm whose principal purpose is to carry on activities other than regulated activities and which is:</td>
</tr>
<tr>
<td>(a) an oil market participant;</td>
</tr>
</tbody>
</table>
(b) a service company;
(c) an energy market participant;
(d) a wholly-owned subsidiary of:
   (i) a local authority;
   (ii) a registered social landlord;
(e) a firm with permission to carry on insurance distribution activity in relation to non-investment insurance contracts but no other regulated activity except advising on P2P agreements;
(2A) a credit firm which holds a limited permission (other than a not-for-profit debt advice body) with respect to the relevant credit activity (as defined in paragraph 2G of Schedule 6 to the Act) for which it has limited permission;
(3) an incoming Treaty firm, an incoming EEA firm and a UCITS qualifier, (but only SYSC 4.4.5R(2) applies for these firms); and
(4) a sole trader, but only if he employs any person who is required to be approved under section 59 of the Act (Approval for particular arrangements).

As specified in SYSC 4.4.1AR.

| SYSC 6.1.4CR | … | … | … | Rule for debt management firms and credit repair firms. As specified in SYSC 6.1.4CR. |
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 MiFID optional exemption firms</th>
<th>COLUMN B Third country firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>SYSC 4.4.1AR</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
</tr>
<tr>
<td>SYSC 4.4.2G</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
</tr>
<tr>
<td>SYSC 4.4.3R</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
</tr>
<tr>
<td>SYSC 4.4.5R</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
</tr>
<tr>
<td>SYSC 4.4.6G</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
<td>Not applicable As specified in SYSC 4.4.1AR</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>SYSC 6.1.4CR</td>
<td>SYSC 6.1.4CR(3) applies as specified in that rule</td>
<td>SYSC 6.1.4CR(3) applies as specified in that rule</td>
</tr>
<tr>
<td></td>
<td>Not Otherwise not applicable</td>
<td>Not Otherwise not applicable</td>
</tr>
<tr>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

4 General organisational requirements

4.4 Apportionment of responsibilities
Application

4.4.1A R (-2) This section applies to:

(a) a limited scope SMCR firm (other than a firm in SUP 10C Annex 1 7.10R (Table: Limited scope SMCR firms to which no controlled functions apply)); and

(b) an authorised professional firm that is a core SMCR firm.

(-1) The application of this section is further limited by the rest of this rule.

(1) This section applies to an authorised professional firm as follows:

(a) it only applies in respect of its non-mainstream regulated activities; and

(b) unless it does not apply if the firm:

(i) is also conducting other regulated activities; and

(ii) has appointed approved persons to perform the FCA governing functions with equivalent responsibilities for the firm’s non-mainstream regulated activities and other regulated activities;

(2) activities carried on by a firm whose principal purpose is to carry on activities other than regulated activities and which is:

(a) an oil market participant; or

(b) a service company; or

(c) an energy market participant; or

(d) a wholly-owned subsidiary of:

(i) a local authority; or

(ii) a registered social landlord; or

(e) a firm with permission to carry on insurance distribution activity in relation to non-investment insurance contracts but no other regulated activity (except advising on P2P agreements); [deleted]

(3) a credit firm which holds only a limited permission (other than a not-for-profit debt advice body) with respect to the relevant credit activity (as defined in paragraph 2G of Schedule 6 to the Act) for which it has limited permission; [deleted]
(4) an incoming Treaty firm, an incoming EEA firm or a UCITS qualifier (but only Only SYSC 4.4.5R(2) applies for these firms); and to an EEA SMCR firm. However, the limitation in this paragraph (4) does not apply to a firm within SYSC 23 Annex 1 6.13R (claims management).

(5) This section only applies to a sole trader, but only if they:

(a) be employed have any person (other than themselves) who is required to be approved under section 59 of the Act (Approval for particular arrangements); or

(b) are an authorised approved person employer (except where they are the only approved person concerned); or

(c) have any certification employees.

…

4.4.2A R For the purposes of this section, a regulated claims management activity is treated as an unregulated activity. [deleted]

…

4.4.6 G Frequently asked questions about allocation of functions in SYSC 4.4.5R

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Does an individual to whom a function is allocated under SYSC 4.4.5R need to be an approved person?</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>11</td>
<td>How does the requirement to allocate the functions in SYSC 4.4.5R apply to an</td>
</tr>
<tr>
<td>12</td>
<td>How does the requirement to allocate the functions in SYSC 4.4.5R apply to an incoming EEA firm or incoming Treaty firm EEA SMCR firm other than a claims management firm?</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>(4) An incoming EEA firm SYSC 4.4 does not apply to an EEA SMCR firm which has provision only for cross border services is not required to allocate either function if it does not carry on regulated activities in the United Kingdom; for example if they fall within the overseas persons exclusions in article 72 of the Regulated Activities Order.</td>
</tr>
<tr>
<td></td>
<td>…</td>
</tr>
<tr>
<td>15</td>
<td>What about incoming electronic commerce activities carried on from an establishment in another EEA State with or for a person in the United Kingdom?</td>
</tr>
<tr>
<td></td>
<td>SYSC does not apply to an An incoming ECA provider acting as such is not an SMCR firm.</td>
</tr>
</tbody>
</table>

overseas SMCR firm which is not an incoming EEA firm, incoming Treaty firm or UCITS qualifier EEA SMCR firm? |

individuals, in accordance with SYSC 4.4.5R, but:

(1) The responsibilities that must be apportioned and the systems and controls that must be overseen are those relating to activities carried on from a UK establishment with certain exceptions (see SYSC 1 Annex 1.1.8R 1.2.15R). Note that SYSC 1 Annex 1.1.10R does not extend the territorial scope of SYSC 4.4 for an overseas firm.

(2) …

(3) SYSC 4.4 does not apply to such a firm if it does not have a branch in the United Kingdom.

…

6 Compliance, internal audit and financial crime
6.1 Compliance

... Compliance function ...

6.1.4C R (1) A debt management firm and a credit repair firm firm in (2) or (3) must appoint a compliance officer to be responsible for ensuring the firm meets its obligations under SYSC 6.1.1R for any compliance function the firm has and for any reporting as to compliance which may be made under SYSC 4.3.2R.

(2) This rule applies to:

(a) a debt management firm; and

(b) a credit repair firm.

(3) This rule also applies to a firm that meets the following conditions:

(a) it is a Class 1 firm as defined in CMCOB 7.2.5R(1); and

(b) SUP 10C (FCA senior managers regime for approved persons in SMCR firms) applies the compliance oversight function to it.

6.2 Internal audit

... 6.2.2 G ...

(2) For a firm that is not an SMCR firm, the internal audit function is not a controlled function itself, but is part of the systems and controls function (CF28). [deleted]

(3) For an SMCR firm that is a PRA-authorised person, the internal audit function is a PRA controlled function (SMF5). For an enhanced scope SMCR firm it is an FCA controlled function (SMF5).

7 Risk control

7.1 Risk control
7.1.8 G …

(3) For a firm that is not an SMCR firm, the risk management function is not a controlled function itself, but is part of the systems and controls function (CF28). [deleted]

(4) For an SMCR firm that is a PRA authorised person, the risk management function is a PRA controlled function (SMF4). For an enhanced scope SMCR firm it is an FCA controlled function.

…

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 FCA’s or PRA’s (as appropriate) approval for a Chief Risk Officer to perform:

(a) (for an SMCR firm that is a PRA-authorised person) the PRA’s Chief Risk Function controlled function; or

(b) (for any other firm an enhanced scope SMCR firm) the systems and controls function (see SUP 10A (FCA approved persons)) chief risk officer function.

…

In the text of SYSC 22 shown amended below, ‘Editor’s notes’ are included for the benefit of the reader and do not form part of the legislative text.

22 Regulatory references

22.1 Application

General application

22.1.1 R …

22.1.1A G SYSC TP 7.4.8R and SYSC TP 8.5.1R apply this chapter to certain claims management and benchmark firms that are not SMCR firms.
... 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.

... 22.1.5 R This chapter does not apply to: [deleted]

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

(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.

... 22.2 Getting, giving and updating references: the main rules

Obligation to obtain references (applicable to SMCR firms)

22.2.1 R If 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; or

(ba) appointing a board director;

... Obligation to give references

22.2.2 R ...  

(4) 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 SMCR firms and disclosure requirements); and

(b) B must disclose the information in (a) whether or not A is an SMCR firm.
22.2.3 R 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>…</td>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>(C) …</td>
<td>…</td>
<td>…</td>
</tr>
</tbody>
</table>
| (D) A firm appointing someone to be a non-SMF board director subject to competence requirements of itself. | Before appointment | Only applies where the appointment is by a UK SMCR firm that is:
(a) a core SMCR firm; or
(b) an enhanced scope SMCR firm. |
| …        | …                        | …        |

Obligation to revise references: The main rule (applicable to SMCR firms)

22.2.4 R If at any time:

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

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

22.2.7 R If at any time:

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

Sole traders

22.2.8 R The obligation in SYSC 22.2.1R (Obligation to obtain references) does not apply if A and P (as referred to in that rule) are the same person.
22.2.9 G An example of SYSC 22.2.8R is this. Say that P works at a firm (B) and leaves to become a firm and a sole trader. P appoints themselves to perform the compliance oversight function. P does not need to get a regulatory reference from B about themselves.

22.2.10 G (1) If a firm is appointing someone who was a sole trader to a position that would normally require a regulatory reference under SYSC 22.2.1R, it does not have to request a reference from the sole trader themselves. That is because SYSC 22.2.1R only requires a firm to request a reference from a previous employer and a sole trader is not their own employer.

(2) An example of (1) is this. Say that P was a firm and a sole trader and performed the compliance oversight function themselves. P goes to work for another firm (A). A does not need to request a regulatory reference from P about P.

…

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 an SMCR firm should give a reference. [deleted]

22.3.2 G SYSC 22.4 has requirements about the form in which an SMCR firm should give a reference. [deleted]

How to draft the request for a reference

…

Inclusion of additional material

22.3.5 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.4.6G(-1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.4.7G]

22.3.6 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.4.8G]

22.4 Drafting the reference: detailed requirements for full-scope regulatory reference firms

Purpose of SYSC 22 Annex 1R
22.4.1 G SYSC 22 Annex 1R (Template for regulatory references given by SMCR firms and disclosure requirements) has two purposes:

(1) to set out what information an SMCR A firm should disclose under SYSC 22.2.2R(4); and

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

How to draft the reference

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

…

22.4.3 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.4.6G(1)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.4.6G(2)]

(3) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.4.6G(3)]

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

…

22.4.5 R …

Inclusion of additional material

22.4.6 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.

22.4.3 22.3.5G(4)

(1) Therefore SYSC 22.4.2R does not stop an SMCR A firm including matters in the reference not required by the template in SYSC 22 Annex 1R.

(2) An SMCR A 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.
22.4.7 G 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).

Time limits

22.4.8 G Nothing in this chapter prevents a firm from disclosing material outside the time limits under this chapter.

22.5 Giving references: additional rules and guidance for all firms

...

Breach of APER

22.5.12 G (1) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.8.10G(2)]

(2) [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.8.10G(1)]

...

Criminal record checks

22.5.19 G 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 (Certificates of Criminal Records, &c). The recruiting firm should carry out a criminal records check itself if necessary. The main FCA Handbook requirements on a recruiting firm to carry out a criminal records check are:

(1) SUP 10C.10.16R requires (an SMCR a firm to should carry out such a check when appointing an SMF manager); and

(2) SYSC 23.4 (Criminal record checks for certain directors).

22.6 Giving and updating references: additional rules and guidance for SMCR firms

...

Requirement to consider whether there has been a conduct breach

22.6.3 G ...

(4) The requirement in (1) is disapplied for disciplinary action taken before certain specified dates, where a 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.

... 

All relevant information: Interaction with mandatory disclosures

22.6.4 G (1) SYSC 22.2.2R(1) to (3) may require 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).

...

22.7 Getting references: additional rules and guidance for SMCR firms

Intra-group transfers

22.7.1 R [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.8A.1R]

22.7.2 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.8A.2G]

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 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 G (1) ...

(2) 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 G (1) SYSC 22.2.1R (Obligation of 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) an SMCR firm should have a reference whenever it renews the certificate of a certification employee; and
(b) changing jobs within the same SMCR firm may require a reference.

(2) However, the 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 an SMCR a firm (A):

...

22.7.7 G (1) If an SMCR a firm (A):

...

22.7.8 G [deleted] [Editor’s note: The text of this provision has been moved to SYSC 22.8A.3G]

When references are to be obtained

22.7.9 G If an SMCR a 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 G (1) Where an SMCR a firm needs to fill a vacancy for a certification function which could not have reasonably been foreseen, the FCA recognises that it may not be reasonable to expect the SMCR firm to obtain references prior to issuing a certificate.

...

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

22.7.11 G (1) Although this chapter (see SYSC 22.2.3R) only requires an SMCR a 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.

...

(4) SMCR firms 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 appointed representatives**

...  

Appointed representatives

...

22.8.4  R  When SYSC 22.8.3R applies to an SMCR firm, the requirements of this chapter for firms that are not SMCR firms apply in place of the requirements that only apply to SMCR firms. In particular, the following requirements do not apply in relation to an appointed representative:

...

(5)  *SYSC 22.7.1R SYSC 22.8A.1R* (Intra-group transfers); and

...

22.8.5  G  ...

22.8.5A  G  This chapter does not apply in relation to an appointed representative of a firm that is not an SMCR firm.

...

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

22.8.7  G  [deleted]  *Editor’s note: The text of this provision has been moved to SYSC 22.8A.4G]*

22.8.8  G  [deleted]  *Editor’s note: The text of this provision has been moved to SYSC 22.8A.5G]*

22.8.9  G  [deleted]  *Editor’s note: The text of this provision has been moved to SYSC 22.8A.6G]*

22.8.10  G  (1)  This means that any firm (not just one that is an SMCR firm) *A firm* should try to ensure that its appointed representative should consider whether it needs to disclose a breach of 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.

22.5.12  (2)
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, not just a requirement in COCON.

22.8A Groups and outsourcing

Intra-group transfers

22.8A.1  R  (1) This rule applies when:

22.7.4

(a) 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.

22.8A.2  G  (1) SYSC 22.7.1R SYSC 22.8A.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.

22.8A.3  G  If:

22.7.8

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

(2) A obtains a reference from an ex-employer (B);
(3) later P transfers to a certification function position or an approved person position with 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.

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

22.8A.4 G If:

22.8.7

(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 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 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.

22.8A.5 G SYSC 22.8.7G SYSC 22.8A.4G also applies where:

22.8.8

(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.

22.8A.6 G If:

22.8.9

(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 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 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 and transitionals

General record keeping rules (applicable to SMCR firms)

22.9.1 R (1) An SMCR A 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.

…

Time limit for records to be kept (applicable to SMCR firms)

…

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

…

Effect of previous record keeping requirements (applicable to SMCR firms)

22.9.5 G …

(2) An SMCR A 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.

... Transitionals

22.9.6 R If:

(1) a firm (A) asks a person (B) who is not an SMCR firm for a reference;

(2) B then becomes an SMCR firm; and

(3) B gives the reference after it becomes an SMCR firm;

the requirements in this chapter apply to B when giving the reference.

22.9.7 G If a firm gives a reference after it becomes an SMCR firm, the requirements of this chapter apply even if the matters covered by the reference occurred before then.

22.9.8 G SYSC 22.2.4R (Obligation to revise references) does not apply to a reference that a firm gave before it became an SMCR firm.

...

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

...

[Editor’s note: The underlining in the heading of the question in the portion of Part One of SYSC 22 Annex 1R set out below is in the existing Handbook text and does not indicate new text.]

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); or

(4) board director.

...
### Section One: Meaning of certain terms and phrases

<table>
<thead>
<tr>
<th>Defined term or phrase</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>…</td>
<td></td>
</tr>
<tr>
<td>Certification function, approved person, controlled function and PRA controlled function</td>
<td>…</td>
</tr>
<tr>
<td>Board director</td>
<td>Non-SMF board director subject to competence requirements, as defined in the Glossary.</td>
</tr>
<tr>
<td>…</td>
<td></td>
</tr>
</tbody>
</table>

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

#### 23.1 Purpose

23.1.1 The purpose of this chapter is to:

1. explain what the senior managers and certification regime is and where to find the main Handbook provisions;
2. define which firms the regime applies to; and
3. define the different kinds of SMCR firm; and
4. require certain firms to carry out criminal record checks before appointing certain board directors.

#### 23.2 Definitions and types of firms

23.2.1 …

23.2.2 Broadly speaking, firms covered by the senior managers and certification regime that are dual-regulated by the FCA and the PRA are divided into two categories:

1. Banks and deposit-takers. They are called SMCR banking firms.
2. Insurers. They are called SMCR insurance firms.
23.2.3 G Broadly speaking, firms covered by the senior managers and certification regime that are regulated by the FCA are divided into three categories:

(1) Firms regulated by the FCA that do not fall into (2) or (3). They are called core SMCR firms. A large number of firms will be in this category.

(2) Certain large firms. These are called enhanced scope SMCR firms. Relatively few firms fall into this category.

(3) Firms whose business is limited to certain types. These are called “limited scope SMCR firms”. A large number of firms will be in this category. The main examples are:

(a) limited permission consumer credit firms;

(b) an authorised professional firm whose only regulated activities are non-mainstream regulated activities;

(c) internally managed AIFs;

(d) firms whose main business is not regulated and whose regulated business is (with limited exceptions) restricted to insurance distribution activity in relation to non-investment insurance contracts; and

(e) a firm that only has regulated claims management activities in its permission.

23.3 Overview of the senior managers and certification regime

... 23.3.2 G The table in SYSC 23.3.3G gives more details about each of those three elements. The first two columns of the table apply to all firms. The third column only covers firms that are not regulated by the PRA.

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

<table>
<thead>
<tr>
<th>(1) Description of component of the regime</th>
<th>(2) Handbook provisions</th>
<th>(3) Application to solo-regulated firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>The senior managers regime: Parts that apply to all firms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Requirement</td>
<td>Regulation</td>
<td>Applies to</td>
</tr>
<tr>
<td>------------------------------------------------------------</td>
<td>------------</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>
<td>all solo-regulated firms</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>
<td>all solo-regulated firms</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>
<td>all solo-regulated firms</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>
<td>all solo-regulated firms except for a sole trader without employees</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,</td>
<td>SYSC 22 (Regulatory references)</td>
<td>obligation to give a reference applies to all</td>
</tr>
</tbody>
</table>

Page 47 of 328
and give one if asked to by another *firm* doing so

<table>
<thead>
<tr>
<th>solo-regulated firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Obligation to ask for one applies to all solo-regulated firms except for a sole trader without employees.</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 (if the *firm* is a PRA-authorised person) 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.

<table>
<thead>
<tr>
<th>SUP 10C.11 (Statements of responsibilities)</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 <em>SMF</em> manager per <em>firm</em>.</td>
</tr>
</tbody>
</table>

**Duty of responsibility**

This applies to *SMF managers* in all types of *firm*.

<table>
<thead>
<tr>
<th>Applies to all solo-regulated firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Does not apply to a limited scope SMCR firm.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SYSC 24 (Senior managers and certification regime):</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Applies to all solo-regulated firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>A firm should allocate certain specified management responsibilities among its SMF managers.</td>
</tr>
</tbody>
</table>
The *FCA Handbook* calls them *FCA-prescribed senior management responsibilities*.

<table>
<thead>
<tr>
<th>Allocation of prescribed responsibilities)</th>
<th>Applies to a core SMCR firm and an enhanced scope SMCR firm.</th>
</tr>
</thead>
</table>

*A firm* solo-regulated by the FCA should carry out criminal records checks before appointing a *board director* who is not an *SMF manager*.

<table>
<thead>
<tr>
<th>SYSC 23.4 (Criminal record checks for non-executive directors)</th>
<th>Does not apply to a limited scope SMCR firm. Applies to a core SMCR firm and an enhanced scope SMCR firm.</th>
</tr>
</thead>
</table>

The senior managers regime: Parts that only apply to a limited range of firms

<table>
<thead>
<tr>
<th>SYSC 25 (Senior managers and certification regime: Management responsibilities maps and handover procedures and material)</th>
<th>Does not apply to a limited scope SMCR firm or a core SMCR firm. Applies to an enhanced scope SMCR firm.</th>
</tr>
</thead>
</table>

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

<table>
<thead>
<tr>
<th>SYSC 26 (Senior managers and certification regime: Overall and local responsibility)</th>
<th>Does not apply to a limited scope SMCR firm or a core SMCR firm. Applies to an enhanced scope SMCR firm.</th>
</tr>
</thead>
</table>

*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*.

<table>
<thead>
<tr>
<th>SYSC 25.9 (Handover procedures and material)</th>
<th>Does not apply to a limited scope SMCR firm or a core SMCR firm. Applies to an enhanced scope SMCR firm.</th>
</tr>
</thead>
</table>

*A firm* should ensure that a person becoming an *SMF manager* has all the information and material that they could reasonably expect to have to perform their responsibilities.

<table>
<thead>
<tr>
<th>SUP 15.15 (Notification by retail)</th>
<th>Only applies to certain UK retail intermediaries.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SMCR firm</strong> and report to the <strong>FCA</strong> when it meets those criteria for the first time or ceases to meet them.</td>
<td><strong>intermediaries of qualifying as an enhanced scope SMCR firm)</strong></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>The senior managers regime: Parts outside the Handbook</strong></td>
<td><strong>Criminal offence relating to a decision that causes a financial institution to fail.</strong>&lt;br&gt;It applies to a <strong>UK SMCR banking firm</strong> but does not apply to a <strong>credit union</strong>.&lt;br&gt;It does not apply to any <strong>firm</strong> that is not a <strong>UK SMCR banking firm</strong>.</td>
</tr>
<tr>
<td><strong>The certification regime</strong></td>
<td><strong>This is contained in section 36 of the Financial Services (Banking Reform) Act 2013</strong></td>
</tr>
<tr>
<td>A <strong>firm</strong> should not permit an <strong>employee</strong> to carry out certain functions (<strong>certification functions</strong>) unless it has issued them with a certificate.&lt;br&gt;The certificate is only valid for a year. The <strong>firm</strong> will have to renew it if the <strong>employee</strong> is to carry on performing the function.&lt;br&gt;A <strong>firm</strong> may not issue or renew a certificate unless it is satisfied that the <strong>person</strong> is fit and proper.&lt;br&gt;Certification does not involve pre-approval by the <strong>FCA</strong> or <strong>PRA</strong>.</td>
<td><strong>Most of the requirements of this regime are in sections 63E (Certification of employees by authorised persons) and 63F (Issuing of certificates) of the Act.</strong>&lt;br&gt;<strong>SYSC 27</strong> (Senior managers and certification regime: Certification regime) describes the regime and explains which <strong>employees</strong> are covered.</td>
</tr>
<tr>
<td>A <strong>firm</strong> should ask for a regulatory reference before appointing someone to perform an <strong>FCA certification function</strong> (or a <strong>PRA</strong> equivalent) and give one if asked to by another <strong>firm</strong> doing so.</td>
<td><strong>SYSC 22</strong> (Regulatory references)</td>
</tr>
</tbody>
</table>
A firm must report information to the FCA about its Directory persons, including its certification employees.  

<table>
<thead>
<tr>
<th>Conduct rules (applies to all firms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules of conduct that apply directly to a firm’s workforce other than ancillary staff</td>
</tr>
<tr>
<td>A firm should report breaches of COCON to the FCA</td>
</tr>
<tr>
<td>A firm should:</td>
</tr>
<tr>
<td>(a) ensure that all persons subject to COCON are notified of the rules that apply to them; and</td>
</tr>
<tr>
<td>(b) take all reasonable steps to ensure that they understand how COCON applies to them</td>
</tr>
</tbody>
</table>

23.4 Criminal record checks for certain directors
23.4.1  R  This section applies to a **UK SMCR firm** that is:

1. an *enhanced scope SMCR firm*; or

2. a *core SMCR firm*.

23.4.2  R  A *firm* must (as part of its assessment of the fitness and propriety of any of its *non-SMF board directors subject to competence requirements* (P)) obtain the fullest information that it is lawfully able to obtain about P under Part V of the Police Act 1997 (Certificates of Criminal Records, &c) and related subordinated legislation of the *United Kingdom* or any part of the *United Kingdom* before P’s appointment as a *board director*.

23.4.3  G  The guidance in **SUP 10C.10.17G**, **SUP 10C.10.18G** and **SUP 10C.10.21G** about criminal record checks for *candidates* to be an *SMF manager* applies to criminal record checks under this section.

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

1  

Part One: Flow diagram and other basic provisions

1.1  R  …

1.2  R  Flow diagram: Types of SMCR firm

Delete the flow diagram in **SYSC 23 Annex 1 1.2R** and replace it with the following. The deleted text is not shown. The text is new and is not underlined.

```
Are you a firm?

No

Yes

Are you an exempt firm (see Part 3 of this Annex)?

Yes

No

You are not an SMCR firm

You are an SMCR firm

You are not an SMCR firm

Page 52 of 328
```
Are you in the banking sector as defined in Part 4 of this Annex?

Yes

You are an SMCR firm and an SMCR banking firm.

No

Are you in the insurance sector as defined in Part 5 of this Annex?

Yes

You are an SMCR firm and an SMCR insurance firm.

No

Do you meet the requirements for being a limited scope firm as defined in Part 6 of this Annex?

Yes

Have you elected to be a core SMCR firm or an enhanced scope SMCR firm in accordance with this Annex?

No

You are an SMCR firm and a limited scope SMCR firm.

Yes

You are an SMCR firm. You are either a core SMCR firm or an enhanced scope SMCR firm, depending on your election.

No

Have you elected to be an enhanced scope SMCR firm?
Do you meet one of the qualification conditions for the enhanced requirements in accordance with Parts 8 to 9 of this Annex (other than electing to be an enhanced scope SMCR firm) and has your status become effective under Part 10?

- Yes: You are an SMCR firm and an enhanced scope SMCR firm
- No: Are you excluded from the enhanced regime as defined in Part 7 of this Annex?
  - Yes: You are an SMCR firm and a core SMCR firm
  - No: Do you meet one of the qualification conditions for the enhanced requirements in accordance with Parts 8 to 9 of this Annex (other than electing to be an enhanced scope SMCR firm) and has your status become effective under Part 10?
    - Yes: You are an SMCR firm and an enhanced scope SMCR firm
    - No: You are an SMCR firm and a core SMCR firm
Note to the flow diagram

The categorisation in this flow diagram is subject to SYSC 23 Annex 1 2.1R.

Amend the following as shown.

1.3  R  A reference in this Annex to a firm having permission to carry on a particular regulated activity but no other regulated activity includes that firm also having permission for agreeing to carry on a regulated activity in respect of that first regulated activity.

Part Two: Changing category through requirements

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.

2.2  G  (1)  The FCA may, on a case-by-case basis, require a limited scope SMCR firm or a core SMCR firm to comply with the requirements that apply to an enhanced scope SMCR firm if the FCA considers it appropriate to do so to advance one or more of its operational objectives under the Act.

(2)  The most common example of a requirement described in SYSC 23 Annex 1 2.1R is likely to be one of the kind described in (1).

(3)  One effect of SYSC 23 Annex 1 2.1R is that if a firm is moved from the limited scope SMCR firm or core SMCR firm category to the enhanced scope SMCR firm category, the FCA-designated senior management functions that will apply to it are the ones for enhanced scope SMCR firms.

2.3  G  (1)  In practice, it is unlikely that the procedure described in SYSC 23 Annex 1 2.1R will be used to move a firm from a category applicable to PRA-authorised persons to one applicable to FCA-authorised persons or vice versa.

(2)  This is because the FCA’s regime for PRA-authorised persons is designed on the basis that the PRA’s regime also applies to those firms while the regime for FCA-authorised persons is designed on the basis that no PRA requirements apply.

2.4  G  (1)  Where a firm becomes or stops being an enhanced scope SMCR firm under the procedure described in SYSC 23 Annex 1 2.1R, the material in Parts 10 and 11 of this Annex about when the change of
status becomes effective will not apply. Instead the timing will be
dealt with in the variation of permission.

(2) If the variation does not specify the timing of the change, the
change is likely to take effect when the variation does.

Part Three: Definition of exempt firm

...  

3.4  R  ...  

3.5  R  A UCITS qualifier is an exempt firm (see section 266 of the Act
(Disapplication of rules)).  

3.6  R  An AIFM qualifier is an exempt firm.  

3.7  R  A firm that has permission to carry on the regulated activity of
administering a benchmark or administering a specified benchmark but
no other regulated activity is an exempt firm.  

3.8  G  As explained in SYSC TP 8.2.1R, certain claims management firms are
excluded from being SMCR firms and treated as exempt under this Part.  

Insert the following new Parts in SYSC 23 Annex 1 where indicated. The text is not
underlined.

Part Five: Definition of insurance sector

...  

5.2  R  ...  

Part Six: Definition of limited scope SMCR firm

6.1  R  (1) This Part sets out the requirements for being a limited scope SMCR
firm referred to in the flow diagram in Part One of this Annex.  

(2) Where this Part says that a firm is a limited scope SMCR firm, that
means that the firm meets those requirements.  

6.2  G  Part 12 of this Annex sets out a procedure for a firm that would otherwise
have been a limited scope SMCR firm to elect to be a core SMCR firm or
an enhanced scope SMCR firm and to reverse that election.
6.3 R (1) A firm listed in the table in SYSC 23 Annex 1 6.4R is a limited scope SMCR firm if:

(a) its principal purpose is to carry on activities other than regulated activities; and

(b) it is not a MiFID investment firm.

(2) In the case of a firm in SYSC 23 Annex 1 6.4R(5), regulated claims management activities are treated as unregulated activities for the purpose of deciding what the firm’s principal purpose is under (1).

6.4 R Table: List of limited scope SMCR firms referred to in SYSC 23 Annex 1 6.3R

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>Oil market participant</td>
</tr>
<tr>
<td>(2)</td>
<td>Service company</td>
</tr>
<tr>
<td>(3)</td>
<td>Energy market participant</td>
</tr>
<tr>
<td>(4)</td>
<td>A wholly owned subsidiary of:</td>
</tr>
<tr>
<td></td>
<td>(a) a local authority; or</td>
</tr>
<tr>
<td></td>
<td>(b) a registered social landlord.</td>
</tr>
<tr>
<td>(5)</td>
<td>A firm that meets the following conditions:</td>
</tr>
<tr>
<td></td>
<td>(a) it has permission to carry on insurance distribution activity in relation to non-investment insurance contracts; and</td>
</tr>
<tr>
<td></td>
<td>(b) it:</td>
</tr>
<tr>
<td></td>
<td>(i) either does not have permission to carry on any other regulated activity; or</td>
</tr>
<tr>
<td></td>
<td>(ii) has permission to carry on no other regulated activity except one or more of the following:</td>
</tr>
<tr>
<td></td>
<td>(A) advising on P2P agreements; or</td>
</tr>
<tr>
<td></td>
<td>(B) regulated claims management activities.</td>
</tr>
</tbody>
</table>

6.5 G It will be a matter of fact in each case whether, having regard to all the circumstances, including in particular where the balance of the business lies, a firm’s principal purpose is to carry on activities other than regulated activities. If a firm wishes to rely on SYSC 23 Annex 1 6.3R, it
should be in a position to demonstrate that its principal purpose is to carry on activities other than regulated activities.

6.6  R  A sole trader is a limited scope SMCR firm.

6.7  R  A firm whose permission is limited to the carrying on of a relevant credit activity (as defined in paragraph 2G of Schedule 6 to the Act) (a limited permission) is a limited scope SMCR firm, excluding a firm in SYSC 23 Annex 1 6.8R.

6.8  R  A not-for-profit debt advice body is a limited scope SMCR firm.

6.9  R  An authorised professional firm whose only regulated activities are non-mainstream regulated activities is a limited scope SMCR firm.

6.10 R  A firm is a limited scope SMCR firm if it meets the following conditions:

   (1) it is an internally managed AIF;

   (2) it is a body corporate; and

   (3) it is not a collective investment scheme.

6.11 R  (1) A firm is a limited scope SMCR firm if it meets the following conditions:

   (a) it has permission to carry on regulated claims management activities; and

   (b) it:

       (i) either does not have permission to carry on any other regulated activity; or

       (ii) has permission to carry on no other regulated activity except a relevant credit activity.

(2) A firm in SYSC 23 Annex 1 6.7R or SYSC 23 Annex 1 6.8R does not fall within this rule.

Part Seven: Exclusion from enhanced regime

7.1  R  This Part sets out which firms are excluded from the enhanced regime for the purposes of the flow diagram in Part One of this Annex.

7.2  R  An overseas SMCR firm is excluded from the enhanced regime.

7.3  R  A firm is excluded from the enhanced regime if its permission only covers being the full-scope UK AIFM of:

   (1) an unauthorised AIF; or
an authorised AIF only marketed to investors that are professional clients.

7.4 R A firm is excluded from the enhanced regime if:

(1) it is exempt from MiFID under article 2(1)(j); and

(2) its only permission is bidding in emissions auctions.

Part Eight: Financial qualification condition for being an enhanced scope SMCR firm

The financial qualification tests

8.1 R A firm meets a qualification condition for the purposes of identifying an enhanced scope SMCR firm under the flow diagram in Part One of this Annex if it meets one of the criteria set out in column (1) of the table in SYSC 23 Annex 1 8.2R.

