

**ALLOCATION OF THE RESPONSIBILITY FOR INSURANCE
DISTRIBUTION ACTIVITY OR MORTGAGE CREDIT DIRECTIVE
CREDIT INTERMEDIATION ACTIVITY INSTRUMENT 2020**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the powers and related provisions in or under:
- (1) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 139A (Power of the FCA to give guidance); and
 - (2) the other powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions of the Handbook.
- 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 1 October 2020.

Amendments to the Handbook

- D. The Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU) is amended in accordance with Annex A to this instrument.
- E. The Supervision manual (SUP) is amended in accordance with Annex B to this instrument.

Notes

- F. In this instrument, the note (indicated by “**Note:**”) is included for the convenience of readers but does not form part of the legislative text.

Citation

- G. This instrument may be cited as the Allocation of the Responsibility for Insurance Distribution Activity or Mortgage Credit Directive Credit Intermediation Activity Instrument 2020.

By order of the Board
30 September 2020

Annex A

**Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms,
and Insurance Intermediaries (MIPRU)**

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

- 2 Responsibility for insurance distribution and MCD credit intermediation activity**
- ...
- 2.2 Allocation of the responsibility for insurance distribution activity or MCD credit intermediation activity**
- Responsibility for insurance distribution activity or MCD credit intermediation activity
- 2.2.1 R A *firm*, other than a sole trader, must allocate the responsibility for the *firm's insurance distribution activity* or *MCD credit intermediation activity* to a director or senior manager.
- [**Note:** article 3(1), eighth paragraph of the *IDD* and article 29(4)(a), first sentence, of the *MCD*.]
- 2.2.1A G (1) Where a *firm* allocates responsibility under MIPRU 2.2.1R it should ensure that the person to whom the allocation is made is of sufficient seniority and authority within the *firm* to take on that role.
- (2) The person could, for example, be:
- (a) a *SMF manager* who holds the *executive director function* (SMF 3) or the *other overall responsibility function* (SMF 18);
or
- (b) a person who holds a significant management *FCA certification function*,

in relation to, as relevant, *insurance distribution* business or *MCD credit intermediation* business.
- 2.2.1B R (1) The *firm* must notify the *FCA* in a timely manner of the allocation in MIPRU 2.2.1R in accordance with (2).
- (2) Where the person allocated responsibility under MIPRU 2.2.1R, is:
- (a) a *SMF manager*, then notification must be made in the following way:

- (i) in Form A (Application to perform controlled functions) (see SUP 10C Annex 3D), Form D (Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct) (see SUP 10C Annex 6R) or Form E (Internal transfer of a person performing a controlled function) (see SUP 10C Annex 7D); and
- (ii) included in (as relevant):
 - (A) a statement of responsibilities; or
 - (B) revised statement of responsibilities sent to the FCA as described in SUP 10C.11.7D (Revised statements of responsibilities: Procedure); or
- (b) a Directory person, the notification is included in the Directory person report (see SUP 16 Annex 47AR (Directory persons report)); or
- (c) a person other than a person in (a) and (b), then notification may be emailed to ‘firm.queries@fca.org.uk’ or made using a method as set out in SUP 15.7.4R (Method of notification).

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2.2.5 G The FCA will specify in the *Financial Services Register* the name of the persons to whom the responsibility for the firm’s insurance distribution activity or MCD credit intermediation activity has been allocated by inserting after the relevant controlled function the words “(insurance distribution)” or “(MCD intermediation)”. In the case of a sole trader, the FCA will specify in the *Financial Services Register* the name of the sole trader as the ‘contact person’ in the firm.

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TP 1 Transitional Provisions

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

...					
<u>5</u>	<u>MIPRU 2.2.1BR(2)(b) and MIPRU 2.2.1BR(2)(c)</u>	<u>R</u>	<u>If a <i>Directory person</i> does not submit a <i>Directory person</i> report, a notification must be made in a way set out in MIPRU 2.2.1BR(2)(c).</u>	<u>1 October 2020 to 31 March 2021</u>	<u>1 October 2020</u>

Annex B

Amendments to the Supervision manual (SUP)

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

10C Annex 3D Form A: Application to perform senior management functions

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BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

The FCA has produced notes which will assist both the applicant *firm* and the *candidate* in answering the questions in this form. Please read these notes, which are available on both the FCA and PRA websites at:

<https://www.handbook.fca.org.uk/handbook/SUP/10C/Annex3D.html>

Both the applicant *firm* and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form. Terms defined in either or both of the FCA Handbook or the PRA Rulebook are italicised and should be construed accordingly.

Long Form A – Dual-regulated firms (including EEA and third country firms)

...

~~10 December 2018~~ 1 October 2020

...

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

...



Application number
(for FCA use only)

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Both the applicant *firm* and the *candidate* will be treated by the *FCA* as having taken these notes into consideration when completing their answers to the questions in this form.

Long Form A – UK and Overseas Firms (not Incoming EEA) for *MiFID* authorisation applications*

...

~~10 December 2018~~ 1 October 2020

...

3.03

Job title[†]

Please refer to notes on the requirements for submitting a CV

Insurance distribution

Will the *candidate* be responsible for Insurance distribution at the *firm*?
(Note: Yes can only be selected if the *individual* is applying for (SMF1, SMF3, SMF27 or SMF29))

YES NO

Mortgage Credit Directive

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the *firm*?
(Note: Yes can only be selected if the *individual* is applying for (SMF1, SMF3, SMF27 or SMF29.)

YES NO

...



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Short Form A – Dual-regulated firms (including EEA and third country firms)

...

10 December 2018 1 October 2020

...

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 *candidate* is applying for a governing function (other than a *non-executive director* function))

Will the *candidate* be responsible for Mortgage Credit Directive Intermediation at the *firm*? YES NO

...



Application number
(for FCA use only)

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)

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~~26 June 2020~~ 1 October 2020

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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*))

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Application number
(for FCA use only)

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)

...

~~26 June 2020~~ 1 October 2020

...

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))~~

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10C Annex 7D Form E: Internal transfer of a person performing a controlled function

BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for *FCA/PRA* use only)

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Both the applicant *firm* and the *candidate* will be treated by the *FCA* and *PRA* as having taken these notes into consideration when completing this form. Terms defined in either or both of the *FCA Handbook* or the *PRA Rulebook* are italicised and should be construed accordingly.

Form E – Internal transfer of a person performing a *controlled function* for dual regulated firms

...

10 December 2018 1 October 2020

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Arrangement and Senior management functions Section 4A

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4A.04 Insurance distribution

Will the *candidate* be responsible for insurance distribution at the *firm*? YES NO

(Note: Yes can only be selected if the individual is applying for a governing function (other than a *non-executive director* function))

4A.05 Mortgage Credit Directive

Will the candidate be responsible for Mortgage Credit Directive Intermediation at the *firm*? YES

NO

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Application number
(for FCA use only)

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)

...

9 December 2019 1 October 2020

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Senior management functions

Section 4A

...

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*))

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