

HANDBOOK ADMINISTRATION (No 56) INSTRUMENT 2021**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of:
- (1) the following powers and related provisions in or under the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers);
 - (c) section 139A (Power of the FCA to give guidance);
 - (d) section 340 (Appointment); and
 - (2) the following powers and related provisions in the Regulated Covered Bond Regulations 2008 (SI 2008/346):
 - (a) Regulation 8 (Applications for registration);
 - (b) Regulation 9 (Applications for admission to the register of issuers);
 - (c) Regulation 12 (Applications: supplementary); and
 - (d) Regulation 42 (Guidance).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 25 June 2021.

Amendments to the Handbook

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

(1)	(2)
General Provisions (GEN)	Annex A
Insurance: Conduct of Business sourcebook (ICOBS)	Annex B
Supervision manual (SUP)	Annex C
Credit Unions sourcebook (CREDS)	Annex D
Regulated Covered Bonds sourcebook (RCB)	Annex E

Citation

- E. This instrument may be cited as the Handbook Administration (No 56) Instrument 2021.

By order of the Board
24 June 2021

Annex A

Amendments to the General Provisions sourcebook (GEN)

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

1 FCA approval and emergencies

1.1 Application

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1.1.2 G GEN 1.1.1R(2) reflects ~~section 266 of the Act (Disapplication of rules)~~.
[deleted]

Annex B

Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)

The commencement date for *ICOBS* 6A.5.2R and 6A.5.3R introduced in: “Non-Investment Insurance: Product Governance, Premium Finance, General Insurance Auto-Renewal and Home and Motor Insurance Pricing Instrument 2021 (FCA 2021/19)” is amended from 1 October 2021 to 1 January 2022.

Annex C

Amendments to the Supervision manual (SUP)

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

3 Auditors

3.1 Application

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3.1.2 R Applicable sections (see SUP 3.1.1R)

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	(1) Category of firm	(2) Sections applicable to the firm	(3) Sections applicable to its auditor
...			
(7C)	UK MiFID investment firm <u>MiFID investment firm</u> , which has an auditor appointed under or as a result of a statutory provision other than in the Act (Notes 3B and 6)
(7D)	Sole trader or partnership that is a UK MiFID investment firm <u>MiFID investment firm</u> (other than an exempt CAD firm) (Notes 3C and 6)
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...			
Note 3B = UK MiFID investment firms <u>MiFID investment firms</u> include exempt CAD firms. ...			

Note 3C = A *sole trader* or a *partnership* that is a ~~*UK MiFID investment firm*~~
MiFID investment firm to which the *custody chapter* or *client money chapter*
applies must have its annual accounts audited.

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Annex D

Amendments to the Credit Unions sourcebook (CREDS)

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

7 Lending to members

7.1 Application, purpose and interpretation

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Interpretation

7.1.3 G ...

- (1) a *Great Britain credit union* may make a loan only to:
- (a) ...
 - (b) a corporate member of the *credit union*, if the *credit union's* rules provide that it may make loans to corporate members and making the loan would not result in the aggregate of the outstanding balances on loans made by the *credit union* to corporate members exceeding the percentage of the aggregate of the outstanding balances on all loans made by the *credit union to members* specified by or under *section 11* of the Credit Unions Act 1979;
 - (c) ...
- (1A) a *Northern Ireland credit union* may make a loan only to:
- (a) a member of the *credit union* who is an individual; ~~and~~
 - (b) other *credit unions*; and
 - (c) a corporate member of the *credit union* if the *credit union's* rules provide that it may make loans to corporate members and making the loan would not result in the total amount of the outstanding balances on loans made by the *credit union* to corporate members exceeding the percentage of the total amount of the outstanding balances on all loans made by the *credit union to members* specified by or under *article 28* of the Credit Unions (Northern Ireland) Order 1985;

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- 7.1.4 G “Corporate member” has the same meaning as in *section 5A* of the Credit Unions Act 1979 or *article 14A* of the Credit Unions (Northern Ireland) Order 1985 as appropriate.