8.2 R Table: Financial qualification conditions

<table>
<thead>
<tr>
<th>(1) Qualification condition</th>
<th>(2) How to do the calculation and corresponding reporting requirement</th>
<th>(3) Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part One: Point in time measurements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(1) The average amount of the firm’s assets under management (calculated as a three-year rolling average) is £50 billion or more</td>
<td>Assets under management are calculated in accordance with the method that must be used to calculate the amount to be recorded in data element 1A (Total funds under management) in data item FSA038 (Volumes and Type of Business)</td>
<td>SYSC 23 Annex 1 8.8R(2) and SYSC 23 Annex 1 8.11R apply to this calculation.</td>
</tr>
</tbody>
</table>
| (2) The firm currently has 10,000 or more outstanding regulated mortgages | A firm’s outstanding regulated mortgages are calculated as follows: 
(a) calculate the amount that must be recorded in row E4.5 (Total) in the box under the successive headings and sub-headings “Regulated Loans”, “Balances” | |
outstanding” and “Number” in the *MLAR*;

(b) calculate the amount that must be recorded in row G1.1(d) (total) under the successive headings and sub-headings “As PRINCIPAL administrator” and “Regulated loans” in the *MLAR*; and

(c) add those amounts together.

### Part Two: Revenue measurements

<table>
<thead>
<tr>
<th>(3) The average amount of the <em>firm’s</em> total intermediary regulated business revenue (calculated as a three-year rolling average) is £35 million per annum or more</th>
<th>Total intermediary regulated business revenue is calculated in accordance with the method that must be used to calculate the amount to be recorded in <em>data element 4E (Total regulated business revenue)</em> in Section B (Profit and Loss account) of the <em>RMAR</em></th>
<th><em>SYSC 23 Annex 1 8.8R(3)</em> applies to this calculation. <em>SYSC 23 Annex 1 8.18R</em> applies this condition to <em>firms</em> to which the reporting requirement in column (2) does not apply in the cases specified in that <em>rule</em>.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4) The average amount of the <em>firm’s</em> annual revenue generated by regulated consumer credit lending (calculated as a three-year rolling average) is £100 million or more</td>
<td>Annual revenue generated by regulated consumer credit lending is calculated as follows:</td>
<td><em>SYSC 23 Annex 1 8.8R(3)</em> applies to this calculation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) calculate each amount that must be recorded in column B (Revenue) for the rows headed “Lending” in <em>data item CCR002 (Consumer Credit data: Volumes)</em>; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) add those amounts together.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Note 1: Where Parts 8 to 11 of SYSC 23 Annex 1 refer to a calculation period they refer to the annual period in column (1).

Note 2: Where Parts 8 to 11 of SYSC 23 Annex 1 refer to an averaging period they refer to the three-year period in column (1).

Note 3: Where Parts 8 to 11 of SYSC 23 Annex 1 refer to a reporting period they refer to the period for which reports in column (2) are prepared.

Note 4: Where Parts 8 to 11 of SYSC 23 Annex 1 refer to a calculation date they refer to the date as of which the calculations in column (2) of this table are made.

8.3 G (1) Column (2) of the table in SYSC 23 Annex 1 8.2R refers to the FCA Handbook versions of the relevant data items.

   (2) The boxes referred to in row (2) (outstanding regulated mortgages) correspond to the online version of the MLAR as follows:

       (a) paragraph (a) corresponds to data item c3; and

       (b) paragraph (b) corresponds to data item G1.1 c1 (d).

Qualification conditions only apply if reporting requirements apply

8.4 R Subject to SYSC 23 Annex 1 8.18R, a qualification condition in column (1) of the table in SYSC 23 Annex 1 8.2R only applies to a firm if the corresponding reporting requirement referred to in column (2) of the table currently applies to the firm.

General calculation principles

8.5 R If the applicable financial reporting requirements in column (2) of the table in SYSC 23 Annex 1 8.2R have changed during the relevant period, the calculations must be made in accordance with whatever requirements applied for the applicable period.

8.6 R The calculations are made on a solo basis.

8.7 R (1) The calculation periods, averaging periods and dates in column (1) of the table in SYSC 23 Annex 1 8.2R are defined so as to be consistent with the financial reporting periods and calculation dates used for the corresponding data item in column (2) of that table. The rest of this rule gives examples of this principle.

   (2) If a calculation in column (1) of the table in SYSC 23 Annex 1 8.2R is based on per annum or annual revenue and the reporting period in column (2) is based on the firm's accounting period:
(a) the calculation periods in column (1) are also based on the firm’s accounting period; and

(b) the averaging period in column (1) is made up of the applicable number of accounting periods.

(3) If a calculation in column (1) of the table in SYSC 23 Annex 1 8.2R is based on per annum or annual revenue and the reporting period in column (2) is based on a calendar year:

(a) the calculation periods in column (1) are also based on a calendar year; and

(b) the averaging period in column (1) is made up of the applicable number of calendar years.

(4) Where row (2) of column (1) of the table in SYSC 23 Annex 1 8.2R refers to a firm’s current financial figures it refers to the figures as at the calculation date for its most recent reporting period in column (2).

(5) A firm’s most recent reporting period is the one for the data item whose required submission date has passed most recently.

Averaging periods

8.8 R (1) This rule deals with the establishment of a firm’s averaging periods.

(2) When the table in SYSC 23 Annex 1 8.2R specifies that this paragraph (2) applies:

(a) each averaging period ends on the calculation date for a reporting period; and

(b) there is an averaging period that ends on each such day.

(3) When the table in SYSC 23 Annex 1 8.2R specifies that this paragraph (3) applies:

(a) each averaging period ends on the last day of a year; and

(b) there is an averaging period that ends on each such day.

(4) The term ‘year’ in (3) is defined in accordance with SYSC 23 Annex 1 8.7R.

8.9 G (1) SYSC 23 Annex 1 8.8R(2) provides for a firm’s status to be tested every six months if the relevant data item is reported in six-month intervals and to be tested yearly if the relevant data item is reported yearly.
(2) SYSC 23 Annex 1 8.8R(3) provides for a firm’s status to be tested once a year even if the relevant data item is reported in six-month intervals.

Requirements where the firm reports more than once a year

8.10 R (1) This rule applies to calculations in Part Two of the table in SYSC 23 Annex 1 8.2R.

(2) If:

(a) the firm reports the relevant data items more than once a year; and

(b) each successive report covers the whole year to date;

the calculations in the table are only based on the data item that covers the full year.

(3) The term year in (2) is defined in accordance with SYSC 23 Annex 1 8.7R.

Requirements for calculating average amounts in certain cases

8.11 R When the table in SYSC 23 Annex 1 8.2R specifies that this rule applies, the calculation of the average involves calculating the relevant amount for each reporting period relating to the averaging period, summing those amounts and dividing the result by the applicable number of reporting periods.

Adjustments where reporting periods cover irregular periods

8.12 R (1) This rule applies where:

(a) the calculation is under Part Two of the table in SYSC 23 Annex 1 8.2R;

(b) the reporting period in column (2) is based on the firm’s accounting period;

(c) any of the firm’s accounting periods in the applicable averaging period is not twelve months; and

(d) as a result the averaging period would not be a whole number of calendar years.

(2) Where this rule applies, the firm must adjust the minimum qualification amount in column (1) proportionately.

8.13 G The main example of when SYSC 23 Annex 1 8.12R may apply is where a firm changes its accounting reference date.
Short reporting periods

8.14  G  (1) The financial reporting period may be shorter than the corresponding calculation period.

(2) For example, the calculation period may be based on annual revenue but the firm may have to prepare the corresponding data item in column (2) of the table in SYSC 23 Annex 1 8.2R for revenue arising in six-month periods.

(3) If SYSC 23 Annex 1 8.10R applies this does not matter as the calculation is based on the figures for the full year.

(4) If SYSC 23 Annex 1 8.10R does not apply, in the example in (2):

(a) the calculation of the firm’s most recent annual revenue in column (1) is based on the most recently ended six-month period and the six-month period before that; and

(b) each year within the three-year averaging period is based on two six-month periods.

Effect of reporting requirements not applying for full period

8.15  R  Subject to SYSC 23 Annex 1 8.4R, if the reporting requirement referred to in column (2) of the table in SYSC 23 Annex 1 8.2R did not apply to the firm for the whole of its most recent averaging period as defined in SYSC 23 Annex 1 8.2R, the averaging period is shortened to cover the period for which those requirements did apply.

8.16  G  Reasons why SYSC 23 Annex 1 8.15R may apply to a firm include the following:

(1) the firm has only recently been authorised;

(2) the firm’s Part 4A permission has only recently been varied to include the relevant regulated activities;

(3) the firm has only recently become subject to the relevant reporting requirements; or

(4) the reporting requirement did not exist for the full period (see SYSC TP 7.7.6G for an example).

8.17  G  (1) This paragraph gives an example of how SYSC 23 Annex 1 8.15R works.

(2) In this example:

(a) the relevant qualification condition is one of those in Part Two of the table in SYSC 23 Annex 1 8.2R;
(b) the reporting requirement is based on a firm’s accounting year and reports are due every six months;

(c) the firm’s accounting year ends on 31 December;

(d) the firm is authorised in February.

(2) The firm will not meet the qualification condition before the end of Year One, however large its business is in the period from February to June. This is because the calculations are based on calculation periods of a year and the year is not over yet.

(3) Following the end of Year One, the assessment of whether the firm meets the qualification condition is based on the figures for Year One. There is no adjustment to take account of the fact that the firm was only authorised part of the way through that period.

(4) After the end of Year Two, the averaging period is two years and the figures are taken from the part of Year One during which it was authorised and from Year Two.

(5) The figures for the next averaging period are taken from the part of Year One during which it was authorised and from Years Two and Three.

(6) If the firm in this example is authorised in September, the assessment of whether the firm meets the qualification condition for Year One is based on the figures for the part of Year One for which it is authorised, as it is in (3). However, in contrast to (2), that means that the assessment is made in respect of its first few months of authorisation.

(7) In this paragraph:

(a) the firm being authorised means the firm being authorised or the relevant regulated activities being included in its permission so that the relevant reporting requirement applies;

(b) the accounting year in which this occurs is referred to as Year One; and

(c) subsequent accounting years are referred to accordingly.

Special requirements for calculating intermediary regulated business revenue

8.18 R The qualification condition in row (3) of the table in SYSC 23 Annex 1 8.2R may also apply to a firm that meets the following conditions, even though the financial reporting requirement referred to in that row does not apply to it:

(1) it falls into any of the following categories:
(a) its permission includes an insurance distribution activity in relation to non-investment insurance contracts;

(b) its permission includes a home finance mediation activity;

(c) it is a retail investment firm;

(d) it is a personal investment firm;

(e) (subject to SYSC 23 Annex 1 8.19R) its permission includes advising on P2P agreements; or

(f) (subject to SYSC 23 Annex 1 8.20R) its permission includes designated investment business or it carries out designated investment business; and

(2) it is not required to complete Section B of the RMAR.

8.19 R A firm is excluded from SYSC 23 Annex 1 8.18R(1)(e) if its permission, so far as it relates to the activity in SYSC 23 Annex 1 8.18R(1)(e), is limited to activities carried on exclusively with or for professional clients.

8.20 R A firm is excluded from SYSC 23 Annex 1 8.18R(1)(f) if its permission, so far as it relates to the activity in SYSC 23 Annex 1 8.18R(1)(f), is limited and subject to requirements in a way that means it may only carry on those activities exclusively with or for professional clients or eligible counterparties.

8.21 R (1) This rule deals with how the qualification condition in row (3) of the table in SYSC 23 Annex 1 8.2R applies to a firm in SYSC 23 Annex 1 8.18R.

(2) The calculation is made in accordance with the requirements for Section B (Profit and Loss account) of the RMAR and otherwise as described in column (2) of row (3) of the table in SYSC 23 Annex 1 8.2R.

(3) The reporting period for the purposes of this Annex is an annual period ending on the firm’s accounting reference date.

(4) For the purpose of applying this Annex to a firm in SYSC 23 Annex 1 8.18R, a reference in this Annex to:

(a) the due submission date for a data item is treated as being to the reporting date defined in SUP 15.15.9R;

(b) a firm’s most recent reporting period is the period in (3) whose reporting date (as defined in (4)(a)) has occurred most recently; and
(c) being subject to a reporting requirement is treated as a reference to meeting the conditions in SYSC 23 Annex 1 8.18R.

8.22 G  (1) There is only one qualification condition in row (3) of the table in SYSC 23 Annex 1 8.2R.

(2) Therefore if a firm ceases to be in SYSC 23 Annex 1 8.18R because it begins to report using the RMAR, SYSC 23 Annex 1 8.4R does not apply and the firm will continue to meet the qualification condition as long as its income remains at the necessary level.

(3) The same applies if the firm moves from reporting using the RMAR to being a firm within SYSC 23 Annex 1 8.18R.

(4) If a firm makes a change of the kind in (2) or (3), the figures for the averaging periods during which this occurs will be made up of figures taken from its RMAR and ones calculated under SUP 15.15. SYSC 23 Annex 1 8.15R does not apply.

(5) If there is a gap between being subject to SYSC 23 Annex 1 8.18R and reporting using the RMAR, SYSC 23 Annex 1 11.8R may mean that the firm never stops being an enhanced scope SMCR firm.

8.22 G  SUP 15.15 requires a firm within SYSC 23 Annex 1 8.18R regularly to calculate whether it meets the qualification condition in row (3) of the table in SYSC 23 Annex 1 8.2R and, in certain circumstances, to notify the FCA of the results.

Part Nine: Other qualification conditions for being an enhanced scope SMCR firm

9.1 R  A firm meets a qualification condition for the purposes of identifying an enhanced scope SMCR firm under the flow diagram in Part One of this Annex if it meets one of the following criteria:

(1) the firm is a significant IFPRU firm;

(2) the firm is a CASS large firm; or

(3) the firm notifies the FCA in accordance with Part 12 of this Annex that it intends to become an enhanced scope SMCR firm.

9.2 G  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 firm in SYSC 23 Annex 1 9.1R(1) or SYSC 23 Annex 1 9.1R(2) it is to be treated as falling into that category of firm for the purpose of this Annex as well.

Part Ten: When a firm becomes an enhanced scope SMCR firm

General rule
10.1 R (1) **A firm** must comply with the requirements for **enhanced scope SMCR firms** (and becomes an **enhanced scope SMCR firm**) from the date specified in this **rule**.

(2) If a **firm**:

(a) was not an **enhanced scope SMCR firm**; and

(b) then meets one of the qualification conditions in Part 8 or Part 9 of this Annex;

the date is twelve **months** after it first meets the first qualification condition that it met.

(3) Where the first qualification condition it meets is the one in **SYSC 23 Annex 1 9.1R(3)**, the date is three **months** after the **FCA** receives the notice in **SYSC 23 Annex 1 9.1R(3)**.

(4) (3) also applies if:

(a) it meets the qualification condition in **SYSC 23 Annex 1 9.1R(3)** after it meets another qualification condition; and

(b) the result of applying (3) would be that the **firm** would become an **enhanced scope SMCR firm** sooner.

(5) This **rule** is subject to **SYSC 23 Annex 1 11.8R**.

Meeting the financial thresholds in Part 8

10.2 R (1) Subject to (4), a **firm** first meets one of the qualification conditions in Part 8 of this Annex (financial qualification conditions) on the due date for submission of the relevant **data item** (see (2) and (3) for the meaning of relevant **data item**).

(2) Except where (3) applies, the relevant **data item** is the **data item** for the final reporting period applicable to the averaging period for which the **firm** first meets the condition in column (1) of the applicable row in the table in **SYSC 23 Annex 1 8.2R**.

(3) Where the qualification condition is the one in row (2) of the table in **SYSC 23 Annex 1 8.2R**, the relevant **data item** is the one for the reporting period for which the **firm** first meets the condition in column (1) of that row.

(4) In the case of a **firm** in **SYSC 23 Annex 1 8.18R**, the **firm** meets the qualification condition in row (3) of the table in **SYSC 23 Annex 1 8.2R** on the reporting date for the final reporting period applicable to the averaging period for which the **firm** first meets the condition in column (1) of that row.
Meeting the qualification conditions in Part 9

10.3 R A firm meets one of the qualification conditions in Part 9 of this annex (other qualification conditions) on the date when:

1. the status in SYSC 23 Annex 1 9.1R(1) or SYSC 23 Annex 1 9.1R(2) becomes effective; or (as the case may be)

2. the FCA receives the notice in SYSC 23 Annex 1 9.1R(3).

10.4 G SYSC 23 Annex 1 10.1R and SYSC 23 Annex 1 10.3R mean that a firm becomes an enhanced scope SMCR firm under Part 9 of this Annex on the date in column (2) of the table in SYSC 23 Annex 1 10.5G.

10.5 G Table: Date firm becomes an enhanced scope firm

<table>
<thead>
<tr>
<th>Qualification condition</th>
<th>Date firm becomes an enhanced scope SMCR firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm is a significant IFPRU firm</td>
<td>It becomes an enhanced scope SMCR firm one year and three months after the date in IFPRU 1.2.3R (the three-month period in IFPRU 1.2.6R(2) plus the one year in this Part).</td>
</tr>
<tr>
<td>The firm is a CASS large firm This includes a firm that has elected to be treated as a CASS large firm</td>
<td>If the firm notifies the FCA in accordance with CASS 1A.2.9R(1) or CASS 1A.2.9R(2), it becomes an enhanced scope SMCR firm one year following the 1 February following the notification under CASS. If the firm notifies the FCA in accordance with CASS 1A.2.9R(3), it becomes an enhanced scope SMCR firm one year after the day it begins to hold client money or safe custody assets. If the firm makes an election under CASS 1A.2.5R(1), it becomes an enhanced scope SMCR firm one year after the day the notification made under CASS 1A.2.5R(2)(a) states that the election is intended to take effect.</td>
</tr>
<tr>
<td>The firm opts to be an enhanced scope SMCR firm by notifying the FCA using Form O</td>
<td>It becomes an enhanced scope SMCR firm three months after the FCA receives the notice.</td>
</tr>
</tbody>
</table>

10.6 G (1) The purpose of the one year or three-month period between meeting the conditions for being an enhanced scope SMCR firm and the firm
becoming subject to the requirements for such firms is to allow it to make preparations to comply with the new requirements.

(2) For example, a core SMCR firm opting up to be an enhanced scope SMCR firm should use this period to apply for approval for its personnel to perform the new designated senior management functions that will apply because it has become an enhanced scope SMCR firm.

10.7 G (1) A firm retains its old status during the one-year or three-month period described in this Part.

(2) For example, a core SMCR firm that meets one of the qualification conditions for being an enhanced scope SMCR firm in SYSC 23 Annex 1 9.1R(1) or SYSC 23 Annex 1 9.1R(2) will remain as a core SMCR firm for one year after it meets the qualification condition.

Part Eleven: When a firm stops being an enhanced scope SMCR firm

General rule

11.1 R A firm that:

(1) was an enhanced scope SMCR firm; and

(2) then meets none of the qualification conditions in this Annex;

ceases to be subject to the requirements for enhanced scope SMCR firms (and ceases to an enhanced scope SMCR firm) one year after it ceases to meet the last qualification condition that it met.

Ceasing to meet the financial thresholds in Part 8

11.2 R A firm ceases to meet one of the qualification conditions in Part 8 of this Annex (financial qualification conditions) on whichever of the following is applicable:

(1) the due date for submission of the data item for the final reporting period applicable to the averaging period for which the firm first ceases to meet the condition in column (1) of the applicable row in the table in SYSC 23 Annex 1 8.2R; or

(2) (where the qualification condition is the one in row (2) of the table in SYSC 23 Annex 1 8.2R) the due date for submission of the data item for the reporting period for which the firm first ceases to meet the condition in column (1) of that row; or

(3) (in the case of a firm in SYSC 23 Annex 1 8.18R) the reporting date for the final reporting period applicable to the averaging period for which the firm first ceases to meet the condition in column (1) of that row; or
Ceasing to meet the qualification conditions in Part 9

11.3  R  A firm ceases to meet one of the qualification conditions in SYSC 23 Annex 1 9.1R(1) or SYSC 23 Annex 1 9.1R(2) (other qualification conditions) on the date that the status in SYSC 23 Annex 1 9.1R ceases to apply.

11.4  R  (1)  This rule deals with a firm that notifies the FCA under Part 12 of this Annex that it is cancelling its election to be an enhanced scope SMCR firm under SYSC 23 Annex 1 9.1R(3).

(2)  The firm ceases to meet the qualification condition under SYSC 23 Annex 1 9.1R(3) on the date the FCA receives the notice.

Only meeting qualification conditions for a short time

11.5  R  (1)  This rule deals with a case in which a firm ceases to meet a qualification condition in Part 8 or Part 9 of this Annex while the one-year period in Part 10 of this Annex resulting from meeting that qualification condition is still running.

(2)  The result is that the firm does not become an enhanced scope SMCR firm. The one-year period no longer runs.

11.6  G  If, after the firm ceases to meet a qualification condition as described in SYSC 23 Annex 1 11.5R, it later meets the same qualification condition or another qualification condition in Part 8 or Part 9 of this Annex, a new one-year period or, as applicable, three-month period, under Part 10 of this Annex begins. This applies even if it meets that qualification condition during the one-year period referred to in SYSC 23 Annex 1 11.5R.

11.7  G  (1)  SYSC 23 Annex 1 12.13R allows a firm to withdraw an election to be an enhanced scope SMCR firm before it takes effect.

(2)  The result is that the firm does not become an enhanced scope SMCR firm and the three-month period in in SYSC 23 Annex 1 11.1R does not apply.

Only ceasing to meet qualification conditions for a short time

11.8  R  If:

(1)  the one-year period in SYSC 23 Annex 1 11.1R is still running; and

(2)  the firm again meets a qualification condition in Part Eight or Nine of this Annex;
then (subject to SYSC 23 Annex 1 12.5R):

(3) the firm remains an enhanced scope SMCR firm; and

(4) the one-year period in Part Ten of this Annex does not apply.

11.9 G SYSC 23 Annex 1 12.5R allows a firm to opt to remain as an enhanced scope SMCR firm during the one-year period in SYSC 23 Annex 1 11.1R.

Ceasing to meet one qualification condition and beginning to meet another

11.10 G (1) This paragraph deals with the following example:

(a) a firm meets a qualification condition for being an enhanced scope SMCR firm and becomes an enhanced scope SMCR firm;

(b) later the firm meets another qualification condition;

(c) shortly after (b) the firm ceases to meet the first qualification condition; and

(d) the gap between (b) and (c) is less than the one-year period provided for in Part 10 of this Annex.

(2) In this example:

(a) the firm never stops being an enhanced scope SMCR firm; and

(b) neither the one-year period in Part 10 of this Annex nor the one year countdown provided for in SYSC 23 Annex 1 11.1R applies.

Part Twelve: Opting up and opting down

Opting up to being a core firm

12.1 R (1) A firm may notify the FCA in accordance with this Part that it intends to become a core SMCR firm.

(2) The notice takes effect three months after the FCA receives the notice.

(3) A firm may only make such an election if the flow diagram in SYSC 23 Annex 1 1.2R (Flow diagram: Types of SMCR firm) allows this.

12.2 G The flow diagram in SYSC 23 Annex 1 1.2R (Flow diagram: Types of SMCR firm) means that only a limited scope SMCR firm may opt up to be a core SMCR firm.

Opting up to being an enhanced scope firm
A firm may notify the FCA in accordance with this Part that it intends to become an *enhanced scope SMCR firm*.

The notice takes effect as described in Part 10 of this Annex.

A firm may only make such an election if the flow diagram in SYSC 23 Annex 1 1.2R (Flow diagram: Types of SMCR firm) allows this.

The flow diagram in SYSC 23 Annex 1 1.2R (Flow diagram: Types of SMCR firm) means that only a *limited scope SMCR firm* or a *core SMCR firm* may opt up to be an *enhanced scope SMCR firm*.

An *enhanced scope SMCR firm* that is within the one-year period in Part 11 of this Annex (When a firm stops being an enhanced scope SMCR firm) may notify the FCA in accordance with this Part that it intends to remain an *enhanced scope SMCR firm*.

The notice takes effect immediately on receipt by the FCA. The effect is that:

- the firm remains an *enhanced scope SMCR firm*;
- the three-month period in Part Ten of this Annex (When a firm becomes an enhanced scope SMCR firm) does not apply; and
- the firm is treated as meeting the qualification condition for being an *enhanced scope SMCR firm* of having opted to be an *enhanced scope SMCR firm* under SYSC 23 Annex 1 9.1R(3).

The following may also give a notice described in SYSC 23 Annex 1 12.1R or SYSC 23 Annex 1 12.3R:

- an applicant for Part 4A permission; and
- other persons seeking to carry on regulated activities as an SMCR firm.

The notice becomes effective when it becomes an SMCR firm.

If a person in SYSC 23 Annex 1 12.6R(1) wishes to rely on SYSC 23 Annex 1 12.6R, it must make, or, as the case may be, amend its application so as to meet the relevant requirements of this Annex about the notices described in SYSC 23 Annex 1 12.1R or SYSC 23 Annex 1 12.3R.
This paragraph relates to a person who is about to become an SMCR firm and wishes to opt up in accordance with this Part of this Annex.

(2) This Part of this Annex restricts who can elect to opt up to a higher category of SMCR firm. In a case covered by this paragraph, this restriction relates to the category of SMCR firm of which the person will be a member when it becomes an SMCR firm if it had not made the election.

(3) (2) also applies to the requirements about how to notify the FCA.

Revoking an opt up

This rule deals with a firm that has elected under this Annex to become a core SMCR firm or an enhanced scope SMCR firm and that election has taken effect.

(2) The firm may notify the FCA that it is cancelling its election under this Annex to be:

(a) a core SMCR firm; or

(b) an enhanced scope SMCR firm.

(3) A notification under (2)(a) takes effect one year after the FCA receives the notice.

(4) A notification under (2)(b) takes effect in accordance with Part 11 of this Annex.

Opted up firm later meets other qualification conditions

(1) A firm may elect to opt up to a higher category of SMCR firm and then later meet one of the other qualification conditions for that higher category.

(2) The table in SYSC 23 Annex 1 12.11G gives examples of various scenarios that can follow on from that.

Table: Examples involving a firm that opts up a category

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Treatment under this Annex</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) A firm elects to opt up to a higher category. It later meets one of the other qualification conditions for that higher category. It ceases to meet that category because its election remains in force.</td>
<td>The firm remains in the higher category because its election remains in force.</td>
</tr>
</tbody>
</table>
second qualification condition some time later.

<table>
<thead>
<tr>
<th>(2) A firm elects to opt up to a higher category. It later meets one of the other qualification conditions for that higher category. It later cancels its election.</th>
<th>The firm remains within that higher category despite cancelling its election because it still meets that second qualification condition.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3) A firm elects to opt up to a higher category. It later cancels its election. During the one-year period in Part Eleven of, or this Part of, this Annex following its cancellation notice it meets one of the other qualification conditions for that higher category.</td>
<td>The firm remains within that higher category despite the cancellation notice.</td>
</tr>
<tr>
<td>(4) A firm elects to opt up to a higher category. It later meets one of the other qualification conditions for that higher category. It later cancels its election. Some time after that, it ceases to meet the second qualification condition.</td>
<td>The cancellation notice has no immediate effect (see Example (2)). However when it ceases to meet the second qualification condition it ceases to be in the higher category. In contrast to Example (1), its election is no longer in force when it ceases to meet the second qualification condition.</td>
</tr>
</tbody>
</table>

Note: When this table refers to the cancellation of an election it refers to cancelling that election after it has taken effect and not to withdrawing it before it takes effect.

Giving notices

12.12 R (1) This rule deals with a notification under SYSC 23 Annex 1 12.1R to SYSC 23 Annex 1 12.6R.

(2) The notification must be made in accordance with SUP 10C.15.11R (Method of submission: electronic submission).

(3) A firm must use the version of the form made available for this purpose on the electronic system referred to in SUP 10C.15.11R, which is based on the version found in SYSC 23 Annex 2R (Form O).

(4) If SUP 10C.15.11R requires the notification to be in accordance with SUP 10C.15.14R (Method of submission: other forms of submission), the firm must use the version of the form found in SYSC 23 Annex 2R.
Withdrawing notices

12.13 R A firm may, by notice to the FCA, withdraw a notice in SYSC 23 Annex 1 12.12R at any time before it takes effect.

12.14 G (1) This paragraph relates to the withdrawal of a notice as described in SYSC 23 Annex 1 12.13R.

(2) If a firm decides to give a withdrawal notice, it should send it to the FCA as soon as possible.

(3) A firm should give a withdrawal notice in accordance with SUP 15.7 (Form and method of notification). There is no specified form for the notice.

12.15 G See SYSC 23 Annex 1 11.7G for more about the effect of withdrawing a notice electing to be an enhanced scope SMCR firm.

12.16 G If a firm notifies the FCA in accordance with this Part of this Annex that it intends to revoke its election to be an enhanced scope SMCR firm and then changes its mind within a year, it should withdraw its revocation notice under SYSC 23 Annex 1 12.13R rather than use the opting-up procedure in SYSC 23 Annex 1 12.5R.

Insert the following annex in the appropriate position. The text (which consists of a form) is included in Part Two of Annex Q of this instrument.

**23 Annex Form O: Changing firm status under the Senior Managers and Certification Regime**

Amend the following as shown.

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

**24.1 Application**

Main application rules

24.1.1 R This chapter applies to 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:

(1) an EEA SMCR firm; or

(2) a limited scope SMCR firm.
## Allocation of FCA-prescribed senior management responsibilities: Main allocation rules

What the FCA-prescribed senior management responsibilities are

### 24.2.6 Table: FCA-prescribed senior management responsibilities

<table>
<thead>
<tr>
<th>FCA-prescribed senior management responsibility</th>
<th>Explanation</th>
<th>Reference letter</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
<td></td>
</tr>
<tr>
<td>(7) Responsibility for:</td>
<td></td>
<td>(j)</td>
</tr>
<tr>
<td>(a) safeguarding the independence of; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(b) oversight of the performance of;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>the internal audit function, in accordance with the internal audit requirements for SMCR firms and the PRA requirements referred to in column (2) of this row (7).</td>
<td>(4) The Head of Internal Audit function means the head of internal audit function or the PRA’s Head of Internal Audit designated senior management function.</td>
<td></td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(9) Responsibility for:</td>
<td></td>
<td>(l)</td>
</tr>
<tr>
<td>(a) safeguarding the independence of; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>...</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
(b) oversight of the performance of; the risk function, in accordance with the risk control requirements for SMCR firms and the PRA requirements referred to in column (2) of this row (9).

(4) The Chief Risk function means the chief risk officer function or the PRA’s Chief Risk designated senior management function.

…

(11) Responsibility for the firm’s compliance with CASS

(2) A firm may include in this FCA-prescribed senior management responsibility whichever of the following functions apply to the 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); or

(e) CASS 13.2.3R (certain CASS compliance functions for a firm carrying on a regulated claims management activity);
but it does not have to.

(3) …

…

(17) …

(18) Responsibility for taking reasonable steps to ensure that every person involved in the performance of the firm’s internal audit function is independent from the persons who perform external audit, including:

- (a) supervision and management of the work of outsourced internal auditors; and
- (b) management of potential conflicts of interest between the provision of external audit and internal audit services.

This only applies if the firm outsources its internal audit function.

(j-3)

(19) Responsibility for:

- (a) managing the firm’s internal stress tests; and
- (b) ensuring the accuracy and timeliness of information provided to the FCA and other regulatory bodies for the purposes of stress testing.

Stress testing refers to stress testing under SYSC 20 (Reverse stress testing).

This responsibility only applies to a firm to which SYSC 20 applies.

(s)

(20) The responsibilities allocated under COLL 6.6.27R or COLL 8.5.22R (Allocation of responsibility for compliance to an approved person).

Only applies to a firm to which the rules in column (1) apply.

(za)
(21) Responsibility for the development and maintenance of the firm’s business model by the governing body.

| Business model means the same thing as it does in Schedule 6 to the Act (Threshold Conditions). |
| This responsibility applies even if the business model threshold condition does not apply to it. |

(24) 

24.3 Who prescribed responsibilities should be allocated to

Seniority and authority

24.3.1 G The FCA expects that a person who has responsibility for an FCA-prescribed senior management responsibility:

(1) will generally (in the case of the FCA-prescribed senior management responsibilities in SYSC 24.3.3G SYSC 24.3.3G(1)) be the most senior employee or officer responsible for managing that area (or the most senior below the chief executive); and

…

Executive or non-executive

…

24.3.3 G (1) The Subject to (2), the FCA expects that normally a firm will allocate the other FCA-prescribed senior management responsibilities to an SMF manager who performs executive functions for the firm.

(2) The relevant rules in COLL deal with the persons to whom a firm should allocate FCA-prescribed senior management responsibility (za) (Allocation of responsibility for COLL compliance to an approved person).

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 to comply with the parts of SYSC 24.3.1G(1), SYSC 24.3.2G and SYSC 24.3.3G SYSC 24.3.3G(1) that would otherwise apply to it.

…

Not assigning too many responsibilities to one person

…
24.3.10 G …

(2) The firm should make the judgement:

…

(d) any other applicable Handbook requirements, including:

…

(ii) SYSC 24.3.7G to SYSC 24.3.9G; and

(iii) article 21 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

…

…

24 Which FCA-prescribed senior management responsibilities apply to which kind of firm

Annex 1

Introduction and exclusions

…

1.3 G …

1.4 R The following FCA-prescribed senior management responsibilities do not apply to a full-scope UK AIFM in relation to its managing an AIF:

(1) responsibility (i) (internal audit oversight);

(2) responsibility (k) (compliance oversight);

(3) responsibility (l) (risk oversight);

(4) responsibility (j-3) (independence of outsourced internal audit); and

(5) responsibility (t) (business model).

