

## HANDBOOK ADMINISTRATION (NO 60) INSTRUMENT 2022

### Powers exercised

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of the following powers and related provisions in or under:
- (1) Article 13(5) of Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (“the PRIIPs Regulation”);
  - (2) regulation 72 (Transfer of directive functions to the FCA) of the Official Listing of Securities, Prospectus and Transparency (Amendment etc.) (EU Exit) Regulations 2019 (the “Regulations”), for the purposes specified in paragraph 31 (to specify the electronic reporting format for annual financial reports) of Schedule 2, Part 3 of the Regulations;
  - (3) the following sections of the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 137A (The FCA’s general rules);
    - (b) section 137T FSMA (General supplementary powers);
    - (c) section 138P (Technical Standards);
    - (d) section 138Q (Standard instruments);
    - (e) section 138S (Application of Chapters 1 and 2);
    - (f) section 137T (General supplementary powers); and
    - (g) section 139A (Power of the FCA to give guidance).
- B. The rule-making powers and power to make technical standards listed above are specified for the purposes of sections 138G (Rule-making instruments) and 138Q(2) (Standards instruments) of the Act.

### Pre-conditions to making

- C. A draft of Annex D to this instrument has been approved by the Treasury.

### Commencement

- D. Annexes A and B of this instrument come into force on 29 July 2022.
- E. Annexes C, D and E of this instrument come into force on 24 June 2022.

### Amendments to the Handbook

- F. The Funeral Plan: Conduct of Business sourcebook (FPCOB) is amended in accordance with Annex A to this instrument.
- G. The Supervision manual (SUP) is amended in accordance with Annex B to this

instrument.

#### **Amendments to material outside of the Handbook**

- H. The Perimeter Guidance manual (PERG) is amended in accordance with Annex C to this instrument.

#### **Amendments to the PRIIPS RTS**

- I. The FCA makes the amendments to the technical standards set out in the following EU regulation (“the PRIIPS RTS”) in accordance with Annex D to this instrument:

Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents.

#### **Amendments to Commission Delegated Regulation (EU) 2019/815**

- J. The FCA makes the amendments to the technical standards set out in the following EU regulation in accordance with Annex E to this instrument:

Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format

#### **Citation**

- K. This instrument may be cited as the Handbook Administration (No 60) Instrument 2022.

By order of the Board  
23 June 2022

## Annex A

## Amendments to the Funeral Plan: Conduct of Business sourcebook (FPCOB)

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

## 8 Identifying client needs and advising

...

### 8.4 Advised sales

...

#### Personal recommendations

- 8.4.4 R (1) ...
- (2) The *personal recommendation* must be provided:
- (a) on the basis of a fair and personal analysis;
  - (b) in accordance with professional criteria, regarding which *funeral plan contract* would be adequate to meet the *customer's* needs; and
  - (c) unless (3) applies, on the basis of an analysis of a sufficiently large number of *funeral plans* available on the market.
- (3) ...

**Annex B**

**Amendments to the Supervision manual (SUP)**

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

**16 Reporting requirements**

...

**16.12 Integrated Regulatory Reporting**

...

Regulated Activity Group 2.1

...

16.12.8A R ...

<b>Description of <i>data item</i></b>	<b><i>Data item</i> (note 1)</b>	<b>Frequency</b>	<b>Submission deadline</b>
Funeral plan conduct return	<del>FP001</del> <u>FPR001</u>	Quarterly (note 2)	15 <i>business days</i> after the quarter end
Funeral plan financials return: providers	<del>FP003a</del> <u>FPR003a</u>	Half yearly (note 3)	80 <i>business days</i> after the half year end
Note 1	When submitting the completed <i>data item</i> required, a <i>firm</i> must use the format of the <i>data item</i> set out in <del>SUP 16 Annex 50A</del> <u>SUP 16 Annex 50A</u> . Guidance notes for the completion of the <i>data items</i> are set out in <del>SUP 16 Annex 50A</del> <u>SUP 16 Annex 50B</u> .		
Note 2	...		
...			

Regulated Activity Group 9

...

16.12.28A R ...

Description of <i>data item</i>	<i>Data item</i> (note 1)	Frequency		Submission deadline
		Annual regulated business revenue up to and including £5 million	Annual regulated business revenue over £5 million	
...				
Funeral plan distribution activity				
Funeral plan financials return: distributors (note 4)	<del>FPR003b</del> <u>FPR003b</u>	Half yearly (note 5)		80 <i>business days</i>
...				
Note 1	...			
...				
Note 4		When submitting the completed <i>data item</i> required, a <i>firm</i> must use the format of the <i>data item</i> set out in <del>SUP 16 Annex 50B</del> <u>SUP 16 Annex 50B</u> . Guidance notes for the completion of the <i>data item</i> are set out in <del>SUP 16 Annex 50B</del> <u>SUP 16 Annex 50B</u> .		
...				

