



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Consultation Paper | FCA CP14/31**
| PRA CP28/14

Strengthening accountability in banking: forms, consequential and transitional aspects

December 2014

We are asking for comments on this Consultation Paper by 27 February 2015 (this is a 10 week consultation period).

You can send them to us in writing to:

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Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

You can download this Consultation Paper from our website: www.fca.org.uk.

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This Consultation Paper proposes changes to the PRA Rulebook.

Please address responses, comments or enquiries by 27 February 2015 (this is a 10 week consultation period) to:

CP28_14@bankofengland.co.uk

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Abbreviations used in this document

APER	Statements of Principle and Code of Practice for Approved Persons (Handbook)
APR	Approved Persons Regime
AR	Appointed Representative
Banking Reform Act	Financial Services (Banking Reform) Act 2013
CBA	Cost Benefit Analysis
C-CON	Conduct Rules
CF	Controlled Function
CP	Consultation Paper
CRD	Capital Requirements Directive
EEA	European Economic Area
FCA	Financial Conduct Authority
FIT	The Fit and Proper Test for Approved Persons (Handbook)
FSA	Financial Services Authority
FSMA	Financial Services and Markets Act 2000
G10	Group of Ten
HMT	HM Treasury
LIBOR	London Interbank Offered Rate
PCBS	Parliamentary Commission on Banking Standards
PPI	Payment Protection Insurance
PRA	Prudential Regulation Authority
RAPs	Relevant Authorised Persons
RIA	Retail Investment Advisor
RDR	Retail Distribution Review
SID	Senior Independent Director
SIF	Significant Influence Function
SMF	Senior Management Function
SMR	Senior Managers Regime
SUP	Supervision manual (Handbook)
SYSC	Senior Management Arrangements, Systems and Controls (Handbook)

1 Overview

Introduction

- 1.1. This consultation paper sets out the consequential changes and transitional arrangements required following our previous consultation in July (the July CP)¹. It should be read in conjunction with the July CP, which proposed changes to the way individuals are assessed and held accountable for the roles they perform in UK banks, building societies, credit unions and PRA-designated investment firms² (collectively referred to throughout this CP as 'relevant firms'). The proposals are intended to create a new framework to encourage individuals to take greater responsibility for their actions, and will make it easier for both firms and regulators to hold individuals to account.
- 1.2. Both the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) ('the regulators') believe that holding individuals to account is a key component of effective regulation.
- 1.3. The timing of the introduction of the new accountability regime will be announced by the Treasury shortly.
- 1.4. The regulators received a number of responses to the proposals in the July CP. The regulators are considering these points carefully and will respond as soon as possible. In this document the FCA and PRA are consulting on some important consequential rules to the July CP. This is being done now in order to give firms an early indication of our thinking, and opportunity to comment. This document should not be read as a response to the July CP, or as indicating a particular direction of travel. The proposals in this CP may be subject to change, either as a consequence of responses to this CP itself, or to the July CP, from which these proposals derive.
- 1.5. This CP sets out proposals for the changes to the wider Handbook and Rulebook as a result of the proposals in the July CP, transitional arrangements for relevant firms and affected individuals, and the necessary forms for the implementation of the regime. It should be considered in the context of the proposals consulted on in the July CP.
- 1.6. The proposals in this CP, together with those set out in the July CP, reflect the recommendations of the final report of the Parliamentary Commission on Banking

¹ FCA CP14/13 and PRA CP14/14: Strengthening accountability in banking: a new regulatory framework for individuals, published on 30 July 2014
<http://www.fca.org.uk/news/cp14-13-strengthening-accountability-in-banking>
<http://www.bankofengland.co.uk/pr/Pages/publications/cp/2014/cp1414.aspx>

² For information on the PRA's designation criteria for investment firms see Statement of Policy: Designation of investment firms for prudential supervision by the Prudential Regulation Authority:
www.bankofengland.co.uk/publications/Documents/other/pr/designationofinvestmentfirms.pdf

Standards (PCBS), *Changing Banking for Good*³, and implement changes required by amendments which the Financial Services (Banking Reform) Act 2013⁴ made to the Financial Services and Markets Act 2000 (FSMA). These changes are significant and include:

- A new 'Senior Managers Regime' (SMR) for individuals who are subject to regulatory approval, which will require firms to allocate a range of responsibilities to these individuals and to regularly vet their fitness and propriety. This will focus accountability on a narrower number of senior individuals in a firm than the current Approved Persons Regime (APR).
- A 'Certification Regime' which will require relevant firms to assess the fitness and propriety of certain employees who could pose a risk of significant harm to the firm or any of its customers.
- A new set of 'Conduct Rules'⁵

1.7. Individual accountability will be enhanced through a range of measures, including identifying the senior individuals who run banks and clarifying their specific responsibilities, the introduction of a legislative presumption that they should be held accountable if they fail to act reasonably in discharging those responsibilities and expanding the population in relevant firms subject to rules of conduct. This should have a positive impact on individual behaviour and the general culture within firms which, should, in turn, contribute to the advancement of both regulators' objectives.

1.8. The PRA and FCA work closely together when approving individuals and supervising firms' governance arrangements and it is important to consider the overall effect of their combined regimes. For that reason, the PRA and FCA have chosen to set out their respective proposals for consultation in a single document.

Who does this consultation affect?

1.9. Due to the consequential changes proposed in Chapter 4, this consultation is relevant to all firms authorised under the Financial Services and Markets Act (FSMA). It does not take into account the changes proposed in the FCA and PRA's recent consultations on implementing Solvency II⁶. Transitional arrangements, forms, and

³ <http://www.parliament.uk/business/committees/committees-a-z/joint-select/professional-standards-in-the-banking-industry/news/changing-banking-for-good-report/>

⁴ <http://www.legislation.gov.uk/ukpga/2013/33/section/23/enacted>

⁵ The word 'conduct' in these rules relates to professional conduct in the ordinary, wider sense, i.e. it is not limited to conduct of business and includes activities relevant to the PRA as well as the FCA.

⁶ The regulators published their proposals for reforming the Approved Persons Regime for Solvency II insurers on 26 November 2014:
<http://www.bankofengland.co.uk/pr/Pages/publications/cp/2014/cp2614.aspx>
<http://www.fca.org.uk/news/cp1425-changes-to-the-approved-persons-regime-for-solvency-ii-firms>

consequential changes related to these changes will be dealt with in a separate consultation exercise.

1.10. The regulators will consult on the position of non-directive insurance firms in due course, and in advance of the commencement for these firms of the Banking Reform Act provisions.

1.11. The transitional arrangements set out in Chapter 2 and the forms described in Chapter 3 and annexed to this CP apply primarily to relevant firms and will affect both the relevant firms and a large number of individuals in those firms, including, but not limited to, all their existing approved persons. The consequential arrangements in Chapter 4 are relevant to all other FSMA-authorized firms and to their existing approved persons. However it should be noted that:

- Consequential and transitional changes which only affect insurers are not covered in this CP; these will be addressed in subsequent consultations.
- This consultation includes an amendment to SYSC 18.2.3 concerning fitness and propriety in the context of whistleblowing. The FCA and PRA intend to publish a consultation about whistleblowing during 2015.

1.12. The proposals that the regulators are consulting on do not apply to UK branches of relevant firms that are headquartered overseas, therefore these establishments are non-relevant firms for the purposes of this consultation. However, the Treasury is currently consulting on draft legislation to bring such firms within the scope of the reformed accountability regime.⁷ The regulators will consult on the application of the regime to these branches (including transitional arrangements, forms and consequential changes) in due course.

Is this of interest to consumers?

1.13. This consultation will primarily be of interest to firms and individuals who work in them.

Context of proposals

1.14. The July CP sets out the context of the proposals in this CP (see paragraph 1.1).

Competition

1.15. The regulators do not consider these proposals – which relate primarily to the arrangements for transitioning to the regime and the detail of the notifications and

⁷ HMT consultation: Regulating individual conduct in banking: UK branches of foreign banks, published on 17 November 2014
<https://www.gov.uk/government/consultations/regulating-individual-conduct-in-banking-uk-branches-of-foreign-banks>

applications that firms will have to make when it is in operation – are likely to have any adverse impact on effective competition.

Equality and diversity considerations

1.16. Both regulators have considered the equality and diversity issues that may arise from the proposals in this CP. Overall, the regulators do not consider that the proposals in this CP raise concerns with regards to equality and diversity issues. The regulators do not consider that the proposals in this consultation result in direct discrimination for any of the groups with protected characteristics, i.e. age, disability, gender, pregnancy and maternity, race, religion and belief, sexual orientation and transgender.

Next steps

1.17. The regulators are seeking feedback on the proposals set out in this CP.

1.18. The PRA is seeking feedback on:

- all PRA and joint PRA/FCA questions in the main body of the CP and in Annex 5
- the draft PRA rules in Appendix 2

1.19. The FCA is seeking feedback on:

- all FCA and joint PRA/FCA questions in the main body of the CP and as listed in Annex 5, and
- the FCA draft instrument at Appendix 1

1.20. Responses should be received by 27 February 2015 (this is a 10 week consultation period).

What do you need to do next?

1.21. Please send your responses to: both regulators at the following addresses: CP28_14@bankofengland.co.uk and cp14-32@fca.org.uk. The regulators will share responses with each other and publicly, unless you specifically ask for them to remain confidential.

What will we do?

1.22. The PRA and FCA each plan to publish final rules on the regime in 2015.

2 Transitional arrangements

Overview

- 2.1. The Banking Reform Act does not set out how individuals approved under the existing Approved Persons Regime should transition to the new accountability regimes. Before the existing regime is replaced, the Treasury will adopt a statutory instrument to provide for the grandfathering of existing approved persons and for the regulators to specify transitional arrangements. The Treasury envisages that the PRA and the FCA will specify the detail of the transitional arrangements, including how individuals in existing approved persons roles will be grandfathered to the new Senior Managers Regime.
- 2.2. The outcomes described in this chapter would be delivered through a combination of the statutory instrument and the proposed rules, directions or other specifications, guidance and supervisory statements made by the PRA and FCA. The regulators' proposals and draft rules in Appendices 1 and 2 assume that the Treasury's statutory instrument will enable the regulators to implement the proposals. Only major changes to what is discussed in this chapter would trigger a need to re-consult.
- 2.3. It is expected that the Treasury will commence the relevant provisions of Part 4 of the Banking Reform Act so that:
- The new regime for senior managers in relevant firms, including enhanced enforcement powers, takes effect on an appointed date (the Commencement date)
 - The conduct rules will apply to senior managers and persons within the certification regimes from the same date
 - The requirement in section 63E(1) of FSMA to issue certificates under section 63F FSMA will commence on a subsequent date to be appointed by the Treasury
- 2.4. This CP does not seek views on that approach to commencement, which is not a matter for the regulators to decide.

The Senior Managers Regime

Grandfathering existing approvals

- 2.5. The regulators indicated in the July CP that they expect any individual currently approved to perform a significant influence function (SIF) in a relevant firm, who will be performing a corresponding senior management role under the new regime, to be eligible to be 'grandfathered' into that new role. This remains the intention of the Treasury and the regulators.
- 2.6. This means that an individual who has been authorised under the current Approved Persons Regime and who is not substantively changing their role would not

need to apply for a fresh approval for the appropriate Senior Management Function (SMF), provided that a notification is submitted to the appropriate regulator, by the deadline for notifications, setting out which SMFs will be performed by the individual. For example, someone currently approved as a Chief Executive (CF3) would not need to apply for re-approval as SMF1 if they continue to perform that role and the firm submits the appropriate notification on time.

2.7. The regulators propose that existing approvals will be eligible to be grandfathered in accordance with the table below. The first column shows existing controlled functions. The second and third columns show the set of Senior Management functions which a person performing the controlled function in the first column could be eligible to transition into. The intention is not that each person in column 1 would be approved for every corresponding function in columns 2 and/or 3. The table sets out the maximum possible range of functions that can be grandfathered for each specified controlled function. Additionally, the table is not intended to suggest that a function in column 2 necessarily overlaps with a function in column 3.

All relevant firms except small credit unions ⁸		
Current Controlled Function	Potential corresponding PRA Senior Management Functions	Potential corresponding FCA Senior Management Functions
Director (CF1) Partner (CF4) Director of unincorporated association (CF5)	Chief Finance function (SMF2) Chief Risk function (SMF4) Head of Internal Audit (SMF5) Head of Key Business Area (SMF6) Group Entity Senior Manager (SMF7)	Executive Director (SMF3)

⁸ For the purposes of the proposed new regimes, a small credit union is defined as having average total gross assets of £25 million or less determined across a rolling period of five years (see draft definition in PRA Glossary at Annex 7.1 of PRA CP14/14).

Non-executive director (CF2)	Group Entity Senior Manager (SMF7) Chairman (SMF9) Chair of the Risk Committee (SMF10) Chair of the Audit Committee (SMF11) Chair of the Remuneration Committee (SMF12) Senior Independent Director (SMF14)	Chair of the Nominations Committee (SMF13) Non-executive Director Function (SMF 15)
Chief executive (CF3)	Chief executive (SMF1)	
Compliance oversight (CF10)		Compliance oversight (SMF16)
Money laundering reporting (CF11)		Money laundering reporting (SMF17)
Systems and controls (CF28)	Chief Finance function (SMF2) Chief Risk function (SMF4) Head of Internal Audit (SMF5)	
Significant management (CF29)	Head of Key Business Area (SMF6) Group Entity Senior Manager (SMF7)	Significant Responsibility SMF (SMF18)
Small credit unions		
Current Controlled Function	PRA Senior Management Functions	FCA Senior Management Functions
Director (CF1)	Credit Union Senior Manager (SMF 8)	Executive Director (SMF3)

Non-executive director (CF2)	Credit Union Senior Manager (SMF 8)	Non-executive Director Function (SMF 15) Chair of Nominations Committee (SMF13)
Chief executive (CF3)	Chief Executive (SMF1) Credit union Senior Manager (SMF8)	

2.8. Grandfathering will only apply for the Controlled Functions and corresponding Senior Management Functions listed in the table. For all other Controlled Functions, prior regulatory approval will no longer be required and existing approvals will lapse when the new regime begins. Such individuals may become part of the PRA and/or FCA Certification Regimes

2.9. The Treasury and the regulators intend that:

- a. A person will only be grandfathered into a new function if he or she is performing the corresponding role under the existing regime on the date of the notification to the regulators (see below) and on the date the regime comes into force.
- b. If the result of the grandfathering would otherwise be that a person is approved for both an FCA governing function and for a PRA Controlled Function, the FCA function does not apply and the PRA function is widened to cover the FCA function. This is in accordance with the FCA's draft SUP 10C and the draft Senior Management Functions Part of the PRA Rulebook.

2.10. Some examples of how this would work are as follows:

- An individual currently approved as CF28 (Systems and Controls function) who is acting as Chief Risk Officer at the date of notification will be eligible to be grandfathered on commencement into the SMF4 Chief Risk function (but would not be able to be grandfathered into the SMF2 Chief Finance Function because he or she is not performing the finance role under the existing regime).
- A current CF1 (Director) will not become an SMF3 (Executive Director) if they are grandfathering to a new PRA function; instead the PRA function would be widened to cover their SMF3 role, in line with the general treatment of overlapping functions described in the July CP.

2.11. To allow grandfathering to take place, firms will need to submit a notification to the regulators. A grandfathering notification form has been designed for this purpose (details of which can be found in Chapter 3). Submission of the form will be through the existing Connect system initially, with any subsequent changes submitted via a paper form. The notification should describe how their firm's existing approvals should transition to the new regime. The notifications must be accompanied by a:

- a. Statement of Responsibilities template for each individual who will be performing a Senior Management Function, setting out key

responsibilities the person will hold at the firm, as an attachment to the grandfathering notification form.

- b. Management Responsibilities Map, showing how all the key responsibilities will be allocated across the firm. More detail on the grandfathering notification form and the Statement of Responsibilities template is set out in Chapter 3.

- 2.12. The regulators propose that firms should update the regulators on a paper version of the grandfathering notification form submitted via a dedicated grandfathering inbox if there are changes to any relevant information after the firm has sent in a grandfathering notification and before the new Senior Managers Regime has begun. For example, a firm will need to notify the regulators if an approved person leaves the firm, changes their name, or changes job in a way that will affect the function into which they will be grandfathered, e.g. if they move from Chief Risk function to Head of Internal Audit.
- 2.13. At the point of transition to the new regime, firms will not be required to obtain references or criminal records checks for individuals who are being grandfathered into Senior Management Functions. However, the requirement to obtain regulatory references and criminal records checks will apply for grandfathered persons if they subsequently apply to perform a different Senior Management Function.
- 2.14. The Statement of Responsibilities template and Management Responsibilities Map should be updated if there are any changes between the date of submission and the date of commencement for the new Senior Managers Regime.

Grandfathering applications made before commencement

- 2.15. A firm may continue to apply for approval for individuals under the current APR between the date the rules are made and the point that the new regime comes into force on the commencement date.
- 2.16. One possible outcome of such an application is that the application is approved before the new regime begins. Where this is the case the individual will be grandfathered in accordance with the approach set out in the section above. This also applies to applications made before the rule-making date and approved before the commencement date. Firms will be required to notify the regulators of any new or pending applications for approval on the grandfathering form. Such applications for approval before the commencement date will be determined in accordance with the regulators' existing FIT requirements. Firms will not be required to obtain regulatory references or undertake a criminal records check in these circumstances.

In-flight applications

- 2.17. Another potential outcome of an application made in the run-up to commencement is that the application for approval is not determined until after the commencement date. Such applications are referred to here as 'in-flight applications'. The proposed approach to in-flight applications is that they will be treated as if they

had been made for the equivalent Senior Management Function under the new regime. The mapping of old to new functions for in-flight applications will be the same mapping as set out in the table at 2.7 above. This approach will mean that firms will be required to update the application to make clear which Senior Management Function will be performed.

2.18. The regulators propose that the updated application will need to be accompanied by a Statement of Responsibilities and a Management Responsibilities Map. It is proposed that in-flight applications will be determined in accordance with the regulators' new fit and proper requirements. The regulators' proposed requirements are set out in the draft Fitness and Propriety Part of the PRA Rulebook, and in the FCA amendments to FIT, both of which were consulted on in the July CP.

2.19. It is proposed that the new regulatory reference requirements would apply only to applications for approval made after the commencement of the Senior Manager Regime. Firms would not be required to request regulatory references for in-flight applications but would be encouraged to use the existing rules on references in SUP 10A and SUP 10B to satisfy themselves fully of the candidate's fitness. However, firms will be required to undertake a criminal records check.

2.20. It is proposed that the statutory time period for determining applications will continue to run for any in-flight applications: the clock will not restart at the commencement date. However, just as is the case for current applications for approval, the clock will stop while the PRA or FCA is waiting to receive any additional information that it has requested to determine the application under the new regime. An example of this is the obligation to update information on the Statement of Responsibilities template and Management Responsibilities Map as referred to in 2.14.

2.21. There may be cases where the firm does not know if an application will be determined by the PRA or FCA before the commencement date. This will mean that the firm does not know if the application will be subject to grandfathering or be treated as an in-flight application. The PRA and FCA propose that firms should make a combined application and grandfathering notification which would cover both eventualities. The application would be submitted using the relevant Approved Person form (typically Form A or E), with a notification either included in the Connect grandfathering notification form, or, if this has already been submitted, made on a paper version of the grandfathering notification form via email to the dedicated grandfathering inbox, detailing how such applications will map onto the new functions. The table below summarises the additional information firms will need to provide for grandfathered individuals and in-flight applications.

	Grandfathered persons	In-flight applications
Criminal record checks	No	Yes
References	No	No
Statements of responsibilities	Yes	Yes

- 2.22. For a period of time before the commencement of the new Senior Managers Regime, the regulators propose to make the new forms available to permit a firm to apply for the new functions on the basis that any decision on those applications can take effect no earlier than the commencement date. These applications will be assessed as having been made under the new regime, and must meet its requirements.
- 2.23. The statutory clock will not start on such an application until after the regime begins on the commencement date to be appointed by the Treasury.
- 2.24. Firms will not be required to make applications for approval to perform the new functions between the rule-making date and the commencement date. Instead, firms may make an application to perform the existing Controlled Functions right up to the day before the Senior Managers Regime begins. Such applications will need to be accompanied or supplemented by a (revised) grandfathering notification in order to be grandfathered on the commencement date or treated as an in-flight application as described above. The grandfathering notification form will include a prompt for firms to notify grandfathering details of any pending applications for approval.
- 2.25. It is expected that the Treasury legislation will provide that any applications assessed under the new regime as new applications or in-flight applications may be subject to conditional approval or time limits under powers granted to the regulators under the Banking Reform Act.

Q1: [PRA and FCA]: Do you agree with the PRA and FCA's proposed approach to grandfathering existing approved persons into Senior Management Functions?

The Certification Regime

- 2.26. Firms will need to certify at least annually, that employees performing Certification Functions are fit and proper, regardless of whether they were performing the role before the Certification Regime coming into force, or were approved by the PRA or FCA to perform a similar role under the Approved Persons Regime. Firms will be required to issue certificates by the date specified for the commencement of section 63E(1) FSMA, and these will be valid for 12 months from the date they are issued. The PRA and FCA expect the Treasury's commencement of section 63F FSMA to allow firms to issue certificates before the commencement of section 63E(1) to enable preparation to meet this requirement.
- 2.27. However, the regulators propose that the requirement to obtain references from previous employers would not apply in relation to employees who are already performing the role at the point at which it becomes a Certification Function.

Applications during the transitional period for Controlled Functions that will no longer require pre-approval following commencement

- 2.28. Firms may wish to plan their recruitment activities during the transitional period to take into account the processes set out above, and whether the applicant will be carrying on a Senior Management or Certification Regime role after commencement.
- 2.29. Firms may want to take note of the three month statutory deadline for determining applications when considering making an application during the months

leading up to commencement. For SIF roles, in cases where the appointment fill a vacancy that could not reasonably have been foreseen, PRA and FCA rules currently allow firms to appoint someone into a role without approval for 12 weeks where there is an unexpected need to do so. Any approval application for a role that will not require regulatory pre-approval following commencement that has not been granted by the commencement date will lapse.

Conduct rules

- 2.30. Consistent with the proposals in the July CP, the regulators propose to require Senior Managers and those within the Certification Regime to be subject to the Conduct Rules from the date of commencement of the Senior Managers Regime. This will mean that, before commencement, firms will need to have identified those employees who will be within the Certification Regime, and to have trained these individuals, and all the firm's senior managers, on the Conduct Rules and how they relate to their role.
- 2.31. For those individuals in scope of the Conduct Rules who are outside the Senior Managers and Certification Regimes, the FCA has powers to apply the conduct rules at a date after they apply to the Senior Managers and those within the certification regime, which we will confirm before making the final rules.

3 Forms

- 3.1. This chapter sets out proposed new forms and explains how they would be used, and proposes updates to existing forms.

New forms

- 3.2. The PRA and FCA have produced new template forms reflecting the new statutory and regulatory requirements of the Senior Managers Regime as well as in relation to the notification of conduct rules breaches by, and disciplinary action taken against, individuals approved by the FCA or PRA as Senior Managers, individuals covered by the FCA or PRA's certification regime and, in the case of the FCA, other employees (other than ancillary staff). The proposed new forms listed below can be found in Appendix 3.

New Forms/Templates	Use
Form H	Notifications of conduct rules breaches and disciplinary action relating to FCA certification employees and other conduct rules staff
Form I	Application for the variation of a conditional approval for the performance of a senior management function
Form J	Notification of significant changes in responsibilities of a senior management function manager
Form K	Grandfathering Notification Form
Form L	Notifications of breach of conduct rules and related disciplinary action for PRA certification employees
Template	Statement of Responsibilities

Statements of Responsibilities

- 3.3. Section 60(2A) of FSMA (as amended) introduces a requirement for applications for approval to perform a Senior Management Function in a relevant firm 'to contain, or be accompanied by, a statement setting out the aspects of the affairs of the authorised person concerned which it is intended that the person will be responsible for managing in performing the function' (known as a Statement of Responsibilities). The regulators have created a template for the Statement of Responsibilities.
- 3.4. Section 62A of FSMA requires firms to submit a revised Statement of Responsibilities whenever there is a significant change in the responsibilities of a senior manager. The PRA and FCA have created a simple form for the notification of significant changes to Statement of Responsibilities of a Senior Management Function (Form J). Form J must be accompanied by the revised Statement of Responsibilities.

- 3.5. The statutory requirement for Statements of Responsibilities implements a key PCBS recommendation to ensure that 'the key responsibilities within banks are assigned to specific individuals who are aware of those responsibilities and have formally accepted them'.
- 3.6. The template requires firms to identify which prescribed responsibilities and key functions they have allocated to a candidate. The form also includes some free text boxes to enable the firm or candidate to:
- provide further details about relevant prescribed responsibilities and key functions, in particular where they are shared or divided with other senior manager(s)
 - include additional responsibilities not covered in the regulators' rules
 - provide additional relevant information.
- 3.7. The PRA and FCA view it as essential to ensure that Statements of Responsibilities are as clear and succinct as possible. These documents must be self-contained, and must not cross refer to or include other documents, attachments or links.
- 3.8. As part of this, any free text that firms may choose to add:
- must not dilute, qualify or undermine the responsibilities prescribed or required by the regulators
 - should be justified and seek to serve a useful regulatory purpose, namely to clarify the nature and extent of a senior manager's responsibilities
- 3.9. Where firms add additional responsibilities to those prescribed or required by the regulators, these responsibilities should be presented in a similar format and length to the PRA Prescribed Responsibilities, i.e. each responsibility should be described ideally in no more than two sentences with up to approximately 300 words of accompanying explanatory text. The regulators view this as important in order to avoid unnecessary, qualifying or superficial text.
- 3.10. The ultimate aim of Statements of Responsibilities is to list clearly all areas for which a senior manager is responsible. Where, in the opinion of the regulators, a statement fails to do so due to its length, complexity or lack of clarity, or where the regulators believe that the wording dilutes or limits accountability, without that accountability being clearly assigned to another Senior Manager, the regulators may require the firm to revise and resubmit it, which may delay the granting of approval to the prospective senior manager.
- 3.11. Firms should also note that the PRA's Prescribed Responsibilities include responsibility 'for the performance by the firm of its obligations under the SMR, including implementation and oversight' and for the 'allocation of all prescribed responsibilities'. Consequently, if a firm submits unduly complex or unclear Statements of Responsibilities, the senior manager(s) responsible for the above responsibilities could be asked to justify the rationale for the length and complexity of the statement.

PRA application and notification rules

- 3.12. In the July CP, the FCA consulted on changes to the application provisions in SUP10A. Appendix 2.1 of this CP sets out the PRA's Application and Notifications

provisions for individuals in scope of the Senior Managers Regime. These provisions will replace the current directions in SUP10B.

Q2: [PRA and FCA]: do you agree with the regulators' proposed Statement of Responsibilities template and the Significant Change of Responsibilities form?

Q3: [PRA]: Do you agree with the PRA proposed approach to applications and notifications for persons in scope of the Senior Managers regime?

Notification of Conduct Rule breaches

- 3.13. In the July CP, the PRA and FCA proposed that notifications of conduct rule breaches and related disciplinary action by relevant persons under sections 64B(5) and 64C of FSMA should be made:
- where the breach or suspected breach of the Conduct Rule is by a senior manager, no later than seven business days of the firm becoming aware of the matter
 - for all other relevant persons, on a quarterly basis, with firms compiling an aggregated list of the actual or suspected individual breaches, the identities of those to whom the notification relates and disciplinary action that they need to report for that quarter
- 3.14. The PRA is now proposing that the seven day deadline should also apply to notifications relating to employees performing certification functions specified by the PRA.
- 3.15. To facilitate these notifications, the PRA has created a new form (Form L for the notification of suspected or actual breaches of Conduct Rules by a material risk taker (other than a senior manager) and related disciplinary action by the firm. The content of this form largely mirrors that in the relevant revisions to Form D (which are summarised further below) but has been modified to reflect the fact that it will cover employees in the Certification Regime who are not on the regulators' systems or the public Register.
- 3.16. This means the new form for quarterly notifications of breaches for FCA certification employees and other conduct rules staff (Form H) will be an FCA only form.
- 3.17. The PRA acknowledges that this may result in a requirement for firms to provide separate notifications to the PRA and FCA at different times. However, in the PRA's view the additional costs should be minimal as firms will have already become aware of the matter. This will allow the PRA to receive prompt notification of Conduct Rule breaches by employees capable of having a material impact on a firm's risk profile or the stability of the financial system. The information in these notifications will be available to the FCA in accordance with the existing Memorandum of Understanding between the FCA and PRA. The FCA could take action as a result of a notification to the PRA.
- 3.18. The FCA is also aware that PRA's proposed change would result in some duplicate notifications on material risk takers being submitted to both regulators at different times. The FCA will consider its proposed policy (as set out in the July CP) further, in light of feedback to both the July CP and this consultation.

Q4: [PRA]: do you agree with the PRA's proposed revised approach to receiving notifications of Conduct Rule breaches, including Form L?

Q5: [FCA]: do you have any comments on the FCA's proposed form for quarterly notifications of Conduct Rule breaches and disciplinary action for FCA certification employees and other conduct rules staff (Form H)?

Variation of a conditional approval and grandfathering forms

3.19. The remaining two forms are the i) Application for the variation of a conditional approval for the performance of a senior management function (Form I), and the Grandfathering notification form (Form K).

3.20. The July CP explained that the Banking Reform Act included a provision to allow the regulators to approve applications to perform an SMF subject to any conditions that they consider appropriate or for a limited period, and vary existing approvals either at the firm's initiative or their own. A firm may apply to the FCA to change a conditional approval. The changes which a firm may apply for are: a variation of a condition, removal of a condition, and the imposition of a new condition. Form I has been designed to facilitate such applications.

3.21. As set out in section 2 on transitional arrangements, the regulators have designed a form for the submission of the grandfathering notifications required by firms to describe how their existing approvals should transition to the new regime.

Q6: [FCA and PRA]: do you have any comments on the proposed Application for variation of a conditional approval form, or the proposed Grandfathering notification form?

Updates to existing forms

3.22. The regulators have also drafted new versions of Forms A and E for relevant firms, which such firms will need to submit to apply for approval for an individual to perform an SMF. Firms other than relevant firms will continue to use the existing versions of form A or E, as applicable, to obtain approval for the performance of controlled functions with some small changes being made to these forms which are explained below.

3.23. The regulators have also revised other relevant forms. In doing so, they have adapted the forms so they can be used to make applications or give notifications (as applicable) under the new Senior Managers Regime and the existing Approved Persons Regime (which will remain in place for firms other than relevant firms, appointed representatives of relevant firms and insurers (see paragraph 3.30) and appointed representatives of insurers). That means that these forms will be used both by relevant firms subject to the SMR and firms that will not be subject to the SMR with certain forms containing sections that will apply only to firms within the SMR.

3.24. The key changes to forms relate to changes in substantive policy which the regulators consulted on in the July CP and can be summarised as follows:

- Forms A & E – the new versions of these forms for use by relevant firms subject to the SMR contain provisions for criminal records check, regulatory references, Statement of Responsibilities and firm Management Responsibilities Map to be submitted with the application;
- Form C – adapted to enable relevant firms to make conduct related notifications on notifying the regulator(s) that an individual is ceasing to perform Controlled Functions, including notification of suspected or actual breaches of Conduct Rules by a senior manager and related disciplinary action
- Form D – adapted to enable relevant firms to make conduct related notifications to the regulators, including notification of suspected or actual breaches of Conduct Rules by a senior manager and related disciplinary action.

3.25. For all firms other than relevant firms, the substance of the updated forms will remain broadly the same. The draft revised forms can be found in Appendix 3.

3.26. The table below summarises the main changes to existing forms at a high level.

Current form	Current use/title	Change to form
Long Form A – UK and Overseas Firms (not Incoming EEA)	Application to perform a Controlled Function under the approved persons regime (non-SMF) ⁹	Minor changes to make it clear that this form will not be used by relevant firms
Short Form A – UK and Overseas Firms (not Incoming EEA)	Application to perform a Controlled Function under the approved persons regime (non-SMF)	As above
Long Form A – UK Firms (Relevant Authorised Persons only)	Application to perform a Senior Management Function	An adapted Long Form A for UK relevant firms to incorporate changes introduced by the Senior Managers Regime.
Short Form A – UK Firms (Relevant Authorised Persons only)	Application to perform a Senior Management Function	An adapted short Form A for UK relevant firms to incorporate changes introduced by the Senior Managers Regime.
Form B - Notice to withdraw an application to perform controlled functions	Notice to withdraw an application to perform a Controlled Function	This form will continue to be used by all firms but has been modified to

⁹ Under FSMA, Senior Management Functions are a subset of Controlled Functions. The term 'Controlled Functions' encompasses all functions for which regulatory approval is required, including those that will remain subject to the FCA Approved Persons Regime.