…

Insert the following new Parts in SYSC 24 Annex 1 where indicated. The text is not underlined.
Insurance sector firms

... 

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>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
<td>...</td>
</tr>
</tbody>
</table>

Solo regulated firms

4.1 R (1) The table in SYSC 24 Annex 1 4.2R sets out which FCA-prescribed senior management responsibilities apply to which type of core SMCR firm and enhanced scope SMCR firm.

(2) SMCR firms in (1) are divided into the following categories for the purposes of in (1):

(a) UK core SMCR firm;

(b) overseas core SMCR firm (excluding an EEA SMCR firm); and

(c) enhanced scope SMCR firm.

4.2 R Table: FCA-prescribed senior management responsibility applying to solo regulated firms

<table>
<thead>
<tr>
<th>(1) Brief description of responsibility</th>
<th>(2) Reference letter of responsibility</th>
<th>(3) UK core firm</th>
<th>(4) Third country core firm</th>
<th>(5) Enhanced scope firm</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>
</tr>
<tr>
<td>Responsibility for the firm’s performance of its obligations</td>
<td>(b) ✓ ✓ ✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>under the employee certification regime</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>Financial crime</strong></td>
<td>(d)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>COCON</strong></td>
<td>(b-1)</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>
</tr>
<tr>
<td>Internal audit oversight</td>
<td>(j)</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Compliance oversight</td>
<td>(k)</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Risk oversight</td>
<td>(l)</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td><strong>CASS</strong></td>
<td>(z)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Independence of outsourced internal audit</td>
<td>(j-3)</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Business model</td>
<td>(t)</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Stress tests</td>
<td>(s)</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Allocation of responsibility for <strong>COLL</strong> compliance to an approved person</td>
<td>(za)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>UK</strong> risk management</td>
<td>(aa)</td>
<td>×</td>
<td>✓</td>
<td>×</td>
</tr>
<tr>
<td>Compliance with <strong>UK regulatory system</strong></td>
<td>(ff)</td>
<td>×</td>
<td>✓</td>
<td>×</td>
</tr>
<tr>
<td>Escalation of correspondence</td>
<td>(ee)</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 4.1R. Therefore:

1. UK core firm (column three) refers to SYSC 24 Annex 1 4.1R(2)(a);
2. Third country core firm (column four) refers to SYSC 24 Annex 1 4.1R(2)(b); and

Amend the following as 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 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 4.2R (firms in run-off); and

(3) an enhanced scope SMCR firm;

except to the extent that this chapter applies a narrower scope to a particular provision.

...

25.3 Management responsibilities maps: Exclusion of non-financial services activities for some firms [This part has been left blank deliberately]

25.3.1 R An enhanced scope SMCR firm may prepare its management responsibilities map so that (subject to SYSC 25.3.2R) it only includes its management and governance arrangements to the extent that they cover, support or otherwise relate to its SMCR financial activities.

25.3.2 R If a firm uses the exclusion in SYSC 25.3.1R it must include sufficient information about the excluded management and governance arrangements to show how the included management and governance arrangements fit in with the firm’s management and governance arrangements as a whole.

25.3.3 G Support functions that should be covered by a management responsibilities map despite SYSC 25.3.1R include:

(1) human resources;

(2) the firm’s information technology; and

(3) compliance and legal services.

25.3.4 G (1) A firm may have a non-financial services business in addition to carrying on its SMCR financial activities. Its support services may support both aspects of its business and its management responsibilities map may therefore still need to cover the support services even though they also cover the firm’s non-financial services business.
(2) Take for example human resources. If the firm's human resources function covers the firm's entire workforce without separating the parts that deal with the firm's financial services and its other business, the management responsibilities map should cover the entire human resources function.

(3) On the other hand, the firm may separate the part of its human resources function that deals with those working in its financial services business from the part that deals with the other part of its business. In that case the management responsibilities map may leave out (subject to SYSC 25.3.2R) the part of the human resources function that covers its non-financial services business.

25.4 Guidance about what should be in a management responsibilities map

...  

25.4.11 G The executive director function, the other local responsibility function, the group entity senior manager 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.

...

25.9 Handover procedures and material

Application

...  

25.9.3 R [This has been left blank deliberately] This section does not apply to a full-scope UK AIFM in relation to its managing an AIF.

...

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); and

(3) an enhanced scope SMCR firm;

except to the extent that this chapter applies a narrower scope to a particular provision.

... Territorial scope ...

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>...</td>
<td>...</td>
</tr>
<tr>
<td>chief executive</td>
<td>branch manager or the person performing the head of third country branch function or 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 chapter is to ensure, together (in the case of a PRA-authorised person) 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:

...  

26.4 Exclusions

Exclusions where other requirements apply

26.4.1 R ...

26.4.2 R SYSC 26.3 (Main rules) does not require a firm PRA-authorised person to ensure that SMF managers have local or overall responsibility for any activity, business area or management function that is:

...
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 (in the case of a PRA-authorised person) 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 (in the case of a PRA-authorised person) the PRA equivalent.

(2) While the disapplication of the designated senior management function provided for in SUP 10C.3.13R or (in the case of a PRA-authorised person) the PRA equivalent is still in force the firm may allocate the Responsibilities to an employee who is not an SMF manager.

Exclusion of non-financial services activities

26.4.15  G  …

SYSC 26.3 (Main rules) only requires an enhanced scope SMCR firm to allocate responsibility for activities, business areas and management functions to the extent that they support, form part of or otherwise relate to its SMCR financial activities.

26.4.17  G  SYSC 25.3.3G and SYSC 25.3.4G (Management responsibilities maps: Exclusion of non-financial services activities for some firms) are relevant to when an enhanced scope SMCR firm may exclude support services from the allocation of responsibilities under this chapter.

Exclusion for AIFMD

26.4.18  R  A full-scope UK AIFM may treat managing an AIF as not being part of its SMCR financial activities for the purposes of this chapter.

Group management arrangements and outsourcing

…

26.10.2  G  …
26.10.3  G (1)  This chapter does not cover responsibility for an aspect of a firm’s PRA-authorised person’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 one of those PRA-designated senior management functions for the firm PRA-authorised person, there is no need to appoint that person under this chapter and apply the arrangements in SYSC 26.10.1G.

...

26.11  Link between this chapter and other parts of the senior managers regime

...

26.11.3  G ...

Overall responsibility for internal operations

26.11.4  G If a firm does not have anyone who performs the chief operations function (or the equivalent PRA-designated senior management function) the firm should allocate responsibility for the functions in SUP 10C.6B.4G (The chief operations function (SMF24)) among its SMF managers under this chapter.

27  Senior managers and certification regime: Certification regime

...

27.2  Requirements of the certification regime

General

...

27.2.2  G SYSC TP 5, and SYSC TP 7 and SYSC TP 8 contain transitional material about the certification regime. This includes material about the fact that:

...

Fitness to act

...
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 this chapter, the corresponding PRA requirements (if the firm is a PRA-authorised person) and the requirements of the Act described in this chapter;

... 

27.3 Territorial scope

... 

27.3.4 (1) The Regulated Activities Order has an effect on the territorial scope of this chapter.

(2) As explained in SYSC 27.7.1R (General requirements), a function is only an FCA certification function if it is connected to regulated activities.

(3) Therefore where overseas activities are excluded from being regulated activities by the Regulated Activities Order, that will have an effect on the certification regime.

27.3.5 (1) An example of SYSC 27.3.4G is the territorial restriction relating to regulated claims management activities.

(2) As explained in PERG 2.4A (Link between regulated claims management activities and Great Britain), a claims management activity specified in the Regulated Activities Order is only a regulated activity if it is carried on by way of business in Great Britain.

(3) The result is that a claims management activity specified in the Regulated Activities Order carried on outside Great Britain is an unregulated activity for the purposes of this chapter and the FCA certification functions.

(4) This restriction:

(a) applies to the FCA certification function in SYSC 27.3.1R(3) as well as to the other FCA certification functions; and

(b) applies in addition to the restriction in SYSC 27.3.1R.
27.6 Other exclusions

...

27.6.8 R  ...

Exclusions: Sole traders

27.6.9 G  (1) An individual *sole trader* will not themselves be a *certification employee*.

(2) However members of a *sole trader’s staff* may be.

(3) Therefore the certification regime does not apply to a *sole trader* with no *employees*.

Exclusions: Internally managed AIFs

27.6.10 R  This chapter does not apply to a *firm* that meets the following conditions:

(1) it is an *internally managed AIF*;

(2) it is a *body corporate*; and

(3) it is not a *collective investment scheme*.

...

27.7 Specification of functions

...

Overlap with designated senior management functions

27.7.5 G  ...

(3)  ...

(4) See SYSC 27.8.7AG for an example of this.

27.8 Definitions of the FCA certification functions

CASS oversight function

27.8.1 R  (1) Each of the following is an *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);

(c) in relation to a CASS small firm, the function of acting in the capacity of a person who is allocated the function in CASS 1A.3.1R (oversight of operational effectiveness);

(d) in relation to a firm to which CASS 13 (Claims management: client money) applies, the function of acting in the capacity of a person who is allocated the function in CASS 13.2.3R (Organisational requirements and responsibility for CASS operational oversight).

... 

Significant management function

...

27.8.7 G ...

27.8.7A G (1) An example of SYSC 27.7.5G is that a person performs the significant management FCA certification function if:

(a) the person performs a role coming within the definition of one of the following roles:

   (i) an FCA-designated senior management function described in SUP 10C.6A (Systems and controls functions: Finance, risk and internal audit); or

   (ii) the chief operations function; and

(b) that FCA-designated senior management function does not apply to the firm.

(2) For example, if a core SMCR firm has a chief risk officer, the chief risk officer will not be performing the chief risk officer function because the chief risk officer function does not apply to core SMCR firms. Instead that person will perform the significant management FCA certification function.

(3) (2) does not apply if the chief risk officer performs that role as part of their job as an executive director. The executive director function applies to core SMCR firms and so that person will be performing the
**executive director function** rather than the significant management **FCA certification function**.

...  
  
Material risk takers  

...  

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>...</td>
<td>...</td>
</tr>
<tr>
<td>(3) ...</td>
<td></td>
</tr>
<tr>
<td>(4) A firm falling within SYSC 19A.1 (application provisions for the remuneration code for IFPRU investment firms)</td>
<td>Each member of the Remuneration Code staff of the firm in column (1).</td>
</tr>
</tbody>
</table>
| (5) A firm that would fall within SYSC 19A.1 if it applied to an incoming EEA firm  
For these purposes sub-paragraphs (i) and (ii) in SYSC 19A.1R(1)(d) (application of the Remuneration Code) do not apply. | In relation to a firm in column (1), the definition of Remuneration Code staff is extended so that it includes employees of this kind of firm in the same way as it includes employees of an overseas firm in row (4) of this table. |
| (6) A firm falling within SYSC 19B.1 (application provisions for the remuneration code for a full-scope UK AIFM) | Each member of the AIFM Remuneration Code staff of the firm in column (1). |
| (7) An above-threshold non-EEA AIFM or an incoming EEA AIFM | In relation to a firm in column (1), the definition of AIFM Remuneration Code staff is extended so that it includes employees of this kind of firm in the same way as it includes employees of firms in row (6) of this table. |
| (8) A firm falling within SYSC 19C.1 (application provisions for remuneration code for BIPRU firms) | Each member of the BIPRU Remuneration Code staff of the firm in column (1). |
(9) A firm that would fall within SYSC 19C.1 if it applied to an incoming EEA firm or an incoming Treaty firm

In relation to a firm in column (1), the definition of BIPRU 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 BIPRU firm in column (1) of row (8) of this table.

(10) A firm falling within SYSC 19E.1 (application provisions for remuneration code for UCITS management companies)

Each member of the UCITS Remuneration Code staff of the firm in column (1).

(11) An EEA UCITS management company

In relation to a firm in column (1), the definition of UCITS Remuneration Code staff is extended so that it includes employees of this kind of firm in the same way as it includes employees of firms in row (10) of this table.

... Bank of England and Financial Services Act 2016: Certification and regulatory references

7.1 Application and purpose

... 

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 except SYSC TP 7.7</td>
</tr>
</tbody>
</table>
| An SMCR insurance firm that is a Solvency II firm (including a large non-directive insurer) | All applies except as follows:…
<p>| | (3) … |
| | (4) SYSC TP 7.7 does not apply. |</p>
<table>
<thead>
<tr>
<th>A core SMCR firm, an enhanced scope SMCR firm and a limited scope SMCR firm</th>
<th>All applies, subject to the adjustments in SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies).</th>
</tr>
</thead>
<tbody>
<tr>
<td>A firm in SYSC TP 7.4.8R</td>
<td>Does not apply, except as follows. SYSC TP 7.4.6R, SYSC TP 7.4.7G, SYSC TP 7.4.8R and SYSC TP 7.6 apply.</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, SYSC TP 7.6 apply.</td>
</tr>
</tbody>
</table>

7.1.3 G SYSC TP 7:
(1) explains how the certification regime described in SYSC 27 applies during the certification transitional period periods 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 and the Individual Accountability (FCA-Authorised Firms) Instrument 2019; and
(4) is adjusted and supplemented by SYSC TP 8 in relation to certain claims management firms.

7.1.4 G (1) The main time period for which SYSC TP 7 operates is 2018 to 2019 2020.

... 

7.1.6 R Table: glossary of bespoke terms used in SYSC TP 7

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>commencement SIs</td>
<td>the insurance firms commencement SI and the solo firms commencement SI</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.

…

7.4 Transitional provisions about regulatory references

…

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:
7.4.7  G  …

7.4.8  R (1) SYSC 22 (Regulatory references) applies to a firm that is excluded from being an SMCR firm by SYSC 23 Annex 1 3.7R (benchmark firms) as it applies to an SMCR firm.

(2) However, the provisions listed in SYSC 22.8.4R do not apply.

…

7.6.2  G  …

7.7  Qualification conditions for FCA-authorised firms

Firm classification: Effect of pre-commencement events

7.7.1  R If a firm is treated as a core SMCR firm, an enhanced scope SMCR firm or a limited scope SMCR firm immediately before the general commencement date for the purposes of SUP TP 11A (Bank of England and Financial Services Act 2016: Approved persons in solo-regulated firms) it retains that status after the general commencement date unless and until it changes under SYSC 23 Annex 1 (Definition of SMCR firm and different types of SMCR firms).

7.7.2  G For example if before the general commencement date a firm has opted up to be an enhanced scope SMCR firm it remains an enhanced scope SMCR firm after the general commencement date. It may then elect to cease being an enhanced scope SMCR firm using a Form O under the procedure in SYSC 23 Annex 1 unless it also meets one of the other qualifications for being an enhanced scope SMCR firm.

7.7.3  G A calculation period, an averaging period or a reporting period as referred to in Part Eight of SYSC 23 Annex 1 (Part Eight: Financial qualification condition for being an enhanced scope SMCR firm) may begin or end before the general commencement date.

Financial qualification conditions for enhanced scope SMCR firms

7.7.4  R (1) This rule applies to a firm that:
(a) does not meet one of the qualification conditions for being an *enhanced scope SMCR firm* in Part 8 of *SYSC 23 Annex 1* (Financial qualification condition for being an enhanced scope SMCR firm) at the date in *SUP TP 11A.23.3R(2)* (Deciding which category a firm is in); but

(b) meets it between that date and the *general commencement date*.

(2) The one-year period referred to in Part 10 of *SYSC 23 Annex 1* (When a firm becomes an enhanced scope SMCR firm) begins on the date the firm met that qualification condition, even though that date is before the *general commencement date*.

7.7.5 G The situation in SYSC TP 7.7.4R may apply to a firm because, for example, its accounting reference date falls between the date in *SUP TP 11A.23.3R(2)* and the *general commencement date*.

Consumer credit reporting

7.7.6 G (1) *SYSC 23 Annex 1 8.15R* deals with cases in which the period in relation to which the financial calculations are made to test whether a firm meets one of the financial qualification conditions for being an *enhanced scope SMCR firm* is adjusted because the relevant reporting requirements did not apply for the whole period. *SYSC 23 Annex 1 8.16G* gives examples of why this may happen.

(2) One example in *SYSC 23 Annex 1 8.16G* is that the relevant reporting requirements have not existed for the whole of the period. A particular example of this is consumer credit reporting requirements. At the time the financial qualification conditions for being an *enhanced scope SMCR firm* first came into force in 2019, the relevant reporting requirements had not existed for a full three years.

After SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) insert the following new SYSC TP 8. The text is not underlined.

**TP 8** Bank of England and Financial Services Act 2016: Application to claims management companies

8.1 Application, purpose and definitions

8.1.1 R Subject to *SYSC TP 8.1.2R*, *SYSC TP 8* applies to a firm if it met the following conditions on the *general solo firms’ commencement date*:
(1) the only regulated activities in its permission were regulated claims management activities;

(2) it still had a claims management temporary permission; and

(3) it would have been an SMCR firm but for SYSC TP 8.2.1R.

8.1.2 R SYSC TP 8.1.1R does not apply to SYSC TP 8.6.1R. Instead, SYSC TP 8.6.1R sets out the firms to which it applies.

8.1.3 G SYSC TP 8:

(1) deals with the application of certain aspects of the senior managers and certification regime to claims management firms brought into regulation under the Act by the Claims Management Order in April 2019;

(2) explains how the transitional provisions in SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) are amended for certain claims management firms;

(3) in particular, describes a transition period (the individual transitional period) that applies for the purposes of the certification regime in place of the one described in SYSC TP 7; and

(4) has certain other transitional provisions relating to the application of the senior managers and certification regime to claims management firms.

8.1.4 R The terms in the first column of the table in SYSC TP 8.1.5R, where they appear in bold in SYSC TP 8, have the meaning in the corresponding row of column 2 for the purposes of SYSC TP 8.

8.1.5 R Table: glossary of bespoke terms used in SYSC TP 8

<table>
<thead>
<tr>
<th>Defined term</th>
<th>Meaning</th>
</tr>
</thead>
<tbody>
<tr>
<td>general solo firms’ commencement date</td>
<td>9 December 2019</td>
</tr>
<tr>
<td>individual transitional period</td>
<td>the one-year period referred to in regulation 3(2) of the solo-regulated firms’ commencement SI. If a firm’s permission is varied to include regulated activities in addition to regulated claims management activities, it means the shorter period (if any) provided for</td>
</tr>
</tbody>
</table>
8.2 Exclusion from the SMCR

8.2.1 A firm is not an SMCR firm (and is included in Part Three of SYSC 23 Annex 1 (Definition of exempt firm)) for as long as:

1. the only regulated activities in its permission are regulated claims management activities; and

2. it only has a claims management temporary permission.

8.3 Transitional period for certification for claims management firms

8.3.1 The effect of the solo-regulated firms’ commencement SI is that 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 during its individual transitional period.

8.3.2 (1) A firm’s individual transitional period is the period that:

(a) begins on (and includes) the date on which the firm’s claims management temporary permission comes to an end under the Claims Management Order and the firm’s full authorisation for regulated claims management activities comes into effect; and

(b) ends on (and excludes) the day falling one year later.

(2) If other activities are included in a firm’s permission part of the way through the one-year period in (1), its individual transitional period ends at once.

(3) If other activities are included in a firm’s permission before it receives full authorisation for its regulated claims management activities, the transitional arrangements described in SYSC TP 8 do not apply and the firm will have no individual transitional period. However, the transitional arrangements in SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) will still apply if it is authorised before 9 December 2020.
8.3.3 R During a firm’s individual transitional period the definition of “certification employee” is amended to mean an employee (as defined in section 63E of the Act) of the firm who performs a certification function under an arrangement entered into by the firm in relation to the carrying on by the firm of a regulated activity, even though the obligation of the SMCR firm to issue a certificate under section 63F of the Act does not yet apply to the firm.

8.4 Application of SYSC TP 7

8.4.1 R SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) applies to a firm with the adjustments set out in this section.

8.4.2 R A reference in SYSC TP 7 to the “certification transitional period” is a reference to a firm’s individual transitional period.

8.4.3 R (1) A reference in SYSC TP 7 to the “general commencement date” is a reference to the start of a firm’s individual transitional period, except in the following provisions:

(a) SYSC TP 7.4.6R (Giving references); and

(b) SYSC TP 7.4.7G (Form of references).

(2) The definition of “general commencement date” is unchanged in the provisions listed in (1)(a) and (b).

8.4.4 G SYSC TP 8.3.1G applies in place of SYSC TP 7.2.1G (Certification: The certification transitional period).

8.4.5 G SYSC TP 7.4.8R (Transitional provisions about regulatory references) and SYSC TP 7.5 (Transitional provisions about benchmarks and the certification regime) are not relevant.

8.4.6 G SYSC TP 7.7 (Qualification conditions for FCA-authorised firms) is not relevant as it covers firms that are SMCR firms on the general solo firms’ commencement date.

8.5 Additional material about regulatory references

8.5.1 R The provisions of SYSC 22 (Regulatory references), except those listed in SYSC 22.8.4R, apply to a firm excluded from being an SMCR firm by SYSC TP 8.2.1R as they apply to an SMCR firm.
Annex D

Amendments to the Code of Conduct sourcebook (COCON)

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

Part 1: Comes into force 26 July 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>
</tr>
</thead>
<tbody>
<tr>
<td>… …</td>
<td>…</td>
</tr>
<tr>
<td>(6) …</td>
<td>(A) This row (6) does not apply to an employee of an SMCR firm who only performs functions falling within the scope of the following roles: … (o) taking part in following activities of the firm: (i) the firm’s activities as a data controllers or processors controller; or (ii) the firm’s activities of data processing; under as defined in the data protection legislation, but subject to Note (1) of this table; …</td>
</tr>
<tr>
<td>… …</td>
<td>…</td>
</tr>
<tr>
<td>(8) …</td>
<td></td>
</tr>
</tbody>
</table>
Note (1): A function is only within paragraph (o) of column (2) (Comments) of row (6) of this table if the function does not require the employee concerned to exercise a significant amount of discretion or judgment.

... 

Part 2: Comes into force 9 December 2019

1 Application and purpose
1.1 Application

... 

To whom does it apply?

... 

1.1.2 R Table: To whom does COCON apply?

<table>
<thead>
<tr>
<th>Persons to whom COCON Applies</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>... ...</td>
<td>...</td>
</tr>
<tr>
<td>(6) ...</td>
<td>...</td>
</tr>
<tr>
<td>(B) ...</td>
<td></td>
</tr>
<tr>
<td>(C) This row (6) also does not apply to an employee of an SMCR firm that is an FCA-authorised person until 9 December 2020.</td>
<td></td>
</tr>
<tr>
<td>... ...</td>
<td>...</td>
</tr>
</tbody>
</table>

... 

Where does it apply?

... 

1.1.11A G ... 

1.1.11B G (1) The Regulated Activities Order has an effect on the territorial scope of COCON.

(2) This is because whether or not conduct involves regulated activities may affect how and whether COCON applies. Therefore where
overseas activities are excluded from being regulated activities by the Regulated Activities Order, that will have an effect on COCON.

(3) An example of (1) is the territorial restriction relating to regulated claims management activities.

(4) As explained in PERG 2.4A (Link between regulated claims management activities and Great Britain), a claims management activity specified in the Regulated Activities Order is only a regulated activity if it is carried on by way of business in Great Britain.

(5) The result is that a claims management activity specified in the Regulated Activities Order carried on outside Great Britain is an unregulated activity for the purposes of COCON.

(6) This restriction:

(a) applies to conduct rules staff coming within COCON 1.1.9R as well as to other conduct rules staff; and

(b) applies in addition to the restriction in COCON 1.1.10R.

4 Specific guidance on individual conduct rules

4.2 Specific guidance on senior manager conduct rules

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

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

…

(e) the method of determining the remuneration complies, where applicable, with the Remuneration Code or, for a Solvency II firm or a small non-directive insurer, other relevant requirements in relation to remuneration, as well as those remuneration codes applicable to firms as set out in SYSC 19B – 19E.
Insert the following new transitional provisions after COCON 4 (Specific guidance on individual contact rules). The text is not underlined.

**TP 1  Transitional provisions: Miscellaneous**

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2) Material to which the transitional provision applies</th>
<th>(3)</th>
<th>(4) Transitional provision</th>
<th>(5) Transitional provision: dates in force</th>
<th>(6) Handbook provision coming into force</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Row (6) of the table in COCON 1.1.2R (Table: To whom does COCON apply?)</td>
<td>R</td>
<td>Row (6) does not apply to an employee of an SMCR firm in SYSC TP 8.1.1R (Application, purpose and definitions).</td>
<td>During the firm’s individual transitional period (as defined in SYSC TP 8.1.5R (Table: glossary of bespoke terms used in SYSC TP 8)).</td>
<td>The rule in column (2) applies from the end of the firm’s individual transitional period (as defined in column (5)).</td>
</tr>
<tr>
<td>2</td>
<td>Row (6) of the table in COCON 1.1.2R (Table: To whom does COCON apply?)</td>
<td>G</td>
<td>The effect of COCON TP 1.1R is that an employee described in column (1) of row (6) of the table in that rule is not subject to COCON during the firm’s individual transitional period. If the firm does not have an individual transitional period (see SYSC TP 8.3.2G(3)), COCON TP 1.1R does not apply.</td>
<td>As stated in COCON TP 1.1R.</td>
<td>As stated in COCON TP 1.1R.</td>
</tr>
</tbody>
</table>

**Part 3: Comes into force 9 December 2020**

1  Application and purpose

1.1  Application
To whom does it apply?

1.1.2 R Table: To whom does COCON apply?

<table>
<thead>
<tr>
<th>Persons to whom COCON Applies</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>(6) Any employee of an SMCR firm not coming within another row of this table, except one listed in column (2) of this table.</td>
<td>(C) This row (6) also does not apply to an employee of an SMCR firm that is an FCA-authorised person until 9 December 2020.</td>
</tr>
<tr>
<td>…</td>
<td></td>
</tr>
</tbody>
</table>
Annex E

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.

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 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).

...

4 Code of Practice for Approved Persons: specific

...

4.5 Statement of Principle 5

...

4.5.2 G In the opinion of the FCA, conduct of the type described in APER 4.5.3G, APER 4.5.4G, APER 4.5.6G or APER 4.5.8G does not comply with *Statement of Principle* 5.

...

4.5.6 G In the case of an approved person who is responsible under SYSC 4.4.5R(1) for dealing with the appointment of responsibilities under 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. [deleted]

4.5.7 G Behaviour of the type referred to in APER 4.5.6G includes, but is not limited to:
(1) failing to review regularly the significant responsibilities which the firm is required to apportion;

(2) failing to act where that review shows that those significant responsibilities have not been clearly apportioned. [deleted]

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 4.4.5R(2), with overseeing the firm’s obligation under 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 6.3.9R falls within APER 4.7.2G. [deleted]

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: [deleted]

(1) [deleted]

(2) SYSC 6.1.4R; 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 3.2 AR, SYSC 1 Annex 1 3.2 BR, SYSC 1 Annex 1 3.2CR and SYSC 1 Annex 1 3.3R); or

(4) SYSC 6.1.4AR.

4.7.11A G Where the approved person is a proprietary trader under SUP 10A.9.10R, failing to maintain and comply with appropriate systems and controls in relation to that activity falls within APER 4.7.2G. [deleted]
Annex F

Amendments to the Fit and Proper test for Employees and Senior Personnel sourcebook (FIT)

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

1 General

1.1 Application and purpose

1.1.1 G FIT applies to:

…

(6) a certification employee performing an FCA certification function; and

(7) a person whom an SMCR firm is proposing to certify to perform an FCA certification function; and

(8) a board director as set out in FIT 1.1.2(e).

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

(1) an SMCR firm should consider when:

…

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

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

(e) (in the case an FCA-authorised person that is not a limited scope SMCR firm) assessing the fitness of a non-SMF board director subject to competence requirements under the competent employees rule, any directly applicable EU legislation or any other requirement of the regulatory system.

…
Annex G

Amendments to the Prudential sourcebook for Investment Firms (IFPRU)

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

4 Credit risk

...

4.3 Guidance on internal ratings based approach: high level material

...

Corporate governance

4.3.8 G ...

(2) The FCA expects an appropriate individual in a significant influence function designated senior management function role to provide to the FCA on an annual basis written attestation that the rating system permissions required by the EU CRR have been carried out appropriately.

[Note: see articles 189 and 20(6) of the EU CRR and article 3(1)(7) of CRD]

...
Annex H

Amendments to the Client Assets sourcebook (CASS)

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

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 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. [deleted]  

...  

1A.3.1A G The material in CASS 1A.3.1BG about how CASS 1A.3 fits into the FCA senior managers and certification regime for 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 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 (Senior managers and certification regime: Certification regime).

...  

The approved persons senior managers regime and the 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. This paragraph CASS 1A.3.1BG describes how CASS 1A.3.1AR applies to SMCR firms.

(b) The CASS operational oversight function does not apply to 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.

... 

1A.3.1C R

If, at the time a firm that is not an SMCR firm becomes a CASS medium firm or a CASS large firm in accordance with CASS 1A.2.12R(1) or CASS 1A.2.12 R(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:

(1) take the necessary steps to ensure that it complies with CASS 1A.3.1AR as soon as practicable, which must at least include submitting an application for a candidate in respect of the CASS operational oversight function within 30 business days of the firm becoming a CASS medium firm or a CASS large firm; and

(2) until such time as it is able to comply with CASS 1A.3.1AR, allocate to a director or senior manager performing a senior management function responsibility for:

(a) oversight of the firm’s operational compliance with CASS;

(b) reporting to the firm’s governing body in respect of that oversight; and

(c) completing and submitting the CMAR to the FCA in accordance with SUP 16.14. [deleted]

1A.3.1D G

(4) CASS 1A.3.1CR provides a grace period for a firm that is not 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 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 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:

(a) FCA approval is not needed because performance of a role that falls into the certification regime does not require FCA approval;

(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

(ii) give the function to a suitable approved person pending issue of the certificate. [deleted]

1A.3.3 R (1) Subject to (2), a firm must make and retain an appropriate record of the person to whom responsibility is allocated in accordance with CASS 1A.3.1R; or CASS 1A.3.1AR or CASS 1A.3.1CR(2).

11 Debt management client money chapter

11.3 Responsibility for CASS operational oversight

CASS small debt management firm other than a not-for-profit debt advice body

11.3.1 R …

(2) A firm that is not an SMCR firm must make the allocation in (1) to a director or senior manager approved to perform a significant influence function in relation to that firm. [deleted]

CASS small debt management firm that is a not-for-profit debt advice body

11.3.2 R …

11.3.2A G (1) CASS 11.3.3G(5) to (11) do not apply to a CASS small debt management firm that is a not-for-profit debt advice body. This is because neither SYSC 24 (Senior managers and certification regime: Allocation of prescribed responsibilities) nor SYSC 26 (Senior managers and certification regime: Overall and local responsibility) apply to it.
(2) It will not have any SMF managers as no designated senior management functions apply to it.

(3) The function in CASS 11.3.2R is not a separate FCA certification function and the person performing that function will not necessarily be subject to the employee certification regime described in SYSC 27 (Senior managers and certification regime: Certification Regime).

CASS large debt management firms: the CASS operational oversight function (CF10a)

11.3.3

G (1) CASS 11.3.4R describes the FCA controlled function known as the CASS operational and oversight function (CF10a) in relation to CASS large debt management firms, including not-for-profit debt advice bodies. [deleted]

(2) As a consequence of CASS 11.3.4R (in conjunction with SUP 10A.4.1R and SUP 10A.7.10R), in a CASS large debt management firm (including a not-for-profit debt advice body fitting into that category) the function described in CASS 11.3.4R is required to be discharged by a director or senior manager.

(3) In the case of a firm that is not an SMCR firm, the director or senior manager in (2) should be an approved person under the approved persons regime provided for in SUP 10A (FCA Approved Persons). [deleted]

(4) However, the CASS operational oversight function does not apply to an SMCR firm. [deleted]

…

(11)

…

(d) …

(e) A not-for-profit debt advice body will not have any SMF managers as no controlled functions apply to it.

…

11.3.5

R If, at the time a CASS debt management firm that is not an 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:

(4) take the necessary steps to ensure that it complies with CASS 11.3.4R as soon as practicable, which must at least include
submitting an application for a candidate in respect of the CASS operational oversight function within 30 business days of the firm becoming a CASS large debt management firm; and

(2) until such time as it is able to comply with CASS 11.3.4R, allocate to a director or senior manager performing a significant-influence function responsibility for:

(a) oversight of the firm’s operational compliance with CASS;

(b) reporting to the firm’s governing body in respect of that oversight; and

(c) completing and submitting the CMAR to the FCA in accordance with SUP 16.14. [deleted]

11.3.5A G (4) CASS 11.3.5R provides a grace period for a firm that is not an 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 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 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 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 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:

(a) FCA approval is not needed because performance of a role that falls into the certification regime does not require FCA approval;

(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

(ii) give the function to a suitable approved person pending issue of the certificate. [deleted]
Claims management: client money

Organisational requirements and responsibility for CASS operational oversight

This paragraph CASS 13.2.5G explains how CASS 13.2.3R fits into the senior managers and certification regime. This paragraph does not deal with a firm that is a PRA-authorised person.

The senior managers and certification regime is summarised in SYSC 23.3 (Overview of the senior managers and certification regime).

The function in CASS 13.2.3R is not a separate controlled function and performing that function does not require approval as an approved person.