**16 Annex Funeral Plan  
50AR**

**FPR001 Funeral Plan Providers - Quarterly Conduct Return**

...

FCA 2022/26

Plan Holder Age				Totals			Term length			Regulated Advice			Distribution						
<50	50-54	55-59	60-64	65-69	70-74	75-79	80+	Total Customer Payments (£) (including those due to be received over the whole term)	Payments for > 5 years to 10 years	Payments for > 10 to 20 years	Payments for >= 20 years	% Advised Total Sales	% Total Non-Advised (%)	of which sold Total sales (£) by Authorised Intermediaries	of which sold directly Total sales (£) by Provider	Total Sales (£) by Appointed Representatives where you as Provider are the Principal (i.e. Registered)	Total Sales (£) by Appointed Representatives where an intermediary or other Third party is the Principal (i.e. Registered)		
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T

7 Aggregated sales for the whole of last quarter of plans made with payment terms longer than 12 months

8 Sales of trust backed plans

9 Sales of insurance backed plans

9 Total

10 Please provide the details of the top 5 intermediaries firms of these sales (either Appointed Representatives, directly Authorised intermediaries, or unregulated introducers)

Trust Backed Plans Distribution						
	Firm Name	FRN (if applicable)	No of Sales	Total Payments	Partnership with Firm (Yes/No)	Distribution Category
	A	B	C	D	E	F
1						
2						
3						
4						
5						

11 Please provide the details of the top 5 intermediaries firms of these sales (either Appointed Representatives, directly Authorised intermediaries, or unregulated introducers)

Insurance Backed Plans Distribution						
	Firm Name	FRN (if applicable)	No of Sales	Total Payments	Partnership with Firm (Yes/No)	Distribution Category
	A	B	C	D	E	F
1						
2						
3						
4						
5						

...

22	What was the amount paid to non-employee sales agents i.e commission (£)?	Min	Median	Max	Total
		A	B	C	D

...

**FPR003a Funeral Plan Providers - Half-Yearly Prudential Return**

...

**Part Four: Data required for the calculation of fees**

**Section F: Gross income**

98	Did your financial year end during the current reporting period?	Yes/No
	If Yes, please report your gross income for the latest financial year. This will be used to calculate your periodic (annual) fee.	
99	What was the firm's gross income recognised in the accounts from regulated pre-paid funeral plan activity?	

**Guidance**

98	<u>Did your financial year end during the current reporting period?</u>	<u>Only answer question 99 if your latest financial year ended during the six-month period covered by this return</u>
99	<u>What was the firm's gross income recognised in the accounts from regulated pre-paid funeral plan activity?</u>	<u>The definition is in FEES 4 Annex 11AR, with guidance in FEES 4 Annex 13G Table 1</u>

### **FPR003b Funeral Plan Intermediaries - Half-Yearly Prudential Return**

...

#### **Part Four: Data required for the calculation of fees**

##### **Section F: Gross income**

73	<u>Did your financial year end during the current reporting period?</u>	<u>Yes/No</u>
	<u>If Yes, please report your gross income for the latest financial year. This will be used to calculate your periodic (annual) fee.</u>	
74	<u>What was the firm's gross income recognised in the accounts from regulated pre-paid funeral plan activity?</u>	

##### **Guidance**

73	<u>Did your financial year end during the current reporting period?</u>	<u>Only answer question 74 if your latest financial year ended during the six-month period covered by this return</u>
74	<u>What was the firm's gross income recognised in the accounts from regulated pre-paid funeral plan activity?</u>	<u>The definition is in FEES 4 Annex 11AR, with guidance in FEES 4 Annex 13G Table 1</u>



## Annex C

### Amendments to the Perimeter Guidance manual (PERG)

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

#### 12 Guidance for persons running or advising on personal pension schemes

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#### 12.3 Rights under a personal pension scheme

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**Q17. Regulated activities such as dealing and arranging deals in, and advising on, investments relate to transactions involving the buying or selling of certain specified investments including securities. When will rights under a personal pension scheme be bought or sold so as to trigger these regulated activities?**

The terms ‘bought’ and ‘sold’ are given a wide meaning and include any acquisition or disposal for valuable consideration. The term disposal is also given a wide meaning and, in relation to an investment comprising rights under a contract, includes surrendering, assigning or converting such rights. Taking these facts into account, the circumstances in which rights under a personal pension scheme may be bought or sold include:

...

where the member or his agent instructs the operator to buy assets of any kind either from existing cash holdings or from the proceeds of selling existing assets (since, in switching the assets, the member is converting his rights from an entitlement to benefits from the performance of certain assets to an entitlement to benefits from the performance of other assets - the former rights are sold and the latter are bought); and

[Editor’s note: The Court of Appeal (in the case of Russell David Edward Adams v Options UK Personal Pensions LLP (formerly Options SIPP UK LLP and Carey Pensions UK LLP) and the FCA (as intervenor) ([2020] EWHC 1229 (Ch)) held to be incorrect the view in the preceding paragraph that rights under a pension scheme are being sold and bought if assets held within the scheme are disposed of in order to reinvest in another asset to be held within the scheme. The FCA is considering what changes to PERG are needed to reflect this decision.]