(including senior management functions)	under the Approved Persons Regime	also allow relevant firms to: (a) withdraw an application to perform a senior management function and (b) give notice of withdrawal of an application to vary a conditional SMF approval.
Form C - Notice of ceasing to perform controlled functions (including senior management functions)	Notice of ceasing to perform Controlled Functions	This form will continue to be used by all firms. It has been modified to include SMFs and to allow relevant firms to make conduct related notifications in respect of Senior Managers ceasing to perform senior management functions.
Form D - Notification: Changes to personal information/ application details and conduct breaches/disciplinary action related to conduct	Notice of changes in approved person's details	This form will continue to be used by all firms. It has been modified to include references to SMFs where applicable and includes a section to enable relevant firms to make conduct related notifications to the regulators, including notification of suspected or actual breaches of Conduct Rules by a Senior Manager and related disciplinary action. This form should not be used to notify regulators of changes to Statements of Responsibilities.
Form E - Internal transfer of an approved person	Internal transfer (application for approval)	Minor change to make it clear that this version of the form will not be used by relevant firms.
Form E - Internal transfer of an approved person (for firms and individuals subject to the senior management regime)	Internal transfer (application for approval)	An adapted Form E to incorporate changes introduced by the Senior Managers Regime.
Form G - Retail Investment Adviser Complaints Alerts	Retail Investment Adviser	Minor updates to reflect the relocation of this form and related

Form	(RIA)complaints form	Handbook text from SUP10A to SUP15. ¹⁰

Q7: [PRA & FCA]: Do you agree with PRA and FCA’s proposed approach to Forms as set out in this Chapter?

Changes to forms for branches and Solvency II firms

- 3.27. The Treasury is currently consulting on a draft order that will extend the full new accountability regimes to UK branches of foreign deposit-takers and designated investment firms.
- 3.28. The PRA and FCA intend to consult in Q1 2015 on rules needed to extend the Senior Managers Regime to UK branches of foreign deposit-takers and designated investment firms if the order is made, including any additional changes to forms that may be required.
- 3.29. Similarly, on 26 November, the PRA and FCA consulted on reforms to the existing Approved Persons Regime for Solvency II firms. Any changes to forms or templates required for these firms will be covered by a separate consultation in due course.

¹⁰ Revisions to RDR related reporting and notification forms (i.e. Retail Investment Adviser Competence Notification Form, Professional Data Standards Form, Retail Investment Adviser Complaints Alerts Form, and Retail Mediation Activities Return) needed as a result of the proposals in the July CP are not included in this consultation. This is because FCA is undertaking further work to consider the technical and consequential changes to such forms that may be needed in this area.

4 Consequential changes

- 4.1. The FCA and PRA have taken different approaches to consequential changes. These differences reflect the different populations of firms that they regulate and the different approaches they have taken to updating their existing Handbooks.

Consequential changes to the FCA Handbook

- 4.2. The FCA has considered the additional amendments needed to existing rules and guidance as a result of the Banking Reform Act and the proposals set out in the July CP.
- 4.3. These changes are mostly minor and technical amendments needed to clarify the application or dis-application of certain rules and guidance to relevant firms, and to ensure rules and guidance for non-relevant firms are also appropriately amended to reflect the Banking Reform Act.
- 4.4. This approach takes into account the fact that the Fair and Effective Markets Review is considering the case for further legislation in this area.
- 4.5. The main changes for the FCA are summarised below.

Statements of Principle and Code of Practice for Approved Persons

- 4.6. The Banking Reform Act removes the regulators' power to write Statements of Principle and Code of Practice for Approved Persons (APER), and replaces this with a power to write Conduct Rules for approved persons (for all authorised firms) and for employees (for relevant firms only).
- 4.7. The regulator's proposed Conduct Rules and their application for relevant firms are set out in the July CP. But the requirements of the Banking Reform Act mean that when the new regime comes into force the regulators will be unable to let APER continue in its current form for authorised persons (including those other than relevant firms). The regulators will need to replace APER with Rules of Conduct for all authorised firms. The regulators have already proposed a new set of Conduct Rules for Solvency II firms¹¹ which build on those proposed for relevant firms.
- 4.8. In summary, the FCA proposes:
- keeping the names APER, the Code and the Principles;
 - keeping the content aligned with the existing APER
 - clarifying its application to all controlled functions except those approved within relevant firms i.e. Senior Management Functions

¹¹ <http://www.fca.org.uk/your-fca/documents/consultation-papers/cp14-25>
<http://www.bankofengland.co.uk/pr/Pages/publications/cp/2014/cp2614.aspx>

- changing the status of all the existing principles to rules
- changing the status of the existing evidential provisions to guidance
- retaining existing guidance

The Banking Reform Act also repeals the existing test which regulators have to apply when designating a controlled function (i.e. to be satisfied that it is either a customer-dealing function, or a significant-influence function). It is replaced with a general power to specify controlled functions. Consistent with our approach to make minimal changes, the FCA proposes retaining the terms 'significant influence function(s)' and 'customer dealing function' for firms that are not relevant firms, even though FSMA will no longer use these terms at commencement.

The Fit and Proper Test for Approved Persons

- 4.9. In this CP the FCA is consulting on changes made in relation to the current Handbook text as amended by the changes proposed in Chapter 4 of the July CP. The proposed changes clarify the application of the Fit and Proper Test (FIT) to both relevant firms (in relation to approved persons and certified employees), and non-relevant firms (in relation to approved persons).

Appointed Representatives (AR) of relevant firms

- 4.10. The FCA proposes to set out in rules that the current approved persons arrangements will continue to apply to individuals employed by an AR of a relevant firm as they do now, and to clarify in guidance the potential for an individual employed by an AR to fall within the scope of a Senior Management Function or certified employee definition. The FCA does not think that individuals employed by an AR would fall within either scope as they will not:-
- have sufficient responsibility for managing the affairs of the AR's principal (as opposed to managing the affairs of the AR itself) to perform a Senior Management Function
 - be likely to meet the legislative conditions for the Certification Regime to apply.

Q8: [FCA] Do you have any comments on the FCA's proposed consequential Handbook changes, or think more are needed?

Consequential changes to the PRA Handbook, Rulebook and Supervisory Statements

- 4.11. As part of the PRA's move from legacy FSA Handbook material to a new PRA Rulebook, the July CP proposed that the Senior Managers and Certification Regimes would be implemented through the creation of new Rulebook Parts, rather than updates to existing material. As a consequence, some existing sections of the PRA Handbook -

APER, FIT and SUP 10B - will be dis-applied for relevant firms. There is a draft Handbook instrument in Appendix 2.3 that will achieve this.

- 4.12. The PRA is now also proposing a number of updates to existing cross references in the PRA Handbook and PRA Rulebook to reflect the proposed introduction of the new Banking Reform Act provisions and the new regulatory regimes consulted on in the July CP. The majority of these changes occur in the SYSC, APER and CREDS sections of the PRA Handbook.
- 4.13. The PRA is currently updating and moving its rules from the Handbook into its new Rulebook and recently consulted on the replacement of some Handbook material that contained references to the approved persons regime. First, the PRA consulted on the replacement of Chapters 4-9 of PRA SYSC by rules in new Parts of the PRA Rulebook covering internal governance and a draft Supervisory Statement on 'Internal governance' (see Appendices 1e and 2b of PRA CP25/14). Secondly, the PRA consulted on the replacement of the Building Societies and Regulatory Guide (BSOG) by a draft Supervisory Statement on 'Exercising Certain Functions under the Building Societies Act 1986' (see Appendix 2c of PRA CP25/14). This CP sets out in Appendices 2.4 to 2.6 the consequential amendments that will be necessary to those proposed new rules and supervisory statements once the new accountability regime comes into effect. As there will be some overlap in the consultation and implementation processes for those changes and for the Accountability Regime, the draft proposals in this CP set out the amended PRA rules and Supervisory Statements that would apply once the new accountability regime is in force.
- 4.14. PRA CP26/14, published on 26 November, consulted on the introduction of a new framework for regulating individuals in Solvency II firms. This CP also proposed new parts of the PRA Rulebook that would replace the existing Handbook material. Next year, the PRA will consult on the consequential and transitional amendments that will be necessary to reflect the proposed changes in CP26/14. The PRA also expects to consult on how the relevant provisions of the Banking Reform Act should be implemented for the insurance firms that are not subject to Solvency II (so called 'non-directive firms').
- 4.15. As noted in Chapter 1, the Treasury is currently consulting on applying the Senior Managers and Certification Regimes to UK branches of overseas banks. The PRA intends to consult on how the new regimes would apply to such branches next year.
- 4.16. When all of these regimes have come into force, it is envisaged that APER, FIT and SUP 10B will be deleted entirely from the PRA Handbook. APER and FIT will then become solely FCA material.

Annex 1: PRA Cost benefit analysis

1. The PRA carried out a cost benefit analysis (CBA) for the new accountability regimes for relevant firms as part of the July CP (see Annex 1 of that CP). The analysis below covers only the proposals set out in this current consultation paper, including the transitional arrangements for relevant firms and affected individuals, the necessary forms for the implementation of the regime, the associated consequential provisions for non-relevant firms, and statutory notifications of conduct rule breaches.
2. In developing the proposals in this CP the PRA has sought to make changes in the least burdensome way for firms while achieving the desired objectives. The PRA has a competition objective and a duty to have regard to proportionality,¹² so where possible firms have been given the flexibility to implement the new regime in the way that is most appropriate for their structure and operations.

Transitional arrangements

3. The PRA and FCA propose that individuals currently approved to perform a significant influence function (SIF) in a relevant firm who will be performing an equivalent senior management role will be 'grandfathered' into the new regime. Grandfathering and other transitional arrangements help implement the accountability regime set out in the July CP, and the incremental costs, mainly notification costs, will be minimal as those who are 'grandfathered' into the new system will not be required to go through a fresh approval process.

Forms

4. The expected cost to the regulator and to relevant firms of updating the necessary paperwork for the new regime has been covered in Annex 1 of the July CP. Where existing forms are being revised or updated, the regulators have sought to introduce only those changes deemed necessary to implement the new regimes.
5. The introduction of new forms seeks to give effect to new statutory or regulatory requirements. For instance, the template form for Statements of Responsibility seeks to facilitate firms' compliance with the requirements in Section 60(2A) to (2C) and 62A of FSMA and Forms D and L seek to facilitate firms' compliance with the notification requirements in sections 64B and 64C of FSMA.
6. The cost benefit analysis in the July CP includes the cost estimates associated with completing relevant forms and templates.

Statements of Responsibility

7. The July CP set out the expected costs and benefits associated with Statements of Responsibility and Management Responsibility Maps, including reducing the risk of overlaps and underlaps in firms by promoting greater clarity.

¹² The PRA's competition objective is set out in s.2H of FSMA. The duty to have regard to proportionality is in s. 3B of FSMA

8. As noted in Chapter 3 the regulators are proposing a template for the Statements of Responsibilities. In designing this template the PRA and FCA have sought to produce a document that is clear and succinct but adequately captures the relevant responsibilities of a senior manager, aiming to assist firms in the production of these statements.

Statutory notifications of Conduct Rule breaches

9. The PRA is now proposing a shorter deadline of seven days for firms to notify regulators of Conduct Rule breaches and related formal disciplinary action involving employees in scope of the PRA certification regime, in line with notifications involving senior managers. Although this may result in firms providing separate notifications to PRA and FCA at different times, the PRA believes any incremental cost is minimal. Prompt notification allows earlier identification by the PRA of Conduct Rule breaches by employees capable of having a material impact on a firm's risk profile or the stability of the financial system.

Annex 2: FCA CBA

The FCA is required to carry out and publish a cost benefit analysis (CBA) when proposing draft rules (sections 138I and 138J FSMA refer).

Matters to be covered in legislation in due course have not been included in this CBA¹³.

The FCA carried out a CBA for the proposed new accountability regime for relevant firms as part of the July CP (see Annex 2 of that CP), which included estimated one-off implementation costs as well as on-going costs to relevant firms. There are no new FCA policy positions proposed in this CP. Therefore, it is FCA's view that the cost estimates provided in the July CP already include the detailed consequential changes and transitional arrangements set out in this CP for relevant firms.

This CP also includes the consequential changes arising for non-relevant firms¹⁴. The July CP did not cover non-relevant firms, as such these consequential changes were not included in the previous CBA. FCA is proposing to make minimal changes only, which do not impose any additional obligations on firms. The only costs likely to be incurred as a result are those associated with updating compliance manuals as appropriate. The FCA considers these costs to be immeasurably small, therefore no costs estimates have been made.

The FCA will consider any further evidence provided, regarding the costs to firms that may result from the changes set out in this CP as part of this consultation.

¹³ The Treasury Statutory Instrument will set out the framework for transition to the new regime, including certain details of the notifications that will be required, and will specify the key dates in the transition process.

¹⁴ Consequential changes which only affect insurers are not covered in this CP; these will be addressed in subsequent consultations along with the associated CBA.

Annex 3: PRA Compatibility Statement

1. This appendix sets out how the proposals in this CP are compatible with the general duties and regulatory principles of the PRA.
2. The PRA is required, by section 138J(2)(d) of FSMA to explain its reasons for believing that making the proposed rules is compatible with:
 - i) its duty to act, so far as is reasonably possible, in a way which advances its general objective (i.e. to promote the safety and soundness of PRA-authorized persons)
 - ii) its duty to act, so far as is reasonably possible, in a way which, as a secondary objective, facilitates effective competition in the markets and services provided by PRA-authorized persons in carrying on regulated activities.
3. The Banking Reform Act and the July CP set out a new regime for individual accountability that aims to help promote firms' safety and soundness. The new regime improves the clarity of firms' governance arrangements and changes the incentives for senior individuals by making them more personally accountable for failures in their firm. The proposals in this CP set out the approaches for transitioning to that new regime and some of the operational details that will underpin the new regime (such as records of how responsibilities have been allocated and how misconduct should be notified to the regulators) . These proposals are compatible with the PRA's general duty in that they provide for the operation of the wider accountability regime and help to promote safety and soundness of firms.
4. The PRA has given due weight to the interests of effective competition in evaluating and developing the proposals in this CP. The PRA does not consider that these proposals - which relate to primarily to the arrangements for transitioning to the regime and the detail of the notifications and applications that firms will have to make when it is in operation - are likely to have any adverse impact on effective competition.
5. In developing the proposals in this CP, the PRA has had regard to the eight Regulatory Principles, which are set out in section 3B of FSMA.

(a) *The need to use the resources of each regulator in the most efficient and economic way*

The PRA has used its internal and external resources in a way it believes to be considered to be both effective and commensurate with the impact and magnitude of the proposals in this CP. In particular, the PRA and FCA have collaborated in devising shared forms and systems, to take advantage of synergies and promote efficient use of both regulators' resources.

(b) *The principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction*

In developing its proposals, the PRA has sought to provide for a clear and efficient transition to the new regimes, and to develop templates, forms and a wider notification framework, which will allow for effective and efficient operation of the regime consulted

on in the July CP. Proportionality considerations of the underlying regime were discussed in that CP. For more information please see the PRA's cost benefit analysis in Annex 1.

(c) *The desirability of sustainable growth in the economy of the United Kingdom in the medium or long term*

The PRA does not consider this to be directly relevant for this CP.

(d) *The general principle that consumers should take responsibility for their decisions*

The PRA does not consider this to be relevant for this CP.

(e) *The responsibilities of the senior management of persons subject to requirements imposed by or under this Act, including those affecting consumers, in relation to compliance with those requirements*

The key rationale of the PRA's proposal in this CP is to promote clarity on the operational and transitional mechanisms that will ensure the implementation of the new regime, for example by providing templates for Statements of Responsibility and other forms, and to provide, in accordance with the Treasury's anticipated statutory instrument, for a clear and efficient transition into the new regimes, including specifying the details of the mechanism for grandfathering existing approved persons.

(f) *The desirability where appropriate of each regulator exercising its functions in a way that recognises differences in the nature of, and objectives of, businesses carried on by different persons subject to requirements imposed by or under this Act [FSMA]*

The PRA has given appropriate recognition to the varying nature and objectives of activities carried out by PRA-authorized persons, and has allowed for a proportionate and flexible approach to be undertaken.

(g) *The desirability in appropriate cases of each regulator publishing information relating to persons on whom requirements are imposed by or under this Act, or requiring such persons to publish information, as a means of contributing to the advancement by each regulator of its objectives*

The PRA has the power to publish certain information relating to investigations into firms and individuals. The Statement of the PRA's Approach to Publicity of Regulatory Action (April 2013) deals with the PRA's approach to publication of disciplinary and other enforcement actions. The proposals contained in this consultation do not provide for any changes in this regard.

(h) *The principle that the regulators should exercise their functions as transparently as possible*

In this CP, which is to be read together with the July CP, the PRA sets out all the key information relevant to its proposals, and gives respondents the opportunity to comment on the proposals, the specific rules and guidance reflecting those proposals, and the proposed forms that will be used to implement the new regimes.

Mutuals

6. The PRA has a statutory requirement under section 138K(2) of FSMA to state whether the impact on mutual societies will be significantly different from the impact on other firms. The PRA considers that mutuals are not expected to be affected differently, or in a disproportionate way, from other firms by the proposals in this CP. The rules in this CP will help bring into operation the regime proposed in the July CP, where proportionality considerations and the particular circumstances of mutuals were taken into account in the design of the underlying new accountability regimes.

Annex 4: FCA Compatibility Statement

Compatibility with the FCA’s general duties

1. This appendix sets out how the proposals in this CP are compatible with the general duties and regulatory principles of the FCA.
2. The FCA is required, by section 138I of FSMA, to explain why making the proposed rules is compatible with its strategic objective, advances its operational objectives, and has regard to the regulatory principles in section 3B of FSMA.

The FCA’s strategic objective and regulatory principles

3. The proposals set out in this CP are compatible with our strategic objective of ensuring that the relevant markets function well. This CP supports our July CP proposals to clarify the lines of responsibility at the top of relevant firms and enhance the FCA’s ability to hold senior and other individuals in such firms to account. This should, over time, result in improved governance within the industry.
4. In preparing these proposals, we have had regard to the regulatory principles set out in s.3B FSMA. We set out below how our proposals demonstrate such regard for each of the regulatory principles:

Regulatory principle	Compatibility
<p>Efficiency and economy</p> <p>The need to use FCA resources in the most efficient and economical way</p>	<p>We noted in the July CP that those proposals would have an impact on the FCA’s existing authorisations, supervision and enforcement processes and systems. The proposals in this CP will not have any further impact that has not already been considered. A dedicated grandfathering inbox, an in-flight application process and new forms have been designed to help implement the new regime.</p>
<p>Proportionality</p> <p>A burden or restriction should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction.</p>	<p>The proposals set out in this CP support the enhanced individual accountability proposed in the July CP. In developing its proposals, FCA has sought to use existing forms where possible, and make as few changes to these as possible. Where new forms and templates are required, FCA has sought to ensure they are clear and effective, without being over-prescriptive. The FCA has also sought to make the minimal changes needed in relation to non relevant firms.</p>
<p>Sustainable growth</p> <p>The desirability of sustainable growth in the UK economy in the medium or long term</p>	<p>We noted in the July CP that the proposed changes to the accountability regime are intended to have a positive impact on the behaviour and culture of the firms in question, which will contribute to the advancement of this objective.</p>
<p>Consumer responsibility</p> <p>Consumers should take responsibility for their decisions</p>	<p>The proposals we have made concern the internal organisation of firms and requirements applying to their staff. These are not matters over which consumers can have any influence.</p>
<p>Senior management responsibility</p> <p>The responsibilities of senior management of persons subject to requirements imposed by or under FSMA, including those affecting consumers, in relation to compliance with those requirements</p>	<p>We noted in the July CP that the main objective of those proposals was to ensure that senior managers within relevant firms are clear about the responsibilities they hold and can therefore be more effectively held accountable for the performance of those responsibilities. The proposals in this CP support the proposed new regime.</p>

<p>Recognising the differences in the businesses carried on by different regulated persons</p> <p>The desirability of exercising our function that recognises differences in the nature of the businesses carried on by different persons we regulate</p>	<p>We believe our proposals do not undermine this principle. The FCA is not proposing to implement the proposed new regime as set out in the July CP and CP 14/25 for other firms. The aim is to make minimal changes only to reflect the changes in the Banking Reform Act. The minimal changes are designed to maintain the status quo and there are therefore no changes in requirements for other firms.</p>
<p>Openness and disclosure</p> <p>The desirability of publishing information relating to persons</p>	<p>We will not normally make public the fact that we are or are not investigating a particular matter or any of our findings or conclusions of an investigation public except as set out in chapter 6 of the Enforcement Guide. The proposals contained in this CP do not change that position.</p>
<p>Transparency</p> <p>The FCA should exercise its functions as transparently as possible.</p>	<p>We are an open and transparent regulator. The FCA has obtained industry feedback during the pre-consultation stage and engaged with relevant external stakeholders and will continue to actively engage with relevant stakeholders. We have aimed to achieve a proper balance between giving some guidance (in the draft Handbook material and the CP itself) and not giving too much.</p>

The FCA's operational objectives

Consumer protection and market integrity

- The objective of the proposals contained in this CP is to support the new regime as set out in the July CP, which ensures that senior persons in relevant firms are held accountable for the roles they perform. This is intended to create a structure that will make it more likely that individuals and roles are appropriately matched and that high standards of conduct are observed. We therefore consider that these aims and objectives support our consumer protection and market integrity objectives.

Promoting competition

- In preparing the proposals set out in this CP, we have had regard to our duty to promote effective competition in the interests of consumers under section 1B(4) FSMA. These proposals seek to implement the Banking Reform Act, which sets out firms to be affected.
- The FCA has given due weight to the interests of effective competition in evaluating and developing the proposals in this CP. The FCA does not consider that these proposals - which relate to primarily to the arrangements for transitioning to the regime and the detail of the notifications and applications that firms will have to make when it is in operation - are likely to have any adverse impact on effective competition.

Mutuals

- The FCA also has a statutory requirement under section 138K(2) of FSMA to state whether the impact on mutual societies will be significantly different from the impact on other firms. The FCA considers that mutuals are not expected to be affected differently, or in a disproportionate way, from other firms by these proposals. These rules will help bring into operation the regime proposed in the July CP, where proportionality considerations and the particular circumstances of mutuals were taken into account in the design of the underlying new accountability regimes.

Annex 5: List of Questions

PRA and FCA Questions (Please send your response to both regulators)

Q1: [PRA and FCA]: Do you agree with the proposed approach to grandfathering existing approved persons into Senior Management Functions?

Q2: [PRA and FCA]: Do you agree with the regulators' proposed Statement of Responsibilities template and the Significant Change of Responsibilities form?

Q3: [PRA]: Do you agree with the PRA proposed approach to applications and notifications for persons in scope of the senior managers regime?

Q4: [PRA]: Do you agree with the PRA's proposed revised approach to receiving notifications of Conduct Rule breaches, including Form L?

Q5: [FCA]: Do you have any comments on the FCA's proposed form for quarterly notifications of conduct rule breaches and disciplinary action for FCA certification employees and other conduct rules staff (Form H)?

Q6: [FCA and PRA]: Do you have any comments on the proposed Application for variation of a conditional approval form, or the proposed Grandfathering notification form?

Q7: [PRA & FCA]: Do you agree with PRA and FCA's proposed approach to Forms as set out in this Chapter?

Q8: [FCA]: Do you have any comments on the FCA's proposed consequential Handbook changes, or think more are needed?

Appendix 1: FCA Rules

INDIVIDUAL ACCOUNTABILITY INSTRUMENT 2015

Powers exercised

A. The Financial Conduct Authority 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 59 (Approval for particular arrangements);
- (2) section 60 (Applications for approval);
- (3) section 63C (Statement of policy);
- (4) section 63ZD (Statement of policy relating to conditional approval and variation);
- (5) section 63E (Certification of employees by relevant authorised persons);
- (6) section 64A (Rules of conduct);
- (7) section 69 (Statement of policy);
- (8) section 137A (The FCA’s general rules);
- (9) section 137T (General supplementary powers);
- (10) section 139A (Power of the FCA to give guidance);
- (11) section 395 (The FCA’s and PRA’s procedures); and
- (12) [Grandfathering statutory instrument].

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 as follows:

Annex	Date comes into force
Part A of Annex B	[Day after the date of this instrument]
Part A of Annex K	[Day after the date of this instrument]
Part B of Annex A	[X after Commencement Date]
Part C of Annex B	[X after Commencement Date]
Part B of Annex F	[X after Commencement Date]
The remainder of this instrument	[Commencement Date]

Making the Code of Conduct sourcebook (C-CON)

D. The Financial Conduct Authority makes the rules and gives the guidance in Annex A to this instrument.

Amendments to the FCA Handbook

E. 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) below:

(1)	(2)
Glossary of definitions	Annex B
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex C
Threshold Conditions (COND)	Annex D
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex E
The Fit and Proper test for Approved Persons (FIT)	Annex F
Training and Competence sourcebook (TC)	Annex G
General Provisions (GEN)	Annex H
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex I
Client Assets sourcebook (CASS)	Annex J
Supervision manual (SUP)	Annex K
Dispute Resolution: Complaints sourcebook (DISP)	Annex L
Credit Unions sourcebook (CREDS)	Annex M
Consumer Credit sourcebook (CONC)	Annex N
General guidance on Benchmark Submission and Administration (BENCH)	Annex O

Amendments to the material outside the Handbook

- F. The Enforcement Guide (EG) is amended in accordance with Annex P to this instrument.
- G. The Financial Crime: a guide for firms (FC) is amended in accordance with Annex Q to this instrument.
- H. The Perimeter Guidance Manual (PERG) is amended in accordance with Annex R to this instrument.

*[Editor's note: Annex P is not included in this consultation as no additions to changes are proposed from the version in CP14/13 *Strengthening accountability in banking: a new regulatory framework for individuals*]*

Citation

- I. This instrument may be cited as the Individual Accountability Instrument 2015.

By order of the Board of the Financial Conduct Authority
date

Annex A

Making of the Code of Conduct sourcebook (C-CON)

[*Editor's note: The amendments shown in Part A are to the text set out in the CP14/13 Strengthening accountability in banking: a new regulatory framework for individuals. The amendments in Part B are shown as against the text in Part A. The text in this annex does not take into account the changes suggested by CP14/25 Changes to the Approved Persons Regime for Solvency II firms*]

Part A: comes into force on [*commencement date*]

1.1 Application

...

To whom does it apply?

1.1.2 R (1) C-CON applies to:

...

(c) *a certification employee employed by a relevant authorised person, even if the certification employee has not been notified that C-CON applies to them or notified of the rules that apply to them; and*

(d) *any other employee of a relevant authorised person except an ~~employee whose role is listed under C-CON 1.1.2R(2).~~*

(2) ~~C-CON does not apply to an employee who only performs functions falling within the scope of the following roles:~~

(a) ~~receptionists;~~

(b) ~~switchboard operators;~~

(c) ~~post room staff;~~

(d) ~~reprographics/print room staff;~~

(e) ~~property/facilities management;~~

(f) ~~events management;~~

(g) ~~security guards;~~

(h) ~~invoice processing;~~

- (i) ~~audio-visual technicians;~~
- (j) ~~vending machine staff;~~
- (k) ~~medical staff;~~
- (l) ~~archive records management;~~
- (m) ~~drivers;~~
- (n) ~~corporate social responsibility staff;~~
- (o) ~~data controllers or processors under the *Data Protection Act 1998*;~~
- (p) ~~cleaners;~~
- (q) ~~catering staff;~~
- (r) ~~personal assistant, secretary;~~
- (s) ~~information technology support (ie helpdesk); and~~
- (t) ~~human resources administrators /processors. [deleted]~~

...

1.1.12 G The purpose of this chapter is to set out *rules* about the conduct of its SMF managers, certification employees and other conduct rules staff and to provide *guidance* to *relevant authorised persons* in relation to the conduct *rules*.

...

2.3 Firms: training and breaches

...

2.3.2 G (1) The steps that a *relevant authorised person* must take to secure that its ~~SMF managers, certified employees and other conduct rules staff~~ understand how the *rules* in C-CON apply to them includes the provision of suitable training.

...

2.3.3 G Section 64B(5) of the *Act* requires a *relevant authorised person* to notify the *FCA* if it knows or suspects that any of its ~~SMF managers, certification employees or other conduct rules staff~~ has have failed to comply with any of the *rules* in C-CON. Further *rules* and *guidance* on notifications to the *FCA* by a *relevant authorised person* can be found in SUP 15.11(Notification of

C-CON breaches and disciplinary action).

The following text is all new and is not underlined

Sch 1 Record-keeping requirements

Sch 1.1 G There are no record keeping requirements in C-CON.

Sch 2 Notification requirements

Sch 2.1 G The aim of the guidance in the following table is to give the reader a quick overall view of the relevant requirements for notification and reporting.

Sch 2.2 G It is not a complete statement of those requirements and should not be relied on as if it were.

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
<i>C-CON 2.2.4R</i>	Any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	Appropriate disclosure	Any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	Appropriate

Sch 3 Fees and required payments

Sch 3.1 G There are no requirements for fees or other payments in *C-CON*.

Sch 4 Powers exercised

Sch 4.1 G Section 64A (Rules of conduct)

Section 139A (Power of the FCA to give guidance)

Sch 5 Rights of action for damages

Sch 5.1 G There is no right of action under section 138D of the *Act* (Actions for

damages) for breach of the *rules* in *C-CON*.

Sch 6 Rules that can be waived

Sch 6.1 G Section 138A (Modification or waiver of rules) does not apply to *C-CON*.

Part B: comes into force on [X after the Commencement Date].

1 Application and purpose

...

To whom does it apply?

1.1.2 R (1) *C-CON* applies to:

...

(c) *a certification employee employed by a relevant authorised person, even if the certification employee has not been notified that C-CON applies to them or of the rules that apply in relation to them; and*

(d) any other employee of a relevant authorised person, except an employee whose role is listed under C-CON 1.1.2R(2).

(2) ~~[deleted]~~ C-CON does not apply to an employee who only performs functions falling within the scope of the following roles:

(a) receptionists;

(b) switchboard operators;

(c) post room staff;

(d) reprographics/print room staff;

(e) property/facilities management;

(f) events management;

(g) security guards;

(h) invoice processing;

(i) audio visual technicians;

- (j) vending machine staff;
- (k) medical staff;
- (l) archive records management;
- (m) drivers;
- (n) corporate social responsibility staff;
- (o) data controllers or processors under the *Data Protection Act 1998*;
- (p) cleaners;
- (q) catering staff;
- (r) personal assistant, secretary;
- (s) information technology support (ie helpdesk); and
- (t) human resources administrators /processors.

Annex B

Amendments to the Glossary of definitions

[*Editor's note:* The text in Parts A and B of this annex is based on the current Handbook text as amended by CP14/13 *Strengthening accountability in banking: a new regulatory framework for individuals*. The text in Part C of this Annex is based on the current Handbook text as amended by the changes in Parts A and B of this Annex. The text in this annex does not take into account the changes suggested by CP14/25 *Changes to the Approved Persons Regime for Solvency II firms*.]

Part A: comes into force on [Day after rules are made]

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

relevant authorised person has the meaning in section 71A of the *Act* (Meaning of “relevant authorised person”) which, in summary, is an institution that meets the following conditions:

- (1) it is incorporated in, or formed under the law of any part of, the *United Kingdom*; and
- (2) it does not have *permission* for *effecting contracts of insurance* or *carrying out contracts of insurance*; and
- (3) it meets one of the following conditions:
 - (a) its *Part 4A permission* includes *accepting deposits*; or
 - (b) it meets all the following conditions:
 - (i) the institution is an *investment firm*; and
 - (ii) its *Part 4A permission* covers *dealing in investments as principal*; and
 - (iii) when carried on by it, that activity is a *PRA-regulated activity*.