There are three elements of the senior managers and certification regime that are particularly relevant to CASS 13.2.3R, 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)).

This paragraph (5) explains how CASS 13.2.3R applies to a limited scope SMCR firm. Most firms carrying on a regulated claims management activity will be limited scope SMCR firms.

Neither SYSC 24 nor SYSC 26 applies to a limited scope SMCR firm.

The firm may choose to allocate the function in CASS 13.2.3R to an SMF manager.
The firm may instead choose to allocate the function in CASS 13.2.3R to someone who is not an SMF manager.

Where (d) applies, the person performing the function in CASS 13.2.3R will fall into the certification regime. The function in CASS 13.2.3R will be the CASS oversight FCA certification function in SYSC 27.8.1R.

This paragraph (6) explains how CASS 13.2.3R applies to a core SMCR firm.

SYSC 24 applies to a core SMCR firm but SYSC 26 does not.

The firm must allocate responsibility for the firm’s compliance with CASS to one of its SMF managers (see 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.

Although the CASS function in SYSC 24.2.1R is different from the function in CASS 13.2.3R, the firm may allocate the function in CASS 13.2.3R to the SMF manager in CASS 13.2.5G(6)(c).

The firm may choose to allocate the function in CASS 13.2.3R to someone who is not an SMF manager. If so:

(i) that person will be subject to the 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 (c); and

(iii) the function in CASS 13.2.3R will be the CASS oversight FCA certification function in SYSC 27.8.1R.

This paragraph (7) explains how CASS 13.2.3R applies to an enhanced scope SMCR firm.

Both SYSC 24 and SYSC 26 apply to an enhanced scope SMCR firm.

CASS 13.2.5G(6) applies to an enhanced scope SMCR firm.

In addition, the firm may allocate the CASS FCA-prescribed senior management responsibility to an SMF manager who does not perform any other function coming within the FCA regime for 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.

(8) A firm may only give the function in CASS 13.2.3R to a director or senior manager. It is likely that an SMF manager will satisfy this condition. If the firm wants to give the function to someone else, it should make sure that it meets the requirements of CASS 13.2.3R as well as of the senior managers and certification regime.
Annex I

Amendments to the Claims Management: Conduct of Business sourcebook (CMCOB)

In this Annex, underlining indicates new text.

8 Requirements for firms with temporary permission for regulated claims management activities

8.1 Application and purpose

…

Table: Disapplied or modified modules or provisions of the Handbook

8.1.4 R …

8.1.5 G SYSC TP 8.2.1R says that a firm with a claims management temporary permission is not an SMCR firm.
Annex J

Amendments to the Supervision manual (SUP)

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

Part 1: Comes into force 26 July 2019

10C FCA senior managers regime for approved persons in SMCR firms

... 

10C.7 Other overall responsibility function (SMF18)

... 

10C.7.5 R ... Head of the legal function

10C.7.6 R A person does not perform the other overall responsibility function by having overall responsibility for the SMCR legal function under SYSC 26.3.

10C.7.7 G (1) The purpose of SUP 10C.7.6R (together with SYSC 26.4.9R(2)) is to ensure that a firm can allocate overall responsibility for its legal function to someone who is not an SMF manager. That means that the head of its legal function need not be an SMF manager.

(2) However, that does not mean that the head of a firm’s legal function cannot be an SMF manager. For example, they could be an executive director performing the executive director function.

10C.8 The other local responsibility function (SMF22)

... 

10C.8.8 R ... Head of the legal function

10C.8.9 R A person does not perform the other local responsibility function by having local responsibility for the SMCR legal function under SYSC 26.3.

10C.8.10 G The guidance in SUP 10C.7.7G also applies to SUP 10C.8.9R.
10C.11 Statements of responsibilities

... Ceasing to carry on some functions

10C.11.12 R ...

(2) Where the change matter to be notified to the FCA meets the conditions in SUP 10C.11.7D(3)(a) and (b), under (1) 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 that 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 give any other notice or make any application 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.14 Changes to an FCA-approved person’s details

... Notifications about fitness, disciplinary action and breaches of COCON

10C.14.18 R ...

(2) This rule does not apply to anything required to be notified under SUP 10C.14.5R (Form C) or SUP 10C.14.7R (Qualified Form C).

... 10C Annex 1 What functions apply to what type of firm

1 Part One: Introduction

... 1.3 G ...
(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. For example, SYSC 1 Annex 1 (Detailed application of SYSC) cuts back the application of some of the FCA required functions.

**TP 11** Bank of England and Financial Services Act 2016: Approved persons in insurers

...  

**11.2** Conversion of existing approvals

...

**11.2.12** G  

**11.2.13** R The notes to the tables in SUP TP 7.2.3R and SUP TP 8.2.3R continue to apply after the commencement date to the FCA-designated senior management function that corresponds to the pre-implementation controlled function to which those notes apply.

**11.2.14** G SUP TP 7.2.3R and SUP TP 8.2.3R deal with the absorption of certain FCA controlled functions into PRA controlled functions. SUP TP 11.2.13R allows those arrangements to continue after the commencement date so that the SMF manager continues to be treated as not performing an FCA controlled function.

...

After SUP TP 11 (Bank of England and Financial Services Act 2016: Approved persons in insurers) insert a new SUP TP 11A. The text is not underlined.

**TP 11A** Bank of England and Financial Services Act 2016: Approved persons in solo-regulated firms

**11A.1** Application, purpose and definitions

**11A.1.1** R  

1. Supplementary TP 11A applies to solo-regulated SMCR firms.

2. SUP TP 11A.15 applies to every firm.

**11A.1.2** G  

1. SUP TP 11A has transitional provisions relating to the introduction of the senior managers and certification regime for FCA-authorised persons by Part 2 of the Bank of England and Financial Services Act...

(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.

11A.3 G (1) The main time period for which SUP TP 11A operates is 2019.

(2) There are transitional provisions that can apply beyond that period. They are based on events occurring during that period.

11A.4 G Most of SUP TP 11A relates SUP 10C.

11A.5 R The terms in the first column of the table in SUP TP 11A.1.5R, where they appear in bold in SUP TP 11A, have the meanings in the corresponding entry in column 2 for the purposes of SUP TP 11A.

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</tr>
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<tbody>
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<td>authorisation application</td>
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Part Two: Fixed dates

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<td>enhanced firm cut-off date</td>
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</table>

Note: If a firm becomes a solo-regulated SMCR firm between the final notification date and the commencement date or changes category within that period, the final notification date for it is the date it becomes a solo-regulated SMCR firm or changes category.

11A.2 Conversion of existing approvals

11A.2.1 R If the conditions set out in SUP TP 11A.2.2R are met, a pre-implementation approval in relation to a particular approved person (AP) and a particular solo-regulated SMCR 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 11A.2.2R(2) and (3).

11A.2.2 R Those conditions are:

(1) the pre-implementation approval is in effect in relation to F:

   (a) (where SUP TP 11A.2.10R applies this condition) 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) (where SUP TP 11A.2.10R applies this condition) F has notified the FCA:

(a) between the first notification date and 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 11A.2.

11A.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 11A.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 11A by SUP TP 11A.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 that FCA-designated senior management function does not apply to the firm.

11A.2.4 R (1) Part One of the table in SUP TP 11A.2.5R applies to a core SMCR firm and a limited scope SMCR firm.

(2) Part Two of the table in SUP TP 11A.2.5R applies to an enhanced scope SMCR firm.

11A.2.5 R Mapping table: Potential conversion of approval for existing controlled functions into approval for designated senior management functions

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<thead>
<tr>
<th>Part One (core SMCR firms and limited scope SMCR firms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Pre-Implementation Controlled Function</td>
</tr>
</tbody>
</table>

Page 128 of 328
<table>
<thead>
<tr>
<th>New FCA-designated senior management function</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Executive functions</td>
<td></td>
</tr>
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</tr>
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<td>(2) Head of third country branch function</td>
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<td>(3) Executive director function (See Note 2)</td>
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<td>Small friendly society function</td>
<td>Executive director function</td>
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<tr>
<td>Oversight functions</td>
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<tr>
<td>Non-executive director function</td>
<td>Chair of the governing body function</td>
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<tr>
<td>Required functions</td>
<td></td>
</tr>
<tr>
<td>Apportionment and oversight function</td>
<td>Limited scope function</td>
</tr>
<tr>
<td>Compliance oversight function</td>
<td>Compliance oversight function</td>
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<tr>
<td>Money laundering reporting function</td>
<td>Money laundering reporting function</td>
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<tr>
<td>Significant management function</td>
<td>EEA branch senior manager function</td>
</tr>
</tbody>
</table>

**Part Two (enhanced scope SMCR firms)**
<table>
<thead>
<tr>
<th></th>
<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>
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<tr>
<td>Director function</td>
<td>(1) Executive director function</td>
<td>(1) Executive director function</td>
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<td></td>
<td>(2) Chief finance officer function</td>
<td>(2) Chief finance officer function</td>
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<td>(3) Chief risk officer function</td>
<td>(3) Chief risk officer function</td>
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<td></td>
<td>(4) Head of internal audit function</td>
<td>(4) Head of internal audit function</td>
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<td></td>
<td>(5) Group entity senior manager function</td>
<td>(5) Group entity senior manager function</td>
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<td>(6) Chief operations function</td>
<td>(6) Chief operations function</td>
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<td>Chief executive function</td>
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<td>(2) Chief finance officer function</td>
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<td>(3) Chief risk officer function</td>
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<td>(4) Head of internal audit function</td>
<td>(4) Head of internal audit function</td>
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<tr>
<td>Partner function</td>
<td>(1) Partner function</td>
<td>(1) Partner function</td>
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<tr>
<td></td>
<td>(2) Chief finance officer function</td>
<td>(2) Chief finance officer function</td>
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<td>(3) Chief risk officer function</td>
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<td>(4) Head of internal audit function</td>
<td>(4) Head of internal audit function</td>
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<tr>
<td>Director of unincorporated association function</td>
<td>(1) Executive director function</td>
<td>(1) Executive director function</td>
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<td>(2) Chief finance officer function</td>
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<td>(3) Chief risk officer function</td>
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<td>(4) Head of internal audit function</td>
<td>(4) Head of internal audit function</td>
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<tr>
<td>Small friendly society function</td>
<td>(1) Executive director function</td>
<td>(1) Executive director function</td>
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<td></td>
<td>(2) Chief finance officer function</td>
<td>(2) Chief finance officer function</td>
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<td></td>
<td>(3) Chief risk officer function</td>
<td>(3) Chief risk officer function</td>
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<tr>
<td></td>
<td>(4) Head of internal audit function</td>
<td>(4) Head of internal audit function</td>
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<tr>
<td><strong>Oversight functions</strong></td>
<td></td>
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<tr>
<td>Non-executive director function</td>
<td>(1) Chair of the governing body function</td>
<td>(1) Chair of the governing body function</td>
</tr>
<tr>
<td></td>
<td>(2) Chair of the risk committee function</td>
<td>(2) Chair of the risk committee function</td>
</tr>
<tr>
<td></td>
<td>(3) Chair of the audit committee function</td>
<td>(3) Chair of the audit committee function</td>
</tr>
</tbody>
</table>
| Systems and controls function | (4) Chair of the remuneration committee function  
(5) Chair of the nomination committee function  
(6) Senior independent director function  
(7) Group entity senior manager function |
|-------------------------------|--------------------------------------------------------------------------------------------------|
| Required functions            | (1) Chief finance officer function  
(2) Chief risk officer function  
(3) Head of internal audit function |
| Compliance oversight function | Compliance oversight function |
| Money laundering reporting function | Money laundering reporting function |
| CASS operational oversight function | Other overall responsibility function |
| Significant management function | (1) Other overall responsibility function  
(2) Chief operations function |

**Notes for Parts One and Two of this table**

(1) 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 (FCA-Authorised Firms) Instrument 2019.

(2) The conversion from the chief executive function to the executive director function only applies to a *non-directive friendly society*.

11A.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 11A.2.5R* does not apply to it either.

11A.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:

(a) If none of the FCA-designated senior management functions in a row of the table in SUP TP 11A.2.5R apply to a firm on the commencement date, that row does not apply to the firm.

(b) An example of (a) is that the row applying to the limited scope FCA-designated senior management function only applies to limited scope SMCR firms.

(c) The convertibility of the partner function to the executive director function in Part One of the table only applies to an overseas SMCR firm that is a partnership.

11A.2.8 G Another example of the principle in SUP TP 11A.2.7G is that if:

(1) the result of SUP TP 11A.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) that approved person is deemed by SUP TP 11A.2 to be approved to perform any other FCA-designated senior management function for the same firm,

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).

11A.2.9 R (1) A notification to the FCA is not to be taken into account for the purposes of SUP TP 11A.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 11A.11.

(2) A notification to the FCA is not to be taken into account for the purposes of SUP TP 11A.2.2R(4) if the firm does not include a management responsibilities map with the notification when required to do so by SUP TP 11A.12.

11A.2.1 R SUP TP 11A.2.2R(1)(a) and SUP TP 11A.2.2R(4):

(1) apply to an enhanced scope SMCR firm; and

(2) do not apply to a core SMCR firm or a limited scope SMCR firm except in relation to a pre-implementation approval for which there is a notification obligation under SUP TP 11A.5 or SUP TP 11A.6.
11A.2.1 G  SUP TP 11A.2.2R(4)(a) (together with SUP TP 11A.5 and SUP TP 11A.6) means that if a firm is required to submit a Form K:

(1) a failure to submit a Form K before the final notification date is a breach of the requirements of SUP TP 11A; 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 between the first notification date and the commencement date.

11A.3 Effect of conversion

11A.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 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).

11A.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.

11A.4 Lapse of existing approvals and special provisions about appointed representatives

11A.4.1 R Subject to SUP TP 11A.4.2R, any pre-implementation approval that is in effect immediately before the commencement date that is not converted under SUP TP 11A.2 ceases to have effect as from the beginning of the commencement date in relation to the controlled function concerned.

11A.4.2 R (1) SUP TP 11A does not apply to a pre-implementation approval that has effect under SUP 10A.1.15R to SUP 10A.1.16AR (appointed representatives).
(2) However SUP TP 11A does apply to a pre-implementation approval in (1) for a firm that will fall under SUP 10C Annex 1 7.1R(4) (an appointed representative that has a limited permission) when it comes into force on the commencement date.

(3) (2) does not apply to a pre-implementation approval for the customer function. SUP TP 11A does not apply to such a pre-implementation approval.

11A.4.3 G An approval excluded from SUP TP 11A by SUP TP 11A.4.2R continues in force and is not affected by SUP TP 11A.

11A.5 Notification to the FCA: Initial notification

11A.5.1 R (1) A 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 11A.2 (assuming that the firm complies with the applicable notification requirements in SUP TP 11A);

(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) between the first notification date and the final notification date.

(3) This rule applies to:

(a) an enhanced scope SMCR firm; and

(b) a core SMCR firm and a limited scope SMCR firm in relation to a pre-implementation approval to which column (3) of Part One of the table in SUP TP 11A.2.5R applies the notification requirement in this rule.

11A.5.2 G SUP TP 11A.10 explains how the firm should make the notification.

11A.5.3 G (1) This paragraph (SUP TP 11A.5.3G) gives examples of things that a firm should not include in a notification under SUP TP 11A.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.

(4) 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.

(5) A firm should not include a pre-implementation approval if SUP TP 11A.4.2R says that SUP TP 11A does not apply to it.

11A.5.4 G 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.

11A.6 Notification to the FCA: Revision of initial notice

11A.6.1 R (1) This rule applies if, before the commencement date:

(a) a firm receives a pre-implementation approval after the initial notice under SUP TP 11A.5; and

(b) the firm would have been required to notify the FCA under SUP TP 11A.5 if that approval had been in force at the time of that initial notification.

(2) This rule also applies if, before the commencement date:

(a) there is any other change relating to information given in or accompanying a notification that the firm has previously made under SUP TP 11A.5 (or a notification given under SUP TP 11A.6); or

(b) the firm giving the notice discovers that any part of the information referred to in (1) or (2) 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) to the FCA before the final notification date.
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.

11A.6.2 G SUP TP 11A.10 explains how the firm should make the revised notification.

11A.6.3 G (1) This paragraph SUP TP 11A.6.3G gives examples of when a firm should revise its SUP TP 11A.5 notice under SUP TP 11A.6.

(2) A firm need not include in a notification under SUP TP 11A.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.

(3) 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 11A.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 11A.5.3G.

11A.6.4 G If a firm gives a notification to the FCA under SUP TP 11A.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 11A.6 and SUP TP 11A.10.

11A.7 In-flight applications: Conversion

11A.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 11A.8, (1) only applies to a corresponding FCA-designated senior management function if the firm has included in that notification details of:

(a) that pre-implementation application; and

(b) that FCA-designated senior management function.

11A.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.

11A.7.3 R (1) SUP TP 11A.7.1R is subject to any amendment the firm may make to the application after the first notification date and before the commencement date to specify that on the commencement date:

(a) the pre-implementation application is to lapse; or

(b) the pre-implementation application is to be treated as only being for some of the FCA-designated senior management functions.

(2) The firm must also notify any such change in accordance with SUP TP 11A.8 if it applies.

11A.7.4 G SUP TP 11A.8.3G explains what FCA-designated senior management functions are covered by SUP TP 11A.7.1R(2).

11A.7.5 G (1) SUP TP 11A.7.3R is not the only way a firm may change the effect of SUP TP 11A.7.

(2) After the commencement date a firm is free to amend its application in accordance with the Act and the FCA Handbook.
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 11A.8 as well as under SUP 10A.

Subject to SUP TP 11A.7.7R, a pre-implementation application lapses on the commencement date unless it is continued in force by SUP TP 11A.7.

SUP TP 11A 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 11A by SUP TP 11A.4.2R.

In-flight applications: Notification requirements

A firm must, between the first notification date and 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;
2. it is not excluded under SUP TP 11A.7.7R; and
3. the firm would be required to notify the FCA under SUP TP 11A.5 if that application had been granted and the approval was in effect immediately before the date of the notification in SUP TP 11A.8.1R.

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 11A.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 11A.8.1R.

SUP TP 11A.8.1R and SUP TP 11A.8.2R mean:

1. In general only an enhanced scope SMCR firm needs to make the notification.
2. A core SMCR firm and a limited scope firm should not make a notification except in relation to an application to perform the non-executive director pre-implementation controlled function.
(3) 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.

(4) 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.

11A.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 11A.8.1R; and

(b) the firm would have been required to notify the FCA under SUP TP 11A.8.1R if that application had been made before the date of that initial notification.

(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 11A.8.1R (or a notification given under SUP TP 11A.8.4R), or

(b) the firm discovers that any part of the information referred to in (1) or (2) 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.

11A.8.5  G SUP TP 11A.10 explains how the firm should make the notification.
11A.8.6 G  If a firm notifies the FCA under SUP TP 11A.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 11A.8.4R and, if applicable, SUP TP 11A.6.

11A.9  In-flight applications: Supplemental material

11A.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 11A.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 11A.7.

11A.10  Procedure for notification

11A.10. R  A firm must only make a single notification under SUP TP 11A.5 and SUP TP 11A.8.1R and must do so on the same notification form.

11A.10. R  A firm must make a notification under SUP TP 11A.5, SUP TP 11A.6 or SUP TP 11A.8 by completing Form K (SUP TP 11A.25.1R).

11A.10. R  A firm must make a notification or submit a document to the FCA under SUP TP 11A in accordance with SUP 10C.15.11R(1) and (3) (Method of submission: electronic submission).

11A.10. R  (1) A firm making a notification under SUP TP 11A.10.2R 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 11A.25.1R.

(2) A firm making a notification under SUP TP 11A.10.2R in accordance with SUP 10C.15.11R(3) and SUP 10C.15.14R must use the version of Form K in SUP TP 11A.25.1R.
11A.10. G If a firm discovers after the commencement date that any information it has given under SUP TP 11A is inaccurate it should notify the FCA as described in SUP 15.6 (Inaccurate, false or misleading information). If SUP TP 11A.17.6R applies, the firm should notify the FCA under that rule instead.

11A.11 Statements of responsibilities

11A.11. G The table in SUP TP 11A.11.2G explains when a firm is required to prepare a statement of responsibilities as part of the transitional arrangements in SUP TP 11A and whether it is required to send it to the FCA.

11A.11. G Table: Preparing statements of responsibilities and sending them to the FCA

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Core SMCR firm and a limited scope firm</th>
<th>Enhanced scope SMCR 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 solo-regulated firms commencement SI requires this. A firm should have prepared it within five days of the commencement date.</td>
<td>Yes. See SUP TP 11A.11.3R.</td>
</tr>
<tr>
<td>Is a firm required to send it to the FCA?</td>
<td>No</td>
<td>Yes. See SUP TP 11A.11.3R.</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 or will be converted into an application for approval for the performance of an FCA-designated senior management function under SUP TP 11A.7?</td>
<td>Yes. The Act and SUP TP 11A.11.4R require this.</td>
<td>Yes. The Act and SUP TP 11A.11.3R require this.</td>
</tr>
<tr>
<td>Question</td>
<td>Yes. The Act and SUP TP 11A.15 require this.</td>
<td>Yes. The Act and SUP TP 11A.15 require this.</td>
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<tr>
<td>-----------</td>
<td>--------------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Is a firm required to prepare a statement of responsibilities for an application under SUP TP 11A.15?</td>
<td>Yes. The details are in SUP TP 11A.15.</td>
<td>Yes. The details are in SUP TP 11A.15.</td>
</tr>
<tr>
<td>Is a firm required to send it to the FCA?</td>
<td>Yes. The Act and SUP TP 11A.15 require this.</td>
<td>Yes. The details are in SUP TP 11A.15.</td>
</tr>
</tbody>
</table>

11A.11. R A notification to the FCA under SUP TP 11A.5, SUP TP 11A.6 or SUP TP 11A.8 by an enhanced scope SMCR firm about an approved person or candidate must be accompanied by a statement of responsibilities about that person and the FCA-designated senior management function included in the notification in relation to that approved person or candidate.

11A.11. R A core SMCR firm and a limited scope firm must, within five business days beginning with 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 11A.7.

11A.11. 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 11A.16).

11A.12 Management responsibilities maps

11A.12. R SUP TP 11A.12 applies to an enhanced scope SMCR 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.

11A.12. R A notification to the FCA under SUP TP 11A.10.1R must be accompanied by a management responsibilities map.

11A.12. G If a firm makes a revised notification under SUP TP 11A.6 or SUP TP 11A.8.4R it should include a management responsibilities map with the notification because anything that requires a revised notification is likely to mean that the firm should update the management responsibilities map.

11A.12. 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 11A.16).
11A.13  Supplemental material about statements of responsibilities and management responsibilities maps

11A.13.  R  A statement of responsibilities and a management responsibilities map submitted to the FCA under SUP TP 11A must be prepared as of the commencement date.

11A.13.  D  SUP TP 11A.13.1R also applies to a management responsibilities map or statement of responsibilities prepared under a direction.

11A.13.  G  The effect of regulation 5(4) of the solo-regulated firms commencement SI is that a statement of responsibilities that a core SMCR firm and a limited scope firm should prepare should also be prepared as of the commencement date.

11A.13.  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 11A, the firm should submit a revised version.

(2) This is the effect of SUP TP 11A.6 and SUP TP 11A.8.4R.

(3) SUP TP 11A.13.4G(1) does not cover changes that happen after the commencement date. These are dealt with by the Act and the provisions of the FCA Handbook that apply after the commencement date.

11A.13.  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.

11A.14  Criminal record checks and employment references

11A.14.  R  SUP 10C.10.16R (Criminal record checks) does not apply to any pre-implementation application continued in effect by SUP TP 11A.7.1R after the commencement date.


11A.14.  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 11A.7.1R and applications for approval made under SUP TP 11A.15. SYSC TP 8 adapts these provisions for certain claims management firms.
11A.15 Applications of approved persons to take effect from the commencement date

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 application may only be made after the first notification date.

(3) Any such application is made on the basis that it is treated as being made on the commencement date.

(4) 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.

G The rest of SUP TP 11A will not apply to an application under SUP TP 11A.15. In particular, it is not a pre-implementation application and the application should not be included in the firm’s Form K.

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.

G A firm does not have to make an application under SUP TP 11A.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 11A will apply to such applications.

11A.16 Application of ongoing requirements to converted approvals and conversion documents

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 11A after the commencement date as they do to applications for approval of the performance of an FCA-designated senior management function made after the commencement date.

(3) This paragraph is subject to the other provisions of SUP TP 11A.

R (1) A statement of responsibilities (including one revised under SUP TP 11A.6 or SUP TP 11A.8) 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.

11A.16. R A management responsibilities map submitted to the FCA under SUP TP 11A 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.

11A.16. D SUP TP 11A.16.1R to SUP TP 11A.16.3R apply to directions in SUP 10C in the same way as they do to rules.


11A.16. 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>SUP 10C.11.7D</td>
<td>Submission of revised statement of responsibilities</td>
<td>The effect of the Act and of the solo-regulated 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 converted designated senior management functions, the firm should submit a revised statement of responsibilities. This applies even if there was no requirement to send the original statement of responsibilities to the FCA. It should also submit a Form J unless SUP 10C.11 says that it is not required.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Varying an approval
### Statements of responsibilities

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 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 into a single document.

(2) 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- |
Complete set of statements of responsibilities

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUP 10C.11.20R</td>
<td>Complete set of current statements of responsibilities</td>
<td>Applies to statements of responsibilities in the same way as it does to statements of responsibilities. In particular this means that a firm should retain copies of statements of responsibilities prepared under regulation 5 of the solo-regulated firms commencement SI (Deemed approval to perform designated senior management functions: requirement to provide statement of responsibilities) even though the firm does not have to send them to the FCA.</td>
</tr>
</tbody>
</table>

Ceasing to carry on functions

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUP 10C.11.12R</td>
<td>Statements of responsibilities to be included in notification</td>
<td>Applies to ceasing to carry on a converted designated senior management function after the commencement date.</td>
</tr>
<tr>
<td>SUP 10C.14.5R</td>
<td>Notification of ceasing to perform the function</td>
<td></td>
</tr>
<tr>
<td>SUP 10C.14.7R</td>
<td>Qualified Form C</td>
<td></td>
</tr>
</tbody>
</table>

Form D

<table>
<thead>
<tr>
<th>Regulation</th>
<th>Description</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUP 10C.14.13R</td>
<td>Changes to details</td>
<td>Applies to a transitioned SMF manager and to changes of any details relating to the converted designated senior management function.</td>
</tr>
<tr>
<td>SUP 10C.14.15R</td>
<td>Changes to arrangements</td>
<td>SUP 10C.14.15R says that a firm should not submit a Form D to the FCA if the firm is required to notify the FCA under section 62A of the Act (Changes in responsibilities of senior managers) or SUP 10C.11 (Statements of responsibilities). This also applies if the firm is required to notify changes under section 62A of the Act as applied by regulation 6 of the solo-regulated</td>
</tr>
<tr>
<td>SUP 10C.14.18R</td>
<td>Fitness</td>
<td></td>
</tr>
</tbody>
</table>
### Firms commencement SI

(Application of section 62A of FSMA to statement of responsibilities under regulation 5).

The Form D requirements also apply to a candidate whose application is continued in force by SUP TP 11A.

Before the **commencement date**, the existing requirements of **SUP 10A** apply to changes in a candidate’s fitness.

<table>
<thead>
<tr>
<th>Notifications under the Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUP 10C.14.22R</td>
</tr>
<tr>
<td>Notifications under the Act</td>
</tr>
<tr>
<td>Applies to notification about a transitioned SMF manager.</td>
</tr>
</tbody>
</table>

### General

Apply to a **converted approval**.

### Requirements referring to a current approved person approval

Also applies to:

1. a **converted approval** that ends after the **commencement date**;
2. an approval for a *controlled function* abolished after the **commencement date**;
3. an approval that ceased to have effect under **SUP TP 11A** for some other reason;
4. an approval given up within the last six months before the **commencement date** even if the *controlled function* ceases to exist after the **commencement date**.

### FCA-prescribed senior management responsibility (a)

Responsibility for a firm’s performance of its obligations under the senior managers regime

Includes compliance with the requirements about **statements of responsibilities**
### SYSC 25

| Preparation of management responsibilities maps | A management responsibilities map should include a **transitioned SMF manager** and their **converted designated senior management functions** |

## 11A.17 Making sure that the Financial Services Register is accurate

Existing notification requirements

11A.17. **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 **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 11A.4.2R**) if the deadline for reporting expires after the **commencement date**. Instead, the obligation to report no longer applies.

### Notification required from non-notifying firms in certain cases

11A.17. **R (1)** This rule applies to a **core SMCR firm** and a **limited scope 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 that would mean that the **pre-implementation approval** will not be converted as described in (1)(c), it must notify the **FCA** of those facts using Form C in accordance with **SUP 10A** before:

(a) the **final notification date**; or
(b) (if the facts in (1) first arise after the final notification date) the commencement date.

11A.17.  G  (1) The most likely reason for the situation SUP TP 11A.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 under SUP 10A. If so, SUP TP 11A.17.2R will not apply.

(3) An example of circumstances in which SUP TP 11A.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 11A.17.2R even though their job comes within the pre-implementation controlled function.

11A.17.  G  SUP TP 11A.17.2R does not apply to an enhanced scope SMCR firm. The FCA will rely on its Form K instead.

Checking the Register

11A.17.  R  A firm must, in the month beginning five business days after the commencement date, check whether the Financial Services Register:

(1) correctly records who are the firm’s SMF managers;

(2) correctly records the FCA-designated senior management function for the performance of which by its SMF managers the firm has approval;

(3) does not include incorrect information about the firm’s SMF managers and does not omit information about them that it says it includes;

(4) includes everyone performing an FCA-designated senior management function for the performance of which the firm should have obtained approval; and

(5) includes all the FCA-designated senior management functions for which the firm should have obtained approval in relation to persons in (3).

11A.17.  R  (1) If:
(a) the **Financial Services Register** does not correctly do all the things in **SUP TP 11A.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 11A.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 (P) and firm, whichever one or more of the following forms in **SUP 10C** applies:

(a) Form A (short form) where P is not, but should be, included in the **Financial Services Register** or where the Financial Services Register omits some of P’s FCA-designated senior management functions for which the firm has approval; or

(b) Form C where P is, but should not be, included in the **Financial Services Register** or where the Financial Services Register shows an approval for P 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.

11A.17.7 The requirement to check the **Financial Services Register** is particularly important in a case where the firm is not under a notification obligation in **SUP TP 11A.5** and **SUP TP 11A.6** 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 11A.2.2R** have been met.

11A.17.8 In practice it is unlikely that **SUP TP 11A.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 11A.17.1R);

(c) if a core SMCR firm or a limited scope firm has approval for someone to perform a pre-implementation controlled function but that approval is not converted into approval for a designated senior management function as described in SUP TP 11A.17.3G(3), the firm should report that under SUP TP 11A.17.2R (which means that SUP TP 11A.17.6R does not apply).

(2) SUP TP 11A.17.6R may apply for example if the firm has made all the notifications (if any) required by SUP TP 11A and other parts of the FCA 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 11A; 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 11A.

11A.18 The 12-week rule

11A.18. 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).

11A.18. G (1) SUP 10C.3.13R only applies where P (as referred to in SUP TP 11A.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*.

11A.18. G *SUP* TP 11A.18.1G and *SUP* TP 11A.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

(2) approval for the *controlled function* disapplied by *SUP* 10A.5.6R is *potentially convertible* into approval for the *FCA-designated senior management function* in *SUP* TP 11A.18.1G and *SUP* TP 11A.18.2G.

11A.19  Application for permission

11A.19. D (1) This direction applies to a *pre-implementation application* that is made by an *authorisation applicant*:

(a) between the *first notification date* and the *commencement date*; or

(b) before the *first notification date* if it is still outstanding on the *first notification date*.

(2) A *pre-implementation application* in (1)(a) must comply with the requirements (if any) of *SUP* TP 11A 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*.

(3) An *authorisation applicant* must, between the *first notification date* and the *final notification date*, revise any of its *pre-implementation applications* covered by (1)(b) to the extent necessary to meet the requirements in (2).

11A.19. R *SUP* TP 11A.7 and *SUP* TP 11A.9 apply to a *pre-implementation application* in *SUP* TP 11A.19.1D.

11A.19. D *SUP* TP 11A.15 applies to an *authorisation applicant*. 

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Page 153 of 328
11A.20 Prohibition orders

11A.20. R The changes to the FCA Handbook made by the Individual Accountability (FCA-Authorised Firms) Instrument 2019 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.

11A.21 Reporting under SUP 15.11

11A.21. 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:

(a) (in the case of a firm falling within SYSC 23 Annex 1 6.7R (credit firms with limited permission)) the first financial reporting period referred to in SUP 15.11.13R(3)(a)(i) ending after the commencement date; or

(b) (for any other firm) the following August.

11A.21. G SUP TP 11A.21.1R(2)(a) applies however short the resulting reporting period may be.

11A.22 Calculations for retail intermediaries

11A.22. R This section applies to a firm to which SUP 15.15 (as set out in the Individual Accountability (FCA-Authorised Firms) Instrument 2019) applies.


11A.22. R The first averaging period (as referred to in SUP 15.15) for which a firm must carry out the calculation is the most recent one whose final reporting period has a reporting date that falls on or before the enhanced firm cut-off date.

11A.22. R The notification obligations in SUP 15.15 do not apply in relation to the calculation for the first averaging period as described in SUP TP 11A.22.3R.
The reason for SUP TP 11A.22.4R is that the firm will be required to give the FCA a Form K instead if it meets the relevant qualification condition for being an enhanced scope SMCR firm.

