

## HANDBOOK ADMINISTRATION (No 54) INSTRUMENT 2020

### 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 60 (Applications for approval);
  - (2) section 62A (Changes to responsibilities of senior managers);
  - (3) section 137A (The FCA’s general rules);
  - (4) section 137T (General supplementary powers); and
  - (5) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

### Commencement

- C. This instrument comes into force on 23 October 2020, except as follows:

Annex	Date comes into force
Annex A	1 January 2021
Part 2 of Annex B	26 October 2020
Part 3 of Annex B	22 January 2021
Part 4 of Annex B	1 July 2021, immediately after the Value Measures Reporting and Monitoring Instrument 2020 (FCA 2020/40) comes into force

### Amendments to the Handbook

- D. The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Product Intervention and Product Governance sourcebook (PROD)	Annex A
Supervision manual (SUP)	Annex B

### Notes

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

**Citation**

- E. This instrument may be cited as the Handbook Administration (No 54) Instrument 2020.

By order of the Board  
22 October 2020

## Annex A

### Amendments to the Product Intervention and Product Governance sourcebook (PROD)

This Annex comes into force on 1 January 2021.

In this Annex, underlining indicates new text.

#### **4.5 Additional expectations for manufacturers and distributors in relation to value measures data**

...

##### 4.5.4 R

(1) ...

(a) ...

(2) that in relation to new products and significant adaptations to existing products, the *firm's* product approval process in *PROD* 4.2.1R, product testing in *PROD* 4.2.22UK including considerations in *PROD* 4.2.25R and the review of products in *PROD* 4.2.34R also incorporate the procedures and considerations in (1) above.

...

## Annex B

### Amendments to the Supervision manual (SUP)

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

#### Part 1: Comes into force on 23 October 2020.

The guidance notes (Notes for completion of the Retail Mediation Activities Return ('RMAR') referred to in SUP 16 Annex 18BG are amended as shown.

...

#### 16 Notes for completion of the Retail Mediation Activities Return ('RMAR') Annex 18BG

...

#### Section M Pension Transfer Specialist advice

The data in this section should only relate to advice on *pension transfers* or *pension conversions*, meaning advice on the merits of a *pension transfer* or a *pension conversion* from *defined benefits pension schemes* or other *safeguarded benefits* but excluding transfers from or conversions of *safeguarded benefits* that are *guaranteed annuity rates*. A *retail client* transferring or converting multiple defined benefit pensions should be counted as a single *retail client* within RMA-M.

For this *guidance* on section M, all questions below relate to activity in the reporting period.

Guide for completion of individual fields

	Qualifying question	
...		
Part 4 – Personal recommendations not to transfer		
...		
17	Of the <i>retail clients</i> reported in Question 15, what was the total transfer value of the <i>pension transfers</i> and <i>pension conversions</i> ?	This should include the total transfer <del>revenue</del> <u>value</u> of <i>retail clients</i> provided with a <i>personal recommendation</i> not to transfer or convert their pension after receiving <i>full pension transfer or conversion advice</i> .
...		

**Part 2: Comes into force on 26 October 2020.**

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

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



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)**

...

**3B.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3B.05**.

**a Significant influence functions**

CF 1 (AR) <i>Director function</i>	<input type="checkbox"/>
CF2 (AR) <i>Non-executive director function</i>	<input type="checkbox"/>
CF 3 (AR) <i>Chief executive function</i>	<input type="checkbox"/>
CF 4 (AR) <i>Partner function</i>	<input type="checkbox"/>
CF 5 (AR) <i>Director of an unincorporated association function</i>	<input type="checkbox"/>

**b Senior Management Functions**

SMF1 (AR) <i>Chief Executive function</i>	<input type="checkbox"/>
SMF3 (AR) <i>Executive Director function</i>	<input type="checkbox"/>
<del>SMF4</del> SMF27 (AR) <i>Partner function</i>	<input type="checkbox"/>

*(This section is only applicable for limited permission consumer credit firms that are ARs for other businesses)*

...

**5.02 Civil Proceedings**

...

**5.02.3** Is the *candidate* aware of:

**a** Any proceedings that have begun or anyone's intention to begin proceedings against the *candidate*, for a CCJ or another 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

~~YES  NO~~

...