[Non-UK country branches to follow]

[Note: This definition is not being changed. It is included in this consultation to show the date on which it is due to come into force.]

statement of responsibilities a statement provided under section 60(2A) of the *Act* (Applications for approval), including:

- (1) a statement revised under section 62A of the *Act* (Changes in

responsibilities of senior managers); and

- (2) a statement required under article X of [Treasury transitional SI].

Part B: comes into force on [Commencement Date]

Insert the following new definitions in the appropriate alphabetical position.

accountable higher management function (in *APER*) any *accountable function* that is:

- (1) an *FCA controlled function* that is a *significant influence function*; or
- (2) a *PRA controlled function*.

certification employee (as described in more detail in section 63E(1) of the *Act* (Certification of employees by relevant authorised person)) an employee (as defined) of a *relevant authorised person* who ~~has a valid certificate issued by that~~ performs a *significant-harm function* under an arrangement entered into by the *relevant authorised person* for the *relevant authorised person* to carry on a *regulated activity*, even though the obligation of the *relevant authorised person* to issue a certificate under section 63F of the *Act* has not yet come into force.

staff being assessed under FIT (in *FIT* and in relation to a *relevant authorised person*) ~~any of the following:~~

- (1) an *FCA-approved SMF manager* or a candidate for an *FCA designated senior management function* whose fitness is being assessed by the *FCA* or the *relevant authorised person*; ~~or~~
- (2) ~~a person whose fitness to perform an *FCA-specified significant harm function* is being assessed by the *relevant authorised person* under section 63F of the *Act* (Issuing of certificates), whether or not that person is already a *certification employee* in relation to that *FCA-specified significant harm function*.~~

Amend the following definitions as shown.

<i>accountable significant-influence function</i>	(in the FCA Handbook) any accountable function that is a significant-influence function. [deleted]
<i>Code of Practice for Approved Persons</i>	(1) (in the FCA Handbook) the guidance provisions in APER 3 and APER 4 indicated by an "E" in the margin or heading, the purpose of which is to help determine whether or not an approved person's conduct complies with the <i>Statements of Principle</i> and which are issued by the FCA under section 64(2) of the Act (Conduct: statements and codes).
<i>controlled function</i>	<p>a function, relating to the carrying on of a <i>regulated activity</i> by a <i>firm</i>, which is specified by:</p> <p>(1) <u>(for a relevant authorised person):</u></p> <p>(a) either the FCA (in the table of FCA controlled functions table in SUP 10C.4.3R (Table of FCA controlled functions for relevant authorised persons)); or</p> <p>(b) the PRA (in the table of PRA controlled functions part of the PRA's rulebook titled "Senior Management Functions", which specifies <i>controlled functions</i>); or</p> <p>(2) <u>(for any other PRA-authorised person):</u></p> <p>(c) <u>either the FCA (in the table of FCA controlled functions); or</u></p> <p>(d) <u>the PRA ([to be updated]); or</u></p> <p>(3) <u>(for any other firm) the FCA (in the table of FCA controlled functions);</u></p> <p>under section 59 of the Act (Approval for particular arrangements).</p>
<i>customer-dealing function</i>	in accordance with section 59(7A) of the Act (Approval for particular arrangements) in relation to the carrying on of a <i>regulated activity</i> by an <i>authorised person</i> ("A") a function that will involve the <i>person</i> performing it in dealing with:
	...
<i>director</i>	(1) ...
	(d) (in SYSC and SUP 10A (FCA Approved persons)) a <i>sole trader</i> ;

...

significant-influence function (~~in accordance with section 59(7B) of the Act and~~ in relation to the carrying on of a *regulated activity* by an *authorised person*) a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *authorised person's* affairs, so far as relating to the activity.

Statement of Principle (1) (in the *FCA Handbook*) one of the ~~Statements of Principle issued~~ rules made by the *FCA* under section ~~64(1)~~ 64A(1)(a) of the *Act* (~~Conduct: Statements and codes~~) (Rules of conduct) with respect to the conduct of *approved persons* and set out in *APER* 2.1A.

~~The provisions of APER 1.1A marked with a "P" in the margin also form part of the *Statements of Principle*.~~

Part C: comes into force on [X after the Commencement Date].

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

other conduct rules staff *conduct rules staff* who fall into *C-CON* 1.1.2R(1)(b) and (d) and are, with certain exceptions, *conduct rules staff* who are not *approved persons* or *certification employees*.

Amend the following definitions as shown.

certification employee (as described in more detail in section 63E(1) of the *Act* (Certification of employees by relevant authorised person)) an employee (as defined) of a *relevant authorised person* who performs a *significant harm function* under an arrangement entered ~~into by the relevant authorised person in relation to the carrying on by the relevant authorised person of a regulated activity, even though the obligation of the relevant authorised person to issue a~~ has a valid certificate under section 63F of the Act has not yet come into force has a valid certificate issued by that relevant authorised person.

FIT the part of the *Handbook* in High Level Standards which has the title the Fit and Proper test for Approved Persons and Specified significant-harm functions.

*staff being assessed
under FIT*

(in *FIT* and in relation to a *relevant authorised person*) any of the following:

(1) any of the following ~~FCA-approved SMF manager or a candidate for an FCA designated senior management function~~ whose fitness is being assessed by the *FCA* or the *relevant authorised person*:

(a) an *FCA-approved SMF manager*; or

(b) a *candidate for an FCA designated senior management function*;

(2) a *person* whose fitness to perform an *FCA-specified significant harm function* is being assessed by the *relevant authorised person* under section 63F of the *Act* (Issuing of certificates), whether or not that *person* is already a *certification employee* in relation to that *FCA-specified significant harm function*.

Annex C

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

[Note: The amendments shown in this annex are to the current Handbook text as amended by the Consultation Paper *Strengthening accountability in banking: a new regulatory framework for individuals* (FCA CP14/13). The text assumes that, at the time the rules are made, SYSC will no longer be shared with the PRA.]

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

1 Annex Detailed application of SYSC

1

...

Part 2	Application of the common platform requirements (SYSC 4 to 10)	
...		
2.13C	G	...
<u>2.13D</u>	<u>R</u>	<u>SYSC 4.5 (Senior management responsibilities for relevant authorised persons), SYSC 5.2 (Certification regime) and SYSC 5.3 (References and accurate information) also:</u>
		(1) <u>apply to the carrying on of <i>unregulated activities</i>; and</u>
		(2) <u>take into account any activity of other members of a <i>group</i> of which the <i>firm</i> is a member.</u>
...		

...

4.3A CRR firms

...

4.3A.2 R A CRR firm must ensure that the chairman of the firm's management body does not exercise simultaneously the PRA's Chief Executive function controlled function (SMF1) or chief executive function within the same firm, unless justified by the firm and authorised by the ~~appropriate regulator~~

FCA.

[Note: article 88(1)(e) of CRD]

...

4.4 Apportionment of responsibilities

...

4.4.1A R This section applies to:

- (1) an *authorised professional firm* in respect of its *non-mainstream regulated activities* unless the *firm* is also conducting other *regulated activities* and has appointed *approved persons* to perform the FCA governing functions with equivalent responsibilities for the *firm's non-mainstream regulated activities* and other *regulated activities*;

...

4.4.6 G Frequently asked questions about allocation of functions in SYSC 4.4.5R

Question		Answer
1	Does an individual to whom a function is allocated under SYSC 4.4.5R need to be an <i>approved person</i> or a <u>certification employee</u> ?	An individual to whom a function is allocated under SYSC 4.4.5R will be performing the <i>apportionment and oversight function</i> (CF 8, see SUP 10A.7.1R) and an application must be made under section 59 of the <i>Act</i> for approval of the individual before the function is performed. There are exceptions from this in SUP 10A.1 (Approved persons - Application). <u>The <i>apportionment and oversight function</i> does not apply to a <i>relevant authorised person</i>. However, a <i>person</i> performing the role in SYSC 4.4.5R will fall into the certification regime in SYSC 5.2 (Certification Regime) unless the <i>person</i> performing it is an <i>approved person</i>. A <i>person</i> performing the role in SYSC 4.4.5R may be an <i>approved person</i> because of another role that they perform (such as being an executive <i>director</i>).</u>
...		

...

5.1 Skills, knowledge and expertise

...

5.1.5 G The requirements on *firms* with respect to *approved persons* are in Part V of the *Act* (Performance of regulated activities) and *SUP 10A*, ~~and *SUP 10B*~~ *SUP 10C* and in the corresponding parts of the *PRA's* Rulebook.

...

5.2

...

5.2.5 G Under section 63F of the *Act*, a *relevant authorised person* may issue a certificate to a *person* only if the *firm* is satisfied that the *person* is a fit and proper person to perform the *FCA specified significant-harm function* to which the certificate relates. *SYSC TP5* explains how the certification regime applies during the transitional period between [commencement date] and [date requirement in the Act to issues certificates commences].

...

5.2.20A G (1) A *person* who works for an *appointed representative* of a *relevant authorised person* may, in theory, fall into the certification regime. In practice, however, they may not meet the conditions for the certification regime to apply.

(2) One condition for the certification regime to apply to a *person* is that the *person* must perform a *specified significant-harm function* under an arrangement entered into by the *relevant authorised person*. Unlike the *approved persons* regime, the certification regime does not refer to an arrangement entered into by a contractor of the *relevant authorised person*.

(3) The certification regime only applies if the *person* provides services to the *relevant authorised person*. A *person* working for an *appointed representative* may not meet this condition.

(4) Another condition for the certification regime to apply is that the *person* is an employee of the *firm* or subject to (or to the right of) supervision, direction or control by the *firm*. In many cases a *person* working for an *appointed representative* will not meet this condition.

(5) If none of these limitations on the scope of the certification regime apply, a *person* working for an *appointed representative* will be subject to the certification regime, as long as the other conditions in

this section are met.

[Subsequent paragraphs to be renumbered]

...

5.3 References and accurate information

...

5.3.4 R ...

(2) When giving the information to A under (1), B must have regard to the purpose of the request and, in particular, to:

...

(c) section 5 of the relevant ~~{Form A in SUP 10C Annex 4 4D}~~ (Application to perform controlled functions under approved persons regime);

...

6.2 Internal audit

...

6.2.2 G (1) The term 'internal audit function' in SYSC 6.2.1R (and SYSC 4.1.11G) refers to the generally understood concept of internal audit within a *firm*, that is, the function of assessing adherence to and the effectiveness of internal systems and controls, procedures and policies.

(2) ~~The~~ For a *firm* that is not a *relevant authorised person*, the internal audit function is not a *controlled function* itself, but is part of the *systems and controls function* or the *PRA's systems and controls controlled function* (CF28).

(3) For a *relevant authorised person*, the internal audit function is a *PRA controlled function* (SMF5).

...

7.1 Risk control

...

- 7.1.8 G ...
- (2) The term ‘risk management function in SYSC 7.1.6R and SYSC 7.1.17R refers to the generally understood concept of risk assessment within a *firm*, that is the function of setting and controlling risk exposure. ~~The~~
- (3) For a *firm* that is not a *relevant authorised person*, the risk management function is not a *controlled function* itself, but is part of the *systems and controls function* or the *PRA’s systems and controls controlled function* (CF28).
- (4) For a *relevant authorised person*, the risk management function is a *PRA controlled function* (SMF4).

...

18.2 Practical measures

...

- 18.2.3 G The *FCA* would regard as a serious matter any evidence that a *firm* had acted to the detriment of a worker because he had made a protected disclosure (see SYSC 18.2.1G(2)) about matters which are relevant to the functions of the *FCA* or *PRA*. Such evidence could call into question the fitness and propriety of the *firm* or relevant members of its staff, and could therefore, if relevant, affect the *firm's* continuing satisfaction of *threshold condition 5* (Suitability) or, for an *approved person* or *certification employee*, ~~his~~ their status as such.

...

19A.3 Remuneration principles for banks, building societies and investment firms

...

- 19A.3.6 G (1)_ In the ~~appropriate regulator's~~ *FCA's* view:
- ...
- (b) a *person* who performs a *significant influence function* or a *senior management function* for, or is a *senior manager* of, a *firm* would normally be expected to be part of the *firm's Remuneration Code staff*;

...

21.1 Risk control: guidance on governance arrangements

...

21.1.2 G ...

(2) *Firms* will need to seek the *appropriate regulator's* approval for a Chief Risk Officer to perform;

(a) (for a *relevant authorised person*) the *PRA's Chief Risk Function controlled function*; or

(b) (for any other *firm*)) the *systems and controls function* (see *SUP 40 10A (FCA Approved persons)*) or the *PRA's systems and controls controlled function*.

...

After SYSC TP 4 insert the following new section. The text is not underlined.

TP 5 Financial Services (Banking Reform) Act 2013: Certification

Purpose of SYSC TP 5

5.1.1 G SYSC TP 5 explains how the certification regime described in SYSC 5.2 applies during the transitional period between [the commencement date] and [date requirement in the Act to issues certificates commences].

Application

5.2.1 G SYSC TP 5 applies to *relevant authorised persons*.

The transitional period

5.3.1 G The [Treasury commencement Order] says that the obligation in section 63E(1) of the *Act* for a *relevant authorised person* to take reasonable care to ensure that no *employee* of the *firm* performs an *FCA specified significant-harm function*, unless the *firm* has issued the *employee* with a valid certificate, does not apply until the end of the transitional period.

5.3.2 G However, despite SYSC TP 5.3.1G, the other obligations of the certification regime apply in the transitional period.

5.3.3 G The table in SYSC TP 5.3.4G explains how the certification regime applies in the transitional period.

5.3.4

G Table: How the certification regime applies in the transitional period

Provision in SYSC 5.2	What that provision is about	How it applies in the transitional period
Definition of <i>certification employee</i>		The <i>Glossary</i> definition of <i>certification employee</i> covers everyone who would need a certificate to perform their job if the obligation to issue certificates was in force
SYSC 5.2.5G to SYSC 5.2.14G	<i>Guidance</i> about issuing certificates	Does not apply as the obligation to issue a certificate does not apply (see SYSC TP 5.3.1G)
SYSC 5.2.15R to SYSC 5.2.28G	Definition of who falls into the certification regime	Applies.
The parts of SYSC 4.5 dealing with the <i>management responsibilities map</i>	One of the things SYSC 4.5 says is that the <i>management responsibilities map</i> should say whether <i>persons</i> described or identified in the <i>management responsibilities map</i> are <i>certification employees</i>	Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.
<i>C-CON</i>		Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force. This is the case even if they have not been told that they are subject to <i>C-CON</i> .
Section 64B of the <i>Act</i>	<i>Firm</i> should ensure that all <i>persons</i> subject to <i>C-CON</i> are notified <i>Firm</i> should take	Applies to everyone who would need a certificate to perform their job if the obligation to issue

	reasonable steps to ensure that those <i>persons</i> understand how <i>C-CON</i> applies to them.	certificates was in force.
<i>SYSC 5.3</i>	Getting and giving references	<p>(1) Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.</p> <p>(2) For example, <i>SYSC 5.3.8R</i> and <i>SYSC 5.3.11R</i> deal with references for a <i>person</i> who is being appointed to perform a <i>specified significant-harm function</i>. They apply, even though there is no need yet to issue that <i>person</i> with a certificate.</p> <p>(3) However, if:</p> <p>(a) at the commencement date, a <i>person</i> has already been appointed to perform a role that comes within a the definition of a <i>specified significant-harm function</i>; and</p> <p>(b) their role does not change;</p> <p>the <i>firm</i> need not obtain a reference.</p>
Section 64B of the <i>Act</i> and <i>SUP 15.11</i>	Notifying a breach of <i>C-CON</i> to the <i>FCA</i>	Applies to everyone who would need a certificate to perform their job if the obligation to issue certificates was in force.
Section 64C of the <i>Act</i>	Notifying the <i>FCA</i> of	Applies to everyone who

and SUP 15.11	disciplinary action	would need a certificate to perform their job if the obligation to issue certificates was in force.
---------------	---------------------	---

...

Sch 1 Record keeping requirements

...

Sch 1.2G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
...				
SYSC 3.2.20R	...			
<u>SYSC 4.5.41R(2)</u>	<u>Steps taken to comply with SYSC 4.5.40R (Information to be made available to new manager)</u>	<u>Adequate</u>	<u>Adequate time</u>	<u>None specified.</u>
<u>SYSC 4.5.49G</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>Past versions of a firm's management responsibilities maps</u>	<u>SYSC 4.5.49G does not itself impose requirements but says that past versions of a firm's management responsibilities maps are an important part of its records</u>	<u>SYSC 4.5.49G does not itself impose requirements but says that past versions of a firm's management responsibilities maps are an important part of its records</u>
...				

Sch 2 Notification requirements

Sch 2.1 G There are no notification or reporting requirements in SYSC. The aim of the guidance in the table in SYSC Sch 2.2G is to give the reader a quick overall view of the relevant requirements for notification and reporting.

Sch 2.2 G This is not a complete statement of reporting requirements and should not be relied on as if it were.

<u>Handbook reference</u>	<u>Matter to be notified</u>	<u>Contents of notification</u>	<u>Trigger event</u>	<u>Time allowed</u>
<u>SYSC 4.5.46R</u>	<u>A firm must certify in writing to the FCA whether or not it has complied with SYSC 4.5 and the guidance in it.</u>	<u>A firm must certify in writing to the FCA whether or not it has complied with SYSC 4.5 and the guidance in it.</u>	<u>None. Required once every twelve months.</u>	<u>Required once every twelve months.</u>

...

Sch 6 Rules that can be waived

Sch 6.1A G As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than rules made under section 64A (rules of conduct), 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*. ...

Annex D

Amendments to the Threshold Conditions sourcebook (COND)

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

2.5 Suitability

...

2.5.3 G (1) The emphasis of the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 of the *Act* is on the suitability of the *firm* itself. The suitability of each *person* who performs a *controlled function* will be assessed by the *FCA* and/or the *PRA*, as appropriate, under the *approved persons* regime (in relation to an *FCA-approved person*, see SUP 10A (FCA Approved persons Persons), SUP 10C (FCA approved persons regime for relevant authorised persons) and *FIT*). In certain circumstances, however, the *FCA* may consider that the *firm* is not suitable because of doubts over the individual or collective suitability of *persons* connected with the *firm*.

...

...

2.5.6 G ...

(7) ...

(b) ensure that its *approved persons* (~~whether or not employed by the *firm*~~), and in the case of *relevant authorised persons*, the rest of its *conduct rules staff* are aware of those requirements and standards under the *regulatory system* applicable to them, whether or not they are employed by the *firm*;

...

(d) determine that its *approved persons* and, in the case of *relevant authorised persons*, the rest of its *conduct rules staff*, are adhering to those requirements and standards;

...

Annex E

Amendments to the Statements of Principle and Code of Practice for Approved Persons

[*Editor's note:* The amendments in this annex are to the current Handbook text. It assumes that APER will cease to be shared with the PRA. The text in this annex does not take into account the changes suggested by CP14/25 *Changes to the Approved Persons Regime for Solvency II firms*]

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

1.1A Application

Who?

1.1A.1 P *APER applies to FCA-approved persons and PRA-approved persons who fall under (1) or (2):*

R

(1) *approved persons of firms that are not relevant authorised persons; or*

(2) *approved persons approved to perform a controlled function in SUP 10A.1.16BR (appointed representatives of relevant authorised persons).*

1.1A.1A G *APER does not apply to FCA-approved persons and PRA-approved persons of relevant authorised persons. C-CON applies instead.*

What?

1.1A.2 P (1) *APER applies to the performance by an approved person of:*

R

...

1.1A.3 G The functions described in ~~*APER 1.1A.2P*~~ *APER 1.1A.2R* are called *accountable functions*.

1.1A.4 G The relevance of *MiFID* to the *Statements of Principle* will depend on the extent to which the corresponding requirement imposed on *firms* under *MiFID* is reserved to a *Home State regulator* or has been disapplied under *MiFID* (see ~~*APER 2.1A.2P*~~ and ~~*FIT 1.2.4G*~~ *APER 2.1A.2R* and *FIT 1.2.4AG*. See also *COBS 1 Annex 1, Part 2, 1.1R* (EEA territorial scope rule: compatibility with European law)).

...

1.1A.6 G *APER* 1.1A.7G gives examples of the effect of ~~*APER* 1.1A.1P and *APER* 1.1A.2P~~ *APER* 1.1A.1R and *APER* 1.1A.2R. The first column says whether the example involves an *FCA-approved person* and the second column says whether the example involves a *PRA-approved person*. So for example if there is a "Yes" in both columns that means that the example concerns a *person* who has been approved both by the *FCA* and by the *PRA*. The third column explains what functions *APER* covers in the scenario set out in the first two columns. The table is divided between cases in which the *person* performs the *controlled function* for an *FCA-authorized person* and ones where the *person* does so for a *PRA-authorized person*.

1.1A.7 G Table: Examples of what activities *APER* covers

FCA approved	PRA approved	Coverage of <i>APER</i>
...		
<i>PRA-authorized person that is not a relevant authorized person</i>		
...
(6) ...		
<i>PRA-authorized person that is a relevant authorized person</i>		
<u>(7) Yes, in relation to firm A</u>	<u>No</u>	<u>No. <i>APER</i> does not apply to approved persons of relevant authorized persons. C-CON applies instead.</u>
<u>(8) No</u>	<u>Yes, in relation to firm A</u>	<u>The answer is the same as for scenario (7).</u>
<u>(9) Yes, in relation to firm A</u>	<u>Yes, in relation to firm A</u>	<u>The answer is the same as for scenario (7).</u>

- 1.1A.8 G
- (1) *A person* may be an *approved person* in relation to more than one *firm*. When that is the case, *APER* applies in relation to all those *firms*.
 - (2) *APER* does not apply if the *firm* is a *relevant authorized person*, except for *approved persons of an appointed representative of a relevant authorized person*.
 - (3) If a *person* is an *approved person* of a *firm* (A) that is not a *relevant*

authorised person and also of another firm (B) that is:

(a) APER applies to the approved person in relation to firm A;
and

(b) C-CON applies to the approved person in relation to firm B.

1.1A.9 G (1) ~~APER 1.1A.2P~~ APER 1.1A refers to the authorised person in relation to which a person is an approved person. It also refers to an authorised person "of" a firm.

...

(3) Section 59(1) of the *Act* describes the first. It covers a person who performs a controlled function under an arrangement entered into by an authorised person ("A"). In this case, ~~APER 1.1A.2P~~ APER 1.1A refers to A.

(4) Section 59(2) of the *Act* describes the second. It covers a person who performs a controlled function under an arrangement entered into by a contractor ("B") of an authorised person ("A"). In this case, ~~APER 1.1A.2P~~ APER 1.1A refers to A (and not B).

~~Rule in GEN about provisions shared between the FCA and PRA~~

1.1A.10 E ~~GEN 2.2.23 R (Cutover: Application of provisions made by both the FCA and the PRA) does not apply to any provision of APER marked with an "E" in the margin. [deleted]~~

1.1A.11 G ~~GEN 2.2.23R does not apply to any of APER. It does not apply to any part of APER that is not shared as GEN 2.2.23R only applies to Handbook provisions made by both the FCA and the PRA. Hence GEN 2.2.23R does not apply to the Statements of Principle. APER 1.1A.10E means that GEN 2.2.23R does not apply to shared provisions marked with an "E" in the margin. GEN 2.2.23R does not apply to shared guidance in APER because the guidance is about material to which GEN 2.2.23R does not apply. [deleted]~~

1.2 Purpose

1.2.1A G The *Statements of Principle* contained in *APER 2* are issued rules made under section ~~64(1)~~ 64A(1)(a) of the *Act* (~~Conduct: statements and codes~~) (Rules of conduct). The paragraphs of the application section in *APER 1.1A* labelled "P" also form part of the *Statements of Principle*.

1.2.2 G Section 64(2) of the *Act* states that if an appropriate regulator issues *Statements of Principle* it must also issue a code of practice for the purpose of helping to determine whether or not a person's conduct complies with the *Statements of Principle*. The guidance in *APER 3* and *APER 4* is guidance on the *Statements of Principle* and is called the Code of Practice for

Approved Persons in ~~APER 3~~ and ~~APER 4~~ fulfils this requirement.

- 1.2.3 G The *Code of Practice for Approved Persons* sets out descriptions of conduct which, in the opinion of the *FCA*, do or do not comply with a *Statement of Principle* and, ~~in the case of *Statement of Principle 3*, conduct which tends to show compliance within that statement.~~ The *Code of Practice for Approved Persons* also sets out, in certain cases, factors which, in the opinion of the *FCA*, are to be taken into account in determining whether or not an *approved person's* conduct complies with a *Statement of Principle*. The *guidance* set out in ~~APER 3~~ and ~~APER 4~~ does not form part of the *Code of Practice for Approved Persons*.

...

2.1A The Statements of Principle

- 2.1A.1 G ~~APER 2.1A.3P~~ APER 2.1A.3R sets out the *Statements of Principle* issued by the *FCA* to which *APER 1.2.1AG* refers and to which the provisions of the *Code of Practice for Approved Persons* and ~~guidance~~ in ~~APER 3~~ and ~~APER 4~~ apply. ~~The paragraphs of APER 1.1A labelled "P" also form part of the *Statements of Principle*.~~
- 2.1A.2 P An *approved person* will not be subject to a *Statement of Principle* to the extent that it would be contrary to the UK's obligations under a *Single Market Directive* or the *auction regulation*.
R
- 2.1A.3 P **Statements of Principle issued under section 64A(1)(a) of the Act**
R

...
Statement of Principle 5 An <i>approved person</i> performing an <i>accountable significant influence higher management function</i> must take reasonable steps to ensure that the business of the <i>firm</i> for which he is responsible in his <i>accountable function</i> is organised so that it can be controlled effectively.
Statement of Principle 6 An <i>approved person</i> performing an <i>accountable significant influence higher management function</i> must exercise due skill, care and diligence in managing the business of the <i>firm</i> for which he is responsible in his <i>accountable function</i> .
Statement of Principle 7 An <i>approved person</i> performing an <i>accountable significant influence higher management function</i> must take reasonable steps to ensure that the business of the <i>firm</i> for which he is responsible in his <i>accountable function</i> complies

with the relevant requirements and standards of the *regulatory system*.

...

3 Code of Practice for Approved Persons: general

3.1 Introduction

3.1.1A G ~~This~~ The purpose of the Code of Practice for Approved Persons is issued under section 64 of the Act (Conduct: statements and codes) for the purpose of helping ~~is to help an approved person to determine whether or not that an approved person's~~ person's conduct complies with a *Statement of Principle*. The code sets out descriptions of conduct which, in the *FCA's* opinion, ~~do or do~~ not comply with the relevant *Statements of Principle*. The code also sets out certain factors which, in the opinion of the *FCA*, are to be taken into account in determining whether an *approved person's* conduct complies with a particular *Statement of Principle*. ~~The description of conduct, the factors and related provisions are identified in the text by the letter 'E' as explained in chapter 6 of the Reader's Guide.~~

3.1.2 G ~~The Code of Practice for Approved Persons in issue at the time when any particular conduct takes place may be relied on so far as it tends to establish whether or not that conduct complies with a Statement of Principle is~~ general guidance. The status and effect of general guidance is described in the *Readers' Guide*. In particular, guidance:

- (1) represents the FCA's view and does not bind the courts or third parties
- (2) is not binding on approved persons, nor does it have 'evidential' effect
- (3) need not be followed to achieve compliance with the Statements of Principle. Nor is there any presumption that departing from guidance is indicative of a breach of the relevant rule
- (4) indicates that if a person acts in accordance with the guidance in APER in the circumstances contemplated by that guidance, then the FCA will proceed as if that person has complied with the aspects of the rule to which the guidance relates.

3.1.3 G ~~The significance of conduct identified in the Code of Practice for Approved Persons as tending to establish compliance with or a breach of a Statement of Principle will be assessed only after~~ In assessing compliance with or a breach of a Statement of Principle, the FCA will look at all the circumstances of a particular case ~~have been considered~~. Account will be taken of the context in which a course of conduct was undertaken, including the precise circumstances of the individual case, the characteristics of the particular *accountable function* and the behaviour to be expected in that

function.

...

- 3.1.5 G In particular, in determining whether or not an *approved person's* conduct complies with a *Statement of Principle*, the ~~appropriate regulator~~ FCA will take into account the extent to which an *approved person* has acted in a way that is stated to be in breach of a *Statement of Principle*.
- 3.1.6 G ... The ~~appropriate regulator~~ FCA will amend the code if there is a risk that unacceptable practice may become prevalent, so as to make clear what conduct falls below the standards expected of *approved persons* by the *Statements of Principle*.
- 3.1.7A G *Statements of Principle* 1 to 4 apply to all *approved persons*. A person performing an ~~accountable-significant influence~~ higher management function is also subject to the additional requirements set out in *Statements of Principle* 5 to 7 in performing that *accountable function*. Those responsible under SYSC 2.1.3R or SYSC 4.4.5R (Apportionment of responsibilities) for the *firm's* apportionment obligation will be specifically subject to *Statement of Principle* 5 (and see, in particular, ~~APER 4.5.6E~~ APER 4.5.6G). In addition, it will be the responsibility of any such *approved person* to oversee that the *firm* has appropriate systems and controls under *Statement of Principle* 7 (and see, in particular, ~~APER 4.7.3E~~ APER 4.7.3G).
- 3.1.8A G In applying *Statements of Principle* 5 to 7, the nature, scale and complexity of the business under management and the role and responsibility of the individual performing an ~~accountable significant influence~~ higher management function within the *firm* will be relevant in assessing whether an *approved person's* conduct was reasonable. For example, the smaller and less complex the business, the less detailed and extensive the systems of control need to be. The *FCA* will be of the opinion that an individual performing an ~~accountable significant influence~~ higher management function may have breached *Statements of Principle* 5 to 7 only if his conduct was below the standard which would be reasonable in all the circumstances. (See also ~~APER 3.3.1E(3) to APER 3.3.1E(5)~~ APER 3.3.1G(3) to APER 3.3.1G(5).)
- 3.1.9 G ... *Firms* regulated by the ~~appropriate regulator~~ FCA in this category will thus be subject to that code as well as to the requirements and standards of the *regulatory system*. In forming an opinion whether *approved persons* have complied with its requirements, the ~~appropriate regulator~~ FCA will give due credit for their following corresponding provisions in the *UK Corporate Governance Code* and related *guidance*.

3.2 Factors relating to all Statements of Principle

- 3.2.1 E In determining whether or not the particular conduct of an *approved person*
G within his *accountable function* complies with the *Statements of Principle*,

the following are factors which, in the opinion of the ~~appropriate regulator~~ FCA, are to be taken into account:

3.3 Factors relating to Statements of Principle 5 to 7

3.3.1 ~~E~~ G In determining whether or not the conduct of an *approved person* performing an ~~accountable-significant-influence~~ higher management function complies with *Statements of Principle 5 to 7*, the following are factors which, in the opinion of the *FCA*, are to be taken into account:

...

(4) his role and responsibility as an *approved person* performing an ~~accountable significant-influence~~ higher management function;

4 Code of Practice for Approved Persons: specific

4.1 Statement of Principle 1

4.1.1A ~~G~~ G The *Statement of Principle 1* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: “An *approved person* must act with integrity in carrying out his *accountable functions*.”

4.1.2 ~~G~~ G In the opinion of the ~~appropriate regulator~~ FCA, conduct of the type described in ~~APER 4.1.3E, APER 4.1.5E~~ APER 4.1.3G, APER 4.1.5G, APER 4.1.6E, APER 4.1.8E, APER 4.1.10E, APER 4.1.12E, APER 4.1.13E, APER 4.1.14E or APER 4.1.15E APER 4.1.6G, APER 4.1.8G, APER 4.1.10G, APER 4.1.12G, APER 4.1.13G, APER 4.1.14G or APER 4.1.15G does not comply with *Statement of Principle 1*.

4.1.3 ~~E~~ G Deliberately misleading (or attempting to mislead) by act of omission:

...

falls within ~~APER 4.1.2E~~ APER 4.1.2G.

4.1.4 ~~E~~ G Behaviour of the type referred to in ~~APER 4.1.3E~~ APER 4.1.3G includes ...

4.1.5 ~~E~~ G Deliberately recommending an *investment* to a *customer*, or carrying out a discretionary *transaction* for a *customer* where the *approved person* knows that he is unable to justify its suitability for that *customer*, falls within ~~APER 4.1.2E~~ APER 4.1.2G.

4.1.6 ~~E~~ G Deliberately failing to inform, without reasonable cause:

...

of the fact that their understanding of a material issue is incorrect, despite being aware of their misunderstanding, falls within ~~APER 4.1.2E~~ APER 4.1.2G.