Annex E

Amendments to the Regulated Covered Bonds sourcebook (RCB)

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

2 Applications for registration

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2 Annex 1D Application for the admission to the register of issuers and register of regulated covered bonds

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Filling in the form

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5. Your application should include in electronic format, where applicable:
- this form RCB 2 Annex 1D;
 - ~~where applicable~~, the Asset Pool Notification form RCB 3 Annex 2D;
 - ~~where applicable~~, the Asset & Liability Profile RCB 3 Annex 3D;
 - ~~where applicable~~, the New Issuance Indicative Terms form RCB 3 Annex 4D;
 - ~~where applicable~~, Loan-level Data RCB 3 Annex 7AD;
 - all programme transaction documents, legal opinions and offering circular of the covered bond programme for which you are seeking registration and all bonds in issue;
 - a copy of the accountant's report on the cover pool assets;
 - ~~any internal reports regarding the covered bond programme (the two most recent reports)~~;
 - the two most recent Internal Audit and Compliance reports covering any aspects of the covered bond programme, details on the frequency of such reviews and the date of the next scheduled reviews;
 - any other internal reports regarding the covered bond programme (the two most recent reports);
 - the results of any stress testing and scenario analysis undertaken on the asset pool;

- the board sign-off authorising the covered bond programme and related papers, including details of authority delegated to management;
- incorporation documents for all internal committees where the covered bond programme is managed including a structural chart detailing where each forum fits within the issuer’s governance structure, and the three most recent committee submissions, management information and minutes from each forum;
- an organisational chart including key committees up to Board level for the covered bond programme, flow of MI, delegated authority, controls, and the individuals that are involved in the management of the programme and a description of their role and responsibilities;
- a copy of the issuer’s lending policies, underwriting procedures and most recent periodical retail mortgage credit review; ~~and~~
- the two most recent retail mortgage credit performance MI;
- the most recent investor report;
- ~~where applicable~~, all credit rating agency publications in relation to the covered bond programme for which you are seeking registration; and
- the most recent ICAAP and ILAAP documents as well as any further significant documents regarding the issuer’s prudential status, as submitted to the PRA.

6. If any document requested is not applicable to the application, please indicate the reasons for this.

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Fees

We will not treat the application as having been received until we receive the registration fee. Details on the Fees are available in Chapter 5 of the RCB sourcebook. ~~The payment methods available are~~ fee must be paid by credit transfer, banker’s draft and cheque.

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<p>Cheque or bankers draft</p>	<p>Please make the cheque or banker’s draft payable to The Financial Conduct Authority</p> <p>Please send the cheque or banker’s draft with your firm reference number (FRN) and fee description (covered bond registration) to:</p> <p>Regulated Covered Bonds Team</p> <p>Markets Division</p>
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The Financial Conduct Authority
 25 The North Colonnade
 London
 E14 5HS

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Application Form

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<p>Confirm that you have submitted with this application <u>or, where a document is not applicable to the application, indicate the reasons for this:</u></p> <ul style="list-style-type: none"> • RCB 3 Annex 2D, if applicable; • RCB 3 Annex 3D; if applicable; • RCB 3 Annex 7AD; • accountants' reports; • all programme documentation, including the offering circular, legal opinions and bond documentation of all bonds in issue; • board papers authorising the establishment of a covered bond programme, including details of authority delegated to management; • the two most recent compliance and internal audit reports covering any aspects of the covered bond programme and details on the frequency of such reviews and the date of the next scheduled review; • an organisational chart indicating key committees up to Board level for the covered bond programme, flow of MI, delegated authority and controls; • an organisational chart indicating the individuals that are involved in the management of the programme and a description of their role and responsibilities; 	
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- ~~the two most recent retail mortgage credit performance MI;~~
- ~~the stress testing undertaken to demonstrate that cash flows generated by the assets are sufficient to meet the payments due in a timely manner under conditions of economic stress in the event of the failure of the issuer;~~
- ~~the most recent investor report;~~
- any relevant credit rating reports in relation to the covered bond programme;
- this form RCB 2 Annex 1D;
- the Asset Pool Notification form RCB 3 Annex 2D;
- the Asset & Liability Profile RCB 3 Annex 3D;
- the New Issuance Indicative Terms form RCB 3 Annex 4D;
- Loan-level Data RCB 3 Annex 7AD;
- all programme transaction documents, legal opinions and offering circular of the covered bond programme for which you are seeking registration and all bonds in issue;
- a copy of the accountant's report on the cover pool assets;
- the two most recent Internal Audit and Compliance reports covering any aspects of the covered bond programme, details on the frequency of such reviews and the date of the next scheduled reviews;
- any other internal reports regarding the covered bond programme (the two most recent reports);
- the results of any stress testing and scenario analysis undertaken on the asset pool;
- the board sign-off authorising the covered bond programme and related papers, including details