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



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)**

...

**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**.

<b>a</b>	<b>Significant influence functions</b>	CF 1 (AR) <i>Director function</i> <input type="checkbox"/> CF2 (AR) <i>Non-executive director function</i> <input type="checkbox"/> CF 3 (AR) <i>Chief executive function</i> <input type="checkbox"/> CF 4 (AR) <i>Partner function</i> <input type="checkbox"/> CF 5 (AR) <i>Director of an unincorporated association function</i> <input type="checkbox"/>
<b>b</b>	<b>Senior Management Functions</b>  <i>(This section is only applicable for Limited Permission Consumer Credit Firms that are ARs for other business)</i>	SMF1 (AR) <i>Chief Executive function</i> <input type="checkbox"/> SMF3 (AR) <i>Executive Director function</i> <input type="checkbox"/> SMF4 <u>SMF27</u> (AR) <i>Partner function</i> <input type="checkbox"/>

...

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



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)**

...

- 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**

Function	Description of <i>senior management function</i>	Tick (if applicable)	Effective Date
SMF 1	Chief Executive		
SMF 2	Chief Finance		
SMF 3	Executive Director		
SMF 4	Chief Risk $\neq$		



...

**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**.

<b>a</b>	<b>Significant influence functions</b>	CF 1 (AR) <i>Director function</i> <input type="checkbox"/> CF 3 (AR) <i>Chief executive function</i> <input type="checkbox"/> CF 4 (AR) <i>Partner function</i> <input type="checkbox"/> CF 5 (AR) <i>Director of an unincorporated association function</i> <input type="checkbox"/>
<b>b</b>	<b>Senior Management Functions</b>  <i>(This section is only applicable for limited permission consumer credit firms that are ARs for other businesses)</i>	SMF1 (AR) <i>Chief Executive function</i> <input type="checkbox"/> SMF3 (AR) <i>Executive Director function</i> <input type="checkbox"/> SMF4 <u>SMF27</u> (AR) <i>Partner function</i> <input type="checkbox"/>

...

## SUP 10C Annex 10D Statement of responsibilities: Statement of responsibilities for dual-regulated SMCR firms



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Application number or IRN  
(for FCA/PRA use only)

### Senior Managers Regime: Statement of Responsibilities

...

#### 3.2 Prescribed Responsibilities

...

**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.

Note: the form includes references to provisions in the *FCA Handbook* which are also set out in the *PRA Rulebook*, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the *individual* has not been allocated a *prescribed responsibility*, please go to Section 3.3.

FCA / PRA / Dual PR	Ref	Prescribed Responsibility (PR)	Large CRR firms <sup>1</sup>	Small CRR firms	Third country CRR firms	Credit unions	Solvency II firms and Large NDFs	Small NDFs & Small run off firms <sup>2</sup>	Third Country branches of insurers	UK ISPVs	Swiss General Insurers	Is this PR shared between senior managers
...												
Dual/PRA	AA	Responsibility for implementing (where applicable) and management of the <i>firm's</i> risk management policies and procedures	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> <hr style="display: inline-block; width: 1em; vertical-align: middle;"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRA	BB	Responsibility for managing the systems and controls of the <i>firm</i>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>
PRA	CC	Responsibility for managing the <i>firm's</i> financial resources		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/> <hr style="display: inline-block; width: 1em; vertical-align: middle;"/>		<input checked="" type="checkbox"/>				<input type="checkbox"/>
PRA	DD	Responsibility for ensuring the <i>governing body</i> is informed of its legal and regulatory obligations		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/> <hr style="display: inline-block; width: 1em; vertical-align: middle;"/>		<input checked="" type="checkbox"/>				<input type="checkbox"/>
...												

...

<sup>1</sup> Large CRR *firm* means a CRR *firm* that is not a small CRR *firm* (see SYSC 4.7.5 and the Allocation of Responsibilities Part of the *PRA Rulebook*). This includes UK banks and designated investment firms.