- 4.1.7 ~~E~~
G Behaviour of the type referred to in ~~APER 4.1.6E~~ APER 4.1.6G includes ...
- 4.1.8 ~~E~~
R Deliberately preparing inaccurate or inappropriate records or returns in connection with an *accountable function*, falls within ~~APER 4.1.2E~~ APER 4.1.2G.
- 4.1.9 ~~E~~
G Behaviour of the type referred to in APER 4.1.8G ~~APER 4.1.8E~~ includes ...
- 4.1.10 ~~E~~
G Deliberately misusing the assets or confidential information of a *client* or of his *firm* falls within APER 4.1.2G ~~APER 4.1.2E~~.
- 4.1.11 ~~E~~
G Behaviour of the type referred to in APER 4.1.10G ~~APER 4.1.10E~~ includes ...
- 4.1.12 ~~E~~
G Deliberately designing *transactions* so as to disguise breaches of requirements and standards of the *regulatory system* falls within APER 4.1.2G ~~APER 4.1.2E~~.
- 4.1.13 ~~E~~
G Deliberately failing to disclose the existence of a conflict of interest in connection with dealings with a *client* falls within APER 4.1.2G ~~APER 4.1.2E~~.
- 4.1.14 ~~E~~
G Deliberately not paying due regard to the interest of a *customer* falls within APER 4.1.2G ~~APER 4.1.2E~~.
- 4.1.15 ~~E~~
G Deliberate acts, omissions or business practices that could be reasonably expected to cause consumer detriment fall within APER 4.1.2G ~~APER 4.1.2E~~.

4.2 Statement of Principle 2

- 4.2.1A ~~G~~
G The *Statement of Principle 2* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: “An *approved person* must act with due skill, care and diligence in carrying out his *accountable functions*.”
- 4.2.2 ~~E~~
G In the opinion of the ~~appropriate regulator~~ *FCA*, conduct of the type described in ~~APER 4.2.3E, APER 4.2.5E, APER 4.2.6E, APER 4.2.8E, APER 4.2.10E or APER 4.2.14E~~ APER 4.2.3G, APER 4.2.5G, APER 4.2.6G, APER 4.2.8G, APER 4.2.10G, APER 4.2.11G or APER 4.2.14G does not comply with *Statement of Principle 2*.
- 4.2.2A ~~E~~
G In the opinion of the *FCA*, conduct of the type described in described in ~~APER 4.2.13E~~ APER 4.2.13G does not comply with *Statement of Principle*

2.

- 4.2.3 E Failing to inform:
G ...
of material information in circumstances where he was aware, or ought to have been aware, of such information, and of the fact that he should provide it, falls within ~~APER 4.2.2E~~ APER 4.2.2G.
- 4.2.4 E Behaviour of the type referred to in ~~APER 4.2.3E~~ APER 4.2.3G includes ...
G
- 4.2.5 E Recommending an *investment* to a *customer*, or carrying out a discretionary
G *transaction* for a *customer*, where he does not reasonable grounds to believe that it is suitable for that customer, falls within ~~APER 4.2.2E~~ APER 4.2.2G.
- 4.2.6 E Undertaking, recommending or providing advice on *transactions* without a
G reasonable understanding of the risk exposure of the *transaction* to a *customer* falls within ~~APER 4.2.2E~~ APER 4.2.2G
- 4.2.7 E *Behaviour* of the type referred to in ~~APER 4.2.6E~~ APER 4.2.6G includes ...
G
- 4.2.8 E Undertaking *transactions* without a reasonable understanding of the risk
G exposure of the *transaction* to the *firm* falls within ~~APER 4.2.2E~~ APER 4.2.2G.
- 4.2.9 E *Behaviour* of the type referred to in ~~APER 4.2.8E~~ APER 4.2.8G includes ...
G
- 4.2.10 E Failing without good reason to disclose the existence of a conflict of interest
G in connection with *dea* falls within APER 4.2.2G ~~APER 4.2.2E~~.
- 4.2.11 E Failing to provide adequate control over a *client's* assets falls within ~~APER~~
G ~~4.2.2E~~ APER 4.2.2G.
- 4.2.12 E *Behaviour* of the type referred to in ~~APER 4.2.11E~~ APER 4.2.11G includes
G ...
- 4.2.13 E Continuing to perform a *controlled function* despite having failed to meet
G the standards of knowledge and skill set out in the Training and Competence sourcebook (*TC*) for that *controlled function* falls within ~~APER 4.2.2AE~~ APER 4.2.2AG.
- 4.2.14 E Failing to pay due regard to the interests of a *customer*, without good reason,
G falls within ~~APER 4.2.2E~~ APER 4.2.2G.

4.3 Statement of Principle 3

4.3.1 G The *Statement of Principle 3* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: “An *approved person* must observe proper standards of market conduct in carrying out his *accountable functions*.”

...

4.3.3 E ...
G

4.3.4 E ~~Compliance~~ In the opinion of the *FCA*, compliance with the code or *rules*
G described in ~~APER 4.3.3E~~ APER 4.3.3G will tend to show compliance with this *Statement of Principle*.

4.4 Statement of Principle 4

4.4.1A G The *Statement of Principle 4* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: “An *approved person* must deal with the *FCA*, the *PRA* and other regulators in an open and cooperative way and must disclose appropriately any information of which the *FCA* or the *PRA* would reasonably expect notice.”

...

4.4.2A G For the purpose of this *Statement of Principle*, regulators in addition to the *FCA* and the *PRA* are those which have recognised jurisdiction in relation to *regulated activities* and a power to call for information from the *approved person* in connection with his *accountable function* or (in the case of an individual performing an *accountable ~~significant influence~~ higher management function*) in connection with the business for which he is responsible. This may include an exchange or an *overseas regulator*.

4.4.3 E In the opinion of the ~~appropriate regulator~~ *FCA*, conduct of the type
G described in ~~APER 4.4.4E, APER 4.4.7E or APER 4.4.9E~~ APER 4.4.4G, APER 4.4.7G or APER 4.4.9G does not comply with *Statement of Principle 4*.

4.4.4 E Failing to report promptly in accordance with the *firm's* internal procedures
G (or if none exist direct to the regulator concerned), information which it would be reasonable to assume would be of material significance to the regulator concerned, whether in response to questions or otherwise, falls within ~~APER 4.4.3E~~ APER 4.4.3G. ...

4.4.5 G ... However, if an *approved person* takes steps to influence the decision so as not to report to the regulator concerned or acts in a way that is intended to obstruct the reporting of the information to the regulator concerned, then the ~~appropriate regulator~~ *FCA* will, in respect of that information, view him as being one of those within the *firm* who has taken on responsibility for deciding whether to report that matter to the regulator concerned.

4.4.6 ~~E~~
G In determining whether or not an *approved person's* conduct under ~~APER 4.4.4E~~ APER 4.4.4G complies with *Statement of Principle 4*, the following are factors which, in the opinion of the ~~appropriate regulator~~ FCA, are to be taken into account:

(1) the likely significance to the regulator concerned (as defined in ~~APER 4.4.4E~~ APER 4.4.4G) of the information which it was reasonable for the individual to assume;

...

4.4.7 ~~E~~
G Where the *approved person* is, or is one of the *approved persons* who is, responsible within the *firm* for reporting matters to the regulator concerned (as defined in ~~APER 4.4.4E~~ APER 4.4.4G), failing promptly to inform the regulator concerned of information of which he is aware and which it would be reasonable to assume would be of material significance to the regulator concerned, whether in response to questions or otherwise, falls within ~~APER 4.4.3E~~ APER 4.4.3G.

4.4.8 ~~E~~
G In determining whether or not an *approved person's* conduct under ~~APER 4.4.7E~~ APER 4.4.7G complies with *Statement of Principle 4*, the following are factors which, in the opinion of the ~~appropriate regulator~~ FCA, are to be taken into account:

(1) the likely significance of the information to the regulator concerned (as defined in ~~APER 4.4.4E~~ APER 4.4.4G) which it was reasonable for the *approved person* to assume;

(2) whether any decision not to inform the regulator concerned (as defined in ~~APER 4.4.4E~~ APER 4.4.4G) was taken after reasonable enquiry and analysis of the situation.

4.4.9 ~~E~~
G Failing without good reason to:

...

falls within ~~APER 4.4.3E~~ APER 4.4.3G.

4.5 Statement of Principle 5

4.5.1A ~~G~~
G The *Statement of Principle 5* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: "An *approved person* performing an *accountable significant influence higher management function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *accountable function* is organised so that it can be controlled effectively." References in ~~APER 4.5~~ to a *significant influence function* are to an *accountable function* to which ~~Statement of Principle 5~~ applies.

4.5.2 ~~E~~
G In the opinion of the ~~appropriate regulator~~ FCA, conduct of the type

- G described in ~~APER 4.5.3E, APER 4.5.4E, APER 4.5.6E or APER 4.5.8E~~ APER 4.5.3G, APER 4.5.4G, APER 4.5.6G or APER 4.5.8G does not comply with *Statement of Principle 5*.
- 4.5.3 E Failing to take reasonable steps to apportion responsibilities for all areas of the business under the *approved person's* control falls within ~~APER 4.5.2E~~ APER 4.5.2G (see APER 4.5.11G).
- 4.5.4 E Failing to take reasonable steps to apportion responsibilities clearly amongst those to whom responsibilities have been delegated falls within ~~APER 4.5.2E~~ APER 4.5.2G (see APER 4.5.11G).
- 4.5.5 E Behaviour of the type referred to in ~~APER 4.5.4E~~ APER 4.5.4G includes ...
G
- 4.5.6 E In the case of an *approved person* who is responsible under SYSC 2.1.3R(1) or SYSC 4.4.5R(1) for dealing with the appointment of responsibilities under SYSC 2.1.1R or SYSC 4.4.3R, failing to take reasonable care to maintain a clear and appropriate apportionment of significant responsibilities among the *firm's directors and senior managers* falls within ~~APER 4.5.2E~~ APER 4.5.2G.
- 4.5.7 E Behaviour of the type referred to in ~~APER 4.5.4E~~ APER 4.5.4G includes ...
G
- 4.5.8 E Failing to take reasonable steps to ensure that suitable individuals are responsible for those aspects of the business under the control of the individual performing a *significant influence an accountable higher management function* falls within ~~APER 4.5.2E~~ APER 4.5.2G (see APER 4.5.14G).
- 4.5.9 E Behaviour of the type referred to in ~~APER 4.5.4E~~ APER 4.5.4G includes...
G
- 4.5.10 G Strategy and plans will often dictate the risk which the business is prepared to take on and high level controls will dictate how the business is to be run. If the strategy of the business is to enter high-risk areas, then the degree of control and strength of monitoring reasonably required within the business will be high. In organising the business for which he is responsible, the *approved person* performing a *significant influence function an accountable higher management* should bear this in mind.

Apportionment of responsibilities

- 4.5.11 G In order to comply with the obligations of *Statement of Principle 5* (having regard to ~~APER 4.5.3E and APER 4.5.4E~~ APER 4.5.3G and APER 4.5.4G), the *approved person* performing a *significant influence an accountable higher management function* may find it helpful to review whether each area of the business for which he is responsible has been clearly assigned to a particular individual or individuals.

Reporting lines

- 4.5.12 G The organisation of the business and the responsibilities of those within it should be clearly defined (see ~~APER 4.5.5E(1)~~ APER 4.5.5G(1)) ...

Authorisation levels and job descriptions

- 4.5.13 G Where members of staff have particular levels of authorisation (see ~~APER 4.5.5E(2)~~ and ~~APER 4.5.5E(3)~~ APER 4.5.5G(2) and APER 4.5.5G(3)), these should be clearly set out and communicated to staff ...

Suitability of individuals

- 4.5.13A G The appropriate *approved person* performing a ~~significant influence~~ an accountable higher management function should take reasonable steps to satisfy himself, on reasonable grounds, that each area of the business for which he is responsible has in place appropriate policies and procedures for reviewing the competence, knowledge, skills and performance of each individual member of staff.
- 4.5.14 G If an individual's performance is unsatisfactory, then the appropriate *approved person* (if any) performing a ~~significant influence~~ an accountable higher management function should review carefully whether to allow that individual to continue in position. In particular, if he is aware of concerns relating to the compliance with requirements and standards of the *regulatory system* (or internal controls) of the individual concerned, or of staff reporting to that individual, the *approved person* performing a ~~significant influence~~ an accountable higher management function should take care not to give undue weight to the financial performance of the individual or group concerned when considering whether any action should be taken. An adequate investigation of the concerns should be undertaken (including, where appropriate, adherence to internal controls). The *approved person* performing a ~~significant influence~~ an accountable higher management function should satisfy himself, on reasonable grounds, that the investigation is appropriate, the results are accurate and that the concerns do not pose an unacceptable risk to compliance with the requirements and standards of the *regulatory system* (see in particular *Statement of Principle 6* and ~~APER 4.5.8E~~ and ~~APER 4.5.9E(1)~~ and ~~APER 4.5.9E(2)~~, APER 4.5.8G, APER 4.5.9G(1) and APER 4.5.9G(2)).

Temporary vacancies

- 4.5.15 G In organising the business, the *approved person* performing a ~~significant influence~~ an accountable higher management function should pay attention to any temporary vacancies which exist (see ~~APER 4.5.9E(3)~~ APER 4.5.9G(3)). He should take reasonable steps to ensure that suitable cover for responsibilities is arranged. This could include taking on temporary staff or external consultants. The *approved person* performing a ~~significant influence~~ an accountable higher management function should assess the risk that is posed to compliance with the requirements and standards of the *regulatory system* as a result of the vacancy, and the higher the risk the

greater the steps he should take to fill the vacancy. It may be appropriate to limit or suspend the activity if appropriate cover for responsibilities cannot be arranged. To the extent that those vacancies are in respect of one of the *customer functions*, they may only be filled by *persons* approved for that function.

4.6 Statement of Principle 6

- 4.6.1A G The *Statement of Principle 6* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: "An *approved person* performing an *accountable significant influence higher management function* must exercise due skill, care and diligence in managing the business of the *firm* for which he is responsible in his *accountable function*." ~~References in APER 4.6 to a significant influence function are to an accountable significant influence function to which Statement of Principle 6 applies.~~
- 4.6.2 E In the opinion of the ~~appropriate regulator~~ FCA, conduct of the type described in ~~APER 4.6.3E, APER 4.6.5E, APER 4.6.6E or APER 4.6.8E~~ APER 4.6.3G, APER 4.6.5G, APER 4.6.6G or APER 4.6.8G does not comply with *Statement of Principle 6*.
- 4.6.3 E Failing to take reasonable steps to adequately inform himself about the affairs of the business for which he is responsible falls within ~~APER 4.6.2E~~ APER 4.6.2G.
- 4.6.4 E Behaviour of the type referred to in ~~APER 4.6.3E~~ APER 4.6.3G includes...
- 4.6.5 E Delegating the authority for dealing with an issue or a part of the business to an individual or individuals (whether in-house or outside contractors) without reasonable grounds for believing that the delegate had the necessary capacity, competence, knowledge, seniority or skill to deal with the issue or to take authority for dealing with part of the business, falls within ~~APER 4.6.2E~~ APER 4.6.2G (see APER 4.6.13G).
- 4.6.6 E Failing to take reasonable step to maintain an appropriate level of understanding about an issue or part of the business that he has delegated to an individual or individuals (whether in-house or outside contractors) falls within ~~APER 4.6.2E~~ APER 4.6.2G (see APER 4.6.14G).
- 4.6.7 E Behaviour of the type referred to in ~~APER 4.6.6E~~ APER 4.6.6G includes ...
- 4.6.8 E Failing to supervise and monitor adequately the individual or individuals (whether in-house or outside contractors) to whom responsibility for dealing with an issue or authority for dealing with a part of the business has been delegated falls within ~~APER 4.6.2E~~ APER 4.6.2G.
- 4.6.9 E Behaviour of the type referred to in ~~APER 4.6.8E~~ APER 4.6.8G includes ...

G

- 4.6.10 ~~E~~ G In determining whether or not the conduct of an *approved person* performing a ~~significant influence~~ an accountable higher management function under ~~APER 4.6.5E, APER 4.6.6E and APER 4.6.8E~~ APER 4.6.5G, APER 4.6.6G and APER 4.6.8G complies with *Statement of Principle 6*, the following are factors which, in the opinion of the ~~appropriate regulator~~ FCA, are to be taken into account:

...

- 4.6.11 G An *approved person* performing a ~~significant influence~~ an accountable higher management function will not always manage the business on a day-to-day basis himself. The extent to which he does so will depend on a number of factors, including the nature, scale and complexity of the business and his position within it. The larger and more complex the business, the greater the need for clear and effective delegation and reporting lines. The ~~appropriate regulator~~ FCA will look to the *approved person* performing a ~~significant influence~~ an accountable higher management function to take reasonable steps to ensure that systems are in place which result in issues being addressed at the appropriate level. When issues come to his attention, he should deal with them in an appropriate way.

Knowledge about the business

- 4.6.12 G (1) It is important for the *approved person* performing a ~~significant influence~~ an accountable higher management function to understand the business for which he is responsible (~~APER 4.6.4E~~ APER 4.6.4G). An *approved person* performing a ~~significant influence~~ an accountable higher management function is unlikely to be an expert in all aspects of a complex financial services business. However, he should understand and inform himself about the business sufficiently to understand the risks of its trading, credit or other business activities.
- (2) It is important for an *approved person* performing a ~~significant influence~~ an accountable higher management function to understand the risks of expanding the business into new areas and, before approving the expansion, he should investigate and satisfy himself, on reasonable grounds, about the risks, if any, to the business.
- ...
- (4) Where the *approved person* performing a ~~significant influence~~ an accountable higher management function is not an expert in a business area, he should consider whether he or those with whom he works have the necessary expertise to provide him with an adequate explanation of issues within that business area ...

Delegation

- 4.6.13 G (1) An *approved person* performing a ~~significant influence~~ an accountable higher management function may delegate the investigation, resolution or management of an issue or authority for dealing with a part of the business to individuals who report to him or to others.
- (2) The *approved person* performing a ~~significant influence~~ an accountable higher management function should have reasonable grounds for believing that the delegate has the competence, knowledge, skill and time to deal with the issue. ...
- (3) If an issue raises questions of law or interpretation, the *approved person* performing a ~~significant influence~~ an accountable higher management function may need to take legal advice. If appropriate legal expertise is not available in-house, he may need to consider appointing an appropriate external adviser.
- (4) The ~~FCA and PRA recognise~~ recognises that the *approved person* performing a ~~significant influence~~ an accountable higher management function will have to exercise his own judgment in deciding how issues are dealt with, and that in some cases that judgment will, with the benefit of hindsight, be shown to have been wrong. He will not be in breach of *Statement of Principle 6* unless he fails to exercise due and reasonable consideration before he delegates the resolution of an issue or authority for dealing with a part of the business and fails to reach a reasonable conclusion. If he is in doubt about how to deal with an issue or the seriousness of a particular compliance problem, then, although he cannot delegate to the ~~FCA appropriate regulator~~ the responsibility for dealing with the problem or issue, he can speak to the *appropriate regulator* to discuss his approach (see ~~APER 4.6.5E~~ APER 4.6.5G).

Continuing responsibilities where an issue has been delegated

- 4.6.14 G Although an *approved person* performing a ~~significant influence~~ an accountable higher management function may delegate the resolution of an issue, or authority for dealing with a part of the business, he cannot delegate responsibility for it. It is his responsibility to ensure that he receives reports on progress and questions those reports where appropriate. For instance, if progress appears to be slow or if the issue is not being resolved satisfactorily, then the *approved person* performing a ~~significant influence~~ an accountable higher management function may need to challenge the explanations he receives and take action himself to resolve the problem. This may include increasing the resource applied to it, reassigning the resolution internally or obtaining external advice or assistance. Where an issue raises significant concerns, an *approved person* performing a ~~significant influence~~ an accountable higher management function should act clearly and decisively. If appropriate, this may be by suspending members of staff or relieving them of all or part of their responsibilities (see ~~APER 4.6.5E~~ APER 4.6.5G).

4.7 Statement of Principle 7

- 4.7.1A G The *Statement of Principle 7* (see ~~APER 2.1A.3P~~ APER 2.1A.3R) is in the following terms: "An *approved person* performing an *accountable significant-influence higher management function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *accountable function* complies with the relevant requirements and standards of the *regulatory system*." ~~References in APER 4.7 to a significant influence function are to an accountable significant-influence function to which Statement of Principle 7 applies.~~
- 4.7.2 G In the opinion of the ~~appropriate regulator~~ *FCA*, conduct of the type described in ~~APER 4.7.3E, APER 4.7.4E, APER 4.7.5E or APER 7.7.7E~~ APER 4.7.3G, APER 4.7.4G, APER 4.7.5G, APER 4.7.7G, APER 4.7.9G, APER 4.7.10G or APER 4.7.11AG does not comply with *Statement of Principle 7*.
- 4.7.2A G ~~In the opinion of the FCA, conduct of the type described in APER 4.7.9E, APER 4.7.10E or APER 4.7.11AE does not comply with Statement of Principle 7. [deleted]~~
- 4.7.3 E Failing to take reasonable steps to implement (either personally or through a
G compliance department or other departments) adequate and appropriate systems of control to comply with the relevant requirements and standards of the *regulatory system* in respect of the *regulated activities* of the *firm* in question (as referred to in *Statement of Principle 7*) falls within ~~APER 4.7.2E~~ APER 4.7.2G. In the case of an *approved person* who is responsible, under *SYSC 2.1.3R(2)* or *SYSC 4.4.5R(2)*, with overseeing the *firm's* obligation under *SYSC 3.1.1R* or *SYSC 4.1.1R*, failing to take reasonable care to oversee the establishment and maintenance of appropriate systems and controls falls within ~~APER 4.7.2E~~ APER 4.7.2G.
- 4.7.4 E Failing to take reasonable steps to monitor (either personally or through a
G compliance department or other departments) compliance with the relevant requirements and standards of the *regulatory system* in respect of the *regulated activities* of the *firm* in question (as referred to in *Statement of Principle 7*) falls within ~~APER 4.7.2E~~ APER 4.7.2G.
- 4.7.5 E Failing to take reasonable steps adequately to inform himself about the
G reason why significant breaches (whether suspended or actual) of the relevant requirements and standards of the *regulatory system* in respect of the *regulated activities* of the *firm* in question (as referred to in *Statement of Principle 7*) may have arisen (taking account of the systems and procedures in place) falls within ~~APER 4.7.2E~~ APER 4.7.2G.
- 4.7.6 E Behaviour of the type referred to in ~~APER 4.7.5E~~ APER 4.7.5G includes...
G

- 4.7.7 ~~E~~
G Failing to take reasonable steps to ensure that procedures and systems of control are reviewed and, if appropriate, improved, following the identification of significant breaches (whether suspended or actual) of the relevant requirements and standards of the *regulatory system* relating to the *regulated activities* of the *firm* in question (as referred to in *Statement of Principle 7*) falls within ~~APER 4.7.2E~~ APER 4.7.2G (see *APER 4.7.13G* and *APER 4.7.14G*).
- 4.7.8 ~~E~~
G Behaviour of the type referred to in ~~APER 4.7.7E~~ APER 4.7.7G includes ...
- 4.7.9 ~~E~~
G In the case of the *money laundering reporting officer*, failing to discharge the responsibilities imposed on him by the *firm* in accordance with *SYSC 3.2.6IR* or *SYSC 6.3.9R* falls within ~~APER 4.7.2E~~ APER 4.7.2G.
- 4.7.10 ~~E~~
G In the case of an *approved person* performing a ~~significant influence~~ an accountable higher management function responsible for compliance under *SYSC 3.2.8R*, *SYSC 6.1.4R* or *SYSC 6.1.4AR*, failing to take reasonable steps to ensure that appropriate compliance systems and procedures are in place falls within ~~APER 4.7.2E~~ APER 4.7.2G.
- 4.7.11 G The ~~appropriate regulator~~ FCA expects an *approved person* performing a ~~significant influence~~ an accountable higher management function to take reasonable steps both to ensure his *firm's* compliance with the relevant requirements and standards of the *regulatory system* and to ensure that all staff are aware of the need for compliance.
- 4.7.11A ~~E~~
G Where the *approved person* is a *proprietary trader* under *SUP 10A.9.10R*, failing to maintain and comply with appropriate systems and controls in relation to that activity falls within ~~APER 4.7.2AE~~ APER 4.7.2G.

Systems of control

- 4.7.12 G An *approved person* performing a ~~significant influence~~ an accountable higher management function need not himself put in place the systems of control in his business (~~APER 4.7.4E~~ APER 4.7.4G). ...

Possible breaches of regulatory requirements

- 4.7.13 G Where the *approved person* performing a ~~significant influence~~ an accountable higher management function becomes aware of actual or suspected problems that involve possible breaches of relevant requirements and standards of the *regulatory system* falling within his area of responsibility, then he should take reasonable steps to ensure that they are dealt with in a timely and appropriate manner (~~APER 4.7.7E~~ APER 4.7.7G).
...

Review and improvement of systems and procedures

- 4.7.14 G Where independent reviews of systems and procedures have been undertaken and result in recommendations for improvement, the *approved*

person performing a ~~significant influence~~ an accountable higher management function should ensure that, unless there are good reasons not to, any reasonable recommendations are implemented in a timely manner (~~APER 4.7.10E~~ APER 4.7.10G). What is reasonable will depend on the nature of the inadequacy and the cost of the improvement. It will be reasonable for the *approved person* performing a ~~significant influence~~ an accountable higher management function to carry out a cost benefit analysis when assessing whether the recommendations are reasonable.

...

Sch 2 Notification requirements

...

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
<i>Statement of Principle 4</i> (APER 2.1A.3P <u>2.1A.3R</u>)	Any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	Appropriate disclosure	Any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.	Appropriate

...

Sch 5 Rights of action for damages

Sch 5.1 G ~~There are no rules in APER~~ There is no right of action under section 138D of the Act (Actions for damages) for breach of the rules in APER.

Sch 6 Rules that can be waived

Sch 6.1 G ~~There are no rules in APER~~ Section 138A (Modification or waiver of rules) does not apply to APER.

Annex F

Amendments to the Fit and Proper test for Approved Persons (FIT)

[*Editor's note:* The amendments shown in Part A are to the current Handbook text as amended by the CP14/13 *Strengthening accountability in banking: a new regulatory framework for individuals*. The amendments in Part B are shown as against the text in Part A. It assumes that FIT will cease to be shared with the PRA. The text in this annex does not take into account the changes suggested by CP14/25 *Changes to the Approved Persons Regime for Solvency II firms*]

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

Part A: **comes into force on [*the Commencement Date*]**

The Fit and Proper test for Approved Persons ~~and Specified significant harm functions~~

1 General

1.1 Application and purpose

1.1.1 G FIT applies to:

- (1) a *firm* (including a *relevant authorised person*);
- (2) an applicant for *Part 4A permission*;
- (3) ~~an~~ *EEA firm*, a *Treaty firm* or a *UCITS qualifier* that wishes to establish a *branch* into the *United Kingdom* using *EEA rights*, *Treaty rights* or *UCITS directive rights* (see *SUP 10A.1.10 G* ~~and *SUP 10B.1.10 G*~~ and *SUP 10A.1.11 R* ~~and *SUP 10B.1.11 R*~~), or apply for a *top-up permission* (see *SUP 10A.1.13 R*);

[EEA provisions for RAPs to follow in separate consultation]

- (4) an *approved person*; and
- (5) a *candidate*;
- (6) ~~a *certification employee* performing an *FCA specified significant harm function*; and~~
- (7) ~~a *person whom a firm is proposing to certify to perform an *FCA specified significant harm function*.*~~

1.1.2 G The purpose of *FIT* is to set out and describe the criteria that:

- (1) a *relevant authorised person* should consider when:

- (a) assessing the fitness and propriety of a *candidate* whom the *firm* is proposing to put forward for approval as an *FCA-approved SMF manager*;
 - (b) assessing the continuing fitness and propriety of a *person* approved to perform the function of an *FCA-approved SMF manager*, including for formulating an opinion about whether there are any grounds on which the regulator could withdraw the approval given to that individual to perform that function under section 63(2A) of the *Act*; and
 - ~~(c) assessing the fitness and propriety of a *person* whom the *firm* is proposing to certify to perform an *FCA specified significant harm function*; and~~
 - ~~(d) assessing the continuing fitness and propriety of a *person* whom the *firm* has certified to perform an *FCA specified significant harm function*; and~~
- (2) the *FCA* will consider when assessing the fitness and propriety of a *candidate* for a *controlled function*, including a *designated senior management function* (see generally *SUP 10A*, ~~*SUP 10B*~~ and *SUP 10C* on *approved persons*), and may consider when assessing the continuing fitness and propriety of *approved persons*.

1.1.3 G The table in FIT 1.1.4G summarises the situations to which FIT applies.

1.1.4 G Table: Situations to which FIT applies

<u>What FIT applies to</u>	<u>Does it apply to <i>relevant authorised persons</i>?</u>	<u>Does it apply to <i>firms that are not relevant authorised persons</i>?</u>	<u>Comment</u>
<u>(1) A <i>firm</i> assessing the fitness and propriety of a <i>candidate</i> whom the <i>firm</i> is proposing to put forward for approval</u>	<u>Yes</u>	<u>No</u>	<u>However the answer to Question 11 in <i>SUP 10A</i> Annex 1 (Frequently asked questions) says that the <i>FCA's</i> approval process is not a substitute for the checks that a <i>firm</i> should be carrying out on its</u>

			<u>prospective recruits. FIT may be a useful guide to things that a firm that is not a relevant authorised person should take into account.</u>
<u>(2) A firm assessing the continuing fitness and propriety of an approved person</u>	<u>Yes</u>	<u>No</u>	<u>However, a firm should employ personnel with the skills, knowledge and expertise necessary for the discharge of the responsibilities allocated to them (SYSC 5.1). FIT may be a useful guide to matters which a firm should take into account if it is not a relevant authorised person.</u>
<u>(3) The FCA assessing the fitness and propriety of a candidate for approval as an approved person</u>	<u>Yes</u>	<u>Yes</u>	
<u>(4) The FCA assessing the continuing fitness and propriety of an approved person</u>	<u>Yes</u>	<u>Yes</u>	

...

1.2.1A G ~~Under section 63F of the Act, a relevant authorised person may issue a certificate to a person to perform a specified significant harm function only if it is satisfied that the person is a fit and proper person to perform the function to which it relates. [deleted]~~

1.2.1B G Under sections 60A and 63F of the Act, in assessing whether a person is a fit and proper person to perform an FCA designated senior management function or an FCA specified significant harm function, a relevant authorised person must have particular regard to whether that person:

...

...

- 2.2.1A G In determining a *person's* competence and capability to perform an *FCA designated senior management function* ~~or an *FCA specified significant-harm function*~~, a *relevant authorised person* should have regard to all relevant matters including but not limited to:

...

- 2.2.2A G The *FCA* would expect a *relevant authorised person* determining the competence and capability of *staff being assessed under FIT* to consider convictions, dismissals and suspensions from employment for drug or alcohol abuses or other abusive acts only in relation to a *person's* continuing ability to perform the particular *FCA designated senior management function* ~~or an *FCA specified significant-harm function*~~ for which the *person* is, or is to be, employed.

...

Part B: comes into force on [*X after the Commencement Date*])

The Fit and Proper test for Approved Persons and Certification Employees

1 General

1.1 Application and purpose

- 1.1.1 G FIT applies to:

...

(4) an *approved person*; ~~and~~

(5) a *candidate*;

(6) a *certification employee* performing an *FCA specified significant-harm function*; and

(7) a *person* whom a *firm* is proposing to certify to perform an *FCA specified significant-harm function*.

- 1.1.2 G The purpose of *FIT* is to set out and describe the criteria that:

...

...

- (b) assessing the continuing fitness and propriety of a *person* approved to perform the function of an *FCA-approved SMF manager*, including for formulating an opinion about whether there are any grounds on which the regulator could withdraw the approval given to that individual to perform that function under section 63(2A) of the *Act*; ~~and~~
- (c) assessing the fitness and propriety of a *person* whom the *firm* is proposing to certify to perform an *FCA specified significant-harm function*; and
- (d) assessing the continuing fitness and propriety of a *person* whom the *firm* has certified to perform an *FCA specified significant-harm function*; and

...

