

HANDBOOK ADMINISTRATION (No 69) INSTRUMENT 2024**Powers exercised**

- A. The Financial Conduct Authority (“the FCA”) makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
 - (a) section 137A (The FCA’s general rules);
 - (b) section 137T (General supplementary powers); and
 - (c) section 139A (Power of the FCA to give guidance); and
 - (2) the other rule and guidance making powers listed in Schedule 4 (Powers exercised) to the General Provisions of the FCA’s Handbook.
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. The parts and Annexes listed in column (1) below come into force on the dates indicated in column (2):

(1)	(2)
Part 1 of Annex E	29 March 2024
Part 1 of Annex A, Annex B, Annex C, part 2 of Annex D and part 2 of Annex E	2 April 2024
Part 3 of Annex D	4 April 2024
Part 2 of Annex A	5 April 2024, immediately after the Data Reporting Services (Amendment) Instrument 2023
Part 1 of Annex D	11 April 2024

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)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B

Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex C
Supervision manual (SUP)	Annex D

Amendments to material outside the Handbook

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

Notes

- F. In the Annexes to this instrument, the notes (indicated by “**Note:**” or “*Editor’s note:*”) are included for the convenience of readers but do not form part of the legislative text.

Citation

- G. This instrument may be cited as the Handbook Administration (No 69) Instrument 2024.

By order of the Board
28 March 2024

Annex A

Amendments to the Glossary of definitions

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

Part 1: Comes into force on 2 April 2024

- group* (1) (except ~~in relation to an ICVC and except for the purposes of SYSC 12 (Group risk systems and controls requirement) and LR as specified in this definition~~) as defined in section 421 of the Act (Group) (in relation to a *person* (“A”)) A and any *person* who is:
- ...
- ...
- (5) (in relation to a *common platform firm*) means the group of which that *firm* forms a part, consisting of a parent undertaking, its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation, as well as undertakings linked to each other by a ~~consolidation article 12(1) relationship~~ consolidation article 12(1) relationship.
- (6) (~~in for the purposes of MCOB, except in MCOB 11.6.3R(1)~~) a group of *MCD creditors* which are to be consolidated for the purposes of drawing up consolidated accounts, as defined in Directive 2013/34/EU on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings. [Note: article 4(6) of the *MCD*]
- ~~(6)~~ (in relation to a *Solvency II firm*) a group of *undertakings* that:
- (7)
- ...
- ...

Part 2: Comes into force on 5 April 2024, immediately after the Data Reporting Services (Amendment) Instrument 2023

- working day* (1) (in ~~PRR, COMP~~ and *MAR* 9) (as defined in section 103 of the Act) any day other than a Saturday, a Sunday, Christmas Day, Good Friday or a day which is a bank holiday under the Banking and Financial Dealings Act 1971 in any part of the *United Kingdom*.
- ...

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

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

19G MIFIDPRU Remuneration Code

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19G.5 Application of remuneration requirements to material risk takers

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Exemption for individuals

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19G.5.12 G ...

- (2) The effect of SYSC 19G.5.11R is illustrated by the following example:

An individual ('X'), becomes a material risk taker 6 months into the firm's performance period. X receives annual fixed remuneration of £900,000. This means X will receive £450,000 for the 6 months of the performance period for which X is a material risk taker. X receives variable remuneration of £100,000 in respect of the first 6 months. X falls below the thresholds in SYSC 19G.5.9R because X's variable remuneration of £100,000 is:

- (a) less than the £167,000 threshold in ~~SYSC 19G.5.9R(1)~~ SYSC 19G.5.9R(1)(a), and
- (b) less than one-third of the £450,000 fixed remuneration received (which would be £150,000) for the purposes of ~~SYSC 19G.5.9R(2)~~ SYSC 19G.5.9R(1)(b).

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Annex C

Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)

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

4 Advising and selling standards

4.1 Application

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What?

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- 4.1.7 G ~~If a firm is an authorised professional firm, when the firm conducts non-mainstream regulated activities with a customer, the only initial disclosure requirements that apply are those relating to the *Financial Ombudsman Service* and the *FSCS* (see *MCOB 1.2.10 R(3)*): [deleted]~~

...

Annex D

Amendments to the Supervision manual (SUP)

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

Part 1: Comes into force on 11 April 2024

12 Appointed representatives

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12 Annex Appointed representative appointment form 3R

This annex consists of only one form. Forms can be completed online now by visiting: www.fca.org.uk/firms/authorisation

The form can also ~~to~~ be found through the following address: -

Add an appointed representative or tied agent form - SUP 12 Annex 3

[Editor's note: Insert link to form]



Add an appointed representative or tied agent form

Notification under *SUP 12.7.1R* ([i.e.](#) the form in *SUP 12 Ann 3R*)

...

Declaration and signatures

Section C

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Declaration[†]

By submitting this notification:

- I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.
- I/we confirm that I/we have complied with all of my/our regulatory obligations as a principal, including those contained in the Financial Services and Markets Act 2000 and SUP 12.

- I/we confirm that, prior to the commencement of any regulated activities by the appointed representative, I/we will have a written agreement in place with the appointed representative that complies with the requirements set out in section 39(1)(a) of the Financial Services and Markets Act 2000 and SUP 12.5, and that I/we will have, in accordance with section 39(1)(b) of the Financial Services and Markets Act 2000, accepted responsibility in writing for the regulated activities that the appointed representative will be permitted or required to carry on under the written agreement.
- I am/we are aware that it is a criminal offence knowingly or recklessly to give the FCA information that is false or misleading in a material particular.
- I/we will notify the FCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.