<sup>2</sup> Small NDFs and Small Run Off firms are treated differently in the *PRA Rulebook* however for the purposes of this table we have used one column. PRs A and B are FCA only when applied to small run off firms

**Part 3: Comes into force on 22 January 2021****15 Annex 4: Notification form**

# Notification Form

(June 2020)

Firm name

("The Firm")

Firm Reference Number

Address

Please return the form, marked for the attention of your relevant supervisory contact as appropriate:

Financial Conduct Authority

12 Endeavour Square  
London

E20 1JN

[www.fca.org.uk](http://www.fca.org.uk)

[firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

[PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk) Telephone

Telephone +44 (0) 20 7066  
1000

+44 (0) 20 3461 7000

Facsimile +44 (0) 20 7066  
1099

The Financial Conduct Authority is registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

~~The Prudential Regulation Authority is registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH~~

...

## Type of notification

## Section B

There are circumstances where a firm must disclose information to the FCA and/or PRA in a timely manner, including:

- where a rule has been breached;
- where the firm fails to satisfy a threshold condition (these can be found in Schedule 6 of the Financial Services and Markets Act 2000);
- where a matter occurs which could have a significant adverse impact on a firm, including its ability to provide adequate services to a customer;
- where a particular notifiable event may have occurred.

A consolidated summary of some of the FCA notification rules is in the Handbook, Schedule 2 of the Supervision Modules (SUP). For PRA notification rules see the Notifications Part of the PRA rulebook. Also, the FCA Principle for Businesses No 11 and PRA Fundamental Rule 7 requires a firm to disclose appropriately any information of which the FCA and/or PRA would reasonably expect notice. ~~Other notification requirements are listed in Schedule 2 of many of the other FCA and PRA Modules within the Handbook. This form allows you to make any of these notifications.~~

...

## Declaration and signatures

## Section D

### Warning

Knowingly or recklessly giving the FCA and/or PRA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000) SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and/or PRA and to notify the FCA and/or PRA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FCA and/or PRA. It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA. If you are not sure whether a piece of information is relevant, please include it anyway.

### Data Protection

~~For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the Financial Conduct Authority and/or the Prudential Regulation Authority to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.~~

For the purposes of complying with data protection legislation, please read our privacy notices:

FCA's privacy notice: <https://www.fca.org.uk/data-protection>

Bank of England's privacy notice: <https://www.bankofengland.co.uk/prudential-regulation/authorisations>

These notices will tell you what to expect when the FCA and/or the Bank of England collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

Declaration

By signing this form

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**Part 4: Comes into force on 1 July 2021, immediately after the Value Measures Reporting and Monitoring Instrument 2020 (FCA 2020/40) comes into force.**

[*Editor's note:* Part 4 of Annex B amends provisions made by the Value Measures Reporting and Monitoring Instrument 2020 (FCA 2020/40) which will come into force on 1 July 2021.]

**16 Reporting requirements**

**16.1 Application**

...

16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.16, SUP 16.17, SUP 16.22; and SUP 16.26 ~~and SUP 16.27~~)

...

**16.2 Purpose**

16.2.1 G (1) ...

...

(4) ~~The purpose of SUP 16.27 is to provide the FCA with general insurance value measures data that it can use to publish guidance (and which may also assist with the FCA's monitoring of firms' compliance with PROD 4.5). The purpose of that publication is to:~~

(a) ~~promote competition in relation to product value, by creating incentives for firms to make improvements to products and address poor product performance; and~~

(b) ~~protect consumers by reducing the potential for harm caused by the sale or purchase of poor value products.~~

...

**16.27 General insurance value measures reporting**

...

Purpose

16.27.5 G (1) The purpose of this section is to require *firms* to submit information on certain value measures *general insurance contracts* in a standard format to the FCA. This information enables the publication of the value

measures data in the pursuance of the *FCA*'s effective competition and consumer protection objectives.

(2) The purpose of SUP 16.27 is to provide the *FCA* with general insurance value measures data that it can use to publish guidance (and which may also assist with the *FCA*'s monitoring of *firms*' compliance with PROD 4.5). The purpose of that publication is to:

- (a) promote competition in relation to product value, by creating incentives for *firms* to make improvements to products and address poor product performance; and
- (b) protect *consumers* by reducing the potential for harm caused by the sale or purchase of poor value products.

...