SUP TP 11A.22.4R does not affect the definition of “reporting date” for the purpose of the calculations for SUP TP 11A.23 or SYSC 23 Annex 1.

The result of a calculation subsequent to the one under SUP TP 11A.22.3R but made before the commencement date may be that the firm meets the relevant qualification condition. In that case the firm should notify the FCA in accordance with SUP 15.15 as applied by SUP TP 11A.

(1) applies even though SUP TP 11A.23.3R(2) means that the firm will not be treated as an enhanced scope SMCR firm for the purposes of SUP TP 11A.

A firm should also notify the FCA if it ceases to meet the qualification condition before the commencement date.

Where (3) applies, the firm may also need to withdraw its Form K.

Deciding which category a firm is in

Before the commencement date, the question of:

(a) whether a firm is a solo-regulated SMCR firm for the purposes of SUP TP 11A; and

(b) (if it is) into which category it falls;

is determined in accordance with SYSC 23 Annex 1 (as set out in the Individual Accountability (FCA-Authorised Firms) Instrument 2019) even though the relevant parts of that chapter are not in force for other purposes.

(2) does not apply to a firm that is already an SMCR firm before the commencement date. Such an SMCR firm cannot be a solo-regulated SMCR firm for the purposes of SUP TP 11A.

(3) is subject to the rest of SUP TP 11A.23.

The effect of SUP TP 11A.23.1R(2) is that if a PRA-regulated SMCR firm changes its permission in a way that would turn it into a solo-regulated SMCR firm, the conversion arrangements in SUP TP 11A will not apply to it.
SUP TP 11A.15 will however apply and the firm can use this to apply for the approvals it needs because of its change of category.

Subject to SUP TP 11A.23.5R, Part Ten of SYSC 23 Annex 1 (When a firm becomes an enhanced scope SMCR firm) is adjusted for the purposes of this Annex so that a firm is an **enhanced scope SMCR firm** at any time if at that time it meets one of the qualification conditions in that Annex, not one year after it first meets the relevant condition.

If:

(a) a firm does not meet a qualification condition for being an **enhanced scope SMCR firm** in Part Eight of SYSC 23 Annex 1 (Financial qualification condition for being an enhanced scope SMCR firm) at the **enhanced firm cut-off date**; but

(b) meets that qualification condition at any time thereafter before the **commencement date**;

the firm is treated as not being an **enhanced scope SMCR firm** for the purpose of SUP TP 11A unless it is an **enhanced scope SMCR firm** because it meets another qualification condition.

The result of SUP TP 11A.23.3R(2) is that a firm will not be treated as an **enhanced scope SMCR firm** under Part Eight of SYSC 23 Annex 1 for the purposes of this Annex unless it meets the relevant conditions at the **enhanced firm cut-off date**.

This rule modifies the rules for making an election to become a **core SMCR firm** or an **enhanced scope SMCR firm** in accordance with the procedure set out in SYSC 23 Annex 1 (as set out in the Individual Accountability (FCA-Authorised Firms) Instrument 2019) for the purposes of SUP TP 11A.

A firm may make such an election on or after the **Form O start date**.

The version of Form O in SUP TP 11A.25 replaces the version in SYSC 23 Annex 2R.

The election takes effect for the purposes of this Annex on the **first notification date** or, if it is made after that date, immediately.

If the election is made on or after the **first notification date** the firm must at the same time make the following notifications and applications (based on the type of **SMCR firm** it has elected to become):
(a) any notification required by SUP TP 11A.5, SUP TP 11A.6 or SUP TP 11A.8; and

(b) any applications under SUP TP 11A.15 if the candidate is to perform the relevant function on the commencement date.

11A.23. R Part Eleven of SYSC 23 Annex 1 (When a firm stops being an enhanced scope SMCR firm) is adjusted for the purposes of SUP TP 11A so that a firm ceases to be an enhanced scope SMCR firm on the date it ceases to meet the last qualification condition that it met (as referred to in Part Eleven), not one year after that date.

11A.23. G If a firm changes from being an enhanced scope SMCR firm to a core SMCR firm or a limited scope SMCR 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).

11A.23. R If a firm revokes its election to be a core SMCR firm, Part Twelve of SYSC 23 Annex 1 (Opting up and opting down) is adjusted for the purposes of SUP TP 11A so that a firm ceases to be a core SMCR firm immediately after the FCA receives the notice, not one year after that date.

11A.23. G If a firm revokes its election to be an enhanced scope SMCR firm, SUP TP 11A.23.6R means that the revocation takes effect immediately after the FCA receives the notice, not one year after that date.

11A.23. G SYSC TP 7.7 (Qualification conditions for FCA-authorised firms) explains how this section affects the period after the commencement date.

11A.24 Claims management firms

Applications for approval

11A.24. G (1) A claims management firm may make an application under SUP TP 11A.15 (Applications of approved persons to take effect from the commencement date).

(2) Both a claims management firm that gets full authorisation before the commencement date and one that still has a claims management temporary permission may make such an application.

(3) SUP TP 11A.15 applies to applications under section 59 of the Act made before the commencement date. If a claims management firm makes an application under section 59 of the Act after the commencement date, it should make the application under SUP 10C (FCA senior managers regime for approved persons in SMCR firms).
11A.24. D SUP TP 11A.15 applies to a temporary permission pure claims management firm on the basis that the application referred to in SUP TP 11A.15.1D(1) is treated as made on the commencement date or, if later, the date that the firm becomes an SMCR firm.

11A.24. D SUP TP 11A.15 does not apply to a temporary permission pure claims management firm if:

1. that firm has not made a relevant application as referred to in article 82 of the Claims Management Order (Duration of temporary permission); or

2. the FCA has not yet set a last application date that applies to the firm (see article 82(3) of the Claims Management Order); or

3. the opening date applicable to the firm has not yet arrived (see article 82(9) of the Claims Management Order).

11A.24. G A firm should not make an application for approval under SUP 10C (FCA senior managers regime for approved persons in SMCR firms) in the circumstances described in SUP TP 11A.24.3D(1) to (3).

Pure claims management firms with temporary permission: Applicability of this Annex

11A.24. G Most of SUP TP 11A will not apply to a pure claims management firm as the firm will not have or need to have any approved persons under SUP 10A. It will therefore not have any pre-implementation approvals or pre-implementation applications to be converted.

In-flight applications for authorisation

11A.24. G (1) In certain circumstances, a person who has made an application for authorisation under the Compensation (Claims Management Services) Regulations 2006 is treated as having made an application for authorisation under the Act.

(2) This paragraph applies to a person in (1) who would be a pure claims management firm if the application were granted by the FCA.

(3) Where article 41(4) of the Claims Management Order (Applications for authorisation made to the Regulator: authorisation by the FCA) requires the person to submit a further application form and fee to the FCA, the applicant should not make an application under section 59 of the Act (Approval for particular arrangements) until it has complied with those requirements.

The 12-week rule
11A.24. G  *SUP TP 11A.18.1G* (The 12-week rule) applies to a **pure claims management firm** that still had a **claims management temporary permission** on the **commencement date** as if references to the **commencement date** were to the date it becomes fully authorised.

**Reporting under SUP 15.11**

11A.24. G  The first notification period of a **pure claims management firm** under *SUP 15.11.13R* (Timing and form of notifications: conduct rules staff other than SMF managers) if it still has a **claims management temporary permission** on the **commencement date**:

1. starts on the day it becomes fully authorised; and
2. ends on the last day of the following August.

11A.24. G  *SUP TP 11A.24.8G* applies however short the resulting reporting period may be.

**Short Form A**

11A.24. D  (1)  This direction applies to a **claims management firm** that is required to submit to the *FCA* the annex to the application for a **Part 4A permission** called “Annex to application for part 4A permission to carry on claims management activity during temporary permission – The Individual Form” (a “TIF”) about a **person (X)** in relation to the **firm**.

2. This direction adds an additional circumstance to *SUP 10C.10.8AD* (How to apply for approval) in which the **firm** must use Form A (shortened form).

3. If the **firm** must make an application under section 59 of the *Act* (Approval for particular arrangements) for the performance of an *FCA-designated senior management function* by X in relation to the **firm** using Form A, it must use Form A (shortened form) if:

   (a)  the **firm** has submitted the TIF about X:

      (i)  at the same time as the application under section 59; or

      (ii)  within the previous nine months; and

   (b)  there have been no matters arising in relation to the fitness and propriety of X which mean that the information provided to the *FCA* in the TIF regarding the fitness and propriety of X may have changed since the date on which the TIF was submitted to the *FCA*.

4. This direction applies to an application under:
(a) *SUP* TP 11A.15 (Applications of approved persons to take effect from the commencement date);

(b) *SUP* TP 11A.15 as applied by *SUP* TP 11A.24; and

(c) *SUP* 10C (FCA senior managers regime for approved persons in SMCR firms).

11A.25 Forms

11A.25. R Form K

1

[Insert here the form titled “Conversion Notification Form – FCA Solo Regulated Firms (Form K)”. The text of this form is contained in Part One of Annex Q of this instrument]

11A.25. R Form O

2

[Insert here the form titled “Notification of change to firm classification under the Senior Managers & Certification Regime (Pre-Commencement version) (Form O)”. The text of this form is contained in Part One of Annex Q of this instrument]

Part 2: Comes into force 9 December 2019

... 10A FCA Approved Persons

10A.1 Application

... Members of a profession

10A.1.17 R (1) This chapter, except in respect of the *FCA required functions*, does not apply to an *authorised professional firm* in respect of its non-mainstream regulated activities, subject to (2).

(2) Where the *authorised professional firm* has appointed *FCA-approved persons* to perform the *FCA governing functions* with equivalent responsibilities for the firm’s non-mainstream regulated activities and other regulated activities, for the firm’s non-mainstream regulated activities this chapter applies with
respect to the *FCA governing functions* and the *FCA required functions* (other than the apportionment and oversight function) only. [deleted]

Oil market participants, service companies, energy market participants, subsidiaries of local authorities or registered social landlords and insurance intermediaries

10A.1.18 **R** The descriptions of *FCA significant influence functions*, other than the *FCA required functions*, and, if the firm is a MiFID investment firm, the *FCA governing functions* do not extend to activities carried on by a firm whose principal purpose is to carry on activities other than *regulated activities* and which is:

1. an *oil market participant*; or
2. a *service company*; or
3. an *energy market participant*; or
4. a wholly-owned subsidiary of:
   1. a local authority; or
   2. a registered social landlord; or
5. a firm with permission to carry on insurance distribution activity in relation to non-investment insurance contracts but no other regulated activity (except advising on P2P agreements). [deleted]

10A.1.19 **G** It will be a matter of fact in each case whether, having regard to all the circumstances, including in particular where the balance of the business lies, a firm’s principal purpose is to carry on activities other than *regulated activities*. If a firm wishes to rely on SUP 10A.1.18R, it should be in a position to demonstrate that its principal purpose is to carry on activities other than *regulated activities*. [deleted]

... Bidders in emissions auctions

10A.1.21 **G** For a firm that is exempt from MiFID under article 2(1)(j) and whose only permission is bidding in emissions auctions, the only *FCA controlled functions* that apply to it are:

1. the *FCA governing functions*;
2. the *money laundering reporting function*; and
3. the *customer function*.
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 4.1.1R and is not undertaking proprietary trading. [deleted]

Benchmark activities

10A.1.21A G (1) For a firm which only has a permission for administering a benchmark, the following FCA controlled functions do not apply:

(a) the apportionment and oversight function;
(b) the compliance oversight function;
(c) the money laundering reporting function; and
(d) the systems and controls function. [deleted]

(2) That is because:

(a) the FCA controlled functions in (a) to (c) above do not apply because those functions are specified by incorporation of requirements in SYSC and the relevant parts of SYSC do not apply in relation to benchmark activities (which includes administering a benchmark);
(b) the FCA controlled function in (d) above does not apply in relation to benchmark activities (see SUP 10A.8.2R). [deleted]

(3) The functions in (a) to (d) still apply to a firm which administers a benchmark as well as carrying on other regulated activities. However, they do not apply in respect of its activities as a regulated benchmark administrator. [deleted]

(4) Various other FCA controlled functions are only relevant to firms which carry on particular types of activity and will not be relevant to a firm (F) which does not carry on any regulated activities other than administering a benchmark. For instance:

(a) the CASS operational oversight function will not be relevant to F because that function is only relevant to CASS medium firms, CASS large firms, and CASS large debt management firms; F will not hold client money
and will therefore not be a CASS medium firm, a CASS large firm or a CASS large debt management firm.

(b) The customer function involves performing various types of activity none of which would be performed by a firm which does not carry on any regulated activities other than administering a benchmark; Therefore the customer function does not apply to such a firm.

(c) The small friendly society function will only be relevant to certain firms.

(5) The functions in SUP 10A.1.21AG(1)(a) to (d) do not apply to a benchmark contributor in relation to its contribution of input data to a BMR benchmark administrator.

(6) That is because:

(a) the functions in SUP 10A.1.21AG(1)(a) to (c) are specified by incorporation of requirements in SYSC and the relevant parts of SYSC do not apply in relation to benchmark activities (which includes contributing input data to a BMR benchmark administrator); and

(b) the FCA controlled function in SUP 10A.1.21AG(1)(d) above does not apply in relation to benchmark activities (see SUP 10A.8.2R).

Internally-managed corporate AIFs

10A.1.24 G In accordance with section 59(7C) of the Act this chapter does not apply to an internally managed AIF which is a body corporate and not a collective investment scheme.

Credit firms with limited permission

10A.1.25 R (1) Subject to (2) and (3), this chapter, except in respect of the apportionment and oversight function, does not apply to a firm that has limited permission in relation to the carrying on of the relevant credit activity (as defined in paragraph 2G of Schedule 6 to the Act) for which it has limited permission.

(2) Subject to (3), this chapter does not apply to a not-for-profit debt advice body.

(3) This chapter applies to a not-for-profit debt advice body that is a CASS large debt management firm with respect to the CASS operational oversight function only.

Claims management exclusions
For the purposes of SUP 10A.1.13R, SUP 10A.1.18R, SUP 10A.6.23R (Partner function (CF4)) and SUP 10A.6.31R (Small friendly society function (CF6)), a regulated claims management activity is treated as an unregulated activity. [deleted]

A function performed by a person (A) in relation to a firm (B), whose permission includes a regulated claims management activity, is not a controlled function when performed by A in relation to B if:

(1) A is not the subject of a current FCA approved person approval for that controlled function in relation to B;

(2) that function would otherwise have been a controlled function but for this rule; and

(3) that function would not have been a controlled function in relation to A and B if articles 89G to 89M of the Regulated Activities Order (regulated claims management activities) were not in the Regulated Activities Order. [deleted]

SUP 10A.1.25R also applies to a firm whose permission only includes regulated claims management activities and relevant credit activities. [deleted]

SUP 10A.1.28R to SUP 10A.1.30R mean a firm whose permission includes a regulated claims management activity will not need to seek additional approved person approvals, because those activities became regulated activities in April 2019. [deleted]

SUP 10A.1.28R to SUP 10A.1.30R are not relevant to a firm which has permission to carry on only regulated claims management activities because SUP 10A.1.1R excludes it from this chapter altogether. [deleted]

Obligations on firms

The requirements in this chapter about notifications and applications are addressed to firms. Where this chapter applies in relation to an appointed representative, this means it applies to the appointed representative’s principal.

If an appointed representative has more than one principal, the requirements in (1) are addressed to the authorised approved person employer of the approved person in question.

Specification of functions
### 10A.4.4 FCA controlled functions

<table>
<thead>
<tr>
<th>Type</th>
<th>CF</th>
<th>Description of FCA controlled function</th>
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<tbody>
<tr>
<td><strong>FCA governing functions</strong></td>
<td>1</td>
<td>Director function</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>Non-executive director function</td>
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<tr>
<td></td>
<td>3</td>
<td>Chief executive function</td>
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<td></td>
<td>4</td>
<td>Partner function</td>
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<td></td>
<td>5</td>
<td>Director of unincorporated association function</td>
</tr>
<tr>
<td></td>
<td>6</td>
<td>Small friendly society function</td>
</tr>
<tr>
<td><strong>FCA required functions</strong></td>
<td>8</td>
<td>Apportionment and oversight function</td>
</tr>
<tr>
<td></td>
<td>10</td>
<td>Compliance oversight function</td>
</tr>
<tr>
<td></td>
<td>10A</td>
<td>CASS operational oversight function</td>
</tr>
<tr>
<td></td>
<td>11</td>
<td>Money laundering reporting function</td>
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<td><strong>Systems and controls function</strong></td>
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<td>Systems and controls function</td>
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<tr>
<td><strong>Significant management function</strong></td>
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<td>Significant management function</td>
</tr>
<tr>
<td><strong>Customer-dealing function</strong></td>
<td>30</td>
<td>Customer function</td>
</tr>
</tbody>
</table>

*FCA significant-influence functions

### 10A.5 Significant-influence functions
What are the FCA significant-influence functions?

10A.5.1 G The FCA significant-influence functions, which are specified in SUP 10A.4.1R, comprise the FCA governing functions (SUP 10A.6), the FCA required functions (SUP 10A.7), the systems and controls function (SUP 10A.8) and the significant management function (SUP 10A.9). SUP 10A.5 applies to each of the FCA significant-influence functions.

10A.6 FCA governing functions

... Guidance on persons in a parent undertaking or holding company exercising significant influence

10A.6.16 G (1) This paragraph explains The explanation in SUP 10C.5B.2G of the basis on which the group entity senior manager function is included as a controlled function for an SMCR firm is also relevant to the basis on which the director function and the non-executive director function are applied to persons who have a position with the firm’s parent undertaking or holding company under SUP 10A.6.8R or SUP 10A.6.13R.

(2) The basic position is set out in SUP 10A.3.4G. As is the case with all controlled functions. The guidance in SUP 10C.5B.3G to SUP 10C.5B.5G about when the group entity senior manager function applies to an SMCR firm is also relevant to when those who have a position with a firm’s parent undertaking or holding company may be performing a controlled function under SUP 10A.6.8R and or SUP 10A.6.13R, are subject to the overriding provisions in SUP 10A.3.1R, which sets out the requirements of section 59(1) and (2) of the Act. This means that unless the firm has an arrangement permitting the performance of these roles by the persons concerned, these persons will not be performing these controlled functions. Therefore, the FCA accepts that there will be cases in which a person performing these roles will not require approval. However where there is such an arrangement the function may apply.

... Partner function (CF4)

... 10A.6.24 G Any apportionment referred to in SUP 10A.6.23R(3)(b) will have taken place under 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. [deleted]
The effect of SUP 10A.1.17R is that regulated activity in SUP 10A.6.23R (and elsewhere) is to be taken as not including an activity that is a non-mainstream regulated activity. Therefore, a partner whose only regulated activities are incidental to his professional services, in a partnership whose principal purpose is to carry on other than regulated activities, need not be an FCA approved person. What amounts to the principal purpose of the firm is a matter of fact in each case having regard to all the circumstances, including the activities of the firm as a whole. Any regulated activities which such a partner carries on are not within the description of the partner function.

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.

(2) If the principal purpose of the firm is to carry on regulated activities, each person with responsibility for directing its affairs performs the FCA controlled function.

(3) If the principal purpose of the firm is other than to carry on regulated activities, a person performs the small friendly society function only to the extent that he has responsibility for a regulated activity. [deleted]

10A.6.32 R (4) Each person on the non-directive friendly society’s governing body will be taken to have responsibility for its regulated activities, unless the firm has apportioned this responsibility to one particular individual to whom it is reasonable to give this responsibility.

(2) The individual need not be a member of the governing body. [deleted]

10A.6.33 G Typically a non-directive friendly society will appoint a “committee of management” to direct its affairs. 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. That individual may, for example, have the title of chief executive or similar. The individual would have to be an FCA approved person under SUP 10A.6.31R. [deleted]

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. [deleted]
10A.7 FCA required functions [deleted]

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 4.4.5R.

(2) [deleted]

10A.7.2 G In requiring someone to apportion responsibility, a common platform firm should not apply for that person or persons to be FCA-approved to perform the apportionment and oversight function (see SUP 10A.7.1R and SYSC 1 Annex 1):

10A.7.3 G The fact that there is a person performing the apportionment and oversight function, and who has responsibility for activities subject to regulation by the FCA, may have a bearing on whether a manager who is based overseas will be performing an FCA controlled function. It is a factor to take into account when assessing the likely influence of the overseas manager.

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, they will not need to be an FCA-approved person. However, where, in accordance with SYSC 4 to SYSC 10, they are responsible for implementing that strategy in the United Kingdom, and have not delegated that responsibility to a senior manager in the United Kingdom, they are likely to be performing an FCA controlled function, for example, the chief executive function.

10A.7.5 G 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). The firm may allocate this responsibility to the person performing the apportionment and oversight function.

10A.7.6 G Where the person performing the apportionment and oversight function is also responsible for the firm’s insurance distribution activity, the words “(insurance distribution)” will be inserted after this FCA controlled function (see MIPRU 2.2.5G).

10A.7.7 G [deleted]

Compliance oversight function (CF10)
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) [deleted]
   (b) SYSC 6.1.4R(2); or
   (c) article 22(3) of the MiFID Org Regulation; or
   (d) article 22(3) 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 3.2 CR and SYSC 1 Annex 1 3.3AR); or
   (e) SYSC 6.1.4CR; or

(2) for a full scope UK AIFM, a person allocated the function in article 61(3)(b) of the AIFMD level 2 regulation.

CASS operational oversight function (CF10a)

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

In relation to a CASS large debt management firm, the CASS operational oversight function is the function of acting in the capacity of a person to whom is allocated the function in CASS 11.3.4R.

Money laundering reporting function (CF11)

The money laundering reporting function is the function of acting in the capacity of the money laundering reporting officer of a firm.

A firm’s obligations in respect of its money laundering reporting officer are set out elsewhere in the FCA Handbook (see SYSC 6.3.9R and for their scope, see the application provisions in SYSC 1 Annex 1).

Systems and controls functions [deleted]
its financial affairs;

(2) setting and controlling its risk exposure (see 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 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 [deleted]

10A.8.2 R The systems and controls function does not apply in relation to:

(1) bidding in emissions auctions carried on by a firm that is exempt from MiFID under article 2(1)(j); or

(2) benchmark activities.

10A.8.3 G [deleted]

10A.8.4 G Where an employee performs the systems and controls function the FCA would expect the firm to ensure that the employee had sufficient expertise and authority to perform that function effectively. A director or senior manager would meet this expectation.

Full-scope UK AIFM

10A.8.5 G For a full-scope UK AIFM, the requirement to have an employee responsible for reporting to the governing body of the firm or the audit committee for matters in SUP 10A.8.1R(2) and SUP 10A.8.1R(3) is derived from the AIFMD level 2 regulation, which imposes obligations on such firms to have a permanent risk management function and, where appropriate and proportionate for their business, an internal audit function.

...  

10A.10 Customer-dealing functions

...

Customer function (CF 30)

10A.10.7 R The customer function is the function of:
(6) acting in the capacity of an investment manager and carrying on functions connected to this; [deleted]

... procedure...

10A.12 Procedures relating to FCA-approved persons

Forms

10A.12.1 G ...

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>
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</tbody>
</table>

Note (1): The form in the SUP annex shown is to be used by 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”; [deleted]

... procedures...

10A.13 Application for approval and withdrawing an application for approval

... application...

How to apply for approval

... procedures...

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. [deleted]

... application...

10A.13.4A G When a MiFID investment firm (except a credit institution) notifies the FCA of a change using Form A or Form E, they must also submit the
MiFID Article 4 APER Information Form. The details can be found in SUP 10A.14.4BD. [deleted]

... 10A.14 Changes to an FCA-approved person’s details

Moving within a firm...

10A.14.4A G (4) The 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) SUP 10A.14.4BD explains how this requirement fits in with the requirement to submit a Form A or Form E. [deleted]

10C.14.4AA G (4) 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. [deleted]

10A.14.4B D Where:

(4) 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;

(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 10A Annex 10D (MiFID Article 4 SMR Information Form) at the same time as submitting the Form A or Form E about the candidate. [deleted]

10A.14.4C G MiFID investment firms (except credit institutions) who submit:

(1) Form A and/or E; and

(2) the MiFID Article 4 SMR Information Form

about a candidate can complete the Annex III template outlined in SUP 10A.14.4AG(1) by cross-refering to any information required by the template that has been included in the relevant Form A or Form E. The template should be annexed to the relevant Form A or Form E. [deleted]

... Ceasing 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). [deleted]

... 10A.14.13 G A firm can submit Form C or Form E and the MiFID Article 4 APER Information Form to the FCA in advance of the cessation date. When a person ceases the arrangement under which they perform an FCA...
controlled function, they will automatically cease to be an FCA-approved person in relation to that FCA controlled function. A person can only be an FCA-approved person in relation to a specific FCA controlled function. Therefore, a person is not an FCA-approved person during any period between ceasing to perform one FCA controlled function (when they are performing no other FCA controlled function) and being approved in respect of another FCA controlled function.

...  

10A.16 How to apply for approval and give notifications  

10A.16.1 D (1) This direction applies to an application under Form A or Form E.  

(2) Subject to (2A), an application by a firm 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.

(2A) An application by a firm whose application for permission or whose Part 4A permission covers only credit-related regulated activities must be made using the form in SUP 10A Annex 4 or SUP 10A Annex 8 and must be submitted in the way set out in SUP 15.7.4 R to SUP 15.7.9G (Form and method of notification). [deleted]

...  

10A Annex Frequently asked questions  

1G  

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>Submitting an application</td>
<td>...</td>
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<tr>
<td>...</td>
<td>...</td>
</tr>
<tr>
<td>17 How can credit unions get a supply of application forms (Forms A to F)? [deleted]</td>
<td>These can be ordered from the FCA’s Customer Contact Centre. There is no charge for an application form.</td>
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How does the customer function relate to the training and competence requirements?

<table>
<thead>
<tr>
<th>Activity</th>
<th>Products/sectors in TC Appendix-1</th>
<th>FCA-controlled function</th>
<th>SUP</th>
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<tbody>
<tr>
<td>Advising or giving personal recommendations (as relevant)</td>
<td>2-9A</td>
<td>customer function (CF-30)</td>
<td>10A.10.4-R</td>
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<td>Undertaking an activity</td>
<td>10-11</td>
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<tr>
<td>Giving personal recommendations and dealing</td>
<td>12-13</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing investments</td>
<td>14</td>
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</tr>
</tbody>
</table>

10C FCA senior managers regime for approved persons in SMCR firms

... 10C.1 Application ...  

Appointed representatives  

... 10C.1.8 G ... (4)  

(5) Both this chapter and SUP 10A deal with an appointed representative that has a limited permission to carry on a regulated activity prescribed for the purposes of section 39(1E)(a) of the Act.

... 10C.4 Specification of functions...
10C.4.3 R Table of FCA-designated senior management functions for SMCR firms

<table>
<thead>
<tr>
<th>Type</th>
<th>SMF</th>
<th>Description of FCA controlled function</th>
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<tr>
<td>SMF 1</td>
<td>Chief executive function</td>
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<tr>
<td>SMF 3</td>
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<tr>
<td>SMF 7</td>
<td>Group entity senior manager function</td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chair of the governing body function</td>
<td></td>
</tr>
<tr>
<td>SMF 10</td>
<td>Chair of the risk committee function</td>
<td></td>
</tr>
<tr>
<td>SMF 11</td>
<td>Chair of the audit committee function</td>
<td></td>
</tr>
<tr>
<td>SMF 12</td>
<td>Chair of the remuneration committee function</td>
<td></td>
</tr>
<tr>
<td>SMF 13</td>
<td>…</td>
<td></td>
</tr>
<tr>
<td>SMF 14</td>
<td>Senior independent director function</td>
<td></td>
</tr>
<tr>
<td>SMF 15</td>
<td>…</td>
<td></td>
</tr>
<tr>
<td>SMF 19</td>
<td>Head of third country branch function</td>
<td></td>
</tr>
<tr>
<td>SMF 27</td>
<td>…</td>
<td></td>
</tr>
<tr>
<td><strong>FCA required functions</strong></td>
<td></td>
<td></td>
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<td>…</td>
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<tr>
<td>SMF 23b</td>
<td>…</td>
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</tr>
<tr>
<td>SMF 29</td>
<td>Limited scope function</td>
<td></td>
</tr>
<tr>
<td><strong>Other high-level management functions</strong></td>
<td></td>
<td></td>
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<tr>
<td>SMF 21</td>
<td>…</td>
<td></td>
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<tr>
<td><strong>Systems and controls functions</strong></td>
<td></td>
<td></td>
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<tr>
<td>SMF 2</td>
<td>Chief finance officer function</td>
<td></td>
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<td>SMF 4</td>
<td>Chief risk officer function</td>
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<tr>
<td>SMF 5</td>
<td>Head of internal audit function</td>
<td></td>
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<tr>
<td>SMF 24</td>
<td>Chief operations function</td>
<td></td>
</tr>
</tbody>
</table>
10C.4A FCA governing functions: General

10C.4A.1 G …

Sole traders

10C.4A.2 G (1) An individual sole trader themselves will not need approval to perform any of the governing functions. Therefore the governing functions do not apply to a sole trader with no employees.

(2) It is possible, although perhaps not likely in practice, that the governing functions could apply to staff working for the sole trader.

(3) In particular, it is possible for the sole trader to give sufficient authority to a staff member that the staff member meets the Glossary definition of a director.

(4) This might happen, for example, if the sole trader’s business is so large that the sole trader sets up a governing body to run it.

10C.5 FCA governing functions: Executive

…

Executive director function: Adjustment of definition for non-directive friendly societies

10C.5.9 R …

(3) The executive director function includes the function of being or acting in the capacity of:

(a) a member of the firm’s governing body; or

(b) (in the case of an FCA-authorised firm) the chief executive.

The term director also includes each such a person.
(3) The individual in (2) may, for example, have the title of chief executive or similar. The individual would (subject to SUP 10C.5.11G) have to be an FCA-approved person under SUP 10C.5.9R.

10C.5.11 G (1) In practice, the FCA expects that most non-directive friendly societies will be PRA-authorised persons.

(2) Where that is the case, the executive director function will often not apply (see SUP 10C.4A.1G).

...  

10C.5.18 G ... Partner function: When partners and members do not require approval

10C.5.19 R (1) This rule applies to an SMCR firm that is an FCA-authorised person to which the partner function applies.

(2) If the principal purpose of the firm is to carry on one or more regulated activities, each person in SUP 10C.5.14R to SUP 10C.5.16R (a “partner”) performs the partner function.

(3) If the principal purpose of the firm is other than to carry on regulated activities:

(a) a partner performs the partner function to the extent only that they have responsibility for a regulated activity; and

(b) a partner in a firm will be taken to have responsibility for each regulated activity except where the firm has apportioned responsibility to another partner or group of partners.

10C.5.20 G (1) This paragraph SUP 10C.5.20G describes some of the combined effects of SUP 10C Annex 1 2.1R and SUP 10C.5.19R.

(2) A partner whose only regulated activities are incidental to their professional services, in a firm whose principal purpose is to carry on other than regulated activities, need not be an FCA-approved person.

(3) What amounts to the principal purpose of the firm is a matter of fact in each case having regard to all the circumstances, including the activities of the firm as a whole.

(4) Any regulated activities which such a partner carries on are not within the description of the partner function.
Chief executive function (SMF1)

10C.5.21 R (1) The chief executive function is the function of acting in the capacity of a chief executive of a firm.

(2) This function does not apply to a non-directive friendly society.

10C.5.22 G This function is having the responsibility, alone or jointly with one or more others, under the immediate authority of the governing body for the conduct of the whole of the business (or relevant activities) of the firm.

10C.5.23 G (1) A person performing the chief executive function may be a member of the governing body but need not be.

(2) If the chairman of the governing body is also the chief executive, they will be discharging this function.

(3) If the responsibility is divided between more than one person but not shared, there is no person exercising the chief executive function.

(4) But if that responsibility is discharged jointly by more than one person, each of those persons will be performing the chief executive function.

Head of third country branch function (SMF 19)

10C.5.24 R (1) This rule applies to an overseas SMCR firm.

(2) The head of third country branch function is the function of having responsibility alone or jointly with others, for the conduct of all activities of the United Kingdom branch of the firm which are subject to the UK regulatory system.

10C.5A FCA governing functions: Oversight

... 

10C.5A.6 R ... 

Chair of the governing body function (SMF9)

10C.5A.7 R The chair of the governing body function is the function of having responsibility for chairing, and overseeing the performance of the role of, the governing body of the firm.

Chair of the risk committee function (SMF10)
10C.5A.8  R  The chair of the risk committee function is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the risk management systems, policies and procedures of the firm, including, where applicable to the firm, a committee established in accordance with the risk control requirements for SMCR firms.

Chair of the audit committee function (SMF11)

10C.5A.9  R  The chair of the audit committee function is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the internal audit system of the firm including, where applicable to the firm, a committee established in accordance with the internal audit requirements for SMCR firms.

Chair of the remuneration committee function (SMF12)

10C.5A.10 R  The chair of the remuneration committee function is the function of having responsibility for chairing, and overseeing the performance of, any committee responsible for the oversight of the design and the implementation of the remuneration policies of a firm, including, where applicable to the firm, a committee established in accordance with:

(1) SYSC 19A.3.12R (Remuneration Principle 4: Governance);
(2) SYSC 19B.1.9R (AIFM Remuneration Principle 3: Governance);
(3) SYSC 19C.3.12 R (Remuneration Principle 4: Governance);
(4) SYSC 19D.3.12R (Remuneration Principle 4: Governance); and
(5) SYSC 19E.2.9R (UCITS Remuneration Principle 3: Governance).