1.1.4 G Table: Situations to which *FIT* applies

What FIT applies to	Does it apply to <i>relevant authorised persons</i> ?	Does it apply to <i>firms</i> that are not <i>relevant authorised persons</i> ?	Comment
...			
<u>(5) A <i>firm</i> assessing the fitness and propriety of a <i>person</i> whom a <i>firm</i> is proposing to certify to perform an <i>FCA specified significant-harm function</i></u>	<u>Yes</u>	<u>No</u>	<u>See the comment on row (2)</u>
<u>(6) A <i>firm</i> assessing the continuing fitness and propriety of a <i>person</i> whom a <i>firm</i> has certified to perform an <i>FCA specified significant-harm function</i></u>	<u>Yes</u>	<u>No</u>	<u>See the comment on row (2)</u>

...

1.2.1A G ~~[Not used]~~ Under section 63F of the *Act*, a *relevant authorised person* may issue a certificate to a *person* to perform a *specified significant-harm*

function only if it is satisfied that the person is a fit and proper person to perform that function.

- 1.2.1B G Under sections 60A and 63F of the Act, in assessing whether a person is a fit and proper person to perform an *FCA designated senior management function* or an *FCA specified significant-harm function*, a relevant authorised person must have particular regard to whether that person:

...

...

- 2.2.1A G In determining a person's competence and capability to perform an *FCA designated senior management function* or an *FCA-specified significant-harm function*, a relevant authorised person should have regard to all relevant matters including but not limited to:

...

- 2.2.2A G The FCA would expect a relevant authorised person determining the competence and capability of staff being assessed under FIT to consider convictions, dismissals and suspensions from employment for drug or alcohol abuses or other abusive acts only in relation to a person's continuing ability to perform the particular *FCA designated senior management function* or an *FCA-specified significant-harm function* for which the person is, or is to be, employed.

...

Annex G

Amendments to the Training and Competence sourcebook (TC)

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

2.1 Assessing and maintaining competence

...

2.1.31 R

- (3) a retail investment adviser has failed to comply with a *Statement of Principle* in carrying out his *controlled function*, or in the case of a relevant authorised person, has failed to comply with C-CON; and

...

...

2.2B Reporting requirements

...

Content of the report

2.2B.4 R The report must contain professional standards data as follows:

...

- (2) the names and, where applicable, Individual Reference Numbers of the *firm's employees* who are *retail investment advisers*, including trainees;

...

...

App 6.1 Accredited bodies

12.	...
(1)	verifying that each <i>retail investment adviser</i> who is a member of or subscriber to the <i>accredited body's</i> verification service has made an annual declaration in writing that the <i>retail investment adviser</i> has, in the preceding 12 months, complied with <i>APER</i> <u>or, for a relevant authorised person, complied with C-CON</u> and completed the continuing professional development required under <i>TC 2.1.15R</i> ;
	...

...	
14.	The <i>FCA</i> will expect an <i>accredited body</i> to make it a contractual condition of membership (where a <i>retail investment adviser</i> is a member of the <i>accredited body</i>) or of using its verification service (where a <i>retail investment adviser</i> is not a member of the <i>accredited body</i>) that, as a minimum, the <i>accredited body</i> will not continue to verify a <i>retail investment adviser's</i> standards and will withdraw its statement of professional standing if the <i>accredited body</i> is provided with false information in relation to a <i>retail investment adviser's</i> qualifications or continuing professional development or a false declaration in relation to a <i>retail investment adviser's</i> compliance with <i>APER</i> <u>or, for a relevant authorised person, compliance with C-CON</u> . In this regard, an <i>accredited body</i> must have in place appropriate decision-making procedures with a suitable degree of independence and transparency.
...	
17.	The <i>FCA</i> will expect an <i>accredited body</i> to have a code of ethics and to ensure that its code of ethics and verification service terms and conditions do not contain any provisions that conflict with <i>APER</i> <u>or C-CON</u> .

...

Sch 2 Notification requirements

Sch 2.1 G

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
<i>TC 2.1.31R</i>
			(3) a <i>retail investment adviser</i> has failed to comply with a <i>Statement of Principle</i> in carrying out his <i>controlled function</i> <u>or in the case of a relevant authorised person, has failed to comply with C-CON</u> ; and	
			...	
...				

Annex H

Amendments to the General Provisions sourcebook (GEN)

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

2.2 Interpreting the Handbook

...

2.2.4 G ...

- (2) Other provisions in the *Handbook*, although also identified by the status letter "E" in the margin or heading, are actually not *rules* but provisions in codes and *GEN* 2.2.3R does not apply to them. These code provisions are those provisions in ~~the *Code of Practice for Approved Persons (APER 3 and APER 4)*~~ and the *Code of Market Conduct (MAR 1)* with the status letter "E".

...

Annex I

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

[*Editor's note:* The amendments to MIPRU in this annex assume that this text will be FCA-only at the time it is made]

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

2.2 Allocation of the responsibility for insurance mediation activity

...

- 2.2.2 R The *firm* may allocate the responsibility for its *insurance mediation activity* to an *approved person* (or *persons*) who is performing:
- (1) (if a *firm* is not a *relevant authorised person*):
 - (a) performing:
 - (i) a *an FCA governing function*; or
 - (ii) a *PRA governing function*;

(other than the *non-executive director function* or any of the *PRA's non-executive director controlled functions*); or
 - (b) performing the *apportionment and oversight function*; or
 - (c) performing the *significant management function* in so far as it relates to *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order* (Absence of holding out etc) (or agreeing to do so) or an activity which is not *designated investment business*
 - (2) the *apportionment and oversight function*; or (if a *firm* is a *relevant authorised person*) a *director* who:
 - (a) is not a *non-executive director*; and
 - (b) is an *approved person* of that *firm*.
 - (3) ~~the *significant management function* in so far as it relates to *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order* (Absence of holding out etc) (or agreeing to do so) or an activity which is not *designated investment business*.~~

2.2.3

G (1) Typically a *firm* will appoint a ~~*person performing a governing function (other than the non-executive director function)*~~ *director who is an approved person of that firm or a person performing an FCA governing function or a PRA governing function* to direct its *insurance mediation activity*.

(1A) A *firm* should not appoint:

(a) a *non-executive director*; or

(b) a *person performing the non-executive director function*; or

(c) a *person performing one of the PRA's non-executive director controlled functions*.

(1B) Where this responsibility is allocated to a *person* performing another function, the *person* performing the *apportionment and oversight function* with responsibility for the apportionment of responsibilities must ensure that the *firm's insurance mediation activity* is appropriately allocated.

(2) The descriptions of *significant influence functions*, other than the *required functions*, do not extend to activities carried on by an *insurance intermediary* with *permission* only to carry on *insurance mediation activity* and whose principal purpose is to carry on activities other than *regulated activities* (see SUP 10A.1.18R). In this case, the *firm* may allocate the responsibility for the *firm's insurance mediation activity* to one or more of the *persons* performing the *apportionment and oversight function* who will be required to be an *approved person*.

(2A) (2) does not apply to a *relevant authorised person*.

...

...

Annex J

Amendments to the Client Assets sourcebook (CASS)

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

1.4 Application: particular activities

...

- 1.4.11 G ...
- (2) ...
- (f) *SUP 10A.4.4R* (the *table of controlled functions*) and *SUP 10A.7.9R* (CASS operational oversight function (CF10a)); ~~and~~
- (fa) *SUP 10C.4.3R* (Table of FCA controlled functions for relevant authorised persons) and *SYSC 5.2.20R(1)* (CASS oversight and the certification regime); and
- ...

...

1A.3 Responsibility for CASS operational oversight

- 1A.3.1 R (1) A CASS *small firm* must allocate to a *director* ~~performing a significant influence function~~ or a *senior manager* ~~performing a significant influence function~~ responsibility for:
- (1) oversight of the *firm's* operational compliance with CASS;
- (a) and
- (2) reporting to the *firm's governing body* in respect of that
- (b) oversight.
- (2) A CASS *small firm* that is not a *relevant authorised person* must make the allocation in (1) to a *director* or *senior manager* who is approved to perform a *significant influence function* for that *firm*.

CF10a: (the CASS operational oversight function) and the certification regime

...

- 1A.3.1B G (1) (a) CASS 1A.3.1AR describes the FCA controlled function known as the *CASS operational oversight function*. The table

of ~~controlled functions~~ FCA controlled functions in SUP 10.4.5R ~~10A.4.4R~~ together with SUP ~~10.7.9R~~ 10A.7.9R specify the CASS operational oversight function as a required function for a firm to which CASS 1A.3.1AR applies.

(b) The CASS operational oversight function does not apply to a relevant authorised person.

(2) (a) CASS 1A.3.1AR also describes, for a firm that is a relevant authorised person, the CASS oversight FCA specified significant-harm function (see SYSC 5.2.20R(1)(a) for more detail).

(b) Anyone performing the CASS oversight FCA specified significant-harm function for a relevant authorised person will be subject to the employee certification regime described in SYSC 5.2 (Certification Regime), unless the person is an approved person for that firm.

1A.3.1C R If, at the time a firm that is not a relevant authorised person becomes a CASS medium firm or a CASS large firm in accordance with CASS 1A.2.12R(1) or CASS 1A.2.12R(2), the firm is not able to comply with CASS 1A.3.1AR because it has no director or senior manager who is an approved person in respect of the CASS operational oversight function, the firm must:

...

...

1A.3.1D G (1) CASS 1A.3.1CR provides a grace period for a firm that is not a relevant authorised person to apply for someone to be approved to perform the CASS operational oversight function.

(2) There is no equivalent to CASS 1A.3.1CR for a relevant authorised person, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (6).

(3) If an approved person is to perform the function for a relevant authorised person, it can be allocated to any approved person who is suitable to carry it out and is a director or senior manager.

(4) That approved person may be a person who holds overall responsibility in the relevant authorised person for safekeeping and administration of assets of clients (see SUP 10C for more details).

(5) The function in CASS 1A.3.1AR is not, by itself, a controlled function.

(6) If the function is to be carried out by a certification employee:

- (a) FCA approval is not needed because performance of a role that falls into the certification regime does not require FCA approval;
- (b) the firm should:
 - (i) issue them with a certificate under SYSC 5.2 (Certification regime) before the firm becomes a CASS medium firm or a CASS large firm; or
 - (ii) give the function to a suitable approved person pending issue of the certificate.

...

11.3 Responsibility for CASS operational oversight

- 11.3.1 R (1) A CASS small debt management firm, other than a not-for-profit debt advice body, must allocate to a director or senior manager ~~performing a significant influence function~~ responsibility for:
- (1) oversight of the firm's operational compliance with CASS 11;
 - (a)
 - (2) reporting to the firm's governing body in respect of that
 - (b) oversight; and
 - (3) completing and submitting a CCR005 return in accordance with SUP 16.12.29CR.
 - (c)
 - (2) A firm that is not a relevant authorised person must make the allocation in (1) to a director or senior manager approved to perform a significant influence function in relation to that firm.

...

- 11.3.3 G (1) CASS 11.3.4R describes the FCA controlled function known as the CASS operational oversight function (CF10a) in relation to CASS large debt management firms, including not-for-profit debt advice bodies.
- (2) As a consequence of CASS 11.3.4R (in conjunction with SUP 10A.4.1R and SUP 10A.7.10R), in a CASS large debt management firm (including a not-for-profit debt advice body fitting into that category) the function described in CASS 11.3.4R is required to be discharged by a director or senior manager who is an approved person under the approved persons regime provided for in SUP.
 - (3) However, the CASS operational oversight function does not apply to

a relevant authorised person.

(4) CASS 11.3.4R also describes, for a firm that is a relevant authorised person, the CASS oversight FCA specified significant-harm function (see SYSC 5.2.20R(1)(b) for more detail).

(5) Anyone performing the function in CASS 11.3.4R for relevant authorised person will be subject to the employee certification regime in SYSC 5.2 (Certification Regime), unless the person is an approved person of that firm.

...

11.3.5 R If, at the time a CASS debt management firm that is not a relevant authorised person becomes a CASS large debt management firm in accordance with CASS 11.2.8R, the firm is not able to comply with CASS 11.3.4R because it has no *director* or *senior manager* who is an *approved person* in respect of the CASS operational oversight function, the firm must:

...

11.3.5A G (1) CASS 11.3.5R provides a grace period for a firm that is not a relevant authorised person to apply for someone to be approved to perform the CASS operational oversight function.

(2) There is no equivalent to CASS 11.3.5R for a relevant authorised person, because a person does not need specific FCA approval before carrying out the function. This is explained in (3) to (6).

(3) If an approved person is to perform the function for a relevant authorised person, it can be allocated to any approved person who is suitable to carry it out and is a director or senior manager.

(4) That approved person may be a person who holds overall responsibility in the relevant authorised person for safekeeping and administration of assets of clients (see SUP 10C for more details).

(5) The function in CASS 11.3.5R is not, by itself, a controlled function.

(6) If the function is to be carried out by a certification employee:

(a) FCA approval is not needed because performance of a role that falls into the certification regime does not require FCA approval;

(b) the firm should:

(i) issue them with a certificate under SYSC 5.2 (Certification regime) before the firm becomes a CASS large debt management firm; or

(ii) give the function to a suitable approved person pending

issue of the certificate.

...

Annex K

Amendments to the Supervision Manual

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

Part A: comes into force on [Day after rules are made]

After SUP TP4 insert the following new section. The text is all new and is not underlined.

[The draft of SUP TP4 assumes that most of the operative provisions about grandfathering will be included in the Treasury's grandfathering legislation and not the FCA's Handbook.]

TP 5 Financial Services (Banking Reform) Act 2013: Approved persons

Purpose of SUP TP 5

- 5.1.1 G *SUP* TP 5 has transitional and grandfathering provisions relating to the changes to the *approved persons* regime made by Part Four of the Financial Services (Banking Reform) Act 2013.
- 5.1.2 R *SUP* TP 5 applies to:
- (1) *relevant authorised persons*; and
 - (2) *approved persons of relevant authorised persons*.
- 5.1.3 G There is a glossary of terms used in *SUP* TP 5, listed in *SUP* TP 5.7, which are not defined in the *Glossary*.

Grandfathering of approved persons: mapping of old functions onto new

- 5.2.1 R Each pre-commencement controlled function in the first column of the table in *SUP* TP 5.2.2R is specified with respect to the *FCA designated senior management function* listed in column two of the same row of that table.
- [Note: See article X of the Transitionals and Grandfathering Order]
- 5.2.2 R Table: Old controlled functions mapped onto new FCA ones

Current controlled function	New FCA senior management function
The following <i>PRA controlled functions</i> : Director function (CF1)	Executive director function (SMF3)

Partner function (CF4) Director of unincorporated association function (CF5)	
The <i>PRA's</i> non-executive director <i>controlled function</i> (CF2)	Chair of the nominations committee function (SMF13) Non-executive director function (SMF 15)
<i>Compliance oversight function</i> (CF10)	Compliance oversight function (SMF16)
<i>Money laundering reporting function</i> (CF11)	Money laundering reporting function (SMF17)
<i>Significant management function</i> (CF29)	Significant responsibility function (SMF18)
[Note: All references to <i>controlled functions</i> in column Two are to <i>controlled functions</i> brought into force by the <i>FCA's</i> Individual Accountability Instrument [Year].]	

- 5.2.3 R (1) If:
- (a) the result of *SUP* TP 5.2.1R would be that the *person* is deemed to be approved to perform an *FCA governing function*; and
 - (b) that *person* is deemed by the *PRA* Transitionals Rules and the Transitionals and Grandfathering Order to be approved to perform a *PRA governing function* for the same *relevant authorised person*;

SUP 10C.8.8R (*person* with *PRA* approval treated as not performing *FCA governing function*) applies to that *person* and that *FCA governing function*.

- (2) References to *FCA governing functions* and *PRA governing functions* are to those *controlled functions* in force on the commencement date.

[Note: See article X of the Transitionals and Grandfathering Order]

- 5.2.4 R No *person* is deemed to be approved to perform the significant responsibility function (SMF18) if they are approved on the commencement date to perform any other *controlled function* for the same *firm*.

- 5.2.5 R This section (*SUP* TP 5.2) does not apply to a *person* approved under *SUP* 10A.1.15R or *SUP* 10A.1.16R (appointed representatives).

Grandfathering of approved persons: forms

- 5.3.1 D This section (*SUP* TP 5.3) applies to a notification by a *firm* to the *FCA* under the articles of the Transitionals and Grandfathering Order listed in the table in *SUP* TP 5.3.2D.
- 5.3.2 D Table: Grandfathering notifications

Purpose of notification	Article of Transitionals and Grandfathering Order
(1) Notification of grandfathering	Article X
(2) Amendment to grandfathering notification in (1) to add a new <i>approved person</i>	Article X
(3) Any other amendment to grandfathering notification in (1)	Article X
(4) Notification of applications for approval	Article X
(5) Amendment to grandfathering notification in (4) to add a new <i>candidate</i>	Article X
(6) Any other amendment to grandfathering notification in (4)	Article X

- 5.3.3 D (1) A *firm* must make any notification in row (1) or (4) of the table in *SUP* TP 5.3.2D in accordance with *SUP* 10C.9.11R (How to apply for approval and give notifications: electronic submission).
- (2) A *firm* must use the version of the notification form made available on the electronic system referred to in *SUP* 10C.9.11R, which is based on the version found in *SUP* TP 5.8.1D.
- (3) This direction does not apply to a *credit union* (*SUP* TP 5.3.4D applies instead).
- 5.3.4 D (1) A *credit union* must make any notification in the table in *SUP* TP 5.3.2D in accordance with *SUP* 10C.9.14R (How to apply for approval and give notifications: other forms of submission).
- (2) Any other *firm* must make any notification in row (2), (3), (5) or (6) of the table in *SUP* TP 5.3.2D in accordance with *SUP* 10C.9.14R.

- (3) A *firm* must use the notification form in *SUP* TP 5.8.1D.
- 5.3.5 D A notification under row (1) (first grandfathering notification for *approved persons*) or row (4) (first grandfathering notification for *candidates*) of the table in *SUP* TP 5.3.2D should be made at the same time and on the same notification form.
- 5.3.6 G If a *firm* notifies an application for approval and that application is granted or refused before the commencement date, the *firm* should update the notification under row (6) of the table in *SUP* TP 5.3.2D.
- 5.3.7 G If a *firm* gives a grandfathering notification for an *approved person* and that *approved person* leaves the *firm* or changes jobs, the *firm* should notify that using Form C as well as under *SUP* TP 5.
- 5.3.8 R A *firm* must notify the *FCA* using Form C under *SUP* 10C.12 (Changes to an *FCA*-approved person's details) if:
- (1) any *person* was, immediately before the commencement date, approved to perform a *controlled function* for that *firm*;
 - (2) that approval does not result in a deemed approval under *SUP* TP 5.2 (or [PRA equivalent]) and the Transitionals and Grandfathering Order; and
 - (3) the lack of deemed approval under (2) is because the *person* did not meet the conditions in the following parts of the Transitionals and Grandfathering Order:
 - (a) article X (failure to send notification); or
 - (b) article X (need to be carrying on the new function on the commencement date).
- 5.3.9 G A *firm* does not have to make a notification under *SUP* TP 5.3.8R if the *person* is not grandfathered because the *controlled function* they were approved to perform is not carried forward into the new regime, such as the *customer function*.

Grandfathering of approved persons: statements of responsibilities

- 5.4.1 G Article X of the Transitionals and Grandfathering Order says that a notification under rows (1) and (4) of the table in *SUP* TP 5.3.2D (first grandfathering notification for *approved persons* and *candidates*) must be accompanied by:
- (1) *statements of responsibilities* for each *approved person* who is to be grandfathered under article X of the Transitionals and Grandfathering Order; and
 - (2) *statements of responsibilities* for each *candidate* whose application is

to be grandfathered under article X of the Transitionals and Grandfathering Order.

5.4.2 G Article X of the Transitionals and Grandfathering Order says that a notification under rows (2) and (5) of the table in *SUP TP 5.3.2D* (amendment to original grandfathering notification to add new *approved person* or *candidate*) must be accompanied by *statements of responsibilities* for each *approved person* or *candidate* to whom the notification relates.

5.4.3 G Article X of the Transitionals and Grandfathering Order says that if there has been any significant change in the *approved person's* or *candidate's* functions after the original notification of:

(1) an *approved person*; or

(2) an application for approval as an *approved person*;

to be grandfathered, the *firm* must provide the *FCA* with a revised *statement of responsibilities* relating to that *person*.

Grandfathering of approved persons: management responsibilities maps

5.4.4 D A notification under rows (1) and (4) of the table in *SUP TP 5.3.2D* (first grandfathering notification for *approved persons* and *candidates*) must be accompanied by a management responsibilities map.

5.4.5 D If, before the commencement date, there has been a significant change to the matters covered by the most recent management responsibilities map sent to the *FCA* under *SUP TP 5.4*, the *firm* must, as soon as reasonably practicable, send a revised version to the *FCA*.

5.4.6 D A notification under rows (2), (3), (5) or (6) of the table in *SUP TP 5.3.2D* (amendment to original grandfathering notification) must be accompanied by a revised management responsibilities map if the change is significant enough to require notification under *SUP TP 5.4.5D*.

Statements of responsibilities and responsibilities maps: general requirements

5.4.7 D The *statements of responsibilities* and the management responsibilities map must be prepared as of the commencement date.

5.4.8 D A *statement of responsibilities* must be in the form in *SUP 10C Annex 6D*.

5.4.9 G A *firm* should not assume that the *FCA* has reviewed *statements of responsibilities* and the management responsibilities map sent to the *FCA* for completeness or accuracy. It is the *firm's* responsibility to ensure that they have been prepared in accordance with the *FCA's rules* and the *Act*.

Criminal record checks and references for approved persons

5.5.1 R *SUP 10C.10.16R* (Criminal record checks) applies to any application for approval to which the Transitionals and Grandfathering Order applies that

has not been finally determined before the commencement date.

- 5.5.2 G Except for *SUP* TP 5.5.1R, *SUP* 10C.10.16R (Criminal record checks) does not apply to any application for approval made before the commencement date.
- 5.5.3 G *SUP* 10C.10.16R (Criminal record checks) will apply to any application for approval made under *SUP* TP 5.6.1D.
- 5.5.4 R *SYSC* 5.3.8R and *SYSC* 5.3.9R (Obligation to obtain references) do not apply to any application for approval to which the Transitionals and Grandfathering Order applies that has not been finally determined before the commencement date.

Applications of approved persons to take effect from the commencement date

- 5.6.1 D (1) A *firm* may apply for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) for the performance of a *controlled function* which comes into force on the commencement date.
- (2) Any application must be made between the notification end date and the day before the commencement date.
- (3) Any such application is made on the basis that it is treated as being made on the commencement date.
- (4) The application must be made using the version of Form A or Form E applicable from the commencement date and in accordance with the other requirements to be in effect on that date.
- 5.6.2 G The Transitionals and Grandfathering Order will not apply to an application under *SUP* TP 5.6.1D.
- 5.6.3 G A *firm* does not have to make an application under *SUP* TP 5.6.1D. It can make an application between the rule-making date and the commencement date under the *rules* and directions in force at the time of the application. The Transitionals and Grandfathering Order will apply to such applications.

5.7.1 Glossary of terms used in *SUP* TP 5

commencement date	(in accordance with the [Treasury Commencement Order]) [Date regime begins in full]
management responsibilities map	has the meaning in the <i>Glossary</i> as inserted by the <i>FCA</i> 's Individual Accountability Instrument [Year].
notification end date	(in accordance with the Transitionals and Grandfathering Order) [date between the rule-making date and the commencement date]

PRA Transitional Rules	[]
pre-commencement controlled functions	an <i>FCA controlled function</i> or a <i>PRA controlled function</i> in force immediately before the commencement date
rule-making date	in accordance with the Transitionals and Grandfathering Order) [date rules in this consultation paper are made]
statement of responsibilities	a statement [pursuant to Article X of the Transitionals and Grandfathering Order setting out the aspects of the affairs of the <i>firm</i> which it is intended that each relevant <i>person</i> will be responsible for managing, in performing the relevant <i>controlled functions</i> .
Transitionals and Grandfathering Order	[Name of Treasury statutory instrument dealing with transitional and grandfathering matters under Part Four of the Financial Services (Banking Reform) Act 2013]
Note:	References to <i>rules</i> in <i>SYSC 5.3</i> and <i>SUP 10C</i> are to those <i>rules</i> as they will be in force on the commencement date.

5.8.1 D Form L: Grandfathering notification

[*Editor's note*: The form itself can be found at the end of this consultation paper]

...

Part B: comes into force on [*Commencement Date*]

6.3 Applications for variation of permission and/or imposition, variation or cancellation of requirements

...

- 6.3.8 G (1) Where a *firm* is submitting an application for variation of *Part 4A permission* which would lead to a change in the *controlled functions* of its *approved persons*, it should, at the same time and as

appropriate:

- (a) make an application for an internal transfer of an *approved person*, Form E (Internal transfer), or make an application for an individual to perform additional *controlled functions*, the relevant Form A (Application); see: ~~SUP 10.13.3D to SUP 10.13.5G~~
 - (i) SUP 10A.13.3D to SUP 10A.13.5G (for a firm that is not a relevant authorised person);
 - (ii) SUP 10C.10 (for a relevant authorised person); or
 - (iii) the corresponding PRA requirements;
- (b) notify the *appropriate regulator* of any *approved person* who has ceased to perform a *controlled function* specified by that regulator, Form C (Ceasing to perform controlled functions); see: ~~SUP 10.13.6R to SUP 10.13.13G~~
 - (i) SUP 10A.14 (in the case of a firm that is not a relevant authorised person);
 - (ii) SUP 10C.12 (for a relevant authorised person); or
 - (iii) the corresponding PRA requirements;
- (2) If the *firm* intends to recruit new individuals to perform *controlled functions*, it should apply for approval of the individuals as *approved persons* as soon as possible using Form A (Application); see:
 - (a) SUP ~~10.12~~ 10A.13 (for a firm that is not a relevant authorised person);
 - (b) SUP 10C.10 (for a relevant authorised person); or
 - (c) the corresponding PRA requirements.

Relevant authorised person status

- 6.3.9 G ~~{deleted}~~ A variation of a firm's Part 4A permission may mean that it becomes a relevant authorised person. This would have a number of significant consequences, which include:
- (1) the application of the special powers in relation to misconduct by approved persons (see DEPP 6.2.9-AG);
 - (2) the approved persons regime switches from SUP 10A to SUP 10C;
 - (3) C-CON applies in place of APER;
 - (4) the certification regime described in SYSC 5.2 applies;

- (5) the criminal offence in section 36 of the Financial Services (Banking Reform) Act 2013 (Offence relating to a decision causing a financial institution to fail) potentially applies, although that offence does not apply to every *relevant authorised person*; and
- (6) SYSC 4.5 (Senior management responsibilities for relevant authorised persons) applies.

...

6.3.25 G Information which may be required. See SUP 6.3.24G

Type of business	Information which may be required
All	...
	3. Organisation charts and details of individuals transferring or being recruited to perform new <i>controlled functions</i> (see SUP 40 10A and SUP 10C and the corresponding <i>PRA</i> requirements for details of the application or transfer procedures under the <i>approved persons</i> regime).

...

6.4 Applications for cancellation of permission

...

6.4.18	G	(1)	A <i>firm</i> which is applying for cancellation of <i>Part 4A permission</i> and which is not otherwise <i>authorised</i> by, or under, the <i>Act</i> should, at the same time;
--------	---	-----	---

(a) comply with;

(i) SUP 10.13.6R 10A.14.8R (for a *firm* that is not a *relevant authorised person*);

(ii) SUP 10C.12.5R (for a *relevant authorised person*); or

(iii) the corresponding *PRA* requirements; and

(b) notify the *appropriate regulator* of persons ceasing to perform *controlled functions* specified by that regulator.

(2) These forms should give the effective date of withdrawal, if known (see SUP 10 (Approved persons) 10A and SUP 10C (*FCA's regime*)).

for approved persons)).

...

[*Editor's note:* The amendments to SUP 10A in this annex are to the current Handbook text. The text of SUP 10A in this annex does not take into account the changes suggested by CP14/25 (Changes to the Approved Persons Regime for Solvency II firms)]

10A FCA Approved Persons

10A.1 Application

General

- 10A.1.1 R This chapter applies to every:
- (1) firm that is not a relevant authorised person; and
 - (2) relevant authorised person, but only to the extent required by SUP 10A.1.16BR (Appointed representatives).
- 10A.1.1A G SUP 10C deals with the approved persons regime for relevant authorised persons.
- 10A.1.2 G This chapter is also relevant to every *FCA-approved person*:
- (1) of a firm that is not a relevant authorised person; and
 - (2) of an appointed representative of a relevant authorised person.
- ...
- 10A.1.11 R Only the following *FCA controlled functions* apply to an *incoming EEA firm* with respect to its *passported activities* carried on from a *branch* in the *United Kingdom*;
- ...
- (2) the *significant management function*, in so far as the function relates to:
 - ...
 - (b) processing confirmations, payments, settlements, insurance claims, *client money* and similar matters, in so far as this relates to *designated investment business*; ~~or~~ and
 - (c) ~~the activity of accepting deposits from banking customers and activities substantially connected to that activity to the extent that it does not fall within (a) or (b); and~~

...

10A.1.13 R In relation to the activities of a *firm* for which is has a *top-up permission*, only the following *FCA controlled functions* apply:

...

(2) the *significant management function*, in so far as it relates to:

...

(b) processing confirmations, payments, settlements, insurance claims, *client money* and similar matters, in so far as this relates to *designated investment business*; ~~or~~ and

(e) ~~the activity of accepting deposits from banking customers and activities substantially connected to that activity to the extent that it does not fall within (a) or (b); and~~

...

10A.1.16 R SUP 10A.1.15R and SUP 10A.1.16R apply to the appointed representative
B of a relevant authorised person.

10A.1.16 G (1) References in this chapter to a firm include a relevant authorised
C person, but only to the extent required by SUP 10A.1.16BR.

(2) References in SUP 10A.1.15R and SUP 10A.1.16R to FCA governing functions and other controlled functions are to controlled functions in this chapter, not in SUP 10C (FCA approved persons regime for relevant authorised persons).

10A.1.16 G (1) Under section 59(6A) of the Act, if the FCA is satisfied that, in
D relation to the carrying on of a regulated activity by a relevant authorised person, a controlled function is a senior management function, the FCA must designate the function in its rules as a senior management function.

(2) Generally speaking, the FCA does not think that a person performing a function in SUP 10A.1.16BR will have sufficient responsibility for managing the affairs of the appointed representative's principal (as opposed to managing the affairs of the appointed representative itself) to perform a senior management function.

(3) Therefore:

(a) the FCA has not designated any of the functions in SUP 10A.1.16BR as a senior management function; and

(b) none of the functions in SUP 10A.1.16BR are designated senior management functions.

- (4) SUP 10C.1.11G (Approved persons in relation to appointed representatives of relevant authorised persons) explains that it is unlikely that SUP 10C (FCA approved persons regime for relevant authorised persons) will apply to approved persons working in appointed representatives of relevant authorised persons in addition to this chapter.

...

10A.5 Significant-influence functions

...

- 10A.5.3 ~~G Section 59(7B) of the Act says that a~~ A significant-influence function, in relation to the carrying on of a *regulated activity* by a *firm*, means a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *firm's* affairs, so far as relating to the activity.

- 10A.5.4 ~~G SUP 10A.5.2R gives effect to section 59(5)(b) of the Act. [deleted]~~

...

10A.6 FCA governing functions

...

- 10A.6.5 G A *firm* carrying on *insurance mediation activity*, other than a *sole trader*, must allocate to a director or senior manager the responsibility for the *firm's* insurance mediation activity (MIPRU 2.2.1R). MIPRU 2.2.2R(1) provides that the *firm* may allocate this responsibility to one or more of the *persons* performing an *FCA governing function* (other than the *non-executive director function*) or a PRA governing function (other than one of the PRA's non-executive director controlled functions).

- 10A.6.6 G Where a *person* performing a ~~governing~~ controlled function is also responsible for the *firm's* *insurance mediation activity*, the words "(insurance mediation)" will be inserted after the relevant *FCA controlled function* (see MIPRU 2.2.5G).

...

10A.9 Significant management functions

...