...

Part 2: Comes into force on 2 April 2024

...

16 Reporting requirements

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16.29 MIFIDPRU Remuneration Report

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Reporting requirement

16.29.3 R A *firm* to which this section applies must submit the MIFIDPRU Remuneration Report:

...

(2) in accordance with the instructions in ~~SUP 16 Annex 51G~~ SUP 16 Annex 52G; and

...

...

Part 3: Comes into force on 4 April 2024

**16 Funeral Plan
Annex
50AR**

...

Funeral Plan Providers – Half-Yearly Prudential Returns (FPR003a)

[Editor's note: Insert link to form]

FPR003a Funeral Plan Providers - Half-Yearly Prudential Return

...

Part Three: Regulatory Capital

Section C: Core Capital Resources Requirement

(as at the firm's most recent accounting reference date)

76 Annual income

B

'Annual income' is the total income (revenue) accrued by the firm during the 12 months prior to the accounting reference date as given in the firm's most recent audited annual financial statement from the firm's ~~relevant~~ regulated and unregulated activity or activities.

...

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Funeral Plan Intermediaries – Half-Yearly Prudential Returns (FPR003b)

[Editor's note: Insert link to form]

FPR003b Funeral Plan Intermediaries - Half-Yearly Prudential Return

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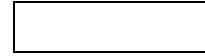
Part Three: Regulatory Capital

Section C: Core Capital Resources Requirement

(as at the firm's most recent accounting reference date)

52 Annual income

B



'Annual income' is the total income (revenue) accrued by the firm during the 12 months prior to the accounting reference date as given in the firm's most recent audited annual financial statement from the firm's ~~relevant~~ regulated and unregulated activity ~~or~~ activities.

...

...

Annex E

Amendments to the Perimeter Guidance manual (PERG)

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

Part 1: Comes into force on 29 March 2024

8 Financial promotion and related activities

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8.14 Other financial promotions

...

High net worth individuals (article 48)

...

8.14.22 G A high net worth individual is an individual who has completed and signed a statement in the form prescribed in Part I (High net worth individual investor statement) of Schedule 5 to the *Financial Promotion Order* and whose completion of that statement indicates that they satisfy the conditions set out in the statement to be classified as a high net worth individual. This requires the individual to certify that they have earned at least ~~£170,000~~ £100,000 (not including any one-off pension withdrawals) or have held net assets to the value of ~~£430,000~~ £250,000 or more in the financial year before the date of the certificate and to specify certain supporting information. Where the *financial promotion* is an outgoing electronic commerce communication, the earnings or net assets may be of an equivalent amount in another currency. For the exemption to apply, the certificate must have been completed and signed within twelve months of the date on which the communication is made. The validity of the statement is not affected by a defect in its wording or form provided the defect does not alter its meaning or involve failure to place certain paragraphs in bold.

8.14.22A G Until 30 January 2025, a high net worth individual includes an individual who has completed and signed a statement in the form prescribed in Part I (High net worth individual investor statement) of Schedule 5 to the *Financial Promotion Order*, as that Part was in force during the period from 31 January 2024 to 26 March 2024 (the 2024 form). A statement in the 2024 form has no effect for any purpose after 30 January 2025. This means that, after 30 January 2025, any individual who has completed and signed a statement in the 2024 form may not be considered a high net worth individual.

[Note: Article 5 of the Financial Services and Markets Act 2000 (Financial Promotion) (Amendment and Transitional Provision) Order 2024]

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Sophisticated investors (articles 50 and 50A)

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8.14.28B G A self-certified sophisticated investor is an individual who has completed and signed a statement in the form prescribed in Part II (Self-certified sophisticated investor statement) of Schedule 5 to the *Financial Promotion Order* and whose completion of that statement indicates that they satisfy the conditions set out in the statement to be classified as a self-certified sophisticated investor. This requires the individual to certify that one or more of the following statements apply to them and to specify certain supporting information:

...

(4) they have been in the two years prior to that date, a director of a *company* with an annual turnover of at least ~~£1.6~~ £1 million; or

(5) they have made two or more investments in an unlisted *company* in the two years prior to that date.

8.14.28B G Until 30 January 2025, a self-certified sophisticated investor includes an individual who has completed and signed a statement in the form prescribed in Part II (Self-certified sophisticated investor statement) of Schedule 5 to the *Financial Promotion Order*, as that Part was in force during the period from 31 January 2024 to 26 March 2024 (the 2024 form). A statement in the 2024 form has no effect for any purpose after 30 January 2025. This means that, after 30 January 2025, any individual who has completed and signed a statement in the 2024 form may not be considered a self-certified sophisticated investor.

A

[Note: Article 5 of the Financial Services and Markets Act 2000 (Financial Promotion) (Amendment and Transitional Provision) Order 2024]

...

Part 2: Comes into force on 2 April 2024

16 Scope of the Alternative Investment Fund Managers Regime

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16.5 How AIFMD affects other regulated activities

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Examples

Question 5.5: Please give me some examples of how the regulated activities specific to AIFs interact with other regulated activities.

...

Part 1: Examples of how the <i>regulated activities</i> specific to <i>AIFMs</i> interact with other <i>regulated activities</i>	
Example	Explanation of interaction with other <i>regulated activities</i>
...	
(11) Same as (11) (10). Then A resigns as manager.	Same answer as (10). B may carry on its activities for 30 days while a new <i>AIFM</i> is put in place. That 30-day period may be extended in certain circumstances.
...	

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