Senior independent director function (SMF14)

10C.5A.11 R  The senior independent director function is the function of performing the role of a senior independent director, and having particular responsibility for leading the assessment of the performance of the person performing the chair of the governing body function.

10C.5B  FCA governing functions: Group entities

Group entity senior manager function (SMF7)

10C.5B.1 R  (1) The group entity senior manager function is the function of having a significant influence on the management or conduct of
one or more aspects of the affairs of a *firm* in relation to its *regulated activities*.

(2) This *controlled function* does not include having such influence in the course of performance of another *designated senior management function* for that *firm*.

(3) This *controlled function* only applies if it is performed by:
   
   (a) a *person* employed by; or
   
   (b) an officer of:

any of the following:

   (c) a *parent undertaking* or *holding company* of the *firm*; or
   
   (d) another *undertaking* which is a member of the *firm’s group*.

**Basis on which group entity senior manager function is included**

10C.5B.2 G  

(1) This provision explains the basis on which the *group entity senior manager function* is included as a *controlled function*.

(2) The basic position is set out in *SUP 10C.3.9G*. As is the case with all *controlled functions* in this chapter, the definition of the *group entity senior manager function* is subject to the overriding provisions in *SUP 10C.3.6R*, which sets out the requirements of section 59(1) and (2) of the *Act*.

(3) This means that unless the *firm* has an *arrangement* permitting the performance of these roles by the *persons* concerned, these *persons* will not be performing the *group entity senior manager function*.

(4) Therefore, the *FCA* accepts that there will be cases in which a *person* performing the role described in *SUP 10C.5B.1R* will not require approval.

(5) However where there is such an *arrangement* the function may apply.

**When the group entity senior manager function applies**

10C.5B.3 G  

(1) Individuals in the management of a group in which a *firm* is a subsidiary do not automatically come within the *group entity senior manager function* because their job relates to the *firm*.

(2) The *FCA* does not aim or expect to approve individuals to perform this function for every *firm* to which the function potentially applies under *SUP 10C Annex 1 (What functions*
(3) The FCA would not consider it to be unusual for there to be no one performing the group entity senior manager function for a firm that is a subsidiary in a group.

10C.5B.4 G Whether someone performs the group entity senior manager function should be assessed on a case-by-case basis. The factors to be taken into account include:

(1) the organisational structures of the group and the firm;

(2) the split of key responsibilities between the group and firm boards and senior management; and

(3) whether SMF managers based in the firm have an appropriate level of authority within the group to ensure that the firm complies with the requirements of the regulatory system.

10C.5B.5 G (1) An individual based elsewhere in a group whose responsibilities in relation to a subsidiary in the group that is a firm are limited to developing the group’s overall strategy is unlikely to be performing the group entity senior manager function.

(2) The function is more likely to apply to individuals who are directly responsible for implementing the group’s strategy in the firm.

(3) Therefore, if an individual based elsewhere in the group:

(a) is directly responsible for taking decisions about how the firm should conduct its regulated activities; and

(b) has not delegated this responsibility to an SMF manager based in the firm;

it is likely that they will require approval to perform the group entity senior manager function (or, as described in SUP 10C.5B.6G, another designated senior management function).

(4) If however the firm’s governing body has sufficient discretion in how it applies and responds to proposals coming from group committees or individuals based in parent entities, approval would generally not be required. In this case the individual will be carrying on a group-level function rather than performing a function on behalf of the firm.

(5) So, where:
(a) a firm has in place the required SMF managers based in the firm; and

(b) those SMF managers are effective and have sufficient control over the firm;

the FCA would not routinely expect the firm to have persons performing the group entity senior manager function in place.

10C.5B.6 G (1) SUP 10C.5B.1R(2) means that an individual who is approved to perform another designated senior management function for a firm will often not need to be approved to perform the group entity senior manager function for that firm as well.

(2) So for example if the individual has responsibility for the firm’s finances they may be performing the chief finance officer function. If that is the case the individual will not be performing the group entity senior manager function by carrying out the functions of a chief finance officer.

(3) Similarly an individual who is approved to perform another designated senior management function for the firm may have influence that comes from holding that post in matters falling outside the core duties of that post. For example a chief finance officer of a firm will have important input into decisions that fall outside the core financial control function. That influence does not mean that they are performing the group entity senior manager function.

10C.5B.7 G The group entity senior manager function is potentially relevant:

(1) whether the individual is located in or outside the United Kingdom; and

(2) whether the group is headquartered in the United Kingdom or overseas.

10C.5B.8 G (1) The parent of a subsidiary firm cannot itself perform the group entity senior manager function.

(2) A shareholder in the parent will also not perform this function unless the shareholder is also a director, officer or employee of the parent and is exerting significant influence over the firm through that role.

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 person who is allocated the function in:

... 

(4) SYSC 6.1.4CR; or 

(5) SYSC 3.2.8R; or 

(6) (for a full-scope UK AIFM) article 61(3)(b) of the AIFMD level 2 regulation.

... 

10C.6.4 R ... 

Limited scope function (SMF29) 

10C.6.5 R The limited scope function is the function of acting in the capacity of a person responsible for the apportionment function and/or the oversight function set out in SYSC 4.4.5R. 

10C.6.6 G The fact that there is a person performing the limited scope function, and who has responsibility for activities subject to regulation by the FCA, may have a bearing on whether a manager who is based overseas will be performing an FCA controlled function. It is a factor to take into account when assessing the likely influence of the overseas manager.

10C.6A Systems and controls functions: Finance, risk and internal audit 

Introduction 

10C.6A.1 G The FCA-designated senior management functions in this section apply even if the firm:

(1) is not required by the regulatory system to allocate any of these roles to someone; or 

(2) is not subject to any requirements of the regulatory system dealing with the management of the matters referred to in SUP 10C.6A.3R to SUP 10C.6A.6R. 

Seniority 

10C.6A.2 G The FCA expects a firm to ensure that a person performing a function in this section for a firm has sufficient expertise and authority to perform that function effectively. A director or senior manager would meet this expectation.

Chief finance officer function (SMF2)
10C.6A.3  R  The *chief finance officer function* is the function of having responsibility for management of the financial resources of the *firm*, including reporting directly to the *governing body* of the *firm* in relation to its financial affairs.

Chief risk officer function (SMF4)

10C.6A.4  R  The *chief risk officer function* is the function of having responsibility for overall management of the risk controls of a *firm*, including:

1. the setting and managing of the *firm*'s risk exposures; and
2. reporting directly to the *governing body* of the *firm* in relation to its risk management arrangements.

10C.6A.5  G  (1) Risk controls systems include ones designed to deal with the kinds of matters in the *risk control requirements for SMCR firms*.

(2) However *SUP 10C.6A.4R* applies even if the provisions in (1) do not apply to the *firm*.

Head of internal audit function (SMF5)

10C.6A.6  R  The *head of internal audit function* is the function of having responsibility for management of the internal audit function of the *firm*, including reporting directly to the *governing body* of the *firm* on the internal audit function.

10C.6A.7  G  (1) Internal audit covers the kinds of matters in the *internal audit requirements for SMCR firms*.

(2) However *SUP 10C.6A.6R* applies even if the provisions in (1) do not apply to the *firm*.

10C.6B  Systems and controls functions: Other

Seniority

10C.6B.1  G  The *FCA* expects a *firm* to ensure that a person performing a function in this section for a *firm* has sufficient expertise and authority to perform that function effectively. A *director* or *senior manager* would meet this expectation.

The chief operations function (SMF24)

10C.6B.2  R  (1) The *chief operations function* is the function of having overall responsibility for managing all or substantially all the internal operations or technology of the *firm* or of a part of the *firm*.
(2) In deciding whether a person has overall responsibility for managing all or substantially all the matters described in (1) for the purposes of this rule, the following are left out of account if one or more other persons have overall responsibility for them:

(a) the matters to which the internal audit requirements for SMCR firms, the compliance requirements for SMCR firms or the risk control requirements for SMCR firms relate;

(b) the matters to which any of the required functions relate; or

(c) any part of the firm responsible for advising other parts of the firm.

(3) (2) applies to a firm whether or not the requirements in (2)(a) or the functions in (2)(b) apply to it.

(4) The chief operations function does not include the function of acting in the capacity of a chief executive of a firm.

(5) A person (P) does not perform the chief operations function by managing the internal operations or technology of a part of a firm that carries out other functions (such as a part of the firm that carries on regulated activities with clients) as part of P’s function of managing that part of the firm.

(6) A firm’s SMCR legal function is not included in the firm’s internal operations or technology for the purpose of the definition of the chief operations function.

10C.6B.3 G (1) In SUP 10C.6B.2R technology refers principally to the firm’s information and communications technology (ICT) systems and services.

(2) Those services include but may not be necessarily limited to the mechanisms and networks that support the operations of a firm, including data entry, data storage, data processing and reporting services, but also monitoring, business and decision support services.

10C.6B.4 G The chief operations function may include but not necessarily be limited to areas such as:

(1) business continuity (including responsibility for compliance with SYSC 4.1.6R and SYSC 4.1.7R (Business continuity), if those rules apply to the firm);

(2) cybersecurity;
(3) information technology;
(4) internal operations;
(5) operational continuity, resilience and strategy;
(6) outsourcing, procurement and vendor management; and
(7) management of services shared with other group members.

10C.6B.5 G As explained in SYSC 26.11.4G (Overall responsibility for internal operations), if:

(1) a firm does not have anyone who performs the chief operations function; but

(2) SYSC 26 (Senior managers and certification regime: Overall and local responsibility) applies to the firm;

the firm should allocate responsibility for the functions in SUP 10C.6B.4G among its SMF managers under SYSC 26.

10C.6B.6 G If a firm is required to have a management responsibilities map, the map should include the functions in SUP 10C.6B.4G, whether or not the firm has someone who performs the chief operations function (see SYSC 25 Annex 1 (Examples of the business activities and functions of an SMCR firm)).

10C.6B.7 G The table in SUP 10C.6B.8G gives examples of how the chief operations function applies.

10C.6B.8 G Table: Examples of how the chief operations function applies

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Firm A has the following three individuals.</td>
<td>The COO is the only person performing the chief operations function.</td>
</tr>
<tr>
<td>- Chief Operating Officer (COO);</td>
<td></td>
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<tr>
<td>- Chief Information &amp; Technology Officer (CITO);</td>
<td></td>
</tr>
<tr>
<td>- Head of Human Resources (Head of HR),</td>
<td></td>
</tr>
<tr>
<td>The Head of HR and the CITO report to the COO.</td>
<td></td>
</tr>
<tr>
<td>(2) Firm A has the following two individuals:</td>
<td>Both individuals perform the chief operations function.</td>
</tr>
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</tbody>
</table>
- Chief Operating Officer (COO);
- Chief Information and Technology Officer (CITO).

The COO and CITO are equally senior. Both have separate reporting lines to the Board and the CEO.

Overall responsibility for information technology is shared between the COO and CITO.

The COO has overall responsibility for all other internal operations.

(3) Firm A has two business lines (broking and advice). It has the following individuals:
- a Chief Operating Officer responsible for the internal operations of the broking business (other than technology) (B)
- a Chief Information and Technology Officer for the broking business (C)
- an individual who combines the roles of Chief Operating Officer and Chief Information and Technology Officer for the advice business (D).

B, C and D are equally senior. They all have separate reporting lines to the Board and the CEO.

The CITO performs the chief operations function.

None of the others perform the chief operations function. This is because none of them has responsibility for the firm’s internal operations as a whole or for all the internal...
| the remaining parts of internal operations. Firm A also has a Chief Information & Technology Officer (CITO) with responsibility for all the firm’s technology. Each individual is equally senior. | operations of a part of the business. Firm A has divided the responsibility based on function rather than business line. However those others may be performing the other overall responsibility function. |

| (5) Firm A has a Chief Operating Officer (B) responsible for its internal operations. However Firm A separates its internal advisory functions (such as economic and market analysis) and allocates them to C. | B performs the chief operations function. C does not. The same answer would apply if C’s functions were split between several others. |

| (6) Firm A has a Chief Operating Officer (B). B does not report to the firm’s governing body. B reports to several directors about different aspects of B’s job, who in turn report to the governing body. | B does not perform the chief operations function. B does not have overall responsibility for internal operations as B does not have direct responsibility to the governing body. SYSC 26.7 (Meaning of local and overall responsibility: Reporting to the governing body) is relevant to the meaning of overall responsibility in this context. The directors to whom B reports do not perform the chief operations function either, for the reasons in Example (4). |

| (7) Firm A has two business lines (broking and advice). B is chief executive of the broking division and C is chief executive of the advisory division. Each chief executive is responsible for the internal operations and IT of their division. Both B and C report to the Board. | SUP 10C.6B.2R(5) means that neither B nor C performs the chief operations function. |

| (8) Firm A has a Chief Operating Officer (B) responsible for its internal operations. B is not | B performs the chief operations function. C does not. |
10C.7 Other overall responsibility function (SMF18)

Application

... 

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; and

(3) an enhanced scope SMCR firm.

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 function allocated to that person under SYSC 26.3.1R (Main rules) in relation to the firm; or

   FCA-prescribed senior management responsibility (z) in the table in SYSC 24.2.5R (functions in relation to CASS) allocated to that person under SYSC 24.2 (Allocation of FCA-prescribed senior management responsibilities: Main allocation rules); and or

   (if the firm has allocated such a function to someone) the function of having overall responsibility for any of the activities, business areas and management functions of the firm excluded from SYSC 26.3 (Main rules) by SYSC 26.4.18R (Exclusion for AIFMD); and

2. does not have an approval to perform any other designated senior management function in relation to the firm.
### 10C.7.3

Table: Examples of how the other overall responsibility function applies

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>(7) ‘A’ is appointed to take on some functions that come within the <em>other overall responsibility function</em>. Later, A is appointed as chief risk officer. The <em>firm</em> is one of those for which being chief risk officer is a <em>PRA-designated senior management function</em> or an <em>FCA-designated senior management function</em>.</td>
<td>…</td>
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<td>…</td>
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</table>

### 10C.8

**The other local responsibility function (SMF22)**

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) ‘A’ is allocated local responsibility for one of a <em>branch’s main business lines</em>. A is also appointed to perform a <em>PRA-designated senior management function</em> for the same <em>branch</em>. The <em>firm</em> is a <em>PRA-authorised person</em>.</td>
<td>…</td>
</tr>
</tbody>
</table>
(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 FCA-designated senior management function or (if the firm is a PRA-authorised person) PRA-designated senior management function.

(4) A branch does not have a Head of Internal Audit. ‘P’ is allocated local responsibility for internal audit in relation to that branch. P needs approval to perform the other local responsibility function. However, if P has already been approved to perform another FCA-designated senior management function or (if the firm is a PRA-authorised person) PRA-designated senior management function, then P will not be performing the other local responsibility function.

(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 or an
10C.9 Minimising overlap with the PRA approved persons regime

Application

10C.9.1 G This section only applies to a PRA-authorized person.

...
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, &c) and related subordinated legislation of the UK or any part of the UK before making the application.

(3) This rule does not apply to a firm that is a sole trader if the candidate is the sole trader themselves.

…

10C.11 Statements of responsibilities

…

What this section covers

10C.11.2 G (1) …

(2) However, in the case of a PRA-authorised person, where applications and notifications relate both to FCA-designated senior management functions and to PRA ones, the regulators’ requirements are consistent with each other.

…

Revised statements of responsibilities: Meaning of significant change

10C.11.6 G (1) …

(2) A variation of the FCA-approved SMF manager’s approval, either at the firm’s request or at the FCA’s or (in the case of a PRA-authorised person), PRA’s initiative, resulting in the imposition, variation or removal of a condition or time limit, may involve a significant change.

(3) …
(4) The addition, re-allocation or removal of any of the following (or part of one):

(a) an FCA-prescribed senior management responsibility;

(b) (in the case of a PRA-authorised person), a PRA-prescribed senior management responsibility; or

…

(5) The sharing or dividing of an FCA-prescribed senior management responsibility or, in the case of a PRA-authorised person, a PRA-prescribed senior management responsibility, that was originally performed by one person between two or more persons may involve a significant change.

(6) Ceasing to share an FCA-prescribed senior management responsibility or, in the case of a PRA-authorised person, a PRA-prescribed senior management responsibility, that was originally shared with another, or others, may involve a significant change.

…

Revised statements of responsibilities: Procedure

10C.11.7 D (1) …

(3) Where In the case of a PRA-authorised person, where the change to be notified to the FCA under section 62A of the Act is part of an arrangement under which:

…

…

One document for each SMF manager for each firm …

10C.11.14 G …

(2) The (In the case of a PRA-authorised person), the document in (1) should cover PRA-designated senior management functions as well as FCA-designated senior management functions.

…

(4) The FCA and the PRA have coordinated their arrangements so that a firm PRA-authorised person can prepare a single
document that will meet the requirements of both regulators about *statements of responsibilities*.

…

…

Submitting statements of responsibilities: examples of how the requirements work

**10C.11.18 G** The table in *SUP 10C.11.19G* gives examples of how the requirements in this section for submitting *statements of responsibilities* (combined, in the case of a *PRA-authorised person*, with the corresponding *PRA* requirements) work in different cases.

**10C.11.19 G** Table: Examples of how the requirements for submitting statements of responsibilities work

<table>
<thead>
<tr>
<th>Example</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>(3) A firm applies for approval for A to perform an <em>FCA-designated senior management function</em> and a <em>PRA-designated senior management function</em>. The arrangements in <em>SUP 10C.9</em> for <em>FCA</em> functions to be absorbed into <em>PRA</em> ones do not apply and so there are separate applications to the <em>FCA</em> and <em>PRA</em>. <em>The firm is a PRA-authorised person.</em></td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>(5) A has approval to perform the <em>executive director function</em>. Later, A is to be appointed to perform the <em>PRA’s chief risk officer designated senior management function</em> for the same firm. This will also result in substantial changes to A’s duties as an executive director. <em>The firm is a PRA-authorised person.</em></td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>(8) A has approval to perform the <em>executive director function</em> and the <em>PRA’s chief risk officer designated senior management</em></td>
<td>…</td>
</tr>
<tr>
<td>Example</td>
<td>Comments</td>
</tr>
<tr>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td><em>function</em> for the same <em>firm</em>. The arrangements in <em>SUP 10C.9</em> 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 <em>designated senior management function</em> is subject to a condition. The <em>firm</em> is applying to vary that condition. As part of the same arrangements, there are to be substantial changes to A’s job as an executive director. The <em>firm</em> is a PRA-authorised person.</td>
<td></td>
</tr>
<tr>
<td>(9) A has approval to perform the <em>executive director function</em> and the <em>money laundering reporting function</em> for the same <em>firm</em>. Sometime later, A is to give up the <em>money laundering reporting function</em> and take up the PRA’s chief risk officer <em>designated senior management function</em>. This will involve major changes to A’s role as executive director. The <em>firm</em> is a PRA-authorised person.</td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td></td>
</tr>
<tr>
<td>(11) A has approval to perform the <em>executive director function</em> and the PRA’s chief risk officer <em>designated senior management function</em> for the same <em>firm</em>. Later, A gives up his role as chief risk officer. The <em>firm</em> is a PRA-authorised person.</td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td></td>
</tr>
<tr>
<td>(14) A has approval to perform the <em>executive director function</em>. Later, A’s business unit grows in size and so the <em>firm</em> needs to apply for A to be approved to perform the PRA’s Head of Key Business Area <em>designated senior management function</em>. However, A’s responsibilities do not change. The <em>firm</em> is a PRA-authorised person.</td>
<td>…</td>
</tr>
</tbody>
</table>
Need for a complete set of current statements of responsibilities

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 (in the case of a PRA-authorised person), PRA as revised under section 62A of the Act and this chapter.

What statements of responsibilities should contain: General

10C.11.24 G (1) A statement of responsibilities (including its attachment sheet for additional information) should:

(c) only contain material about the matters that this chapter, the corresponding PRA requirements (in the case of a PRA-authorised person), and the Act say should be included in it.

10C.11.26 G (2) For instance, these include:

(a) the responsibilities that go with the FCA required functions; and

(b) the FCA-prescribed senior management responsibilities and (in the case of a PRA-authorised person) the PRA-prescribed senior management responsibilities.

10C.11.28 G (1) A statement of responsibilities of an SMF manager should include details about any:
(a) **FCA-prescribed senior management responsibilities and** (in the case of a **PRA-authorised person**) **PRA-prescribed senior management responsibilities** allocated to the SMF manager;

(b) (in the case of a **PRA-authorised person**) 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);

... ...

10C.12 **Conditional and time-limited approvals**

Purpose

10C.12.1 G ...

(3) The **(In the case of a **PRA-authorised person**)** 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.

...

10C.13 **Variation of conditional and time-limited approvals**

...

Variation of a conditional approval at the request of the firm: general description

...

10C.13.4 G (1) **There are requirements about whether** If the **firm** applying for a change described in **SUP 10C.13.3G** is a **PRA-authorised person**, there are requirements about whether it should apply to the **FCA** or the **PRA**. Paragraphs (2) to (3) summarise these requirements.

...

10C.14 **Changes to an FCA-approved person’s details**
Moving within a firm

10C.14.1   G   …

(4) Similarly (in the case of a PRA-authorised person), 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.

…

Ceasing to perform an FCA-designated senior management function

…

10C.14.5   R   …

(3) If:

…

(b) ceasing to perform the FCA-designated senior
management function in (1) has triggered a requirement
to make that application for approval:

…

(iii) (in the case of a PRA-authorised person) to the
PRA using the PRA’s Form E in accordance with
the corresponding PRA requirements;

…

…

10C.15  Forms and other documents and how to submit them to the FCA

…

How to make applications and give notifications

10C.15.7   D   (1) A firm other than a credit union firm in (2) 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:

(a) credit union; or
FCA 2019/81

(b) a firm whose Part 4A permission covers only credit-related regulated activities;

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) …

10C.15.8 R …

10C.15.9 G It is up to the credit union firm referred to in SUP 10C.15.7D(2) 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 or consumer credit firms (SUP 10C.15.7D(1))</th>
<th>Credit unions and consumer credit firms (SUP 10C.15.7D(2))</th>
</tr>
</thead>
<tbody>
<tr>
<td>…</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

…

10C What functions apply to what type of firm

Annex 1

…

Part Two: General exclusions

2.1 R (1) [This part has been left blank deliberately] This chapter, except in respect of the FCA required functions, does not apply to an authorised professional firm that is an FCA-authorised person in respect of its non-mainstream regulated activities, subject to (2).

(2) Where the authorised professional firm has appointed FCA-approved persons to perform the FCA governing functions with equivalent responsibilities for the firm’s non-mainstream regulated activities and other regulated activities, for the firm’s non-mainstream regulated activities this chapter applies with respect to the FCA governing functions and the FCA required functions only.

…
Insert the following new Parts in SUP 10C Annex 1 where indicated. The text is not underlined.

4.3 R …

Part Five: Functions applying to core firms

5.1 R (1) The table in SUP 10C Annex 1 5.2R sets out which FCA controlled function applies to which type of core SMCR firm.

(2) Firms in (1) are divided into the following categories for the purposes of this rule:

(a) a UK SMCR firm not falling into (d);
(b) an EEA SMCR firm;
(c) an overseas SMCR firm not falling into (b); and
(d) a UK SMCR firm falling into SYSC 23 Annex 1 6.4R (a firm exempt under MiFID whose only permission is bidding in emissions auctions).

5.2 R Table: Controlled functions applying to core SMCR firms

<table>
<thead>
<tr>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brief description of function</td>
<td>Function number</td>
<td>UK firm</td>
<td>EEA firm</td>
<td>Other overseas firm</td>
<td>Emission auction bidder</td>
</tr>
<tr>
<td>Governing functions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chief executive function</td>
<td>SMF 1</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>
</tr>
<tr>
<td>Chair of the governing body function</td>
<td>SMF 9</td>
<td>✓</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Head of third country branch function</td>
<td>SMF 19</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>
</tr>
</tbody>
</table>

Required functions
<table>
<thead>
<tr>
<th>Brief description of function</th>
<th>Function number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governing functions</strong></td>
<td></td>
</tr>
<tr>
<td>Chief executive function</td>
<td>SMF 1</td>
</tr>
<tr>
<td>Executive director function</td>
<td>SMF 3</td>
</tr>
<tr>
<td>Group entity senior manager function</td>
<td>SMF 7</td>
</tr>
<tr>
<td>Chair of the governing body function</td>
<td>SMF 9</td>
</tr>
<tr>
<td>Chair of the risk committee function</td>
<td>SMF 10</td>
</tr>
<tr>
<td>Chair of the audit committee function</td>
<td>SMF 11</td>
</tr>
<tr>
<td>Chair of the remuneration committee function</td>
<td>SMF 12</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 at SUP 10C Annex 1 5.1R. Therefore:
(a) column three (UK firm) refers to SUP 10C Annex 1 5.1R(2)(a);
(b) column four (EEA firm) refers to SUP 10C Annex 1 5.1R(2)(b);
(c) column five (Other overseas firm) refers to SUP 10C Annex 1 5.1R(2)(c); and
(d) column six (Emission auction bidders) refers to SUP 10C Annex 1 5.1R(2)(d).

Part Six: Functions applying to enhanced scope firms

6.1 R The table in SUP 10C Annex 1 6.2R sets out which FCA controlled functions apply to an enhanced scope SMCR firm.

6.2 R Table: Controlled functions applying to enhanced scope SMCR firms
<table>
<thead>
<tr>
<th>Role</th>
<th>SMF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair of the nomination committee function</td>
<td>13</td>
</tr>
<tr>
<td>Senior independent director function</td>
<td>14</td>
</tr>
<tr>
<td>Partner function</td>
<td>27</td>
</tr>
<tr>
<td><strong>Required functions</strong></td>
<td></td>
</tr>
<tr>
<td>Compliance oversight function</td>
<td>16</td>
</tr>
<tr>
<td>Money laundering reporting function</td>
<td>17</td>
</tr>
<tr>
<td>Other overall responsibility function</td>
<td>18</td>
</tr>
<tr>
<td><strong>Systems and controls functions</strong></td>
<td></td>
</tr>
<tr>
<td>Chief finance officer function</td>
<td>2</td>
</tr>
<tr>
<td>Chief risk officer function</td>
<td>4</td>
</tr>
<tr>
<td>Head of internal audit function</td>
<td>5</td>
</tr>
<tr>
<td>Chief operations function</td>
<td>24</td>
</tr>
</tbody>
</table>

Part Seven: Functions applying to limited scope firms

7.1 R Limited scope SMCR firms are divided into the following categories for the purposes of SUP 10C Annex 1:

1. a firm falling within the table in SYSC 23 Annex 1 6.4R that does not come within (2) to (4) or (8) to (9);
2. a firm falling within row (5) of the table in SYSC 23 Annex 1 6.4R (distribution of non-investment insurance contracts);
3. a firm falling within SYSC 23 Annex 1 6.7R (credit firms with limited permission) except for one falling within (4);
4. a firm falling within SYSC 23 Annex 1 6.7R that is an appointed representative;
5. a sole trader who does not come within (1) to (4), (8) or (9);
6. an authorised professional firm that does not come within (1) to (4), (8) or (9);
7. a firm in the table in SUP 10C Annex 1 7.10R;
(8) a firm that comes within SYSC 23 Annex 1 6.11R (claims management) that is a Class 1 firm as defined in CMCOB 7.2.5R(1);

(9) a firm that comes within SYSC 23 Annex 1 6.11R (claims management) that is not a Class 1 firm as defined in CMCOB 7.2.5R(1).

7.2 R A firm in SUP 10C Annex 1 7.1R(7) does not fall into any other paragraph of SUP 10C Annex 1 7.1R.

7.3 R (1) The table in SUP 10C Annex 1 7.4R sets out which FCA controlled functions apply to a limited scope SMCR firm covered by SUP 10C Annex 1 7.1R(1), (2), (3), (4), (8) or (9).

(2) Parts 1.2 and 2 of that table apply to EEA SMCR firms.

(3) Parts 1.1 and 2 of that table apply to other limited scope SMCR firms in (1).

7.4 R Table: Controlled functions applying to limited scope SMCR firms except sole traders and authorised professional firms

<table>
<thead>
<tr>
<th>Brief description of function</th>
<th>Function number</th>
<th>General</th>
<th>Insurance distribution firms</th>
<th>Credit firms</th>
<th>Consumer credit appointed representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>The governing functions that apply to core SMCR firms</td>
<td>Various</td>
<td>×</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Governing functions</strong></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>
</tr>
<tr>
<td>Compliance oversight function</td>
<td>SMF 16</td>
<td>✓</td>
<td>× Note (4)</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>
</tr>
<tr>
<td>Limited scope function</td>
<td>SMF 29</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

Note (4)
### Part 1.2 (EEA firms)

<table>
<thead>
<tr>
<th>(1) Brief description of function</th>
<th>(2) Function number</th>
<th>(3) General Insurance distribution firms</th>
<th>(5) Credit firms</th>
<th>(6) Consumer credit appointed representatives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Money laundering reporting function</td>
<td>SMF 17</td>
<td>✓</td>
<td>✓</td>
<td>×</td>
</tr>
</tbody>
</table>

### Part 2 (Claims management firms)

<table>
<thead>
<tr>
<th>(1) Brief description of function</th>
<th>(2) Function number</th>
<th>(3) Class 1 claims management firms</th>
<th>(4) Other claims management firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance oversight function</td>
<td>SMF 16</td>
<td>✓</td>
<td>×</td>
</tr>
<tr>
<td>Limited scope function</td>
<td>SMF 29</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Notes to the 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 7.1R. Therefore:

(1) column three of Parts 1.1 and 1.2 of the table (General) refers to SUP 10C Annex 1 7.1R(1);

(2) column four of Parts 1.1 and 1.2 of the table (Insurance distribution firms) refers to SUP 10C Annex 1 7.1R(2);

(3) column five of Parts 1.1 and 1.2 of the table (Credit firms) refers to SUP 10C Annex 1 7.1R(3);

(4) column six of Parts 1.1 and 1.2 of the table (Consumer credit appointed representatives) refers to SUP 10C Annex 1 7.1R(4);

(4) column three of Part 2 of the table (Class 1 claims management firms) refers to SUP 10C Annex 1 7.1R(8); and

(5) column four of Part 2 of the table (Other Claims management firms) refers to SUP 10C Annex 1 7.1R(9).
Note (2): *SUP 10C Annex 1 7.3R* sets out which part of the table applies to which *firm*.

Note (3): Not applicable to these *firms* because *SUP 10C Annex 1 7.2R* means that the table does not apply to *firms* in this category.

Note (4): However, this function does apply to a *firm* that is also a Class 1 firm as defined in *CMCOB 7.2.5R(1)* (Classification of firms for prudential resources purposes).

7.5 **R** (1) This *rule* applies to a *firm* in *SUP 10C Annex 1 7.1R(4)* (an *appointed representative* that has a *limited permission*).

   (2) The *required functions* apply in relation to the carrying on of the *regulated activity* for which it has *limited permission*.

   (3) The *governing functions* apply in relation to the carrying on of the *regulated activity*, for which it does not have *permission*, comprised in the business for which its *principal* has accepted responsibility.

   (4) If the *appointed representative* meets the conditions in *SUP 10A.1.16R(2)*, only one of the *governing functions* applies under (3), as appropriate, to an individual within that *appointed representative* who will be required to be an *FCA-approved person*.

7.6 **G** The *customer function* also applies to a *firm* in *SUP 10C Annex 1 7.1R(4)* under *SUP 10A* (FCA Approved Persons in Appointed Representatives).

7.7 **R** (1) The table in *SUP 10C Annex 1 7.8R* sets out which *FCA controlled functions* apply to a *limited scope SMCR firm* that is covered by *SUP 10C Annex 1 7.1R(5)* or (6) (*a sole trader* or an *authorised professional firm*).

   (2) *Firms* in (1) are divided into the following categories for the purposes of this *rule*:

   (a) a *UK SMCR firm*;

   (b) an *EEA SMCR firm*; and

   (c) an *overseas SMCR firm* not falling into (b).

7.8 **R** Table: Controlled functions applying to limited scope SMCR firms that are sole traders or authorised professional 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)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Governing functions

<table>
<thead>
<tr>
<th>Function</th>
<th>UK</th>
<th>EEA</th>
<th>Other overseas firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief executive function</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Executive director function</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Chair of the governing body function</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
<tr>
<td>Head of third country branch function</td>
<td>×</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Partner function</td>
<td>✓</td>
<td>×</td>
<td>×</td>
</tr>
</tbody>
</table>

## Required functions

<table>
<thead>
<tr>
<th>Function</th>
<th>UK</th>
<th>EEA</th>
<th>Other overseas firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance oversight function</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
<tr>
<td>Money laundering reporting function</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Limited scope function</td>
<td>✓</td>
<td>×</td>
<td>✓</td>
</tr>
</tbody>
</table>

## Other high-level management functions

<table>
<thead>
<tr>
<th>Function</th>
<th>UK</th>
<th>EEA</th>
<th>Other overseas firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>EEA branch senior manager function</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 at SUP 10C Annex 1 7.2R. Therefore:

(a) column three (UK firm) refers to SUP 10C Annex 1 7.7R(2)(a);
(b) column four (EEA firm) refers to SUP 10C Annex 1 7.7R(2)(b); and
(c) column five (Other overseas firm) refers to SUP 10C Annex 1 7.7R(2)(c).