- 10A.9.1 R *SUP* 10A.9 applies only to a *firm* which:
- ...
- (2) undertakes *proprietary trading*; ~~or~~
- (3) ~~(in the case of an *EEA firm*) undertakes the activity of *accepting deposits from banking customers* and activities connected with this.~~
- ...
- 10A.9.9 R ...
- (5) ~~(in the case of an *EEA firm*) undertakes the activity of *accepting deposits from banking customers* and activities connected with this.~~
- ...
- 10A.9.12 G A *senior manager* carrying on the *significant management function* under *SUP* 10A.9.9R with significant responsibility for a significant business unit that carries on activities other than *designated investment business* for the purposes of *SUP* 10A.9.9R(1) could, for example, be the head of a unit carrying on the activities of: ~~retail banking~~, personal lending, corporate lending, salvage or loan recovery, or *proprietary trading*, or a member of a committee (that is, a *person* who, together with others, has authority to commit the *firm*) making decisions in these functions.
- ...

10A.10 Customer-dealing functions

...

- 10A.10.5 ~~G~~ R ~~Section 59(7A) of the Act (Approval for particular arrangements) says that~~ The customer-dealing function, in relation to the carrying on of a *regulated activity* by a *firm* ("A"), means a function that will involve the *person* performing it in dealing with:

...

...

10A.11 Minimising overlap with the PRA approved persons regime

...

- 10A.11.6 G The *FCA* and *PRA* have coordinated their *approved persons* regime to reduce the amount of overlap. These arrangements do not relate to the

customer-dealing significant-influence functions only.

- 10A.11.7 G The *FCA* is under a duty under section 59A of the *Act* (Specifying functions as controlled functions: supplementary) to exercise the power to specify any ~~*significant-influence senior management function*~~ as an *FCA controlled function* in a way that it considers will minimise the likelihood that approvals fall to be given by both the *FCA* and the *PRA* in respect of the performance by a person of ~~*significant-influence senior management functions*~~ in relation to the same *PRA-authorised person*.

...

- 10A.11.11 R A *person* (referred to as A in this *rule*) is not performing the *apportionment and oversight function* in relation to a *PRA-authorised person* (referred to as B in this *rule*), at a particular time, if:

...

- (4) ~~at the time of the *PRA* approval referred to in (1), A had not started to perform what would otherwise have been the *apportionment and oversight function* (the *FCA* function) and, as part of the application for the *PRA* approval referred to in (1), B notified the *PRA* that A would start to perform what would otherwise have been the *FCA* function at or around the time of the *PRA* approval in (1); and~~
- (5) A started to perform what would otherwise have been the *apportionment and oversight function* at or around the time of the *PRA* approval in (1) and has continued to perform it up to the time in question.

...

10A.14 Changes to an *FCA*-approved person's details

...

- 10A.14.4 D ...

- (2) A *firm* must not use Form E if the *approved person*:
- (a) has never before been approved to perform for any *firm*:
- (i) ~~a *FCA controlled function* that is a *significant-influence function* for any *firm*~~; or
- (ii) an *FCA designated senior management function*; or
- (iii) a *PRA controlled function*; or
- (b) has not been subject to a *current approved person approval*

from the *FCA* or *PRA* to perform;

(i) an *FCA* controlled function that is a significant-influence function; or

(ii) an *FCA* designated senior management function; or

(iii) a *PRA* controlled function;

in relation to any *firm* for more than six months.

...

Ongoing alerts for retail adviser complaints

- 10A.14.24 R (1) ~~A *firm* must notify the *FCA*, in the form set out in SUP 10 Annex 9R, where:~~
- ~~(a) in any twelve month period, it has upheld three *complaints* about matters relating to activities carried out by any one *employee* when acting as a *retail investment adviser*; or~~
 - ~~(b) it has upheld a *complaint* about matters relating to activities carried out by any one *employee* when acting as a *retail investment adviser*, where the redress paid exceeds £50,000. [deleted]~~
- (2) (a) ~~Notifications made under (1)(a) must be made by the end of the period of 20 *business days*, beginning on the day in which the *firm* has upheld the third complaint.~~
- (b) ~~Notifications made under (1)(b) must be made by the end of the period of 20 *business days*, beginning on the day in which the *firm* has upheld the complaint. [deleted]~~

10A.14.25 G For the purpose of SUP 10A.14.24R:

- ~~(1) when calculating the number of *complaints* in SUP 10A.14.24R(1)(a), the *firm* should exclude complaints previously notified to the *FCA* under this *rule*;~~
- ~~(2) redress, under SUP 10A.14.24R(1)(b), should be interpreted to include an amount paid, or cost borne, by the *firm*, where a cash value can be readily identified, and should include:~~
 - ~~(a) amounts paid for distress and inconvenience;~~
 - ~~(b) a free transfer out to another provider which transfer would normally be paid for;~~
 - ~~(c) goodwill payments and goodwill gestures;~~

- (d) ~~interest on delayed settlements;~~
 - (e) ~~waiver of an excess on an insurance policy; and~~
 - (f) ~~payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred; and~~
- (3) ~~if a *firm* reports on the amount of redress paid under SUP 10A.14.24R(1)(b), the redress should not include repayments or refunds of premiums which had been taken in error (for example where a *firm* had been taking, by direct debit, twice the actual premium amount due under a policy); the refund of the overcharge would not count as redress.~~

~~[Note: See DISP 1.10.2AR for the duty to notify *complaints* under the *complaints reporting rules*] [deleted]~~

10A.14.26 R ~~Notifications under SUP 10A.14.24R must be made electronically using a method of notification prescribed by the FCA. [deleted]~~

...

10A **Frequently asked questions**
Annex
1G

	Question	Answer
	<u>Type of firm</u>	
-1	<u>Does this chapter apply to all types of firm? If not, where can I find the equivalent material?</u>	<u>No, SUP 10A does not apply to relevant authorised persons (broadly speaking, banks, credit unions, building societies and investment firms that are PRA-authorised persons). The requirements for these firms can be found in SUP 10C.</u>
...		

...

10A **Approved person regime: summary of forms and their use for applications**
Annex **for approval to perform an FCA-controlled function**
2G

Function	Form	Submission
...		
<i>Candidate is to perform an FCA significant-influence function and either has current approval to perform an FCA <u>controlled function</u> that is a significant-influence function, an FCA designated senior management function or a PRA controlled function, or has had such an approval within the previous six months.</i>
...		
<i>Candidate is seeking to perform a significant-influence function and either (1) has never had approval from the FCA or PRA to perform an FCA <u>controlled function</u> that is a significant-influence function, an FCA designated senior management function or a PRA controlled function for the first time or (2) ceased to have approval from the FCA or PRA to perform such function more than six months ago.</i>
...		

...

[Editor's note: The forms themselves can be found at the end of this consultation paper]

...

10A **Form C: Notice of ceasing to perform controlled functions (including senior**
Annex 6R **management functions)**

10A **Form D: Notification of Changes in personal information or / application**
Annex 7R **details and conduct breaches / disciplinary action related to conduct**

10A **Form E: Internal transfer of an approved person**
Annex 8
GD

10A **Form G: The Retail Investment Adviser Complaints Alerts Form**
Annex 9R

~~The Retail Investment Adviser Complaints Alerts Form G approved by the FSA for notifications under SUP 10.13.20A R may be found at the FCA's website: <http://www.fca.org.uk/firms/about-authorisation/apply> [deleted]~~

~~The form can also be found through the following address: *Form G: The Retail Investment Adviser Complaints Alerts Form – SUP 10A Annex 9* [deleted]~~

...

[Editor's note: The amendments shown to SUP 10C in this annex are to the draft Handbook text included in the CP14/13 *Strengthening accountability in banking: a new regulatory framework for individuals*]

10C.1

...

Appointed representatives

- 10C.1.11 R (1) ~~[To follow]~~ SUP 10A.1.15R and SUP 10A.1.16R (Appointed representatives) deal with the *approved persons* regime for *appointed representatives of relevant authorised persons*.
- G
- (2) In general this chapter does not apply in relation to *appointed representatives of relevant authorised persons*. SUP 10A applies instead.
- (3) In theory, a *person employed by an appointed representative of a relevant authorised person* could come within one of the *controlled functions* in this chapter. If so, that *person* will be performing a *senior*

management function. However the FCA thinks that in practice such a situation should rarely, if ever, arise.

....

10C.2 Purpose

...

10C.2.2 G *SUP 10C does not deal with the PRA's approved persons regime for relevant authorised persons. The key parts of its regime can be found in the parts of its rulebook titled "Senior Management Functions" and "Allocation of Responsibilities").*

...

10C.2.4 G SUP 10C.12 (Changes to an approved person's details) applies in certain cases to PRA-approved persons. Where this is the case, it says so.

...

10C.4 Specification of functions

10C.4.1 R (1) Each of the functions described in SUP 10C.4.3R is an *FCA controlled function* ~~and an FCA designated senior management function.~~

(2) In accordance with section 59(6A) of the Act (Approval for particular arrangements) the FCA designates each of them as a senior management function.

...

10C.5 FCA governing functions

...

Insurance mediation

10C.5.6 G *A firm carrying on insurance mediation activity, other than a sole trader, must allocate to a director or senior manager the responsibility for the firm's insurance mediation activity (MIPRU 2.2.1R). ~~MIPRU 2.2.2R(1)~~ MIPRU 2.2.2R(1A) provides that the firm may allocate this responsibility to one or more of the persons performing an FCA governing function [firm's directors who is an approved person of the firm (other than a ~~the non-executive director function)~~ –to be reviewed in a later consultation)].*

10C.5.7 G Where a *person* performing a ~~*governing*~~ *controlled function* is also responsible for the *firm's insurance mediation activity*, the words “(insurance mediation)” will be inserted after the relevant *FCA controlled function* (see *MIPRU 2.2.5G*).

...

10C.8 Minimising overlap with the PRA approved persons regime

...

10C.8.4 G The *FCA* is under a duty under section 59A of the *Act* (Specifying functions as controlled functions: supplementary) to exercise the power to specify any *senior management function* as an *FCA ~~designated senior management~~ controlled function* in a way that it considers will minimise the likelihood that approvals need to be given by both the *FCA* and the *PRA* for the performance by a *person* of *senior management functions* in relation to the same *PRA- authorised person*.

...

10C.9 Procedures relating to FCA-approved persons

...

10C.9.2 G Table: FCA approved persons forms and other documents

Form <u>or other document</u>		Purpose	Handbook requirement
the relevant Form A	<i>SUP 10C Annex 4D</i> <i>SUP 10C Annex 3D</i> (See Note)	Application to perform <i>controlled functions</i> under the <i>approved persons regime</i>	<i>SUP 10C.10.3D</i>
Form B	<i>SUP 10C 10A</i> <i>SUP 10C Annex 5R</i>	Notice to withdraw an application to perform <i>controlled functions</i> under the <i>approved persons regime</i>	<i>SUP 10C.10.36R</i> <i>SUP 10C.11.61R</i>

		<u>Notice to withdraw an application to vary an approval under the approved persons regime</u>	
Form C	SUP 10C <u>10A</u> Annex 6R	Notice of ceasing to perform <i>controlled functions</i>	<u>SUP 10C.12.5R</u>
Form D	SUP 10C <u>10A</u> Annex 7R	Notification of changes in personal information or application details Notification of breach of conduct rules	<u>SUP 10C.12.13R</u>
Form E	SUP 10C Annex 8D <u>4D</u> (See Note)	Internal transfer of an <i>approved person</i>	<u>SUP 10C.10.4D</u>
{Other forms to follow} Form I	SUP 10C Annex 5D (See Note)	<u>Application to vary a conditional approval under the approved persons regime</u>	<u>SUP 10C.11.53D</u>
Form J	SUP 10C Annex 7D (See Note)	<u>Notification of significant change to a statement of responsibilities</u>	<u>SUP 10C.12.19D</u>
<u>Statement of responsibilities</u>	<u>SUP 10C Annex 6D</u>	<u>To be submitted with Forms A, E and J</u>	<u>SUP 10C.10.6D and SUP 10C.12.19D</u>
...			

...

10C.9.5 G Forms B, C, D, E and [to follow] can only be submitted in respect of an

~~FCA approved person by the firm that submitted the FCA approved person's original application (the relevant Form A).~~

- 10C.9.5 6 G Copies of ~~Forms A, B, C, D, E and [to follow]~~ the forms in SUP 10C.9.2G and of the statement of responsibilities may be obtained from the FCA website. Credit unions can obtain copies from the FCA's Firm Contact Centre. To contact the FCA's Customer Contact Centre for *approved persons* enquiries:

...

How to apply for approval and give notifications: firms other than credit unions

- 10C.9.6 7 D (1) This direction applies to:
- (a) an application under Form A or Form E (including the accompanying statement of responsibilities); and
 - (b) ~~to~~ the submission of a revised statement of responsibilities under section 62A of the Act (see SUP 10C.12.18G for revised statements of responsibilities) and the accompanying Form J; and
 - (c) Form I.

...

- (3) ~~An application or submission by a firm must be made by submitting the form or revised statement of responsibilities online at fea.org.uk [using (in the case of applications) the form specified on the FCA's and PRA's [to follow] system] in accordance with SUP 10C.9.11R.~~
- (4) ~~If the information technology systems used by the FCA fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a firm must:~~
 - (a) ~~[(for applications)] use the form in SUP 10C Annex 4D or SUP 10C Annex 8D; and~~
 - (b) ~~submit the form and any revised statement of responsibilities in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). However, a firm must use the version of the form or document made available on the electronic system referred to in SUP 10C.9.11R, which is based on the version found in the applicable Annex to this chapter (which are listed in SUP 10C.9.2G).~~

- 10C.9.7 8 R (1) This rule applies to a notification under:
- (a) Form C; ; or
 - (b) Form D; or

~~(e) Form [to follow].~~

~~(2) This rule does not apply to a credit union (SUP 10C.9.9 12R applies instead).~~

~~(2) A notification must be made in accordance with SUP 10C.9.11R SUP 10C.9.7D.~~

~~(3) The forms for the notification are found in SUP 10C Annex 6R or SUP 10C Annex 7R and [to follow].~~

10C.9.9 G ~~If the information technology systems used by the FCA fail and online submission is unavailable for 24 hours or more, the FCA and PRA will endeavour to publish a notice on their websites confirming that:~~

~~(1) online submission is unavailable; and~~

~~(2) the alternative methods of submission in SUP 10C.9.7D(4) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used.~~

10C.9.10 G ~~Where SUP 10C.9.7D(4) or the equivalent situation under SUP 10C.9.8R applies to a firm, GEN 1.3.2R (Emergency) does not apply.~~

How to apply for approval and give notifications: Credit unions

10C.9.811 D (1) ~~An application by a credit union under Form A or Form E must be made using the form in SUP 10C Annex 4D or SUP 10C Annex 8D. This direction applies to:~~

~~(a) an application by a credit union under Form A or Form E (including the accompanying statement of responsibilities); and~~

~~(b) the submission of a revised statement of responsibilities under section 62A of the Act (see SUP 10C.12.18G for revised statements of responsibilities) and the accompanying Form J; and~~

~~(c) Form I.~~

~~(2) An application and any revised statement of responsibilities (see SUP 10C.12.18G for revised statements of responsibilities) or submission by a firm must be submitted in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) made in accordance with SUP 10C.9.14R.~~

10C.9.9 12 R (1) This rule applies to a notification by a credit union under:

12

~~(a) Form C; or~~

(b) Form D, or

(c) Form [to follow]I.

(2) A notification must be made in accordance with *SUP 10C.9.14R* ~~11D~~.

(3) ~~The forms for the notification are found in *SUP 10C Annex 6R* or *SUP 10C Annex 7R* and [to follow].~~

How to apply for approval and give notifications: other forms

10C.9.10 R *SUP 10C.9.14R* applies to the submission of Form B by all *firms*, including *credit unions*.

How to apply for approval and give notifications: electronic submission

10C.9.11 R (1) An application or submission by a *firm* made under this *rule* must be made by submitting the form or document online at fca.org.uk using the *FCA's* and *PRA's* Connect system.

(2) A *firm* must use the version of the form or document found in the applicable Annex to this chapter (which are listed in *SUP 10C.9.2G*) made available on that electronic system.

(3) If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, *SUP 10C.9.14R* applies until such time as facilities for online submission are restored.

10C.9.12 G If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that:

(1) online submission is unavailable; and

(2) the alternative methods of submission in *SUP 10C.9.14R* applies.

10C.9.13 G Where *SUP 10C.9.11R*(3) applies to a *firm*, *GEN 1.3.2R* (Emergency) does not apply.

How to apply for approval and give notifications: other forms of submission

10C.9.14 R (1) An application or submission by a *firm* made under this *rule* must be made in the way set out in *SUP 15.7.4R* to *SUP 15.7.9G* (Form and method of notification).

(2) A *firm* must use the version of the form or document found in the applicable Annex to this chapter (which are listed in *SUP 10C.9.2G*).

10C.10 Application for approval and withdrawing an application for approval

...

10C.10.3 D An application by a *firm* for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) must be made by completing Form A (*SUP 10C Annex 3D*), except where *SUP 10C.10.4D* requires Form E).

10C.10.4 D (1) A *firm* must use Form E (*SUP 10C Annex 4D*) where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *FCA controlled functions* within the same *firm* or *group*.

(2) A *firm* must not use Form E if the *approved person* has never before been approved to perform for any *firm* a:

(a) an *FCA controlled function* that is a *significant influence function*;

(b) an *FCA designated senior management function*; or

(c) a *PRA controlled function*.

~~for any *firm*.~~

(3) A *firm* must not use Form E if the *approved person* has not been subject to a *current approved person approval* from the *FCA* or *PRA* to perform for any *firm* for more than six months a:

(a) an *FCA controlled function* that is a *significant influence function*;

(b) an *FCA designated senior management function*; or

(c) a *PRA controlled function*.

~~in relation to any *firm* for more than six months.~~

(4) A *firm* must not use Form E if:

...

(c) a notification has been made or should be made to the *PRA* under any provision of Chapter 11 of the part of the *PRA* rulebook titled "Notifications" (Conduct Rules: Notifications) corresponding to the requirements in (b); or

...

10C.10.5 G *SUP 10C.9.67D* explains how applications should be submitted. For *credit unions*, *SUP 10C.9.8 4D* applies instead.

Statements of responsibility and other material included in an application

- 10C.10.6 D (1) An application by a *firm* for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) must be accompanied by a *statement of responsibilities*.
- (2) A statement of responsibilities must be in the form set out in SUP 10C Annex 6D.

...

- 10C.10.11 R A statement of responsibilities must be in the form set out in SUP 10C Annex 6D.

[Rest of SUP 10.10 to be renumbered]

- 10C.10.16 G For *guidance* on criteria that a *firm* should use for assessing whether an *FCA candidate* is fit and proper (including the *FCA rules* referred to in SUP 5 10C.10.14G), see *FIT*.

...

- 10C.10.37 R A *firm* ~~applying to~~ notifying the *FCA* of its withdrawal of an application for approval must ~~notify the FCA, using~~ use Form B ~~in~~ (SUP 10C 10A Annex 5R).

...

10C.11 Conditional and time-limited approvals

...

- 10C.11.53 D An application by a *firm* to the *FCA* under section 63ZA of the *Act* (Variation of senior manager's approval at request of relevant authorised persons) must be:
- (1) made ~~using~~ by completing Form I ~~[to follow]~~ in the form set out in (SUP 10C Annex 5D) ~~[to follow]~~; and
- (2) accompanied by a *statement of responsibilities* for the *approved person* concerned (together with a Form J, if required by SUP 10C.12.19 (Applications to vary a conditional approval)).
- 10C.11.54 G ~~SUP [to follow]~~ 10C.9.7R explains how applications ~~for~~ to vary a conditional approval should be submitted. For credit unions, SUP 10C.9.9R applies instead.

...

- 10C.11.61 R A *firm* ~~applying to withdraw~~ notifying the *FCA* of its withdrawal of an application for variation of an approval must ~~notify the FCA, using~~ use Form

[to follow], in [to follow] B (*SUP* 10A Annex 5R).

- 10C.11.62 G ~~[to follow]~~ *SUP* 10C.9.7R explains how applications for conditional approval should be submitted. For credit unions, *SUP* 10C.9.9R applies instead.

...

10C.12 Changes to an FCA-approved person's details

...

10C.12.5 R ...

(2) It must make that notification by submitting to the *FCA* a completed Form C ~~in~~ (*SUP* ~~10C~~ 10A Annex 6R).

(3) If:

(a) ~~a~~ the firm is also making an application for approval for that *approved person* to perform a *controlled function* within the same firm or group; and

(b) ceasing to perform the *controlled function* in (1) has triggered a requirement to make that application for approval:

...

it ~~may~~ must make the notification under (1) using that Form E.

...

10C.12.7 R ...

(2) Form C is qualified if the information it contains:

...

(c) otherwise reasonably suggests that it may affect the *FCA*'s assessment of the *FCA-approved person's* fitness and propriety; or

(d) includes a notification about the *FCA-approved person* under one of the provisions of the *Act* listed in *SUP* 10C.12.27R (notification of grounds for withdrawal of approval, breach of conduct rules and disciplinary action).

...

10C.12.13 R If an *FCA-approved person's* title, name or national insurance number changes, the *firm* for which the *person* performs an *FCA controlled function*

must notify the *FCA* on Form D ~~in~~ (~~SUP 10C 10A~~ Annex 7R), of that change within seven *business days* of the *firm* becoming aware of the matter.

...

Changes to arrangements

10C.12.15 R (1) If, in relation to a *firm* which has completed the relevant Form A (*SUP* 10C Annex 4D), any of the details relating to arrangements and *FCA controlled functions* are to change, the *firm* must notify the *FCA* on Form D (~~SUP 10C 10A~~ Annex 7R).

...

(4) This *rule* also applies to a *firm* for an *approved person* to whom the grandfathering arrangements relating to the coming into force of the Act or the coming into force of Part Four of the Financial Services (Banking Reform) Act 2013 applied as if the *firm* had completed the relevant Form A for that *person*.

(5) Form D does not apply to anything required to be notified under section 62A of the Act (Changes in responsibilities of senior managers). Form J applies instead.

10C.12.16 G ~~SUP 10C.9.7 8R~~ explains how notifications should be submitted. For *credit unions*, ~~SUP 10C.9.9 12R~~ applies instead.

...

10C.12.19 D (1) A *firm* must provide a revised *statement of responsibilities* under section 62A of the *Act* under cover of Form J (*SUP* 10C Annex 7D).

(2) A revised *statement of responsibilities* must be in the form in *SUP* 10C Annex 6D.

10C.12.20 G ~~SUP 10C.9.6 7D~~ explains how any revised *statement of responsibilities* under section 62A of the *Act* (Changes in the responsibilities of senior managers) should be submitted. For *credit unions*, ~~SUP 10C.9.8 11D~~ applies instead.

10C.12.21 R A *firm* must, at all times, have a complete set of current *statement of responsibilities* for all its *SMF managers*.

10C.12.22 G (1) A complete set of current *statement of responsibilities* means all *statements of responsibilities* that the *firm* has provided to the *FCA* or *PRA* as revised under section 62A of the *Act*.

(2) A *statement of responsibilities* is not current if the *person* in question no longer performs any of the *controlled function* to which it relates.

10C.12.22 G (1) ~~A *firm* should notify the *FCA* if there is any significant change to the allocation of any of the responsibilities referred to in a current~~

~~statement of responsibilities that does not trigger a requirement for that statement of responsibilities to be revised under section 62A of the Act.~~

~~(2) This notification should be within one month of the change taking place.~~

~~(3) Such notification is required under Principle 11 and SUP 15.3.7G (Communication with the appropriate regulator in accordance with Principle 11).~~

Notifications about fitness, disciplinary action and breaches of C-CON

10C.12.23 R If a *firm* becomes aware of information which would reasonably be material to the assessment of an *FCA-approved person's*, or an *FCA candidate's*, fitness and propriety (see *FIT*), it must inform the *FCA* either:

...

(2) if it is more practical to do so and with the prior agreement of the *FCA*, by e-mail or fax as soon as practicable;

as soon as practicable and in any case within seven business days.

10C.12.24 G ~~SUP 10C.9.7RD~~ applies to the submission of Form D. For *credit unions*, ~~SUP 10C.9.9R 11D~~ applies instead.

...

10C.12.26 G ...

10C.12.27 R If a *firm* is required to notify the *FCA* under any of the following:

32

...

(5) (in any other case) under SUP 10C.12.23R (Form D);

and in accordance with the requirements of this chapter about submission of those Forms.

10C.12.28 G SUP 10C.12.29G to SUP 10C.12.33G explain what the sections of the Act listed in SUP 10C.12.27R say.

10C.12.29 G Section 63(2A) of the *Act* (Duty to notify regulator of grounds for withdrawal of approval) states that, at least once a year, each *firm* must, in relation to every *SMF manager* for whom an approval has been given on the application of that *firm*:

27

(1) consider whether there are any grounds on which the *FCA* could withdraw the approval; and

- (2) if the *firm* is of the opinion that there are such grounds, notify the *FCA* of those grounds.

10C.12.28 G ~~The duty to notify the *FCA*, described in *SUP* 10C.12.27G(2), applies in relation to *PRA-approved persons* as well as *FCA-approved persons*.~~

10C.12.30 G *FIT* sets out *guidance* on the factors a *firm* should take into account when assessing the fitness and propriety of an *approved person*.

10C.12.31 G As explained in *SUP* 15.11 (Notification of C-CON breaches and disciplinary action), section 64B(5) of the *Act* (Breach of conduct rules) states, among other things, that if a *firm* knows or suspects that an *approved person* has failed to comply with *C-CON*, the *firm* should notify the *FCA* of that fact.

10C.12.32 G As explained in *SUP* 15.11 (Notification of C-CON breaches and disciplinary action), section 64C of the *Act* (Requirement for relevant authorised persons to notify regulator of disciplinary action) says, among other things, that if:

...

10C.12.33 G An example of when a notification should be made using Form C rather than Form D is when a *firm* is required to notify the *FCA* under section 64C of the *Act* that it has dismissed an *SMF manager*.

10C.12.34 G (1) When considering how to notify the *FCA* under *SUP* 10C.12.23R or *SUP* 10C.12.27 32R, a *firm* should have regard to the urgency and significance of a matter and, if appropriate, should also notify its usual supervisory contact at the *FCA* by telephone or by other prompt means of communication, before submitting a written notification.

...

The need for complete and accurate information

10C.12.35 G ...

- (2) A *firm* should not enter into any such arrangements or agreements that could conflict with its obligations under this section or the *Act*.

...

Application of this section to *PRA-approved persons*

10C.12.37 R This section also applies to a notification about a *PRA-approved person* who is not an *FCA-approved person* under the following provisions of the *Act*:

- (1) section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval);

(2) section 64B(5) (Breach of conduct rules); and

(3) section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action).

10C.12.38 R The PRA's rules determine whether a notification under SUP 10C.12.37R is to be made under Form C or Form D.

10C.12.39 G If a firm is required to notify the FCA about a PRA-approved person who is not an FCA-approved person under one of the sections of the Act referred to in SUP 10C.12.37R, it should make a single notification under the PRA's requirements. There is no need for a separate notification to the FCA.

...

10C **Approved person regime: summary of forms and their use for applications**
Annex **for approval to perform an FCA-controlled function**
2G

Function	Form	Submission
...		
<p>(2) The <i>candidate</i> is to perform an <i>FCA designated senior management function</i> and either:</p> <p>(a) has current approval to perform an <u><i>FCA controlled function that is a significant influence function, an FCA designated senior management function, or a PRA designated senior management controlled function</i></u>; or</p> <p>...</p>	<p>Shortened Form</p> <p>A</p> <p>if conditions met</p>	<p>Submitted by the <i>firm</i> making the application before activities requiring approval commence.</p>
...		
<p>(4) Either:</p> <p>(a) <i>candidate</i> is seeking to perform an <i>FCA designated senior management function</i> for the first time and has never been approved to perform an <u><i>FCA controlled function that is a significant influence function, an FCA designated senior management function, or a PRA designated senior management controlled function</i></u> before; or</p>	<p>A</p>	<p>Submitted by the <i>firm</i> making the application before activities requiring approval commence.</p>

(b) <i>candidate</i> ceased to have approval from the <i>FCA</i> or <i>PRA</i> to perform <u>such a designated senior management function</u> more than six <i>months</i> ago.		
(5) Firm applying for withdrawing an outstanding application to perform an <i>FCA controlled function</i> to be withdrawn .	B	Submitted by the <i>firm</i> : signed by all <i>interested parties</i> .
...		
(7) Either: (a) an <i>FCA-approved person's</i> title, name or national insurance number changes; or (b) there is information which may be material to the continuing assessment of an <i>approved person's</i> fitness and propriety.	D <u>Form C to be used instead where the person is ceasing to perform a controlled function</u>	Submitted by <i>firm</i> within seven <i>business days</i> of the firm becoming aware of the matter.
(8) <i>Firm</i> obliged to notify the <i>FCA</i> under: (a) section 63(2A) of the <i>Act</i> (Duty to notify regulator of grounds for withdrawal of approval); or (b) section 64B(5) of the <i>Act</i> (Breach of conduct rules); or (c) section 64C of the <i>Act</i> (Requirement for relevant authorised persons to notify regulator of disciplinary action).	Form D. Form C to be used instead where the <i>person</i> is ceasing to perform a <i>controlled function</i>	<u>Submitted by <i>firm</i> within seven business days of the firm becoming aware of the matter.</u> <u>A <i>firm</i> should not use Form H (Form for notifications under the sections of the <i>Act</i> noted in (b) or (c)) as that form only applies to notifications relating to certification employees and other conduct rules staff.</u>
...		
(11) <i>Person</i> remaining with the same <i>firm</i> in the circumstances described in example 10 in the table in <i>SUP</i> 10C.8.10G (giving up a <i>PRA controlled function</i> triggering need for <i>FCA</i> approval).	E	Submitted by <i>firm</i> to the <i>FCA</i> in <u>hard copy</u> in advance of giving up the <i>PRA controlled function</i> .
(12) <u><i>Person</i> remaining with the same <i>firm</i> in the circumstances described in example 9 in the table in <i>SUP</i> 10C.7.3G (ceasing to perform a <i>PRA controlled function</i> triggering need for <i>FCA</i></u>	<u>E</u>	<u>Submitted by <i>firm</i> to the <i>FCA</i> in advance of giving up the <i>PRA controlled function</i>.</u>

approval to perform the <i>significant responsibility function</i>).		
<u>(13) Person with approval to perform the significant responsibility function remaining with the same firm but ceasing to require approval to perform that function because of being approved to perform another controlled function (see the table in SUP 10C.7.3G for examples).</u>	<u>E</u>	Submitted by <i>firm</i> to: <u>(a) the PRA (if the new function is a PRA controlled function); or</u> <u>(b) the FCA (if the new function is an FCA controlled function).</u>
<u>(14 2) Person remaining with the same firm but giving up an FCA designated senior management function and taking up a PRA designated senior management function.</u>	E	Submitted by <i>firm</i> to the PRA before changes take place (see the PRA's requirements).
<u>(15 3) Firm applying for the variation of a conditional approval</u>	{To follow} <u>Form I</u>	
<u>(16 4) Firm withdrawing applying for an outstanding application to vary a conditional approval to be withdrawn.</u>	{To follow} <u>Form B</u>	Submitted by the <i>firm</i> : signed by all <i>interested parties</i> .
<u>(17) Significant change to an approved person's responsibilities</u>	<u>Form J</u>	The revised <i>statement of responsibilities</i> should be included. A <i>statement of responsibilities</i> must be submitted in the format prescribed by the FCA (SUP 10C Annex 6D).
{Other examples to cover moving from firms in other sectors}	{To follow}	
<u>Note: A statement of responsibilities should be included with any Form A, Form E or Form J submitted to the FCA. A statement of responsibilities must be submitted in the format prescribed by the FCA (SUP 10C Annex 6D).</u>		

Add the following schedules. All the text is new and is not underlined.

[Editor's note: The forms themselves can be found at the end of this consultation paper]

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

10C Form E: Internal transfer of an approved person (for firms and individuals
Annex 4D subject to the senior management regime)

10C Form I: Application for the variation of a conditional approval for
Annex 5D performance of a senior management function

10C Statement of responsibilities
Annex 6D

10C Form J: Notification of significant change to a statement of responsibilities
Annex 7D

...

12.4 What must a firm do when it appoints an appointed representative or an
EEA tied agent?

...