<p><u>of authority delegated to management;</u></p> <ul style="list-style-type: none"> • <u>incorporation documents for all internal committees where the covered bond programme is managed including a structural chart detailing where each forum fits within the issuer’s governance structure, and the three most recent committee submissions, management information and minutes from each forum;</u> • <u>an organisational chart including key committees up to Board level for the covered bond programme, flow of MI, delegated authority, controls, and the individuals that are involved in the management of the programme and a description of their role and responsibilities;</u> • <u>a copy of the issuer’s lending policies, underwriting procedures and most recent periodical retail mortgage credit review;</u> • <u>the two most recent retail mortgage credit performance MI;</u> • <u>the most recent investor report;</u> • <u>all credit rating agency publications in relation to the covered bond programme for which you are seeking registration; and</u> • <u>the most recent ICAAP and ILAAP documents as well as any further significant documents regarding the issuer’s prudential status, as submitted to the PRA.</u> 	
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3 **Notifications**

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3.6 **Fees and other matters**

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Method of sending forms and information to the FCA

- 3.6.5 D Unless otherwise stated, the *issuer* or the *owner*, as the case may be, must send the relevant forms and information to the *FCA*'s address marked for the attention of the "Regulated Covered Bonds Team, Prudential Specialists Department" by any of the following methods:
- (1) post; or
 - (2) leaving it at the *FCA*'s address and obtaining a time-stamped receipt; or
 - (3) email to rcb@fca.org.uk.

3 Annex 1 D Annual confirmation of compliance with the RCB Regulations and the RCB Sourcebook

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Sending the form

Send your annual confirmation to us by email to rcb@fca.org.uk. It is our preference for all correspondence to be submitted electronically. If this is not possible your annual confirmation may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team
~~Prudential Specialists Department~~
 Financial Conduct Authority
 12 Endeavour Square
 London E20 1JN

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3 Annex 2 D Asset pool notification form

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Sending the form

Send your annual confirmation to us by email to rcb@fca.org.uk. It is our preference for all correspondence to be submitted electronically. If this is not possible your annual confirmation may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team
~~Prudential Specialists Department~~

Financial Conduct Authority
12 Endeavour Square
London E20 1JN

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3 Annex D **Asset and liability profile form**
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Sending the form

Send your annual confirmation to us by email to rcb@fca.org.uk. It is our preference for all correspondence to be submitted electronically. If this is not possible your annual confirmation may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team
~~Prudential Specialists Department~~
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

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3 Annex D **Indicative terms form**
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Sending the form

Send your annual confirmation to us by email to rcb@fca.org.uk. It is our preference for all correspondence to be submitted electronically. If this is not possible your annual confirmation may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team
~~Prudential Specialists Department~~
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

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3 Annex D **Issuance form**
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Sending the form

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Regulated Covered Bonds Team

~~Prudential Specialists Department~~

Financial Conduct Authority

12 Endeavour Square

London E20 1JN

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3 Annex D **Cancellation form**
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Sending the form

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Financial Conduct Authority

12 Endeavour Square

London E20 1JN

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3 Annex D **Loan level disclosure form**
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Sending the form

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