### 7.9 R

None of the FCA controlled functions apply to a limited scope SMCR firm in the table in SYSC 23 Annex 1 7.10R.

### 7.10 R

Table: Limited scope SMCR firms to which no controlled functions apply

<table>
<thead>
<tr>
<th>Function</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>A firm in SYSC 23 Annex 1 6.8R (not-for-profit debt advice body)</td>
<td></td>
</tr>
<tr>
<td>A firm in SYSC 23 Annex 1 6.10R (internally managed AIF)</td>
<td></td>
</tr>
</tbody>
</table>
An EEA SMCR firm falling within SYSC 23 Annex 1 6.7R (credit firm with limited permission)  
A firm is only excluded if it is an appointed representative

7.11  G  (1)  As explained in SUP 10C Annex 1 1.3G, the full range of FCA controlled functions that are applied to a class of firm by this Annex may not apply to every firm in that class.

(2)  For example, in the case of a limited scope SMCR firm that is a sole trader:

(a)  In practice it is unlikely that the governing functions will apply to a sole trader (see SUP 10C.4A.2G).

(b)  The money laundering reporting function does not apply to a sole trader with no employees (see SYSC 6.3.9R).

(3)  Another example is a firm falling within row (5) of the table in SYSC 23 Annex 1 6.4R (distribution of non-investment insurance contracts). SYSC 1 Annex 1 2.11R means that the money laundering reporting function does not apply to many or most such firms.

Amend the following as shown.

10C  Summary of forms and their use in the senior managers regime
Annex 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>(10) Person remaining with the same firm PRA-authorised person but giving up a PRA controlled function and taking up an FCA-designated senior management function.</td>
<td>E</td>
<td>Submitted by firm to the FCA before changes take place.</td>
</tr>
<tr>
<td>(11) Person remaining with the same firm PRA-authorised person but giving up an FCA-designated senior management function and taking up a PRA-designated senior management function.</td>
<td>E</td>
<td>Submitted by firm to the PRA before changes take place (see the PRA’s requirements).</td>
</tr>
</tbody>
</table>
(12) **Person remaining with the same firm**  
**PRA-authorised person** 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).  
**E**  
Submitted by **firm** to:  
(a) the **PRA** (if the new function is a **PRA controlled function** and the **firm** is a **PRA-authorised person**); or  
(b) the **FCA** (if the new function is an **FCA controlled function**).

(14) **Person remaining with the same firm**  
**PRA-authorised person** 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).  
**E**  
Submitted by **firm** to the FCA in advance of giving up the **PRA controlled function**.

…

Insert the following forms in the appropriate position in the following annexes. The text (which consists of forms) is included in Part Two of Annex Q of this instrument.

**10C Annex**  
**Form A: Application to perform senior management functions**  
**3D**

Long Form A – Solo regulated firms (including EEA and third country)

Short Form A – Solo regulated firms (including EEA and third country)

(The first form is to be inserted under the heading “Long Form A” and the second form is to be inserted under the heading “Short Form A”)

**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 solo-regulated firms (including EEA and third country)

**10C Annex**  
**Statement of responsibilities**  
**10D**
Amend the following as shown.

...  

12  

Appointed representatives

...

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 (1)  

Some of the controlled functions, as set out in SUP 10A.4.1R, apply to an appointed representative of a firm, other than an introducer appointed representative, just as they apply to a firm (see SUP 10A.1.15R). These are the governing functions and the customer function. In the case of an appointed representative that also has a limited permission, an FCA required designated senior management function may apply to it and SUP 10C may apply in addition to SUP 10A. As explained in SUP 10A.1.16R and SUP 10A.3.2G respectively:

(a)  

the effect of SUP 10A.1.15R is that the directors (or their equivalent) and senior managers (or their equivalent) of an appointed representative, other than an introducer appointed representative, must also be approved under section 59 of the Act for the performance of certain controlled functions;

(b)  

although the customer function applies to an appointed representative, the descriptions of the functions themselves do not extend to home finance mediation activity, insurance distribution activity or credit-related regulated activity;

(ba)  

if an appointed representative also has a limited permission:

(i)  

the apportionment and oversight function applies to it in relation to the carrying on of the regulated activity for which it has limited permission, unless it is a not-for-profit debt advice body;

(ii)  

if it is a not-for-profit debt advice body and a CASS large debt management firm, the CASS operational oversight function applies in relation to the carrying on of debt management activity; and
sections 59(1) and 59(2) of the Act (Approval for particular arrangements) provide that approval is necessary in respect of a controlled function which is performed under an arrangement entered into by a firm, or its contractors (typically an appointed representative), in relation to a regulated activity.

(2) The approved persons regime applies differently to an appointed representative whose scope of appointment includes insurance distribution activity in relation to non-investment insurance contracts or credit-related regulated activity but no other regulated activity and whose principal purpose is to carry on activities other than regulated activities. These appointed representatives need only one person performing one of the governing functions. This means that only one director (or equivalent) of these appointed representatives must be approved under section 59 of the Act for the performance of the director function, the chief executive function, the partner function or the director of unincorporated association function, whichever is the most appropriate (see SUP 10A.1.16R).

(3) The approved persons regime does not apply in relation to CBTL business carried on by CBTL firms.

(4) The approved persons regime for SMCR firms is in SUP 10C (FCA senior managers regime for approved persons in SMCR firms), rather than SUP 10A. However, SUP 10A still applies to approved persons of appointed representatives of SMCR firms (see SUP 10A.1.16BR to SUP 10A.1.16DG and SUP 10C.1.8G for more about this).

15 Notifications to the FCA

15.1 Application

SMCR firms

15.1.7 R The following apply only to SMCR firms:

(1) SUP 15.2.5G (Purpose); and

(2) SUP 15.11 (Notification of COCON breaches and disciplinary action); and

(3) SUP 15.15 (Enhanced scope SMCR firm retail intermediaries).
15.11 Notification of COCON breaches and disciplinary action

Timing and form of notifications: conduct rules staff other than SMF managers

15.11.13 Each notification must:

(a) cover:

(i) (in the case of a firm falling within SYSC 23 Annex 1 6.7R (credit firms with limited permission)) its annual financial reporting period ending on its accounting reference date; or

(ii) (for any other firm) 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 in (a)(i) or (a)(ii); or

(ii) (if the end of the 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.

(6) (3)(a)(i) applies whether or not the firm is a limited scope SMCR firm.

Insert in the appropriate place a new section, SUP 15.15, as follows. The text is not underlined.

15.15 Notification by retail intermediaries of qualification as an enhanced scope SMCR firm

Application: General

15.15.1 Subject to SUP 15.15.2R and SUP 15.15.3R, this section applies to a firm that meets the conditions in SYSC 23 Annex 1 8.18R (Special requirements for calculating intermediary regulated business revenue).

Application: Firm moving between different reporting requirements
15.15.2 R (1) Subject to SUP 15.15.3R, this section also applies to a firm:

(a) that meets the conditions in SUP 15.15.1R for part of an averaging period (as defined in SUP 15.15.7R); and

(b) is subject to the reporting requirement in column (2) of row (3) of the table in SYSC 23 Annex 1 8.2R (Table: Financial qualification conditions) for another part of that averaging period.

(2) When this section applies to a firm in (1), it applies in respect of the averaging period in question.

Application: General exclusion

15.15.3 R This section does not apply to a firm that is excluded from being an enhanced scope SMCR firm by the flow diagram in SYSC 23 Annex 1 1.2R (Flow diagram: Types of SMCR firm).

15.15.4 G SUP 15.15.3R means that this section does not apply to:

(1) an SMCR banking firm, an SMCR insurance firm or a limited scope SMCR firm; or

(2) a firm that is excluded from the enhanced regime as defined in Part 7 of SYSC 23 Annex 1 (Exclusion from enhanced regime).

Application: Firm is an enhanced scope firm for another reason

15.15.5 G This section applies even if the firm meets one of the other qualification conditions in SYSC 23 Annex 1 for being an enhanced scope SMCR firm as well as the retail intermediary one.

Purpose

15.15.6 G The purpose of this section is to require certain firms to calculate whether or not they meet the qualification condition for being an enhanced scope SMCR firm based on total intermediary regulated business revenue. In certain cases a firm should report the result of the calculation to the FCA but this section does not require regular reports.

Definitions

15.15.7 R In this section:

(1) averaging period has the same meaning as it does in Part 8 of SYSC 23 Annex 1;

(2) reporting date is defined in SUP 15.15.9R;
(3) reporting period has the same meaning as it does in SYSC 23 Annex 1 8.21R; and

(4) the retail intermediary qualification condition means the qualification condition referred to in SUP 15.15.8R.

Obligation to make calculations

15.15.8 R A firm must calculate, for each averaging period, whether or not it meets the qualification condition in row (3) of the table in SYSC 23 Annex 1 8.2R (Table: Financial qualification conditions).

15.15.9 R (1) A firm must complete the calculation no later than 30 business days after the end of the averaging period in question.

(2) This section refers to the date in this rule as the ‘reporting date’.

15.15.10 G The calculations required by this section are made in the same way as they are for Section B of the RMAR.

15.15.11 G (1) The amount of work required by SUP 15.15.8R will vary between firms.

(2) In some cases the firm’s total intermediary regulated business revenue will be so small or large that the firm will need to do little work to establish whether or not it meets the retail intermediary qualification condition.

(3) In some cases a firm’s total income (intermediary regulated business revenue and all its other income) may be below the qualification amount. The firm may have accounts that it has prepared to the necessary standard for other purposes (such as statutory accounts) that show this. In this case the firm may need to do virtually no additional work to establish that it does not meet the retail intermediary qualification condition.

(4) In some cases the firm may need to calculate the precise amount of its total intermediary regulated business revenue. In that case the firm may need to do the same amount of work it would have to do if it had to report to the FCA under Section B of the RMAR.

Obligation to notify the FCA

15.15.12 R If any of the circumstances set out in the table in SUP 15.15.14R occur, a firm must notify the FCA of that fact.

15.15.13 R (1) The firm must make the notification in SUP 15.15.12R no later than the date specified in the table in SUP 15.15.14R.
The notification must also include the additional information, and meet the other requirements, set out in column (3) of that table.

### Table: Circumstances to be notified to the FCA

<table>
<thead>
<tr>
<th>What has to be notified</th>
<th>When it has to be notified</th>
<th>Additional information and comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The <em>firm</em> meets the retail intermediary qualification condition after it has previously not met it.</td>
<td>The reporting date for the last reporting period of the averaging period for which it first meets the retail intermediary qualification condition.</td>
<td>The notification must include the dates of the averaging period in question. The notification obligation applies even if the <em>firm</em> meets the retail intermediary qualification condition in its first averaging period after the <em>firm</em> becomes a retail intermediary.</td>
</tr>
</tbody>
</table>

| (2) The *firm* ceases to meet the retail intermediary qualification condition after it has previously met it. | The reporting date for the last reporting period of the averaging period for which it first ceases to meet the retail intermediary qualification condition. This is subject to (3). | The notification must include the dates of the averaging period in question. |

| (3) The *firm* ceases to be a retail intermediary where immediately before it met the retail intermediary qualification condition. | 30 business days after it ceases to be a retail intermediary | The notification obligation does not apply if the *firm* continues to meet the retail intermediary qualification condition. |

Note One: The notification obligation applies whether this is the first time the event in column (1) has occurred or whether it has happened before.

Note Two: A *firm* is a retail intermediary if this section applies to it.
Note Three: The obligation to make a report in (2) or (3) applies even though this section would not otherwise apply under *SUP 15.1.5R* to *SUP 15.15.3R*.

15.15.15 G A *firm* should not include the amount of its total intermediary regulated business revenue in a notification under *SUP 15.1.12R*.

15.15.16 G (1) This section does not require a *firm* regularly to notify the FCA whether or not it meets the retail intermediary qualification condition for each averaging period.

(2) Instead this section requires a *firm* to notify the FCA when it first meets the retail intermediary qualification condition and if it ceases to.

(3) So, for example, if the *firm* notifies the FCA that it meets the retail intermediary qualification condition, there is no need for any further notifications unless and until it ceases to meet the retail intermediary qualification condition.

(4) Similarly, if the *firm* never meets the retail intermediary qualification condition, it will never have to notify the FCA under this section.

(5) There is no need for a *firm* to notify the FCA if it ceases to be a retail intermediary as defined in this section because it has started to submit an *RMAR*, as long as it continues to meet the retail intermediary qualification condition.

How to submit notifications

15.15.17 R A *firm* does not have to use the form in *SUP 15 Annex 4R* (Notification form) to make a notification under this section but must include the details required by Section A of that form (Personal Details).

15.15.18 G Subject to *SUP 15.1.17R*, *SUP 15.7* (Form and method of notification) applies to notifications under this section.

Replace the form in SUP 15 Annex 7R (Form H: Form for the notification of disciplinary action relating to conduct rules staff (other than SMF managers) in SMCR firms) with the version in Part Two of Annex Q of this instrument.
Amend the following as shown.

<table>
<thead>
<tr>
<th>TP 1</th>
<th>Transitional provisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>…</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TP 1.13</th>
<th>Reporting of information about Directory persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>(2) Material to which the transitional provision applies</td>
</tr>
<tr>
<td>(3)</td>
<td>(4) Transitional provision</td>
</tr>
<tr>
<td>(5)</td>
<td>(6) Handbook provision coming into force</td>
</tr>
<tr>
<td>1</td>
<td>SUP 16.26</td>
</tr>
<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td></td>
<td>(1) This rule applies to an <strong>SMCR firm</strong>;</td>
</tr>
<tr>
<td></td>
<td>(a) an <strong>SMCR banking firm</strong>; and</td>
</tr>
<tr>
<td></td>
<td>(b) an <strong>SMCR insurance firm</strong>.</td>
</tr>
<tr>
<td></td>
<td>From 9 September 2019 to 9 March 2020</td>
</tr>
<tr>
<td></td>
<td>9 September 2019</td>
</tr>
</tbody>
</table>

| 2       | SUP 16.26  |
|         | R  |
|         | (1) This rule applies to an **SMCR firm** which is not: |
|         | (a) an **SMCR banking firm**; or |
|         | (b) an **SMCR insurance firm**. |
|         | (2) The reporting and timing requirements in **SUP 16.26** are modified in accordance with paragraphs (3) to (5) for a **firm** to which this rule applies. |
|         | (3) The **firm** must submit a report about each individual who is or becomes a **Directory person** on or after 9 December 2019. |
|         | (4) The **firm** must submit to the **FCA** all reports about the **Directory persons** specified in (3) by 9 December 2020, which is set out in Part 1, **SUP 16 Annex 47AR** (Directory persons report). |
|         | From 9 December 2019 to 9 December 2020 |
|         | 9 December 2019 |
submitted online through the appropriate system which is accessible from the FCA website and in the appropriate format.


(6) This *rule* is modified by *SUP TP 1.13.3 R*.

<p>| | | |</p>
<table>
<thead>
<tr>
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</thead>
</table>
| 3 | *SUP 16.26 R* | (1) This *rule* applies to a *firm*:

(a) that comes within *SYSC TP 8.1.1 R* (*Application, purpose and definitions*); and

(b) has an individual transitional period.

(2) *SUP TP 1.13.2 R* is adjusted so that a reference to:

(a) 9 December 2019 is a reference to the start of a *firm’s* individual transitional period; and

(b) 9 December 2020 is a reference to the end of a *firm’s* individual transitional period.

(3) Individual transitional period has the meaning in *SYSC TP 8.1.5 R* (*Table: glossary of bespoke terms used in SYSC TP 8*).
Annex K

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

1  Treating complainants fairly

…

1.3  Complaints handling rules

…

1.3.7  R  …

(4)  A person approved to perform the [apportionment and oversight function limited scope function] for the firm or for a firm in the same group as the firm satisfies the condition in (3).

…
Annex L

Amendments to the Credit Unions sourcebook (CREDS)

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

2 Senior management arrangements, systems and controls

2.2 General provisions

Governance and senior management arrangements: allocation of senior management responsibilities

2.2.69 The list of FCA-prescribed senior management responsibilities that a credit union should allocate is simpler than for most other SMCR firms who are PRA-authorised persons.

8 Supervision

8.3 Approved persons

8.3.4 The regime for approved persons differs between applies to SMCR firms and other types of firm.

(2) A credit union is a type of SMCR firm.

(3) SUP 10C deals with the approved persons requirements for credit unions and other SMCR firms.

8.3.8 Designated senior management functions only apply to SMCR firms, including credit unions. [deleted]
Annex M

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 Applicability of parts of Handbook to energy market participants

This table belongs to EMPS 1.2.1G

<table>
<thead>
<tr>
<th>Part of Handbook</th>
<th>Applicability to energy market participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Level Standards</td>
<td>…</td>
</tr>
<tr>
<td>Code of Conduct (COCON)</td>
<td>This does not apply applies.</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Statements of Principle and Code of Practice for Approved Persons (APER)</td>
<td>This applies to an approved person who performs a controlled function for If an energy market participant has an appointed representative, APER applies to approved persons in relation to that appointed representative.</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
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<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Regulatory processes</td>
<td>…</td>
</tr>
<tr>
<td>Supervision manual (SUP)</td>
<td>This applies, with the following qualifications:</td>
</tr>
</tbody>
</table>
(b) in SUP 10 (Approved persons), if an oil market participant's principal purpose is to carry on activities other than regulated activities, then the scope of the significant influence functions is restricted to the required functions: see SUP 10A.1.18R – SUP 10A.1.19G...
Annex N

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

<table>
<thead>
<tr>
<th>Part of Handbook</th>
<th>Applicability to oil market participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Level Standards</td>
<td>…</td>
</tr>
<tr>
<td>Code of Conduct (COCON)</td>
<td>This does not apply</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Statements of Principle and Code of Practice for Approved Persons (APER)</td>
<td>This applies to an approved person who performs a controlled function for If an oil market participant has an appointed representative, APER applies to approved persons in relation to that appointed representative.</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
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<tr>
<td>…</td>
<td>…</td>
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<tr>
<td>Regulatory processes</td>
<td>…</td>
</tr>
<tr>
<td>Supervision manual (SUP)</td>
<td>This applies, with the following qualifications:</td>
</tr>
</tbody>
</table>
(b) in SUP 10 (Approved persons), if an oil market participant’s principal purpose is to carry on activities other than regulated activities, then the scope of the significant influence functions is restricted to the required functions: see SUP 10A.1.18R – SUP 10A.1.19G

<p>| | |</p>
<table>
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</tbody>
</table>

...
Annex O

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

<table>
<thead>
<tr>
<th>Part of Handbook</th>
<th>Applicability to service companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Level Standards</td>
<td>…</td>
</tr>
<tr>
<td>Code of Conduct (COCON)</td>
<td>This does not apply</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Statements of Principle and Code of Practice for Approved Persons (APER)</td>
<td>This applies to an approved person who performs a controlled function for If a service company has an appointed representative, APER applies to approved persons in relation to that appointed representative.</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>…</td>
<td>…</td>
</tr>
<tr>
<td>Regulatory processes</td>
<td>…</td>
</tr>
<tr>
<td>Supervision manual (SUP)</td>
<td>This applies, with the following qualifications: …</td>
</tr>
</tbody>
</table>
carry on activities other than regulated activities, then the scope of the significant influence functions is restricted to the required functions: see SUP 10A.1.18R – SUP 10A.1.19G;

…

…

…
Annex P

Amendments to General guidance on Benchmark Administration, Contribution and Use (BENCH)

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

1 Handbook requirements in relation to benchmark contribution activity and benchmark administration activity

1.1 Application and purpose

…

Benchmarks Regulation and transitional arrangements

…

1.1.3 G …

(4)

(a) SYSC TP 6 and SYSC TP 7;

…

…
Annex Q

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 G of the cover sheet of this instrument.

Part 1: Comes into force 26 July 2019
Form K - Conversion Notification Form for FCA Solo Regulated Firms

FCA Handbook Reference: SUP TP 11A.25.1R

26 July 2019

Name of firm

Firm Reference Number (FRN)

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
### Contact Details  

**Section 1**

Contact for this notification

<table>
<thead>
<tr>
<th>Title</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>First name</td>
<td></td>
</tr>
<tr>
<td>Surname</td>
<td></td>
</tr>
<tr>
<td>Job title</td>
<td></td>
</tr>
<tr>
<td>Business address</td>
<td></td>
</tr>
<tr>
<td>Postcode</td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
</tr>
<tr>
<td>Email address</td>
<td></td>
</tr>
</tbody>
</table>
This section should only be completed by *enhanced scope SMCR firms* (for CF2 to SMF9 conversion for *core SMCR firms*, see 2.02).

2.01 The table below provides a breakdown of possible applicable *senior management functions* for *enhanced SMCR firms* only. Please tick all of the *senior management functions* which have been allocated in this conversion notification. Only those *senior management functions* potentially applicable to *enhanced SMCR firms* are listed.

*Core SMCR firms* should use the table in 2.02 if applying for conversion where auto-conversion has not occurred.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of senior management function</th>
<th>Allocated?</th>
</tr>
</thead>
<tbody>
<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>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chair of the Governing Body</td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nominations Committee</td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</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</td>
<td></td>
</tr>
<tr>
<td>SMF24</td>
<td>Chief Operations</td>
<td></td>
</tr>
</tbody>
</table>
2.02 Individuals at core SMCR firms will be automatically converted to new mapped senior management functions, where applicable. The only exception is in the case of a firm’s Chair (see below).

Under the Approved Persons Regime (APR), we do not specifically approve the firm’s Chair (individuals are approved under a CF2 – Non-Executive Director function). It is not possible to automatically convert such individuals to the new senior management function. As such, firms should use this form to notify us that a CF2 will be performing the Chair role under the SMCR. Failure to do so will mean that the individual will not be approved to perform the SMF9 role at Commencement.

Core SMCR firms should only use this form where an existing CF2 (Non-Executive Director) under APR will be performing the SMF9 (Chair of the Governing Body) role at the firm.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of senior management function</th>
<th>UK core SMCR firm</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 9</td>
<td>Chair of the Governing Body</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2.03 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 TP 7 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.

Note that individuals may only be mapped from their existing APR controlled function to an appropriate senior management function (SMF) as set out in SUP TP 12.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of 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 1</td>
<td>Chief Executive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
<td></td>
</tr>
<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 (MLRO)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other Overall Responsibility</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>
</tbody>
</table>
2.04 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 SYSC TP 7 of the FCA Handbook, 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 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 1</td>
<td>Chief Executive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
<td></td>
</tr>
<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 (MLRO)</td>
<td></td>
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<td>Other Overall Responsibility</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>
</tbody>
</table>
2.05 If there are one or more *individuals* currently approved to perform *significant influence function CF2*, who will remain at the *firm* in the capacity of a *non-executive director* following commencement date, and such *individuals* are not listed above in Section 2.01, please list them below.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of <em>individual</em></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

2.06 If you have submitted any applications for approval of *individuals* to *significant influence function CF2* under the *approved persons* regime that are currently subject to determination by the *FCA*, who will remain at the *firm* in the capacity of a *non-executive director* following commencement date, and such *individuals* are not listed above in Section 2.02, please list them below.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of <em>individual</em></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Update Notification  Section 3

3.00 If you need to update or correct a previous conversion notification, please provide details of these amendments below.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Details of change and reasons for such change.

<table>
<thead>
<tr>
<th>IRN</th>
<th>Name of individual</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Controlled Function</th>
<th>Proposed Senior Management Function(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Details of change and reasons for such change.
Statements of Responsibilities and Management Responsibilities
Map Section 4

4.00 If submitting this form as an enhanced scope SMCR firm, 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.

A core SMCR firm which is completing this form to convert a CF2 to the Chair senior management function does not need to attach the statement of responsibilities for the Chair.

4.01 How many additional sheets are being submitted?
Declarations and signatures

Section 5

Declaration

In this declaration, the firm making the notification in relation to each individual is referred to as the “applicant”.

The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for 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 – ‘FSMA’).

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 responsibility submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant individual will be responsible for managing in performing their proposed senior management functions.

Name of the applicant

Name of person signing on behalf of the applicant

Position

Signature

Date
Form O – Notification of change to firm classification under the Senior Managers & Certification Regime

(Pre-Commencement version)

FCA Handbook Reference: SUP TP 11A

Terms defined in the FCA Handbook are italicised and should be construed accordingly.

This form can only be used by solo-regulated SMCR firms. It is not relevant to dual regulated SMCR firms, appointed representatives or SMCR firms that are defined as an enhanced scope SMCR firm because they meet the qualification criteria in SYSC 23 Annex 1.

Limited scope SMCR firms and core SMCR firms can use this form to notify the FCA that they agree to be subject to the rules for enhanced scope SMCR firms, set out in SYSC 23 Annex 1. Limited scope SMCR firms can use this form to notify the FCA that they agree to be subject to the rules for core SMCR firms, set out in SYSC 23 Annex 1.

The pre-Commencement version of Form O can be submitted up to six months before the regime takes effect. If it is submitted three months or less before the regime takes effect, firms will need to submit the supporting documentation listed in Section 2 at the same time.

The opt-up will take effect at Commencement. To withdraw a notification, firms must write to us before the opt-up takes effect. Once the opt-up has taken effect, firms can use Form O to revert to the SMCR classification defined in SYSC 23 Annex 1. This will be effective one year from the date of notification.

Firms opting-up should ensure they understand and are in a position to comply with the relevant rules, set out in the FCA’s Senior management arrangements, Systems and Controls (SYSC), Supervision (SUP), Code of Conduct (COCON) sourcebooks. The decision should be made at the appropriate levels and approved at governing body level. As a result of opting-up, firms will be subject to rules relating to additional Senior Management Functions and Prescribed Responsibilities. Firms opting-up to enhanced scope SMCR firm classification will also be subject to requirements on Responsibilities Maps, Handover Procedures and Overall Responsibilities.

9 June 2019

Name of firm

Firm Reference Number (FRN)

Financial Conduct Authority
12 Endeavour Square
Stratford
London E20 1JN
## Contact Details

### Section 1

1.1 **Contact for this notification (at the notifying 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>
2.1 Changes to the SMCR classification of the firm

Please indicate the type of notification you are making.

<table>
<thead>
<tr>
<th>Notification type</th>
<th>Firm response</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Core SMCR firm</em> agreeing to be subject to the rules for <em>enhanced scope</em> SMCR firms</td>
<td></td>
</tr>
<tr>
<td><em>Limited scope SMCR firm</em> agreeing to be subject to the rules for <em>core</em> SMCR firms</td>
<td></td>
</tr>
<tr>
<td><em>Limited scope SMCR firm</em> agreeing to be subject to the rules for <em>enhanced scope</em> SMCR firms</td>
<td></td>
</tr>
</tbody>
</table>

2.2 Supporting documents

Please tick to indicate which documents are being submitted with this notification. If this notification is submitted three months or less before the regime takes effect, firms will need to submit the supporting documentation listed at the same time. Supporting documents must be submitted at least one week before Commencement.

<table>
<thead>
<tr>
<th>Supporting documents</th>
<th>Firms opting-up to <em>Enhanced scope</em> SMCR firm classification</th>
<th>Limited Scope SMCR firms opting-up to core SMCR firm classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form A applications for new senior management <em>functions</em></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Form K – Conversion notification</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Only required if a CF2 Non-Executive Director is going to perform the SMF9 – Chair function*
In this declaration, the authorised firm making the notification is referred to as the “firm”.

The person signing on behalf of the firm confirms that:

- they have read this declaration in full;
- they have the authority of the firm’s governing body to make this notification;
- the firm’s governing body understands their regulatory responsibilities following the opt-up, as set out in the FCA’s Senior management arrangements, Systems and Controls (SYSC), Supervision (SUP), Code of Conduct (COCON) sourcebooks;
- the firm’s governing body understands that, once the opt-up takes effect, the notifying firm will not be able to revert to its previous SMCR classification (as defined in SYSC 23 Annex 1) for at least one year.

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 notifying firm must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

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.

Name of the authorised firm

Name of person signing on behalf of the authorised firm

Position

Signature

Date
Part 2: Comes into force 9 December 2019
Form O – Notification of change to firm classification under the Senior Managers & Certification Regime

FCA Handbook Reference: SYSC 23 2R

Terms defined in the FCA Handbook are italicised and should be construed accordingly.

This form can only be used by solo-regulated SMCR firms. It is not relevant to dual regulated SMCR firms, appointed representatives or SMCR firms that are defined as an enhanced scope SMCR firm because they meet the qualification criteria in SYSC 23 Annex 1.

Limited scope SMCR firms and core SMCR firms can use this form to notify the FCA that they agree to be subject to the rules for enhanced scope SMCR firms, set out in SYSC 23 Annex 1. Limited scope SMCR firms can also use this form to notify the FCA that they agree to be subject to the rules for core SMCR firms, set out in SYSC 23 Annex 1.

The opt-up will take effect three months from the date of this notification. If a firm submits this form to opt-up, that firm will be subject to the rules of the new SMCR classification three calendar months from the date they submit the notification.

To withdraw a notification, firms must write to us before the opt-up takes effect. Once the opt-up has taken effect, firms can use this form to revert to the SMCR classification defined in SYSC 23 Annex 1. This will be effective one year from the date of notification. Firms that are enhanced scope SMCR firms or core SMCR firms because they meet the qualification criteria in SYSC 23 Annex 1 cannot opt-down.

Firms opting-up should ensure that they understand and are in a position to comply with the relevant rules, set out in the FCA’s Senior management arrangements, Systems and Controls (SYSC), Supervision (SUP), Code of Conduct (COCON) sourcebooks. The decision should be made at the appropriate levels and approved at governing body level. As a result of opting-up, firms will be subject to rules relating to additional Senior Management Functions and Prescribed Responsibilities. Firms opting-up to enhanced scope SMCR firm classification will also be subject to requirements on Responsibilities Maps, Handover Procedures and Overall Responsibilities.

9 December 2019

Name of firm

Firm Reference Number (FRN)
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
1.1 Contact for this notification (at the notifying 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>
2.01 Changes to the SMCR classification of the firm

Please indicate the type of notification you are making.

The opt-up will take effect three months from the date of this notification. Firms will not be able to revert to their previous SMCR classification (as defined in SYSC 23 Annex 1) for at least one year.

If you are revoking a previous opt-up, this will take effect one year from the date of this notification.

<table>
<thead>
<tr>
<th>Notification type</th>
<th>Firm response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core SMCR firm agreeing to be subject to the rules for enhanced scope SMCR firms</td>
<td>□</td>
</tr>
<tr>
<td>Limited scope SMCR firm agreeing to be subject to the rules for core SMCR firms</td>
<td>□</td>
</tr>
<tr>
<td>Limited scope SMCR firm agreeing to be subject to the rules for enhanced scope SMCR firms</td>
<td>□</td>
</tr>
<tr>
<td>Firm has previously opted-up and intends to revert to core SMCR firm classification, defined in SYSC 23 Annex 1, one year from the date of this notification</td>
<td>□</td>
</tr>
<tr>
<td>Firm has previously opted-up and intends to revert to limited scope SMCR firm classification, defined in SYSC 23 Annex 1, one year from the date of this notification</td>
<td>□</td>
</tr>
</tbody>
</table>

2.02 Supporting documents

Please tick to confirm that you are submitting the supporting documents listed in the table below with this notification. These documents must be submitted at the same time as this notification.

If you are revoking a previous opt-up, you are not required to submit any supporting documents.

<table>
<thead>
<tr>
<th>Supporting documents</th>
<th>Opting-up to enhanced scope SMCR firm classification</th>
<th>Limited scope SMCR firm opting-up to core SMCR firm classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form A and E applications, as required, for new or amended senior management functions</td>
<td>□</td>
<td>□</td>
</tr>
<tr>
<td>Form J applications for senior management functions that have already been approved, revised to reflect the impact of the opt-up</td>
<td>□</td>
<td>□</td>
</tr>
</tbody>
</table>
In this declaration, the authorised firm making the notification is referred to as the “firm”.

The person signing on behalf of the firm confirms that:

- they have read this declaration in full;
- they have the authority of the firm’s governing body to make this notification;
- the firm’s governing body understands their regulatory responsibilities following the opt-up, as set out in the FCA’s Senior management arrangements, Systems and Controls (SYSC), Supervision (SUP), Code of Conduct (COCO) sourcebooks;
- the firm’s governing body understands that, once the opt-up takes effect, the notifying firm will not be able to revert to its previous SMCR classification (as defined in SYSC 23 Annex 1) for at least one year.

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 notifying firm must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

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.

Name of the authorised firm

Name of person signing on behalf of the authorised firm

Position

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 the notes, which are available on the FCA’s website at: https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html

Both the applicant and the candidate will be treated by the FCA as having taken these notes into consideration when completing this form.