12.4.4 G ...

- (2) the fitness and propriety (including good character and competence) and financial standing of the *controllers, directors, partners, proprietors and managers* of the *person; firms seeking guidance* on the information which they should take reasonable steps to obtain and verify should refer to *FIT* and the questions in the relevant Form A (Application to perform controlled functions under the approved person regime) in *SUP 10A Annex 4* ~~or *SUP 10B Annex 4*~~ or in the *PRA's* rulebook.

...

12.4.5C R Multiple principal agreement

...		
5.	<i>Approved person</i> status	The arrangements for making applications for <i>approved person</i> status (see <i>SUP 10A</i> and <i>SUP 10B</i> <u><i>10C</i> (Approved persons) and the corresponding <i>PRA</i> requirements</u>).
...		

...

12.6 Continuing obligations of firms with appointed representatives or EEA tied agents

...

12.6.8 G ...

(3) The *approved persons* regime for *relevant authorised persons* is in SUP 10C (FCA approved persons regime for relevant authorised persons), rather than SUP 10CA.

...

The certification regime

12.6.16 G SYSC 5.2.20G explains the application of the certification regime in SYSC 5.2 to *appointed representatives of relevant authorised persons*. The certification regime does not apply to *firms* that are not *relevant authorised persons*.

...

12.8 Termination of a relationship with an appointed representative or EEA tied agent

...

12.8.4 G The *firm* is responsible for notifying the *FCA* of any *approved person* who no longer performs a *controlled function* under an arrangement entered into by a *firm* or its *appointed representative* (see ~~SUP 10.3~~ 10A.3 and SUP 10C.3).

...

12.9 Record keeping

...

12.9.4 G *Firms* are reminded that they should make and retain records in relation to any *person* who falls within the scope of the *rules* in *TC* or who performs a *controlled function* under an *arrangement* entered into by a *firm* or by an *appointed representative*. See ~~SUP 10~~ 10A, SUP 10C and *TC* for the applicable record keeping *rules*.

[*Editor's note*: The amendments shown to SUP 15 in this annex are to the current Handbook as amended, where relevant, by the draft Handbook text included in the CP14/13 *Strengthening accountability in banking: a new regulatory framework for individuals*.]

15 Notifications to the FCA or PRA

15.1 Application

...

- 15.1.7 R The following apply only to *relevant authorised persons*:
- (1) ~~SUP 15.2.5G and SUP 15.2.6G~~ (Purpose); and
 - (2) ~~SUP 15.11~~ (Notification of C-CON breaches and disciplinary action); ~~and~~
 - (3) ~~SUP 15.12~~ (Ongoing alerts for retail adviser complaints).

...

15.2 Purpose

...

- 15.2.6 G ~~SUP 15.13~~ 15.12 (Ongoing alerts for retail adviser complaints) sets out *rules and guidance* on a ~~relevant authorised person's~~ firm's obligation to notify the *FCA* of complaints against an *employee* acting as a *retail investment adviser*.

...

15.3 General notification requirements

...

- 15.3.11 R (1) A *firm* must notify the *appropriate regulator* of:
- (a) a significant breach of a *rule* (which includes a *Principle*); ~~or~~
a *Statement of Principle* or a *C-CON rule*; or

...

- 15.3.14A G (1) Some things that need to be notified under SUP 15.3.11R may also have to be notified under SUP 10C.12 (Changes to an FCA-approved person's details).
- (2) However there is no need to make the same notification twice.
 - (3) Any notification required under both SUP 10C.12 and SUP 15.3.11R should be made in accordance with SUP 10C.12, which requires

notification using Form C or Form D.

- (4) SUP 10C.12 only applies to relevant authorised persons. SUP 10A.14 applies similar, but less extensive, obligations to firms that are not relevant authorised persons. (2) and (3) apply to such notifications as well. Such notifications should however be made under SUP 10C.14.

- 15.3.14B G (1) Some things that need to be notified under SUP 15.3.11R may also have to be notified under SUP 15.11 (Notification of C-CON breaches and disciplinary action).
- (2) If the same thing has to be notified under SUP 15.11 and SUP 15.3.11R, a firm should make separate notifications under both. This is because notification under SUP 15.11 is quarterly and notification under SUP 15.3.11R is immediate.

...

15.11 Notification of C-CON breaches and disciplinary action

...

- 15.11.14 R A firm must make any notifications required pursuant to section 64B or section 64C of the Act relating to a *certification employee* or *other conduct rules staff* on the form specified in ~~[to follow]~~ Form H (SUP 15 Annex 7).

...

15.12 Ongoing alerts for retail adviser complaints

...

- 15.12.1 R (1) A firm must notify the FCA, in the form in ~~[SUP 10 Annex 9R]~~ SUP 15 Annex 8R, where:

...

Insert the following new annexes to SUP 15. The text is all new and is not underlined.

**15 Form H: The Notification of Conduct Rules Breaches and Disciplinary
Annex Action Form
7R**

15 Form G: The Retail Investment Adviser Complaints Alerts Form

**Annex
8R**

Amend the following text.

Sch 5 Rights of actions for damages

...

			Rights of action under section 138D			
Chapter/Appendix	Section/Annex	Paragraph				
			For private person?	Removed?		For other person
...						
10A	...					
<u>10C</u>	<u>All rules in sections SUP 10C.1 to SUP 10C.8</u>		<u>No</u>	<u>No</u>	<u>No</u>	
...						

Sch 6 Rules that can be waived

...

Sch 6.1A G As a result of section 138A of the *Act* (Modification or waiver of rules) the *FCA* has power to waive all its *rules*, other than rules made under section 64A (rules of conduct), 137O (Threshold condition code), section 247 (Trust scheme rules), section 248 (Scheme particular rules), section 261I (Contractual scheme rules) or section 261J (Contractual scheme particulars rules) of the *Act*. ...

Annex L

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

1.10 Complaints reporting rules

...

1.10.3 G ...

[**Note:** See ~~SUP 10A.14.24R~~ SUP 15.12.1R for the ongoing duty to notify *complaints* about matters relating to activities carried out by any *employee* when acting as a *retail investment adviser*.]

Annex M

Amendments to the Credit Unions sourcebook (CREDS)

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

2.2 General provisions

...

2.2.15 G In accordance with ~~Statement of Principle 7 of the Statements of Principle for Approved Persons~~ Senior Management Conduct Rule 2 in the PRA Conduct Rules and C-CON 2.2.2R, it is the responsibility of each individual member of the committee of management to understand, and ensure that the *credit union* complies with, the requirements of all the relevant Acts, secondary legislation and *rules*.

...

2.2.31 G Some important compliance issues include:

...

(12) approved persons regime and the certification regime (see the Certification Part of the PRA Rulebook and SYSC 5.2);

(13) payment of regulatory fees.

...

7.2 General requirements concerning lending policy

...

7.2.7 R (1) A *credit union* must not make a loan to:

(a) one of its officers ~~or~~, certification employees or approved persons on terms more favourable than those available to other members of the *credit union* unless:

...

(b) (in the case of a *Great Britain credit union*) a relative of, or any person otherwise connected with, an officer, certification employee, approved person or paid employee of the *credit union* on terms more favourable than those available to other members of the *credit union*;

- (c) (in the case of a *Northern Ireland credit union*) a member of the family of, or any person otherwise connected with, an officer, *certification employee*, *approved person* or paid employee of the *credit union* on terms more favourable than those available to other members of the *credit union*.

...

7.2.8 G ...

- (2) In relation to staff, the prohibition in *CREDS 7.2.7R* applies only to those who are officers ~~or~~ *certification employees or approved persons*.

...

...

8.3 Approved persons

8.3.1 G The purpose of this section is to set out further *guidance* relating to the *approved persons* regime that is specific to *credit unions*. *Credit unions* should also read Chapter ~~40~~ 10C (FCA approved persons regime for relevant authorised persons) of the Supervision manual (*SUP*) ~~concerning approved persons~~ and have regard to their obligations in the Senior Management Functions and Allocation of Responsibilities parts of the *PRA Rulebook*.

8.3.2 G The effect of section 59 of the *Act* ~~and~~ *SUP 10C* and the Senior Management Functions and Allocation of Responsibilities parts of the *PRA Rulebook* is that a *credit union* must apply to the *appropriate regulator* for the approval of one or more individuals to perform the functions which are known as *controlled functions*. ~~*Controlled functions* fall within two groups:~~ All the *controlled functions* that the *FCA* and the *PRA* have specified in relation to *relevant authorised persons* are *designated senior management functions*.

(1) ~~The *significant influence functions* describe the roles performed by the *governing body* and *senior managers* of the *firm* who exert a significant influence over the *regulated activities* of the *firm*.~~

(2) ~~The *customer functions* describe the roles of individuals who deal with *customers* or with the property of *customers*. These *customer functions* do not extend to activities in relation to accepting *deposits* or general insurance and therefore will not be relevant to *credit unions* with *permission* for accepting *deposits* only.~~

8.3.3 G The complete list is Details of all *controlled functions* in relation to *relevant authorised persons* are located in ~~*SUP 10.4.5R*~~ *SUP 10C.4.3R* and the

supervisory statement on the *PRA Senior Managers Regime*¹. Guidance on those *controlled functions* most likely to be relevant to *credit unions* is provided below at *CREDS 8.3.4G* and *CREDS 8.3.5G* in the *FCA Handbook* and *8.3.4AG* in the *PRA Handbook*.

- 8.3.4 G ~~SUP 10.6~~ SUP 10C.5: the FCA governing functions:
- (1) ~~SUP 10.6.4 R: the director function~~, This is the function of acting in the capacity of a ~~director of a credit union~~. SUP 10C.5.1R: executive director function (SMF 3). This is the function of acting in the capacity of a director (other than a non-executive director) of a credit union.
 - (2) ~~SUP 10.6.8 R: the non-executive director function~~. SUP 10C.5.2R: non-executive director function (SMF 15). This is the function of acting in the capacity of a non-executive director of a credit union. It is unusual for a *credit union* to appoint *non-executive directors* as such. But this function would include membership of a *credit union's* supervisory committee and any other committee which scrutinises the approach of executive management, the *credit union's* performance, and its standards of conduct.
 - (3) ~~SUP 10.6.11 R: the chief executive function~~. Acting in the capacity of ~~chief executive~~, whether or not using that title. This role includes ~~anyone having the responsibility, alone or jointly with one or more others, under the immediate authority of the committee of management, for the conduct of the whole of the business~~.
- 8.3.5 G ~~SUP 10.7~~ SUP 10C.6: the FCA required functions:
- (1) [deleted]
 - (2) ~~SUP 10.7.13 R~~ SUP 10C.6.2R: the money laundering reporting function (SMF17). This is the function of acting in the capacity of the money laundering reporting officer of a *credit union*.
- 8.3.6 G ~~SUP 10.8: the systems and controls function~~. This is the function of acting as an employee with responsibility for reporting to the committee of management in relation to:
- (1) ~~the credit union's financial affairs; or~~
 - (2) ~~setting and controlling its risk exposure; or~~
 - (3) ~~adherence to internal systems and controls, procedures and policies.~~
[deleted]
- 8.3.7 G ~~Where an employee performs the systems and controls function the appropriate regulator would expect the credit union to ensure that the employee had sufficient expertise and authority to perform that function~~

¹ Annex 9.1 of PRA CP 14/14

effectively, for example by occupying the role of a *director or senior manager*. [deleted]

- 8.3.8 G ~~SUP 10A.9: the significant management functions: This controlled function will only apply to the credit union if the function is not being performed by a member of the committee of management and the credit union has followed the guidance in SUP 10A.9.4 G.~~ [deleted]

8.4 FCA certification regime

- 8.4.1 G (1) The purpose of this section is to set out guidance relating to the FCA certification regime for credit unions.
- (2) Under section 63E(1) of the Act, a credit union must take reasonable care to ensure that no employee of the firm performs an FCA specified significant-harm function under an arrangement entered into by the firm in relation to the carrying on by that firm of a regulated activity, unless the employee has a valid certificate issued by that firm to perform the function to which the certificate relates.
- (3) The FCA certification regime applies to credit unions in full. The requirements of the regime are set out in section 63E of the Act. Guidance on the requirements and the scope of the regime are set out in SYSC 5.2.

...

10.1 Application and purpose

...

- 10.1.3 G Application of other parts of the Handbook, the PRA Rulebook and of Regulatory Guides to Credit Unions

Module	Relevance to Credit Unions
...	
Senior Management Arrangement, Systems and Controls (SYSC)	<p>SYSC 1 and SYSC 4 to 10 apply to all <i>credit unions</i> in respect of the carrying on of their <i>regulated activities</i> and unregulated activities in a <i>prudential context</i>. SYSC 18 applies to all <i>credit unions</i> without restriction.</p> <p><u>SYSC 5.2 applies to all credit unions in relation to the FCA's certification regime.</u></p>

Code of Conduct (C-CON)	The purpose of <i>C-CON</i> is to provide <i>rules and guidance to conduct rules staff</i> in relation to the conduct expected of them.
...	
Statements of Principle and Code of Practice for Approved Persons (APER)	The purpose of the <i>Statements of Principle</i> contained in <i>APER 2</i> is to provide guidance to <i>approved persons</i> in relation to the conduct expected of them in the performance of a <i>controlled function</i> . The <i>Code of Practice for Approved Persons</i> sets out descriptions of conduct which, in the opinion of the <i>appropriate regulator</i> , do not comply with a <i>Statement of Principle</i> and, in the case of <i>Statement of Principle 3</i> , conduct which tends to show compliance within that statement.
The Fit and Proper test for Approved Persons (FIT)	<p>The purpose of <i>FIT</i> is to set out and describe the criteria that:</p> <p>(1) the <i>appropriate regulator FCA</i> will consider when assessing the fitness and propriety of a person in respect of whom an application is being made <u>applying for for approval to undertake a <i>controlled function</i> under the approved persons <i>approved persons</i> regime.</u></p> <p>(2) <u>a <i>relevant authorised person</i> should consider when assessing the fitness and propriety of a <i>person</i> whom the <i>firm</i> is proposing to certify to perform an <i>FCA specified significant-harm function</i>.</u></p> <p>The criteria are also relevant in assessing the continuing fitness and propriety of persons <i>persons</i> who have already been approved <u>or certified to perform an <i>FCA specified significant-harm function</i>.</u></p>
...	
Supervision manual (SUP)	The following provisions of <i>SUP</i> are relevant to <i>credit unions</i> : <i>SUP 1A</i> (The <i>appropriate regulator's</i> approach to supervision), <i>SUP 2</i> (Information gathering by the <i>appropriate regulator</i> on its own initiative), <i>SUP 3.1</i> to <i>SUP 3.8</i> (Auditors), <i>SUP 5</i> (Skilled persons), <i>SUP 6</i> (Applications to vary or cancel Part 4A permission), <i>SUP 7</i> (Individual requirements), <i>SUP 8</i> (Waiver and modification of rules), <i>SUP 9</i> (Individual guidance), <i>SUP 10A</i> and <i>SUP 10B</i> (Approved persons) <u><i>SUP 10C</i> (FCA Approved persons regime for relevant authorised persons) (along with the Senior Management Function and Allocation of Responsibility Parts of the <i>PRA</i> Rulebook), <i>SUP 11</i></u>

	(Controllers and Close links), <i>SUP 15</i> (Notifications to the appropriate regulator) and <i>SUP 16</i> (Reporting Requirements). ...
...	
Financial crime: a guide for firms (<i>FC</i>)	...
<u>The Fitness and Propriety Part of the <i>PRA</i> Rulebook</u>	<u>The purpose of the Fitness and Propriety Part of the <i>PRA</i> Rulebook is to ensure that all persons within the <i>PRA</i>'s Senior Manager Regime and Certification Regime have the personal characteristics, the necessary level of competence, knowledge and experience and appropriate qualifications and training to enable the sound and prudent management of the <i>firm</i>. <i>Firms</i> must have regard to these factors when assessing an individual's fitness and propriety to perform a "PRA senior management function" or a "certification function" (which are defined in the <i>PRA</i> Rulebook Glossary), and the <i>PRA</i> may take them into account when assessing a Senior Manager's fitness and propriety.</u>
<u>Senior Management Functions Part of the <i>PRA</i> Rulebook</u>	<u>Senior Management Functions 1-5 and 7 apply to a <i>credit union</i> other than a "small credit union" (which is defined in the <i>PRA</i> Rulebook Glossary). Senior Management Functions 1, 2 and 6 applies to a small credit union.</u>
<u>The Allocation of Responsibilities Part of the <i>PRA</i> Rulebook</u>	<u>Allocation of Responsibilities 1-4 and 6-7 apply to a <i>credit union</i> other than a "small credit union" (which is defined in the <i>PRA</i> Rulebook Glossary). Allocation of Responsibilities 1-3 and 5-6 apply to a small credit union.</u>
<u>The Conduct Rules Part of the <i>PRA</i> Rulebook</u>	<u>The Conduct Rules apply to every function a <i>person</i> performs in relation to a <i>credit union</i> as set out in Conduct Rules 1.1(2). The scope of the Conduct Rules applicable to such a <i>person</i> will depend on whether they are performing a "certification function" (as defined in the <i>PRA</i> Rulebook Glossary), where only Individual Conduct Rules will apply, or a <i>designated senior management function</i>, where the Individual and Senior Manager Conduct Rules will apply.</u>

	<u>The Conduct Rules: Notifications Part applies to all <i>credit unions</i>.²</u>
<u>The Certification Part of the PRA Rulebook</u>	<u>The Certification Part applies to any employee of a credit union who is a significant risk taker as defined by 1.3 of that Part.</u>
<u>The Certification Part of the PRA Rulebook</u>	<u>The Certification Part applies to any employee of a credit union who is a “significant risk taker” as defined by 1.3 of that Part.</u>

...

² When CREDs is removed from the PRA Handbook this section will be amended to include a reference to the relevant PRA materials.

Annex N

Amendments to the Consumer Credit sourcebook (CONC)

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

12.1 Application and purpose

...

12.1.4 R Table: Disapplied or modified modules or provisions of the Handbook

Module	Disapplication or modification	
...		
Supervision manual (SUP)	<i>SUP</i> 3 (Auditors), <i>SUP</i> 10A (FCA Approved persons), <u><i>SUP</i> 10C (FCA approved person regime for relevant authorised persons)</u> and <i>SUP</i> 12 (Appointed representatives) (see Note 2) do not apply:	
	...	
...		

Annex O

Amendments to the General guidance on Benchmark Submission and Administration guide (BENCH)

2.1 Parts of the Handbook applicable to benchmark submission activity and benchmark administration activity

...

2.1.2 G Parts of the Handbook applicable to the *regulated activities* of providing information in relation to a specified benchmark and administering a specified benchmark.

	Part of the Handbook	Applicability to the <i>regulated activities</i> of providing information in relation to a specified benchmark and administering a specified benchmark
High Level Standards	...	
	Statements of Principle and Code of Practice for Approved Persons (APER)	This applies to an <i>approved person of a firm that is not a relevant authorised person</i> who performs a benchmark submission function or a benchmark administration function.
	<u>Code of Conduct sourcebook (C-CON)</u>	<u>This applies to conduct rules staff of relevant authorised persons.</u>
	...	

....

Annex Q

Amendments to the Financial Crime Guide (FC)

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

Amendments to Part 1 of the Financial Crime Guide

1 Introduction

...

1.5 The material in the Guide does not form part of the Handbook, but it does contain guidance on Handbook rules and principles, particularly:

...

- the Statements of Principle for Approved Persons set out in ~~APER 2.1.2P~~ APER 2.1A.3R and the conduct rules set out in C-CON 2.1 and 2.2; and

...

...

Amendments to Part 2 of the Financial Crime Guide

1 Introduction

...

1.3 As with Part 1, Part 2 contains guidance on Handbook rules and principles, particularly:

...

- the Statements of Principle for Approved Persons set out in ~~APER 2.1.2P~~ APER 2.1A.3R and the conduct rules set out in C-CON 2.1 and 2.2; and

...

...

Annex R

Amendments to the Perimeter Guidance manual (PERG)

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

13 Guidance on the scope of MiFID and CRD IV (PERG 13)

...

13.7 The territorial application of MiFID

...

Q70. How are the high level standards, like the Principles, affected by MiFID?

The position is summarised in the table below

	Subject matter	References	Summary
...			
4	Approved persons	<i>SUP 10A.1,</i> <i><u>SUP 10C.1,</u></i> <i><u>C-CON 1.1,</u></i> <i>APER</i> 1.1A.4G and <i>APER</i> 2.1A.2P <u>2.1A.2R</u>	...
...			

Appendix 2

PRA Draft Rules and Supervisory Statements

Applications and Notifications	2.1
Grandfathering and Transitional	2.2
Consequential Amendments to the PRA Handbook	2.3
Consequential Amendments to the PRA Rulebook	2.4
Supervisory Statement on Internal governance	2.5
Supervisory Statement on Exercising certain functions under the Building Societies Act 1986	2.6

PRA RULEBOOK: CRR FIRMS: SENIOR MANAGERS REGIME – APPLICATIONS AND NOTIFICATIONS [YEAR]

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) 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 approvals);
 - (2) section 62A (Changes of responsibilities of senior managers);
 - (3) section 137G (The PRA’s general rules);
 - (4) section 137T (General supplementary powers); and
 - (5) section 395 (the PRA’s procedures).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms: Senior Managers Regime – Applications and Notifications Instrument [Year]

- D. The PRA makes the rules in the Annexes to this instrument.

Commencement

- E. This instrument comes into force on [Date].

Citation

- F. This instrument may be cited as the CRR Firms: Senior Managers Regime – Applications and Notifications Instrument [Date].

By order of the Board of the Prudential Regulation Authority

[DATE]

Annex A

In this Annex, the text is all new and is not underlined.

Part

SENIOR MANAGERS REGIME – APPLICATIONS AND NOTIFICATIONS

Chapter content

1. APPLICATION AND DEFINITIONS
2. APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION
3. APPLICATION TO VARY A CONDITIONAL APPROVAL
4. WITHDRAWAL OF A SENIOR MANAGEMENT APPROVAL APPLICATION OR AN APPLICATION TO VARY A CONDITIONAL APPROVAL
5. CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION
6. CHANGE IN DETAILS OR RESPONSIBILITIES RELATING TO PRA APPROVED PERSON
7. PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS
8. FORMS

Links

Annex A
Senior Managers Regime – Applications and Notifications Part

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is

- (1) a *CRR firm*; and
- (2) a *credit union*:

1.2 In this Part, the following definitions shall apply:

commencement date

means [the date appointed by the Treasury to commence the senior managers regime under the Financial Services (Banking Reform Act) 2013].

current approved person approval

means

- (1) an approval granted to that *person* under section 59 of *FSMA* (Approval for particular arrangements):
 - (a) by the *PRA* for the performance of a *PRA senior management function*; or
 - (b) by the *FCA* for the performance for the performance of a *FCA designated senior management function* or a *significant influence function*;
- (2) a deemed approval given by either the *PRA* following the submission of a *grandfathering notification* under Senior Managers Regime (Transitional Provisions) or by the *FCA* under any equivalent rules in the *FCA Handbook*; or
- (3) for the purposes of 2.2(2) and 2.3(2), an approval granted to that *person* under section 59 of *FSMA* by either the *PRA* or the *FCA* to perform a *controlled function* as defined in section 59 of *FSMA* prior to the *commencement date* but which ceased on or before the *commencement date*.

FCA designated senior management function

means an *FCA controlled function* specified in in *SUP 10C.4.3R* of the *FCA Handbook*.

grandfathering notification

has the meaning given in Senior Managers Regime – Transitional Provisions.

interested parties

means in relation to a *PRA senior management application* or withdrawal of an application made under section 63ZA of FSMA (Variation of senior managers approval at request of relevant authorised person):

- (1) the *firm* making that application;
- (2) the *person* in respect of whom that application is being made ("A"); and
- (3) the *person* by whom A's services are to be retained, if not the *firm* making the application.

management responsibilities map

has the meaning given in Allocation of Responsibilities 6.

regulatory body

means any authority, body or *person* having, or who has had, responsibility for the supervision or regulation of any *regulated activities* or other financial services, whether within the *United Kingdom* or overseas.

PRA senior management approval application

means an application for approval to perform a *PRA senior management function* under section 59 of FSMA.

significant influence function

has the meaning given in the *FCA Handbook*.

statement of responsibilities

has the meaning given in Allocation of Responsibilities 1.

2 APPLICATION TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

- 2.1 The *PRA* directs that a firm must make a *PRA senior management approval application* in any of the circumstances, by submitting form A or form E, as specified in 2.2, 2.3 or 2.4, before the activities requiring approval commence.
- 2.2 The *PRA* directs that a *firm* must use form A (long form) for a *PRA senior management approval application* if:
 - (1) the *person* to whom the application relates has never before been approved:
 - (a) by the *PRA* to perform a *PRA senior management function* or
 - (b) by the *FCA* to perform an *FCA designated senior management function* or a *significant influence function*for any *firm*; or
 - (2) the *person* to whom the application relates has not been the subject of a *current approved person approval* in relation to any *firm* for more than six *months* prior to the date of application.

- 2.3 The *PRA* directs that a *firm* must use form A (short form) for a *PRA senior management approval application* if the *person* to whom the application relates:
- (1) has at the time of application a *current approved person's approval*; or
 - (2) has had a *current approved person's approval* within the previous six months
- 2.4 The *PRA* directs that a *firm* must use Form E for a *PRA senior management approval application* if the *PRA senior management approval application* is in respect of a *person* who has a *current approved person approval* and is either:
- (1) ceasing to perform a *PRA senior management function* and taking up a new *PRA senior management function* for the same *firm* or another member of its *group*; or
 - (2) ceasing to perform an *FCA designated senior management function* and taking up a *PRA senior management function* for the *firm* or another member of its *group*.
- 2.5 The *PRA* directs that a *firm* must not use Form E for a *PRA senior management approval application* if:
- (1) a notification has been made or should be made to the *PRA* or *FCA* under any of the following:
 - (a) section 63(2A) of *FSMA* (Duty to notify regulator of grounds for withdrawal of approval);
 - (b) section 64B(5) of *FSMA* (Notification of non-compliance with Conduct or equivalent *FCA* rules);
 - (c) section 64C of *FSMA* (Requirement for relevant authorised persons to notify regulator of disciplinary action);
 - (2) a notification has been made or should be made to the *PRA* under any of the rules in Notifications 11 or to the *FCA* under any equivalent provisions of the *FCA Handbook*;
 - (3) any of the circumstances in 5.2 apply in relation to:
 - (a) any *PRA senior management function* or *FCA designated senior management function* that that *person* is ceasing to perform; or
 - (b) any *PRA senior management function* or *FCA designated senior management function* that the *person* is continuing to perform in relation to that *firm* or a *firm* in the same *group*; or
 - (4) if any of the circumstances in 2.2 or 2.3 apply.
- 2.6
- (1) The *PRA* directs that the *statement of responsibilities* required by Allocation of Responsibilities 2.1 must accompany the applicable form.
 - (2) A statement of responsibilities must be in the form set out [here](#).
 - (3) The *firm* must also submit a draft of the *firm's management responsibilities map*, amended to include the role and responsibilities which it is intended the *person* to whom the *PRA senior management approval application* relates will assume.

- 2.7 A *firm* must (as part of its assessment of whether a *person* is a fit and proper *person* to perform a *PRA senior management function* and in order to verify the information contained in the application to carry out the *PRA senior management function*) obtain the fullest information that it is lawfully able to obtain about the *person* under Part V of the Police Act 1997 (Certificates of Criminal records, etc.) and related subordinated legislation of the *UK* or any part of the *UK* before making the application.

3 APPLICATION TO VARY A CONDITIONAL APPROVAL

- 3.1 A *firm* making an application to the *PRA* under section 63ZA of *FSMA* (for the variation of a conditional approval) must do so by submitting
- (1) Form I; and
 - (2) a *statement of responsibilities* for the *PRA-approved person* concerned.

4 WITHDRAWAL OF A PRA SENIOR MANAGEMENT APPROVAL APPLICATION OR OF AN APPLICATION TO VARY A CONDITIONAL APPROVAL

- 4.1 The *PRA* directs that a *firm* withdrawing an outstanding *PRA senior management approval application* must do so using Form B, signed by all *interested parties*.
- 4.2 A *firm* withdrawing an application made under section 63ZA of *FSMA* (Variation of senior managers approval at request of relevant authorised person) must do so using Form B, signed by all *interested parties*.

5 CEASING TO PERFORM A PRA SENIOR MANAGEMENT FUNCTION

- 5.1 (1) A *firm* must notify the *PRA* no later than seven *business days* after a *person* ceases to perform a *PRA senior management function*, using:
- (a) Form E if a *person* ceases to perform a *PRA senior management function* and the *firm* is also making an application for the same *person* to perform another *PRA senior management function*; and
 - (b) in all other cases, Form C.
- 5.2 (1) A *firm* must notify the *PRA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C in respect of a *PRA approved person*.
- (2) Form C is qualified if the information it contains:
- (a) relates to the fact that the *firm* has dismissed, or suspended, the *PRA approved person* from its employment;
 - (b) relates to the resignation by the *PRA approved person* while under investigation by the *firm*, the *PRA* or any other *regulatory body*;
 - (c) includes a notification under any of the provisions set out in 2.5(1) and (2); or
 - (d) otherwise reasonably suggests that it may affect the *PRA's* assessment of the *PRA approved person's* fitness and propriety.

6 CHANGE IN DETAILS OR RESPONSIBILITIES RELATING TO PRA APPROVED PERSONS

- 6.1 If a *PRA approved person's* title, name or national insurance number changes, the *firm* for which the *person* performs a *PRA senior management function* must notify the *PRA* of that change within seven *business days* of the *firm* becoming aware of the matter, using Form D.
- 6.2 (1) If, in relation to a *firm* which has submitted an application on either Form A or Form E, as required by 2.1, any of the details relating to arrangements and *PRA senior management functions* are to change, the *firm* must notify the *PRA* using Form D as soon as reasonably practicable after the *firm* becomes aware of the proposed change.
- (2) (1) also applies to a *firm* for whom the grandfathering arrangements relating to the coming into force of *FSMA* or the coming into force of Part Four of the Financial Services (Banking Reform) Act 2013 applied as if the *firm* had completed the relevant form for that *person*.
- 6.3 The *PRA* directs that if a *firm* is required to submit a revised *statement of responsibilities* under Allocation of Responsibilities 6.5, it must do so within seven *business days* of the *firm* making that change by submitting Form J with the revised *statement of responsibilities*.

7 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

- 7.1 (1) The *PRA* directs that:
- (a) a *firm* other than a *credit union* must make any applications, notifications or submissions required by this Part by submitting the form specified using the *ONA system*; and
- (b) a *credit union* must make any applications, notifications or submissions required by this Part by submitting the form specified in the manner set out in Notifications 7.
- 7.2 If, under any direction or rule in this Chapter:
- (1) a *firm* is required to make an application, notification or submission online; and
- (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,
- until such time as facilities for online submission are restored a *firm* must submit the specified form in the way set out in Notifications 7.

8 FORMS

- 8.1 (1) Form A may be found [here](#).
- (2) Form B may be found [here](#).
- (3) Form C may be found [here](#).
- (4) Form D may be found [here](#).

- (5) Form E may be found [here](#).
- (6) Form I may be found [here](#).
- (7) Form J may be found [here](#).
- (8) Form L may be found [here](#).

Annex B
Amendments to Notifications Part

11 CONDUCT RULES: NOTIFICATIONS

...

- 11.7 If a *firm* is required to notify the *PRA* under this Chapter in respect of *persons* performing *certification functions*, it must do so ~~quarterly~~ within seven *business days* of becoming aware of the matter by submitting form L.
- 11.8 If a *firm* is required to notify the *PRA* under this Chapter in respect of a *person* performing a *senior management function*, it must do so within seven *business days* of becoming aware of the matter by submitting
- (1) if the circumstances set out in Senior Managers Regime – Applications and Notifications 5.2 apply, form C;
- (2) and in all other cases, Form D.
- 11.9 If a *firm* becomes aware of information which would reasonably be material to the assessment of the fitness and propriety of a *PRA approved person's*, or a *person* in respect of whom an application for approval to perform a *PRA senior management function* has been made it must inform the *PRA* on Form D, or (if it is more practical to do so and with the prior agreement of the *PRA*) by fax or e-mail, as soon as practicable.
- 11.910 A *firm* other than a *credit union* must submit the forms referred to in this Chapter using the ~~[FCA ONA/INTACT system]~~ *ONA system*.
- 11.11 (1) Form C may be found here.
- (2) Form D may be found here.
- (3) Form L may be found here.