...

**Q20. Can you provide examples of when the regulated activities of advising on and arranging deals in investments are likely to arise in typical situations involving rights under a personal pension scheme?**

...

Scenario - advice given to a member or prospective member of a personal pension scheme on the merits of...	Is the advice likely to be regulated (subject to any exclusion applying)?	Is arranging the transaction to which the advice relates likely to be regulated (subject to any exclusion applying)?
...		
instructing the operator/trustee to obtain a mortgage to purchase a particular commercial property to be held under the PPS	...	...
<p><u>[Editor's Note: The answers to some of the scenarios in this table may be affected by the Adams decision noted in the answer to Q.17]</u></p>		

## Annex D

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

**Commission Delegated Regulation (EU) 2017/653 of 8 March 2017 supplementing regulation (EU) No 1286/2014 of the European Parliament and of the Council on key information documents for packaged retail and insurance-based investment products (PRIIPs) by laying down regulatory technical standards with regard to the presentation, content, review and revision of key information documents and the conditions for fulfilling the requirement to provide such documents**

...

## ANNEX VI

### METHODOLOGY FOR THE CALCULATION OF COSTS

#### PART 1

...

*Treatment of anti-dilution mechanisms*

- (11) ...
- (a) ...
  - (b) ...
  - (c) the anti-dilution benefit shall only be taken into account to the extent that the benefit does not take the total transaction costs below ~~explicit transaction costs~~ zero;

...

- (71) ...
- (a) ...
  - (b) ...
  - (c) ~~for PRIIPs as referred to in point 17 of Annex IV~~ for derivative-based PRIIPs and for UCITS or non-UCITS funds for which PRIIP manufacturers use the key investor information document in accordance with Article 14(2) of this Regulation, the performance shall be 3 %.

...

- (90) The table(s) referred to in Article 5 shall contain an indication of the total costs in monetary and percentage terms for the case that the retail investor invests, respectively 10000 EUR (for all PRIIPs except regular premium insurance-based investment products), or 1000 EUR yearly (for regular premium insurance-based investment products) during different holding periods, including the recommended holding period. ~~The holding periods to be shown are those referred to in points 14 to 16 of Annex IV. Where a product is considered not to have an alternative liquidity facility promoted by~~

~~the PRIIP manufacturer or a third party, or where there is an absence of liquidity arrangements, or for those PRIIPs as referred to in point 17 of Annex IV, that indication of costs may be shown only at maturity or at the end of the recommended holding period. The cost scenarios must be shown using the following holding periods:~~

- (a) For PRIIPs with a recommended holding period between 1 and 3 years, costs shall be shown at 2 different holding periods: at the end of the first year and at the end of the recommended holding period.
- (b) For PRIIPs with a recommended holding period of 3 years or more, costs shall be shown at 3 holding periods: at the end of the first year, after half the recommended holding period rounded up to the end of the nearest year, and at the end of the recommended holding period.
- (c) For PRIIPs with a recommended holding period of 1 year or less, no costs for intermediate holding periods shall be shown.

Where a product is considered not to have an alternative liquidity facility promoted by the PRIIP manufacturer or a third party, or where there is an absence of liquidity arrangements, or for derivative-based PRIIPs, that indication of costs may be shown only at maturity or at the end of the recommended holding period.

...

...

**TP 1 Transitional provisions**

**TP 1.1 Transitional provisions table**

(1)	(2) Material to which transitional provision applies	(3) Transitional provision	(4) Transitional provision: dates in force	(5) RTS provision: coming into force
1.1	Recital 9; Recital 18; Article -1; Article 3; Article 15; Annex I; Annex II; Annex III; Annex IV; <u>Annex 4A</u> ; Annex V; Annex VI	...	...	...

## Annex E

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

**Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format**

...

### *Article 4*

#### **Marking up IFRS consolidated financial statements**

...

- (5) The permitted taxonomies are:
- (a) ...
  - (b) ~~the UKSEF 2022 taxonomy~~ for financial years beginning on or after 1 January 2022;
    - (i) the UKSEF 2022 taxonomy; and
    - (ii) the ESEF 2021 taxonomy.