Long Form A – Solo-regulated firms (including EEA and third country)

Application to perform controlled functions including senior management functions

FCA Handbook Reference: SUP 10C Annex 3D

9 December 2019

<table>
<thead>
<tr>
<th>Name of candidate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(to be completed by applicant firm)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of applicant firm</th>
</tr>
</thead>
<tbody>
<tr>
<td>(as entered in 2.01)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm reference number</th>
</tr>
</thead>
<tbody>
<tr>
<td>(as entered in 2.02)</td>
</tr>
</tbody>
</table>

Financial Conduct Authority
12 Endeavour Square
Canary Wharf
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
### Personal identification details

#### Section 1

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.01 a</strong></td>
<td>Candidate Individual Reference Number (IRN)</td>
<td></td>
</tr>
<tr>
<td><strong>1.01 b</strong></td>
<td>OR name of previous regulatory body</td>
<td></td>
</tr>
<tr>
<td><strong>1.01 c</strong></td>
<td>AND previous reference number (if applicable)</td>
<td></td>
</tr>
<tr>
<td><strong>1.02</strong></td>
<td>Title (e.g. Mr, Mrs, Ms)</td>
<td></td>
</tr>
<tr>
<td><strong>1.03</strong></td>
<td>Surname</td>
<td></td>
</tr>
<tr>
<td><strong>1.04</strong></td>
<td>ALL forenames</td>
<td></td>
</tr>
<tr>
<td><strong>1.05</strong></td>
<td>Name commonly known by</td>
<td></td>
</tr>
<tr>
<td><strong>1.06</strong></td>
<td>Date of birth (dd/mm/yyyy)</td>
<td></td>
</tr>
<tr>
<td><strong>1.07</strong></td>
<td>National Insurance number</td>
<td></td>
</tr>
<tr>
<td><strong>1.08</strong></td>
<td>Previous name</td>
<td></td>
</tr>
<tr>
<td><strong>1.09</strong></td>
<td>Date of name change</td>
<td></td>
</tr>
<tr>
<td><strong>1.10 a</strong></td>
<td>Nationality</td>
<td></td>
</tr>
<tr>
<td><strong>1.10 b</strong></td>
<td>Passport number (if National Insurance number not available)</td>
<td></td>
</tr>
<tr>
<td><strong>1.11</strong></td>
<td>Place of birth</td>
<td></td>
</tr>
<tr>
<td><strong>1.12</strong></td>
<td>Phone number</td>
<td></td>
</tr>
<tr>
<td><strong>1.13</strong></td>
<td>Email address</td>
<td></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

1.15 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

#### Section 2

<table>
<thead>
<tr>
<th>2.01</th>
<th>Name of firm making the application</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.02</th>
<th>Firm Reference Number (FRN)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.03a</th>
<th>Who should the FCA contact at the firm in relation to this application?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>B</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>C</th>
<th>Phone number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>D</th>
<th>E-mail</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</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 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>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee</td>
</tr>
<tr>
<td>b</td>
<td>Group employee</td>
</tr>
<tr>
<td></td>
<td>Name of group</td>
</tr>
<tr>
<td>c</td>
<td>Contract for services</td>
</tr>
<tr>
<td>d</td>
<td>Partner</td>
</tr>
<tr>
<td>f</td>
<td>Other</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.
<table>
<thead>
<tr>
<th>Function</th>
<th>Description of senior management function</th>
<th>Core firms</th>
<th>Enhanced scope SMCR firms</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Limited scope SMCR firms</td>
<td>UK core SMCR firms</td>
<td>EEA core SMCR firms</td>
</tr>
<tr>
<td>SMF 1</td>
<td>Chief Executive</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
<td></td>
</tr>
<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>SMF 10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 13</td>
<td>Chair of the Nomination Committee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 17</td>
<td>Money Laundering Reporting Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 19</td>
<td>Head of Third Country Branch</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 21</td>
<td>EEA Branch Senior Manager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 24</td>
<td>Chief Operations</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 27</td>
<td>Partner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 29</td>
<td>Limited scope function (limited scope SMCR firms only)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 ☐  
(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

I have supplied further information related to this page in Section 6  
YES ☐  NO ☐
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 MCD credit intermediation?</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>c</td>
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<td>d</td>
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<tr>
<td>e</td>
<td></td>
<td></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 ☐ .
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 (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>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Appointed representative/tied agent – customer function</td>
</tr>
<tr>
<td></td>
<td>AR firm name and reference number</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Appointed representative/tied agent – governing function</td>
</tr>
<tr>
<td></td>
<td>AR firm name and reference number</td>
</tr>
<tr>
<td><strong>c</strong></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.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a</strong></td>
<td>Significant influence functions</td>
</tr>
<tr>
<td></td>
<td>CF 1 (AR) Director function</td>
</tr>
<tr>
<td></td>
<td>CF 3 (AR) Chief executive function</td>
</tr>
<tr>
<td></td>
<td>CF 4 (AR) Partner function</td>
</tr>
<tr>
<td></td>
<td>CF 5 (AR) Director of an unincorporated association function</td>
</tr>
<tr>
<td><strong>b</strong></td>
<td>Senior Management Functions</td>
</tr>
<tr>
<td></td>
<td>SMF1 (AR) Chief Executive function</td>
</tr>
<tr>
<td></td>
<td>SMF3 (AR) Executive Director function</td>
</tr>
<tr>
<td></td>
<td>SMF4 (AR) Partner function</td>
</tr>
<tr>
<td><strong>c</strong></td>
<td>Customer function</td>
</tr>
<tr>
<td></td>
<td>CF 30 (AR) 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>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>b</td>
<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 details (1)

**a**  Period (dd/mm/yyyy)

<table>
<thead>
<tr>
<th>From</th>
<th>To</th>
</tr>
</thead>
</table>

**b**  Nature of employment

- a. Employed
- b. Self-employed
- c. Not employed
- d. Full-time education

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

Specify
### Employment details (2)

- **a** Period (dd/mm/yyyy)
- **b** Nature of employment
  - a Employed
  - b Self-employed
  - c Not employed
  - d Full-time education
  - 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
Fitness and propriety  
Section 5

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, 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 Has any firm at which the candidate holds or has held a position of influence ever:

(Please check the guidance notes for the meaning of ‘position of influence’ in the context of the questions in this part of the form.)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Been convicted of any criminal offence?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>b</td>
<td>Been summoned, charged with or otherwise investigated or prosecuted for any criminal offence?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>c</td>
<td>Been the subject of any criminal proceeding which has not resulted in a conviction?</td>
</tr>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>d</td>
<td>Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?</td>
</tr>
<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 6

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>YES ☐ NO ☐</td>
</tr>
</tbody>
</table>
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 judgement 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?  
   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? (Candidate should include any ongoing disputes whether or not such dispute is likely to result in any order against the candidate.)  
   YES ☐ NO ☐

5.02.10 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 judgement debt or award against the firm? (Candidate should include all CCJs made against the firm, whether satisfied or not.)  
   YES ☐ NO ☐

c. Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?  
   YES ☐ NO ☐

Arrows: I have supplied further information related to this page in Section 6.
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
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

⇒ 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 or any other regulatory body (see the guidance notes on Section 5), 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 –

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?</td>
</tr>
<tr>
<td>b</td>
<td>Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?</td>
</tr>
<tr>
<td>c</td>
<td>Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the candidate or the firm?</td>
</tr>
<tr>
<td>d</td>
<td>Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the candidate or the firm?</td>
</tr>
<tr>
<td>e</td>
<td>Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?</td>
</tr>
<tr>
<td>f</td>
<td>Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?</td>
</tr>
<tr>
<td>g</td>
<td>Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?</td>
</tr>
<tr>
<td>h</td>
<td>Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?</td>
</tr>
<tr>
<td>i</td>
<td>Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?</td>
</tr>
<tr>
<td>j</td>
<td>Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?</td>
</tr>
<tr>
<td>k</td>
<td>Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).</td>
</tr>
</tbody>
</table>

⇒ 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 or any other regulatory body, has the candidate or any firm at which the candidate holds or has held a position of influence at any time during and within one year of the candidate’s association with the firm ever:

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Been found to have carried on activities for which authorisation or registration by the FCA or any other regulatory body is required without the requisite authorisations?</td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>b</td>
<td>Been investigated for the possible carrying on of activities requiring authorisation or registration by the FCA or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the candidate?</td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>c</td>
<td>Been found to have performed a senior management function or other controlled function (or an equivalent function requiring approval by the FCA or any other regulatory body) without the requisite approval?</td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>d</td>
<td>Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the FCA or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the candidate?</td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>e</td>
<td>Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the FCA of the identity of a person acting in a position of influence over its electronic money or payment services business?</td>
<td>YES ☐ NO ☐</td>
</tr>
<tr>
<td>f</td>
<td>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?</td>
<td>YES ☐ NO ☐</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6 YES ☐ NO ☐
5.05 Other Matters

5.05.1 Is the candidate, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the senior management functions for which approval is now being sought?

YES ☐ NO ☐

5.05.2 Is the candidate or the firm aware of any other information relevant to this notification that the FCA might reasonably expect from the candidate?

YES ☐ NO ☐

5.05.3 Has the firm undertaken a criminal records check in accordance with the requirements of the FCA?

Yes ☐ No ☐

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.

I have supplied further information related to this page in Section 6

YES ☐ NO ☐

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 ☐
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

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)

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</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>Role(s) description</td>
</tr>
<tr>
<td>Organisational chart</td>
</tr>
<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>

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) |
Declarations and signatures  Section 7

Declaration of Candidate

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 – ‘FSMA’). Even if you believe or know that information has been provided to the FCA 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 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 exercising their powers (including but not limited to taking disciplinary/Enforcement action). You must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the FCA is reasonably likely to consider the information material).

The candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The candidate will notify the FCA 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 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 Notice) Regulations (SI 2001/1420)) to serve any notices on the candidate.

The candidate confirms that he or she understands the regulatory responsibilities of the proposed role as set out in the rules of conduct in the FCA’s COCON or APER.

The candidate is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the FCA 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 Applicant and/or the candidate.

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.

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 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 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 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 exercising their powers under FSMA (including but not limited to taking disciplinary/Enforcement action). You must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the FCA is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the FCA, 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 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 immediately if there is a material change to the information provided.

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.

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 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 fulfill 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.

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:
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, will be sent to each of those firms at the same time as submitting the form to the FCA.

| 7.03 | Name of the firm submitting the application |
| 7.04 | Name of person signing on behalf of the Applicant |
| 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 as having taken these notes into consideration when completing this form.

**Short Form A – Solo-regulated firms (including EEA and third country)**

**Application to perform controlled functions including senior management functions**

*FCA Handbook Reference: SUP 10C Annex 3D*

9 December 2019

<table>
<thead>
<tr>
<th>Name of candidate (to be completed by applicant firm)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of applicant firm (as entered in 2.01)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Firm reference number (as entered in 2.02)</th>
</tr>
</thead>
<tbody>
<tr>
<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
### 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)</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

YES ☐ NO ☐
1.1 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 Previous address 1

b Postcode

c Dates resident at this address (dd/mm/yyyy) From To

1.16 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

**Section 2**

<table>
<thead>
<tr>
<th>2.01</th>
<th>Name of <em>firm</em> making the application</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.02</th>
<th><em>Firm</em> Reference Number (FRN)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2.03</th>
<th>a</th>
<th>Who should the <em>FCA</em> contact at the <em>firm</em> in relation to this application?</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>b</td>
<td>Position</td>
</tr>
<tr>
<td></td>
<td>c</td>
<td>Phone number</td>
</tr>
<tr>
<td></td>
<td>d</td>
<td>E-mail</td>
</tr>
</tbody>
</table>

→ I have supplied further information related to this page in Section 6

<table>
<thead>
<tr>
<th>YES</th>
<th>NO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee</td>
</tr>
<tr>
<td>b</td>
<td>Group employee</td>
</tr>
<tr>
<td>c</td>
<td>Contract for services</td>
</tr>
<tr>
<td>d</td>
<td>Partner</td>
</tr>
<tr>
<td>e</td>
<td>Other</td>
</tr>
</tbody>
</table>

Give details

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 go to question 3A.04
<table>
<thead>
<tr>
<th>Function</th>
<th>Job title</th>
<th>Description of Senior Management Function</th>
<th>Tick (if applicable)</th>
<th>Core firms</th>
<th>Enhanced scope SMCR firms</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Limited scope SMCR firms</td>
<td>UK core SMCR firm</td>
<td>EEA core SMCR firms</td>
<td>Overseas core SMCR firms</td>
<td></td>
</tr>
<tr>
<td>SMF 1</td>
<td>Chief Executive</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>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td>[ ]</td>
<td></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>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 10</td>
<td>Chair of the Risk Committee</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 11</td>
<td>Chair of the Audit Committee</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 12</td>
<td>Chair of the Remuneration Committee</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 13</td>
<td>Chair of the Nomination Committee</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 14</td>
<td>Senior Independent Director</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 16</td>
<td>Compliance Oversight</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>SMF 17</td>
<td>Money Laundering Reporting Officer</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
</tr>
<tr>
<td>SMF 18</td>
<td>Other overall responsibility function</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 19</td>
<td>Head of Third Country Branch</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 21</td>
<td>EEA Branch Senior Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 24</td>
<td>Chief Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 27</td>
<td>Partner</td>
<td>[ ]</td>
<td>[ ]</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 29</td>
<td>Limited scope function (limited scope SMCR firms only)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Insurancce 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

(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

⇒ I have supplied further information related to this page in Section 6 □ YES □ NO
Complete this section only if the application is on behalf of more than one firm.

List all firms within the group (including the applicant 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>
<td></td>
<td></td>
<td></td>
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<td>b</td>
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<tr>
<td>e</td>
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<td></td>
</tr>
</tbody>
</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 (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.

- [ ] Appointed representative/tied agent – customer function
  - AR firm name and reference number

- [ ] Appointed representative/tied agent – governing function
  - AR firm name and reference number

- [ ] 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.

- [ ] 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

- [ ] Senior Management Functions
  - SMF1 (AR) Chief Executive function
  - SMF3 (AR) Executive Director function
  - SMF4 (AR) Partner function

- [ ] 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 □
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>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6

YES ☐ NO ☐
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 of the revised detail.
Fitness and Propriety

Section 5

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 of the revised detail.

5.1 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).¹

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?

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.

References are not required if the candidate has been employed by the same firm or group for 6 years or more.

➔ I have supplied further information related to this page in Section 6

¹
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);

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)

6.03 For applications for senior management functions, firms must also provide the following supporting documents 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>Role(s) description</td>
</tr>
<tr>
<td>Organisational chart</td>
</tr>
<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>

6.04 In addition for applications for senior management functions, enhanced scope SMCR firms must also provide (please tick):-

| A copy of the firm’s management responsibilities map (as referred to in SYSC 25.1) |
| A summary of any handover material (as referred to in SYSC 25.9 and SUP 10C.10) |
Declarations and signatures

Declaration of Candidate

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 – ‘FSMA’). Even if you believe or know that information has been provided to the FCA 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 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 exercising their powers (including but not limited to taking disciplinary/Enforcement action). You must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the FCA is reasonably likely to consider the information material).

The candidate confirms that the information provided in this application is accurate and complete to the best of their knowledge and that they have read the notes to this form. The candidate will notify the FCA 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 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 the Data Protection Act 1998, the personal information provided in this form will be used by the FCA to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the candidate.

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.

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 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 Applicant and/or the candidate.

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.

Tick here to confirm you have read and understood this declaration: [ ]

7.01 Name of candidate

7.02 Signature

Date

Short Form A – Solo-regulated firms (including EEA and third country)
Declaration of Firm

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 – ‘FSMA’). Even if you believe or know that information has been provided to the FCA 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 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 exercising their powers under FSMA (including but not limited to taking disciplinary/Enforcement action). You must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the FCA is 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 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 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 immediately if there is a material change to the information provided. 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.

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 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.

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.

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.

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, will be sent to each of those firms at the same time as submitting the form to the FCA.

| 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/Annex7D.html

Both the applicant firm and the candidate will be treated by the FCA as having taken these notes into consideration when completing this form.

Form E -
Internal transfer of a person performing a controlled function for solo-regulated firms (including EEA and third country)

FCA Handbook Reference: SUP 10C Annex 7D
9 December 2019

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
## Personal identification details  
**Section 1**

1.01 Individual Reference Number (IRN)

1.02 Title  
(e.g. Mr, Mrs, Ms)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.08 Phone number

1.09 Email address

## Firm identification details  
**Section 2**

2.01 Name of applicant firm

2.02 *Firm Reference Number (FRN)*

2.03 a Who should the FCA contact at the applicant firm in relation to this application?

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Position</td>
</tr>
<tr>
<td>C</td>
<td>Phone number</td>
</tr>
<tr>
<td>D</td>
<td>E-mail</td>
</tr>
</tbody>
</table>

→ I have supplied further information related to this page in Section 6

YES ☐ NO ☐
### Section 3

#### 3.01
List all senior management functions which the approved person is ceasing to perform. The effective date is the date the person will cease to perform the functions.

<table>
<thead>
<tr>
<th>FRN</th>
<th>Name of firm</th>
<th>Senior Management Function</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>b</td>
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<td>e</td>
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<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 7

[ ] 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 4B.

### 4A.01 Nature of the arrangement between the candidate and the applicant.

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td>b</td>
<td>Group employee</td>
<td></td>
</tr>
<tr>
<td></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)
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 go to question 4.04

<table>
<thead>
<tr>
<th>Function</th>
<th>Description of senior management function</th>
<th>Tick (if applicable)</th>
<th>Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMF 1</td>
<td>Chief Executive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 2</td>
<td>Chief Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 3</td>
<td>Executive Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 4</td>
<td>Chief Risk</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 5</td>
<td>Head of Internal Audit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chair of the governing body</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nomination Committee</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer (MLRO)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF19</td>
<td>Head of Overseas Branch</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF21</td>
<td>EEA Branch Senior Manager</td>
<td></td>
<td></td>
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<tr>
<td>SMF24</td>
<td>Chief Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF27</td>
<td>Partner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SMF29</td>
<td>Limited scope function (limited scope firms only)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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)

4A.05 Mortgage Credit Directive
Will the candidate be responsible for Mortgage Credit Directive Intermediation at the firm? YES ☐ NO ☐
(Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function))

➔ I have supplied further information related to this page in Section 6 YES ☐ NO ☐

4A.06 Has the firm undertaken a criminal records check in accordance with the requirements of the FCA?
Please note that a firm is required 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).

If yes, please enter date the criminal records check was undertaken

Date (dd/mm/yy): ___________________________

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 5.

➔ I have supplied further information related to this page in Section 5 YES ☐ NO ☐
List all firms within the group (including the firm entered in 2.01) for which the applicant requires approval and the requested senior management function for that firm.

<table>
<thead>
<tr>
<th>Firm Reference Number</th>
<th>Name of firm</th>
<th>Senior Management Function</th>
<th>Job title (mandatory)</th>
<th>Effective date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
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<td>E</td>
<td></td>
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</tr>
</tbody>
</table>

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.

I have supplied further information related to this page in Section 6

YES □ NO □
**Controlled functions – Appointed Representatives**  
Section 4B

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.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</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>
<tr>
<td></td>
<td>Give details</td>
</tr>
</tbody>
</table>

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 3B.05.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td><strong>Significant influence functions</strong></td>
</tr>
<tr>
<td></td>
<td>CF 1 (AR) Director function</td>
</tr>
<tr>
<td></td>
<td>CF 3 (AR) Chief executive function</td>
</tr>
<tr>
<td></td>
<td>CF 4 (AR) Partner function</td>
</tr>
<tr>
<td></td>
<td>CF 5 (AR) Director of an unincorporated association function</td>
</tr>
</tbody>
</table>
|b | **Senior Management Functions**  
(This section is only applicable for limited permission consumer credit firms that are ARs for other businesses) |
|   | 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
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>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
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</tr>
<tr>
<td>e</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 6

[ ] YES  [ ] NO
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);

5.02 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.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</table>

5.03 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
- [ ] Organisational chart
- [ ] 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).

5.04 In addition, an enhanced scope SMCR firm must provide:

A copy of the firm’s management responsibilities map (SYSC 25, where applicable).

A summary of any handover material (SYSC 25.9 and SUP 10C.10) This requirement does not apply to all firms.
Declarations and signatures

Section 6

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 and 400 of the Financial Services and Markets Act 2000 – ‘FSMA’). 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. 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 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.

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 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.

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. Candidates may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

b) I confirm that the information in this form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the FCA's COCON or APER.

d) 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 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'). SUP 15.6 of the FCA Handbook require a firm 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.

In addition to other regulatory responsibilities, firms, senior managers and other 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.

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. 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 that the candidate is a fit and proper person to perform the senior management functions(s) listed in Section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required of such function(s). YES ☐ NO ☐

If the firm confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the 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.

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.

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, 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 rules of conduct in the FCA’s COCON or APER.

d) 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 the candidate will be responsible for managing.

6.03 Name of the firm submitting the application

6.04 Name of person signing on behalf of the firm

6.05 Job title

6.06 Signature
Form H - Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR firms


9 December 2019

Name of firm (as entered in 2.01)

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

<table>
<thead>
<tr>
<th>1.01</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.02</td>
<td>First Name</td>
</tr>
<tr>
<td>1.03</td>
<td>Surname</td>
</tr>
<tr>
<td>------</td>
<td>---------</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

### Section 2

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.01</td>
<td>Name of <em>firm</em></td>
</tr>
<tr>
<td>2.02</td>
<td><em>Firm</em> Reference Number (FRN)</td>
</tr>
</tbody>
</table>
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 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 in their last reporting period under SUP 15.11, 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 (See note 1)</td>
<td>Date of Birth (See note 1)</td>
<td>National Insurance Number (See note 1)</td>
<td>Passport Number (See note 1)</td>
<td>Nationality (See note 1)</td>
<td>Job Title / Position And Department / 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 nonexecutive director? (see note 2)</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>
<td>Please provide more information in relation to the conduct rule(s) breached. Please also state here whether the firm is updating a previous notification or is making a new notification. Free text description (2000 characters only. Anything greater than this please provide an attachment.) (See note 3)</td>
<td>Please provide information as to the disciplinary action taken: • issuing of a formal written warning • suspension or dismissal of the person • reduction or recovery of any of the person's remuneration Free text description (2000 characters only. Anything greater than this please provide an attachment.) (See note 4)</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  Page | 5
Declarations 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 <strong>firm</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name of <strong>person</strong> signing on behalf of the <strong>firm</strong></th>
</tr>
</thead>
<tbody>
<tr>
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</table>

<table>
<thead>
<tr>
<th><strong>Position</strong></th>
</tr>
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<tbody>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Signature</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Date</strong></th>
</tr>
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<tbody>
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</tr>
</tbody>
</table>

**Form H – Notification of Disciplinary Action relating to conduct rules staff (other than SMF managers) in SMCR**
Senior Managers Regime:

Statement of Responsibilities for solo-regulated firms

This form applies to solo-regulated firms. It does not apply to dual regulated firms or appointed representatives.

This is a statement provided under section 60(2A) of the Financial Services and Markets Act 2000 (Applications for approval), including a statement revised under section 62A (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 Annex 10D.

9 December 2019

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 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
Personal identifications details

1.01 Individual Reference Number (IRN)

1.02 Title (e.g. Mr, Mrs, Ms)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth (dd/mm/yyyy)

1.06 National Insurance number

Firm identification details

2.01 Name of firm

2.02 Firm Reference Number (FRN)

2.03 a Who should the FCA contact at the firm in relation to this statement of responsibilities?

b Position

c Telephone

e E-mail

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 senior management function and how they fit in with the firm’s overall governance and management arrangements. If the firm is an enhanced scope SM&CR firm, the 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 considers 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, 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.

If the FCA 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. This section is not applicable to limited scope SMCR firms or EEA core SMCR branches.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, and management functions of the firm. This section applies to enhanced scope SMCR firms only.
- 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 senior management function(s) role. This section applies to all firms.

### 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 candidate or senior manager is to perform and the effective date the candidate or senior manager commenced or will commence the performance of the functions.

<table>
<thead>
<tr>
<th>Senior management function</th>
<th>Description of senior management function</th>
<th>Tick SMF applied for or held</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core firms</td>
<td>Limited scope SMCR firms</td>
<td>UK core SMCR firms</td>
</tr>
<tr>
<td>SMF 1 Chief Executive</td>
<td></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>
<tr>
<td>SMF 7</td>
<td>Group Entity Senior Manager</td>
<td></td>
</tr>
<tr>
<td>SMF 9</td>
<td>Chair of the Governing Body</td>
<td></td>
</tr>
<tr>
<td>SMF10</td>
<td>Chair of the Risk Committee</td>
<td></td>
</tr>
<tr>
<td>SMF11</td>
<td>Chair of the Audit Committee</td>
<td></td>
</tr>
<tr>
<td>SMF12</td>
<td>Chair of the Remuneration Committee</td>
<td></td>
</tr>
<tr>
<td>SMF13</td>
<td>Chair of the Nomination Committee</td>
<td></td>
</tr>
<tr>
<td>SMF14</td>
<td>Senior Independent Director</td>
<td></td>
</tr>
<tr>
<td>SMF16</td>
<td>Compliance Oversight</td>
<td></td>
</tr>
<tr>
<td>SMF17</td>
<td>Money Laundering Reporting Officer</td>
<td></td>
</tr>
<tr>
<td>SMF18</td>
<td>Other overall responsibility function</td>
<td></td>
</tr>
<tr>
<td>SMF19</td>
<td>Head of Overseas Branch</td>
<td></td>
</tr>
<tr>
<td>SMF21</td>
<td>EEA Branch Senior Manager</td>
<td></td>
</tr>
<tr>
<td>SMF24</td>
<td>Chief Operations</td>
<td></td>
</tr>
<tr>
<td>SMF27</td>
<td>Partner</td>
<td></td>
</tr>
<tr>
<td>SMF29</td>
<td>Limited scope function (limited scope SMCR firms only)</td>
<td></td>
</tr>
</tbody>
</table>

This statement of responsibilities is considered to automatically include the existing legal and regulatory obligations where they exist for these roles and functions. For example, certain specific responsibilities of a
**3.2 Prescribed Responsibilities**

This section deals with those *prescribed 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*. *Limited scope SMCR firms* and *EEA core SMCR branches* are not required to assign *prescribed responsibilities* and should leave this section blank.

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 (SUP 10C.11)

**3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to the candidate or senior manager if any, and whether or not they are shared.** Different *prescribed responsibilities* apply to different types of *firm* as indicated in the table below.

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 UK Core SMCR 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 managers 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 in relation to individual conduct rules for:</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>(a) training; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) reporting</td>
<td></td>
<td></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>z</td>
<td>Responsibility for the firm’s compliance with CASS</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>za</td>
<td>Responsibility for an AFM’s value for money assessments, independent director representation and acting in investors’ best interests</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (These should be applied by enhanced scope SMCR firms only, in addition to the prescribed responsibilities for core SMCR firms)</th>
<th>Does this prescribed responsibility apply?</th>
<th>Is this prescribed responsibility shared?</th>
</tr>
</thead>
<tbody>
<tr>
<td>c</td>
<td>Compliance with the rules relating to the firm’s management responsibilities map</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>j</td>
<td>Responsibility for:</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>(a) safeguarding the independence of; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) oversight of the performance of;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>the internal audit function, in accordance with the internal audit requirements for SMCR firms.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>k</td>
<td>Responsibility for:</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td>(a) safeguarding the independence of; and</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(b) oversight of the performance of;</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>the compliance function in accordance with the compliance requirements for SMCR firms.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>l</td>
<td>Responsibility for:</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>Ref</td>
<td>Prescribed Responsibility (These should be applied by enhanced scope SMCR firms only, in addition to the prescribed responsibilities for core SMCR firms)</td>
<td>Does this prescribed responsibility apply?</td>
<td>Is this prescribed responsibility shared?</td>
</tr>
<tr>
<td>-----</td>
<td>---------------------------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------</td>
<td>--------------------------------------------</td>
</tr>
</tbody>
</table>
| j-3 | Responsibility for taking reasonable steps to ensure that every person involved in the performance of the firm’s internal audit function is independent from the persons who perform external audit, including:  
(a) supervision and management of the work of outsourced internal auditors; and  
(b) management of potential conflicts of interest between the provision of external audit and internal audit services. | 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                                   |
| s   | Responsibility for:  
(a) managing the firm’s internal stress tests; and  
(b) ensuring the accuracy and timeliness of information provided to the FCA and other regulatory bodies for the purposes of stress testing. | Yes / No                                  | Yes / No                                   |

<table>
<thead>
<tr>
<th>Ref</th>
<th>Prescribed Responsibility (Applicable to non-EEA branches)</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 managers 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>
</tbody>
</table>
| b-1 | Responsibility for the firm’s obligations in relation to individual conduct rules for:  
(a) training; and  
(b) reporting                                                   | Yes / No                                  | Yes / No                                   |
| d   | Responsibility for the firm’s policies and procedures for countering the risk that the firm might be used                | Yes / No                                  | Yes / No                                   |
### Prescribed Responsibility (Applicable to non-EEA branches)

<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></td>
<td>to further financial crime</td>
<td></td>
<td></td>
</tr>
<tr>
<td>z</td>
<td>Responsibility for the firm's compliance with CASS</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>aa</td>
<td>Responsibility for the management of the firm's risk management processes in the UK</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>ff</td>
<td>Responsibility for the firm's compliance with the UK regulatory system applicable to the firm</td>
<td>Yes / No</td>
<td>Yes / No</td>
</tr>
<tr>
<td>ee</td>
<td>Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the firm to the governing body and/or the management body, 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>
</tbody>
</table>

### 3.2.2 Additional Information

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) with whom the candidate or senior manager is or will be sharing this prescribed responsibility. 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>
<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 ☐
3.3 Overall Responsibility

This section deals with having overall responsibility for any of the business areas, activities, or management functions of the firm. This section only applies to enhanced scope SMCR firms. If you are not an enhanced scope SMCR firm, you should leave this section blank.

3.3.1 Overall Responsibility

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.

(SYSC24)

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 statement 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 below.

A firm may wish to refer to SYSC 25 Annex 1G (replicated in Annex A of this statement of responsibilities) 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.
<table>
<thead>
<tr>
<th>Please provide a title for this overall responsibility</th>
<th>Please provide further details of this overall responsibility.</th>
<th>Is this overall responsibility shared? If ‘Yes’ please provide, the name(s), IRN(s) and/or job title(s) of the individual(s) you are sharing this responsibility with (where known)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Yes / No</td>
</tr>
</tbody>
</table>

I have supplied further information related to this page in Section 4 YES □ NO □
### 3.4 Other Responsibilities

#### 3.4.1 Please set out below any additional responsibility not otherwise recorded in this statement, for which a candidate or senior manager is to be responsible as part of their FCA senior management function(s). For core SMCR firms and limited scope SMCR firms, these may include responsibilities for managing aspects of the business. For enhanced scope SMCR firms, they could be responsibilities outside the normal course of business such as those linked to high profile projects or initiatives which are not documented as Overall Responsibilities. This section applies to all firms.

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) the candidate or senior manager will be sharing this responsibility with. The responsibility should be recorded in the same way in the statements of responsibilities for each individual.

| 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>

I have supplied further information related to this page in Section 4

YES □  NO □
4.1 Is there any other information the *individual* or the *firm* considers to be relevant?  
If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

<table>
<thead>
<tr>
<th>Question</th>
<th>Information</th>
</tr>
</thead>
</table>

4.2 How many additional sheets are being submitted?
### The main business activities and functions of a SMCR firm.

#### 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 firm’s investments made for its own account.</td>
</tr>
<tr>
<td>(7) Wholesale sales</td>
<td>This means the <em>selling of any investment</em> to a person other than a retail customer.</td>
</tr>
<tr>
<td></td>
<td>It does not include the activities in (1).</td>
</tr>
<tr>
<td>(8) Retail sales</td>
<td>This means the <em>selling of any investment</em> to a retail customer.</td>
</tr>
<tr>
<td></td>
<td>It includes savings accounts. It does not include the activities in (1).</td>
</tr>
<tr>
<td>(9) Trading for clients</td>
<td>This means <em>dealing in investments as agent and execution of orders on behalf of clients</em> but the list of products includes money market instruments and foreign exchange.</td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-------------</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>
<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 <em>investment</em> with a view to transferring some or all of it to others, or with a view to others investing in the same transaction;</td>
</tr>
<tr>
<td></td>
<td>(2) sub-participation; and</td>
</tr>
<tr>
<td></td>
<td>(3) any transaction described in the <em>Glossary</em> definition of originator.</td>
</tr>
<tr>
<td></td>
<td>Underwriting includes underwriting that is not on a firm commitment basis.</td>
</tr>
<tr>
<td></td>
<td>A commitment or <em>investment</em> 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 <em>retail customers</em>.</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 <em>persons</em> who are not <em>retail customers</em>.</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 <em>persons</em> who are not <em>retail customers</em>.</td>
</tr>
<tr>
<td>(16) Design and manufacture of products intended for <em>retail customers</em></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 requests</em>.</td>
</tr>
<tr>
<td>(19) Customer complaints handling</td>
<td>This includes the firm's compliance with <em>DISP</em>.</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 <em>Financial Ombudsman Service</em>.</td>
</tr>
<tr>
<td>Business areas and management functions</td>
<td>Explanation</td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>(2) activities that take place outside the UK; and (3) activities that are not subject to any ombudsman service.</td>
<td></td>
</tr>
<tr>
<td>(20) Collection and recovering amounts owed to a firm by its customers Dealing with customers in arrears &quot;Customer&quot; 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>
<td></td>
</tr>
<tr>
<td>(21) Middle office This means risk management and controls in relation to, and accounting for, transactions in securities or derivatives</td>
<td></td>
</tr>
<tr>
<td>(22) The firm's information technology</td>
<td></td>
</tr>
<tr>
<td>(23) Business continuity planning This means the functions described in SYSC 4.1.6R and SYSC 4.1.7R</td>
<td></td>
</tr>
<tr>
<td>(24) Human resources This includes recruitment, training and competence and performance monitoring</td>
<td></td>
</tr>
<tr>
<td>(25) Incentive schemes for the firm's staff This is not limited to schemes based on sales.</td>
<td></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 25.7 (Guidance about SYSC 25 Annex 1 G) and SYSC 26.11.2G.

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.