**PRA RULEBOOK: CRR FIRMS: SENIOR MANAGERS REGIME (TRANSITIONAL PROVISIONS)
INSTRUMENT [YEAR]**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) 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 59 (Approval for particular arrangements)
 - (2) section 60 (Applications for approval)
 - (3) section 137G (The PRA’s general rules)
 - (4) section 137T (General supplementary powers)
 - (5) section 395 (The FCA and the PRA’s procedures); and
 - (6) [Grandfathering statutory instrument].
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

**PRA Rulebook: CRR Firms: Senior Managers Regime (Transitional Provisions) Instrument
[YEAR]**

- D. The PRA makes the rules in the Annexes to this instrument.

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the CRR Firms: Senior Managers Regime (Transitional Provisions) Instrument [DATE].

By order of the Board of the Prudential Regulation Authority

[DATE]

Annex A

In this Annex, the text is all new and is not underlined.

Part

SENIOR MANAGERS REGIME -TRANSITIONAL PROVISIONS

Chapter content

1. APPLICATION AND DEFINITIONS
2. GENERAL
3. GRANDFATHERING NOTIFICATION REQUIREMENTS
4. PROCEDURE FOR MAKING GRANDFATHERING NOTIFICATIONS
5. WITHDRAWING OR UPDATING A GRANDFATHERING NOTIFICATION
6. TABLE OF FUNCTIONS FOR GRANDFATHERING
7. FORMS

Links

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is:

- (1) a *CRR firm*; or
- (2) a *credit union*.

1.2 In this Part, the following definitions shall apply:

candidate

means a *person*, in respect of whom an application has been made by the *firm* for the *FCA* or *PRA* to grant the *person* a *current approved person approval*.

commencement date

means [the date appointed by the Treasury to commence the senior managers regime under the Financial Services (Banking Reform Act) 2013]

current approved person approval

means an approval granted to a person by the *PRA* or the *FCA* under section 59 of FSMA (Approval for particular arrangements) of the performance of a *controlled function* specified by the *FCA* or *PRA*.

FCA function

means any of the functions specified in column 3 (FCA senior management functions) of the table set out in 6.

grandfathering approval

means approval to perform a *PRA senior management function* under section 59 of FSMA, granted pursuant to a *grandfathering notification*.

grandfathering Form

means the form to be completed by each *firm* in respect of grandfathering *approved persons*, being Form K.

grandfathering function

means any of the *controlled functions* listed in column 1 of the table set out in 6.

grandfathering notification

means a notification on a grandfathering form submitted to the *PRA*, on or before the *notification period end date*, pursuant to 2.1.

management responsibilities map

has the meaning given in Allocation of Responsibilities 6.

notification period end date

means [DATE] set out in [the Grandfathering Statutory Instrument [DATE]].

PRA senior management approval application

means an application for approval to perform a *PRA senior management function* under section 59 of FSMA.

statement of responsibilities

means a statement pursuant to the template in the *Grandfathering Notification* setting out the aspects of the affairs of the *firm* which it is intended that each relevant *person* will be responsible for managing, in performing the relevant *PRA senior management function(s)*.

2 GENERAL

- 2.1 The PRA directs that the *grandfathering notification* must be made using Form K in respect of all *approved persons* performing any *controlled function* which is listed in column 1 of the table set out in 6.

3 GRANDFATHERING NOTIFICATION REQUIREMENTS

- 3.1 A firm must ensure that the *grandfathering notification* sets out, in respect of each *approved person*:
- (1) each of the *grandfathering functions* in respect of which each *approved person* has a *current approved persons approval* prior to the *commencement date*;
 - (2) each of the *PRA senior management functions* to be performed by each *approved person* on and from the *commencement date*;
 - (3) each *FCA function* (if any) which is to be:
 - (a) performed by an *approved person* on and from the *commencement date*; and
 - (b) included, pursuant to Senior Management Functions 2.4, in each *PRA senior management function* set out in the *grandfathering notification* in respect of the relevant *approved person*]; and
 - (4) a statement of reasons if the *grandfathering notification* is not applying for the *approved person* to be grandfathered in respect of any of the *grandfathering functions* which the *approved person* is performing.
- 3.2 Where a *firm* is applying for approval for a *person* to perform a *grandfathering function*, the *firm* must ensure that the *grandfathering notification* sets out, in respect of each such *candidate*:
- (1) each of the *grandfathering functions* which the relevant *candidate* has applied to perform;
 - (2) each of the *PRA senior management functions* to be performed by the *candidate*, if approved, on and from the *commencement date* (or the date of approval of the *candidate*);
 - (3) each *FCA function* (if any) which, if the *candidate* is approved, is to be:
 - (a) performed by the *candidate* on and from the *commencement date* (or the date of approval of the *candidate*); and

- (b) included, pursuant to Senior Management Functions 2.4, in each *PRA senior management function* set out in the *grandfathering notification* in respect of the relevant *candidate*; and
 - (4) a statement of reasons if the *grandfathering notification* is not applying for the *candidate* to be grandfathered in respect of any of the *grandfathering functions* for which approval is sought.
- 3.3 The PRA directs that the *grandfathering notification* must not specify a *PRA senior management function* or *FCA function* in respect of a *person* unless the *PRA senior management function* or *FCA function* are specified in the table in 6 in relation to a *controlled function* performed by the relevant *person* pursuant to a *current approved persons approval*.
- 3.4 The PRA directs that:
 - (1) the *statement of responsibilities* must be submitted with the grandfathering notification; and
 - (2) the firm must submit a *management responsibilities map*, showing the role of each *approved person* as at the *commencement date*, including the *person(s)* subject to the *grandfathering notification*.

4 PROCEDURE FOR MAKING GRANDFATHERING NOTIFICATIONS

- 4.1 The PRA directs that, save as required by 5.2:
 - (1) A *firm* other than a *credit union* must make any applications, notifications or submissions required by this Part using the *ONA system*; and
 - (2) a *credit union* must make any applications, notifications or submissions required by this Part in the manner set out in Notifications 7.
- 4.2 If, under any direction or rule in this Chapter,
 - (1) a *firm* is required to make an application, notification or submission online; and
 - (2) the information technology systems used by the *PRA* fail, and online submission is unavailable for 24 hours or more,until such time as facilities for online submission are restored a *firm* may submit the specified form in accordance with Notifications 7 (Form and method of notification).

5 WITHDRAWING OR UPDATING A GRANDFATHERING NOTIFICATION

- 5.1 This Chapter applies only before the *commencement date*.
- 5.2 The PRA directs that, after the notification period end date, a *firm* must make any update to the *grandfathering notification*, the *statement of responsibilities*, or the *management responsibilities map* in the manner set out by Notifications 7.
- 5.3 The PRA directs that if, before the commencement date, there has been a significant change to the matters covered by any statement of responsibilities or management responsibilities map provided pursuant to 3.4, the firm must provide a revised version to the PRA.

6 TABLE OF FUNCTIONS FOR GRANDFATHERING

- 6.1 The *PRA senior management functions* set out in column 2 of the table are specified as relevant designated senior management functions for the purpose of the [Grandfathering Statutory Instrument], in each case, in relation to the *grandfathering functions* set out in the relevant row of column 1 of the table below.
- 6.2 The *FCA functions* set out in column 3 of the table are specified as relevant designated senior management functions for the purpose of the [Grandfathering Statutory Instrument], in each case, in relation to the *grandfathering functions* set out in the relevant row of column 1 of the table below.

Column 1	Column 2	Column 3
PRA or FCA Controlled Function	PRA Senior Management Function	FCA Function
All firms apart from small credit unions		
Director (CF1) Partner (CF4) Director of unincorporated association (CF5)	Chief Finance function (SMF2) Chief Risk function (SMF4) Head of Internal Audit (SMF5) Head of Key Business Area (SMF6) Group Entity Senior Manager (SMF7)	Executive Director (SMF3)
Non-executive director (CF2)	Group Entity Senior Manager (SMF7) Chairman (SMF9) Chair of the Risk Committee (SMF10) Chair of the Audit Committee (SMF11) Chair of the Remuneration Committee (SMF12) SID (SMF14)	Chair of the Nominations Committee (SMF13) Non-Executive Director Function (SMF15)
Chief executive (CF3)	Chief executive (SMF1)	
Systems and Controls (CF28)	Chief Finance function (SMF2) Chief Risk function (SMF4) Head of Internal Audit (SMF5)	

Column 1	Column 2	Column 3
PRA or FCA Controlled Function	PRA Senior Management Function	FCA Function
All firms apart from small credit unions		
Significant management (CF29)	Head of Key Business Area (SMF6) Group Entity Senior Manager (SMF7)	
Small credit unions		
PRA or FCA Controlled Function	PRA Senior Management Function	FCA Function
Director (CF1)	Credit Union Senior Manager (SMF8)	Executive Director (SMF3)
Non-executive director (CF2)	Credit Union Senior Manager (SMF8)	Chair of the Nominations Committee (SMF13) Non-Executive Director Function (SMF15)
Chief executive (CF3)	Chief executive (SMF1) Credit Union Senior Manager (SMF8)	

- 6.3 The PRA directs that the *grandfathering notification* must not specify that any *person* shall perform any combination of *PRA senior management functions* which is prohibited by any other provision of the *PRA Rulebook* or the *FCA Handbook*.

7 FORMS

- 7.1 Form K may be found [here](#).

Annex B
Amendments to Fitness and Propriety Part

2 FITNESS AND PROPRIETY ASSESSMENTS BY FIRMS

2.1

...

- (4) Before deciding whether a *person* is fit and proper, a *firm* must take reasonable steps to obtain appropriate references from that *person*'s previous employers covering at least the past 5 years, unless 4.1 applies.
- (5) In deciding whether a person (P) is fit and proper in connection with a senior management application, a firm must:
 - (a) obtain P's consent for the firm to request the fullest information in relation to P that it is lawfully able to request under the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the UK or any part of the UK;
 - (b) if P has lived or worked outside the UK for a material time in the previous five years, obtain P's consent for the firm to request the fullest information in relation to P that it is lawfully able to request under equivalent overseas legislation; and
 - (c) request, and have regard to, such information.

4 FITNESS AND PROPRIETY TRANSITIONAL PROVISIONS

4.1 In this Part 'commencement date' means [the date appointed by the Treasury to commence the senior managers regime under the Financial Services (Banking Reform Act) 2013]

The requirement to obtain regulatory references in accordance with 2.1(4) does not apply to a *firm* in respect of any *person* to the extent that:

- (a) the *firm* is deciding whether the *person* is fit and proper for the purpose of issuing a *certificate*;
- (b) the *person* will be performing a *certification function* from the *commencement date*; and
- (c) immediately prior to the *commencement*, the *person* performed the same function for the *firm*.

HANDBOOK (SENIOR MANAGERS REGIME AND INDIVIDUAL ACCOUNTABILITY) CONSEQUENTIALS INSTRUMENT [YEAR]

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

Commencement

- D. This instrument comes into force on [DATE].

Amendments

- E. The modules of the PRA’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
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex B
The Fit and Proper Test for Approved Persons (FIT)	Annex C
Supervision manual (SUP)	Annex D
Credit Unions sourcebook (CREDS)	Annex E
The Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex F

Citation

- F. This instrument may be cited as the Handbook (Senior Managers Regime and Individual Accountability) Consequentials Instrument [YEAR].

By order of the Board of the Prudential Regulation Authority
[DATE]

Annex A

Amendments to the Glossary of definitions

In this Annex, underlining indicates new text.

<i>certification employee</i>	(as described in more detail in section 63E(1) of the <i>Act</i> (Certification of employees by relevant authorised person)) an employee (including the definition in section 63E (9)) of a <i>relevant authorised person</i> who has a valid certificate issued by that <i>relevant authorised person</i> .
<i>C-CON</i>	the Code of Conduct for Staff sourcebook, part of the <i>FCA Handbook</i> in High Level Standards.
<i>conduct rules staff</i>	any <i>persons</i> who are subject to <i>C-CON</i> , as set out in <i>C-CON</i> 1 (Application).
<i>designated senior management function</i>	a controlled function that has been designated by the <i>FCA</i> or the <i>PRA</i> as a <i>senior management function</i> under section 59 of the Act (Approval for particular arrangements).
<i>FCA-specified significant-harm function</i>	a <i>specified significant-harm function</i> that has been specified under section 63E of the <i>Act</i> (Certification of employees by relevant authorised persons) by the <i>FCA</i> .
<i>PRA Conduct Rules</i>	the rules contained in the part of the <i>PRA Rulebook</i> titled “Conduct Rules”.
<i>relevant authorised person</i>	has the meaning in section 71A of the <i>Act</i> (Meaning of “relevant authorised person”) which, in summary, is an institution that meets the following conditions:

- (1) it is incorporated in, or formed under the law of any part of, the *United Kingdom*; and
- (2) it does not have *permission for effecting contracts of insurance or carrying out contracts of insurance*; and
- (3) it meets one of the following conditions:
 - (a) its *Part 4A permission* includes *accepting deposits*; or
 - (b) it meets all the following conditions:
 - (i) the institution is an *investment firm*; and
 - (ii) its *Part 4A permission* covers *dealing in investments as principal*; and
 - (iii) when carried on by it, that activity is a *PRA-regulated activity*.²

² Note: The Treasury is currently consulting on its proposal to include branches of non-UK credit institutions and PRA authorised investment firms within the meaning of a 'relevant authorised person' for the purposes of section 71A fSMA. If the Treasury subsequently makes such an Order, this Glossary definition will be amended to include such branches.

*senior management
function*

a function defined in section 59ZA of the *Act* (Senior management functions) which means, in summary (in relation to the carrying on of a *regulated activity* by a *firm*), a function that meets the following conditions:

- (1) it will require the *person* performing it to be responsible for managing one or more aspects of the *firm's* affairs, so far as relating to the activity; and
- (2) those aspects involve, or might involve, a risk of serious consequences:
 - (a) for the *firm*; or
 - (b) for business or other interests in the *United Kingdom*.

Annex B

Amendments to the Statements of Principle and Code of Practice for Approved Persons (APER)

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

1.1B Application

1.1B.1 P *APER* applies to:

(1) *PRA-approved persons* other than *PRA-approved persons in relation to a relevant authorised person*³ and

...

³ It is intended that APER will be deleted from the PRA Handbook at the point at which the new Senior Managers regime has been commenced for both deposit takers and insurers. APER will be replaced by the Conduct Rules Part of the PRA Rulebook. The draft FCA instrument at Appendix 1 to this Consultation sets out the consequential amendments to APER which will be made to APER in the FCA Handbook.

Annex C

Amendments to The Fit and Proper test for Approved Persons (FIT)

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

1.1.1 Application and Purpose

1.1.1 G Except as otherwise provided in 1.1.1AG, FIT applies to:

(1) a *firm*;

...

1.1.1A G FIT does not apply to a *relevant authorised person*⁴.

...

⁴ It is intended that FIT will be deleted from the PRA Handbook at the point at which the new Senior Managers regime/Senior Insurance Managers Regime under the section 59 FSMA has been commenced for both deposit takers and insurers. The PRA's FIT will effectively be replaced by the Fitness and Propriety Part of the PRA Rulebook and the Supervisory Statement on Fitness and Propriety (see Annexes 7.5 and 9.3 to CP14/14). The draft FCA instrument sets out the consequential amendments to FIT which will be made to the FCA Handbook is at Annex 1 to this CP.

Annex D

Amendments to the Supervision manual (SUP)

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

10B.1 Application

10B.1.1 R This chapter applies to a *PRA-~~authorised person~~ other than a relevant authorised person*.⁵

⁵ It is intended that SUP10B will be deleted from the PRA Handbook at the point at which the Senior Managers regime under the section 59 FSMA as amended by the Financial Services (Banking Reform) Act 2013 has been commenced in relation to all PRA authorised firms. The relevant rules for deposit takers and PRA-~~authorised investment firms~~ will instead be found in the PRA Rulebook (see draft Application and Notification Part in Appendix 2.1 to this CP).

Annex E
Amendments to Credit Unions sourcebook
(CREDS)

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

CREDS 2.2.15

2.2.15 G In accordance with Senior Management Conduct Rule 2 in the PRA Conduct Rules and ~~C-CON 2.2.2R Statement of Principle 7 of the Statements of Principle for Approved Persons~~, it is the responsibility of each individual member of the committee of management to understand, and ensure that the *credit union* complies with, the requirements of all the relevant Acts, secondary legislation and *rules*.

...

2.2.31 G Some important compliance issues include:

- (1) insurance against fraud and dishonesty;
- ...
- (12) approved persons regime and the certification regime (see the Certification Part of the PRA Rulebook and SYSC 5.2);
- (13) payment of regulatory fees.

7.2 General requirements concerning lending policy

7.2.7 R (1) A *credit union* must not make a loan to:

- (a) one of its officers~~or~~, certification employees or approved persons on terms more favourable than those available to other members of the *credit union* unless:
 - (i) that person is a paid employee (other than a *director*) of the *credit union*; and
 - (ii) the registered rules of the *credit union* provide explicitly for

the making of loans to paid employees on such terms;

- (b) (in the case of a *Great Britain credit union*) a relative of, or any person otherwise connected with, an officer, certification employee, approved person or paid employee of the *credit union* on terms more favourable than those available to other members of the *credit union*;
- (c) (in the case of a *Northern Ireland credit union*) a member of the family of, or any person otherwise connected with, an officer, certification employee, approved person or paid employee of the *credit union* on terms more favourable than those available to other members of the *credit union*.

...

- 7.2.8 G (1) To prevent conflicts of interest, a *credit union* should have clear arrangements for dealing with loans to the persons specified in *CREDS 7.2.7R*.
- (2) In relation to staff, the prohibition in *CREDS 7.2.7R* applies only to those who are officers ~~or~~ certification employees or approved persons.
- (3) "Connected" in *CREDS 7.2.7R* includes any close business or personal relationship.

...

8.3 Approved persons

8.3.1 G The purpose of this section is to set out further *guidance* relating to the *approved persons* regime that is specific to *credit unions*. *Credit unions* should also read Chapter 10C (FCA approved persons regime for relevant authorised persons) of the Supervision manual (*SUP*) and have regard to their obligations in the Senior Management Functions and Allocation of Responsibilities Parts of the PRA Rulebook. concerning approved persons.

8.3.2 G The effect of section 59 of the *Act* ~~and~~ *SUP 10C* and the Senior Management Functions and Allocation of Responsibilities Parts of the PRA Rulebook is that a *credit union* must apply to the *appropriate regulator* for the approval of one or more individuals to perform the functions which are known as *controlled functions*. All the controlled functions that the FCA and the PRA have specified in relation to relevant authorised persons are designated senior management functions. ~~Controlled functions fall within two groups:~~

- (1) ~~The significant influence functions describe the roles performed by the~~

~~governing body and senior managers of the firm who exert a significant influence over the regulated activities of the firm.~~

- (2) ~~The customer functions describe the roles of individuals who deal with customers or with the property of customers. These customer functions do not extend to activities in relation to accepting deposits or general insurance and therefore will not be relevant to credit unions with permission for accepting deposits only. [deleted]~~

8.3.3 G ~~The complete list~~Details of all *controlled functions* in relation to *relevant authorised persons* is located in SUP 10C.4.3R and the supervisory statement on the PRA Senior Managers Regime~~SUP 10.4.5 R~~.⁶ Guidance on those *controlled functions* most likely to be relevant to *credit unions* is provided below at 8.3.4G and 8.3.5G in the *FCA Handbook* and 8.3.4AG in the *PRA Handbook*.

8.3.4 G ~~SUP 10.6~~ SUP 10C.5: the FCA governing functions:

- (1) ~~SUP 10.6.4 R: the director function, This is the function of acting in the capacity of a director of a credit union. SUP 10C.5.1R: executive director function (SMF 3). This is the function of acting in the capacity of a director (other than a non-executive director) of a credit union.~~
- (2) ~~SUP 10.6.8 R: the non-executive director function. SUP 10C.5.2R: non-executive director function (SMF 15).⁷ This is the function of acting in the capacity of a non-executive director of a credit union. It is unusual for a credit union to appoint non-executive directors as such. But this function would include membership of a credit union's supervisory committee and any other committee which scrutinises the approach of executive management, the credit union's performance, and its standards of conduct.~~
- (3) ~~SUP 10.6.11 R: the chief executive function. Acting in the capacity of chief executive, whether or not using that title. This role includes anyone having the responsibility, alone or jointly with one or more others, under the immediate authority of the committee of management, for the conduct of the whole of the business. [deleted]~~

8.3.4A G PRA Senior Management Functions:

- (1) For a small credit union, as defined in the PRA Rulebook Glossary, only

⁶ Annex E and Annex 9.1 of CP14/14

⁷

Senior Management Functions 6 of the PRA Rulebook applies.

(2) For credit unions which are not a small credit union, Senior Management Functions 3, 4, 5 and 7 of the PRA Rulebook apply.

8.3.5 G ~~SUP 10.7 the required functions:~~

(1) ~~{deleted}~~

(2) ~~SUP 10.7.13 RSUP 10C.6.2R: the money laundering reporting function (SMF17). This is the function of acting in the capacity of the money laundering reporting officer of a credit union. [deleted]~~

8.3.6 G ~~SUP 10.8: the systems and controls function. This is the function of acting as an employee with responsibility for reporting to the committee of management in relation to:—[deleted]~~

(1) ~~the credit union's financial affairs; or~~

(2) ~~setting and controlling its risk exposure; or~~

(3) ~~adherence to internal systems and controls, procedures and policies.~~

8.3.7 G ~~Where an employee performs the systems and controls function the appropriate regulator would expect the credit union to ensure that the employee had sufficient expertise and authority to perform that function effectively, for example by occupying the role of a director or senior manager. [deleted]~~

8.3.8 G ~~SUP 10A.9: the significant management functions: This controlled function will only apply to the credit union if the function is not being performed by a member of the committee of management and the credit union has followed the guidance in SUP 10A.9.4 G. [deleted]~~

...

8.4A PRA certification regime

8.4A.1 G The PRA certification regime in the Certification Part of the PRA Rulebook applies to employees of a credit union who are significant risk takers as defined in 1.3 of that Part.

...

10.1 Application and purpose

10.1.3 G Application of other parts of the Handbook, the PRA Rulebook and of Regulatory Guides to Credit Unions

...

Module	Relevance to Credit Unions
...	
Senior Management Arrangement, Systems and Controls (SYSC)	<p><i>SYSC 1 and SYSC 4 to 10 apply to all credit unions in respect of the carrying on of their regulated activities and unregulated activities in a prudential context. SYSC 18 applies to all credit unions without restriction.</i></p> <p><u>SYSC 5.2 applies to all credit unions in relation to the FCA's certification regime.</u></p>
<u>Code of Conduct (C-CON)</u>	<p><u>The purpose of C-CON is to provide rules and guidance to conduct rules staff in relation to the conduct expected of them.</u></p>
...	
Statements of Principle and Code of Practice for Approved Persons (APER)	<p>The purpose of the Statements of Principle contained in APER 2 is to provide guidance to approved persons in relation to the conduct expected of them in the performance of a controlled function. The Code of Practice for Approved Persons sets out descriptions of conduct which, in the opinion of the appropriate regulator, do not comply with a Statement of Principle and, in the case of Statement of Principle 3, conduct which tends to show compliance within that statement. [deleted]</p>
The Fit and Proper test for Approved Persons (FIT)	<p>In summary, the <u>The purpose of FIT is to set out and describe the criteria that:</u></p> <p><u>(1) the appropriate regulator FCA will consider when assessing the fitness and propriety of a person in respect of whom an application is being made for approval to undertake a controlled function under the approved persons approved persons regime.</u></p> <p><u>(2) a relevant authorised person should consider when assessing the fitness and propriety of a person whom the firm is proposing to certify to perform an FCA specified significant-harm function.</u></p>

	<p>The criteria are also relevant in assessing the continuing fitness and propriety of persons<i>persons</i> who have already been approved or certified to perform an <i>FCA specified significant-harm function</i>.</p>
Supervision manual (SUP)	<p>The following provisions of SUP are relevant to <i>credit unions</i>: SUP 1A (The <i>appropriate regulator's</i> approach to supervision), SUP 2 (Information gathering by the <i>appropriate regulator</i> on its own initiative), SUP 3.1 to SUP 3.8 (Auditors), SUP 5 (Skilled persons), SUP 6 (Applications to vary or cancel Part 4A permission), SUP 7 (Individual requirements), SUP 8 (Waiver and modification of rules), SUP 9 (Individual guidance), SUP 10A and SUP 10B (Approved persons) <u>SUP 10C (FCA Approved persons regime for relevant authorised persons)</u> and the Senior Management Functions and Allocation of Responsibility Parts of the PRA Rulebook, SUP 11 (Controllers and Close links), SUP 15 (Notifications to the <i>appropriate regulator</i>) and SUP 16 (Reporting Requirements).</p> <p><i>Credit unions</i> are reminded that they are subject to the requirements of the Act and SUP 11 on <i>controllers</i> and <i>close links</i>, and are bound to notify the <i>appropriate regulator</i> of changes. It may be unlikely, in practice, that <i>credit unions</i> will develop such relationships. It is possible, however, that a <i>person</i> may acquire control of a credit union within the meaning of the Act by reason of holding the prescribed proportion of <i>deferred shares</i> in the <i>credit union</i>.</p> <p>In relation to SUP 16, <i>credit unions</i> are exempted from the requirement to submit annual reports of <i>controllers</i> and <i>close links</i>.</p>
...	
<u>The Fitness and Propriety Part of the PRA Rulebook</u>	<p><u>The purpose of the Fitness and Propriety Part of the PRA Rulebook is to ensure that all persons within the PRA's Senior Manager Regime and Certification Regime have the personal characteristics, the necessary level of competence, knowledge and experience and appropriate qualifications and training to enable the sound and prudent management of the firm. Firms must have regard to these factors when assessing an</u></p>

	<u>individual’s fitness and propriety to perform a “PRA senior management function” or a “certification function” (which are defined in the PRA Rulebook Glossary), and the PRA may take them into account when assessing a Senior Manager’s fitness and propriety.</u>
<u>Senior Management Functions Part of the PRA Rulebook</u>	<u>Senior Management Functions 1-5 and 7 apply to a credit union other than a “small credit union” (which is defined in the PRA Rulebook Glossary). Senior Management Functions 1, 2 and 6 applies to a small credit union.</u>
<u>The Allocation of Responsibilities Part of the PRA Rulebook</u>	<u>Allocation of Responsibilities 1-4 and 6-7 apply to a credit union other than a “small credit union” (which is defined in the PRA Rulebook Glossary). Allocation of Responsibilities 1-3 and 5-6 apply to a small credit union.</u>
<u>The Conduct Rules Part of the PRA Rulebook</u>	<u>The Conduct Rules apply to every function a person performs in relation to a credit union as set out in Conduct Rules 1.1(2). The scope of the Conduct Rules applicable to such a person will depend on whether they are performing a “certification function” (as defined in the PRA Rulebook Glossary), where only Individual Conduct Rules will apply, or a designated senior management function, where the Individual and Senior Manager Conduct Rules will apply. The Conduct Rules: Notifications Part applies to all credit unions.</u>
<u>The Certification Part of the PRA Rulebook</u>	<u>The Certification Part of the PRA Rulebook applies to any employee of a credit union (including the definition in section 63E(9) FSMA) who is a significant risk taker as defined by 1.3 of that Part.</u>
<u>The Notifications Part of the PRA Rulebook</u>	<u>The Notifications Part of the PRA Rulebook applies to credit unions; in the context of senior managers and certification employees, a credit union is required to notify to the PRA actual or suspected breaches of the Conduct Rules and of disciplinary action taken by a credit union in respect of such a breach.</u>

Annex F

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.

2.2 Allocation of the responsibility for insurance mediation activity

...

2.2.2 R The *firm* may allocate the responsibility for its *insurance mediation activity* to an *approved person* (or *persons*) who is performing:

(1) (if a *firm* is not a *relevant authorised person*):

(a) performing:

(i) a *FCA* governing function; or

(ii) a *PRA* governing function;

(other than the *non-executive director function* or any of the *PRA*'s *non-executive director controlled functions*); or

(b) performing the *apportionment and oversight function*; or

(c) performing the *significant management function* in so far as it relates to *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order* (Absence of holding out etc) (or agreeing to do so) or an activity which is not *designated investment business*

~~(2) the *apportionment and oversight function*; or (if a *firm* is a *relevant authorised person*) a *director* who:~~

~~(a) is not a *non-executive director*; and~~

~~(b) is an *approved person* of that *firm*.~~

~~(3) the *significant management function* in so far as it relates to *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order* (Absence of holding out etc) (or agreeing to do so) or an activity which is not *designated investment business*.~~

2.2.3 G (1) Typically a *firm* will appoint a ~~person performing a governing function~~ (other than the *non-executive director function*) *director* who is an

approved person of that firm or a person performing an FCA governing function or a PRA governing function to direct its insurance mediation activity.

(1A) A firm should not appoint:

(a) a non-executive director; or

(b) a person performing the non-executive director function; or

(c) a person performing one of the PRA's non-executive director controlled functions.

(1B) Where this responsibility is allocated to a person performing another function, the person performing the *apportionment and oversight function* with responsibility for the apportionment of responsibilities must ensure that the *firm's insurance mediation activity* is appropriately allocated.

(2) The descriptions of *significant influence functions*, other than the *required functions*, do not extend to activities carried on by an *insurance intermediary* with *permission* only to carry on *insurance mediation activity* and whose principal purpose is to carry on activities other than *regulated activities* (see SUP 10A.1.18R). In this case, the *firm* may allocate the responsibility for the *firm's insurance mediation activity* to one or more of the *persons* performing the *apportionment and oversight function* who will be required to be an *approved person*.

(2A) (2) does not apply to a relevant authorised person.

...

...

PRA RULEBOOK: CRR FIRMS: SENIOR MANAGERS REGIME AND INDIVIDUAL ACCOUNTABILITY (CONSEQUENTIALS) INSTRUMENT [YEAR]

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) 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 137G (The PRA’s general rules); and
 - (2) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

- C. In accordance with section 138J of the Act (Consultation by the PRA), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms: Senior Managers Regime and Individual Accountability (Consequential) Instrument [YEAR]

- D. The PRA makes the rules in Annex A to this instrument.

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms: Senior Managers Regime and Individual Accountability (Consequential) Instrument [YEAR].

By order of the Board of the Prudential Regulation Authority
[DATE]

Annex A

[Note: Annex A contains proposed amendments to the draft General Organisational Requirements Part of the PRA Rulebook as consulted on by the PRA in Appendix 1e to the PRA Rulebook: Part 2 (CP25/14)]

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

APPLICATION AND DEFINITIONS

...

1.2 In this Part, the following definitions shall apply:

chief executive function

means ~~PRA controlled function CF3 in the table of PRA controlled functions, described more fully in SUP 10B.6.7 R of the PRA Handbook~~ the function of having responsibility, under the immediate authority of the *management body*, alone or jointly with others, for carrying out the management of the conduct of the whole of the business (or relevant activities) of a *firm*.

~~PRA controlled~~ *senior management function*

means a function, ~~relating to the carrying on of a regulated activity by a firm, which is specified by the PRA (in the table of PRA controlled functions), under section 59 of FSMA specified as a controlled function in Senior Management Functions 2 in relation to the carrying on of a regulated activity by a firm.~~

~~table of PRA controlled functions~~

means ~~the table of PRA controlled functions in SUP 10B.4.3 R of the PRA Handbook.~~

...

MANAGEMENT BODY

...

~~5.7 A firm must ensure that the chairman of the firm's management body does not exercise simultaneously the chief executive function within the same firm, unless justified by the firm and authorised by the PRA.¹~~

...

6.4 A firm that maintains a website must explain on the website how it complies with the requirements of this Chapter and Senior Management Functions 7.2.

¹ [This requirement will be moved to the Senior Management Functions Part of the PRA rulebook when those rules are commenced (see Senior Management Functions 7.2 in Annex 7.2 to CP 14/14).]

Draft Supervisory Statement - Internal Governance

[Note: Appendix 2.5 contains proposed amendments to the draft Supervisory Statement on Internal Governance as consulted on by the PRA in The PRA Rulebook: Part 2 (CP25/14, Appendix 2b). The amended text below sets out how the relevant sections of the Supervisory Statement would look once the Senior Managers Regime (consulted on in CP14/14) comes into force.]

Audit committee

- 2.2 Depending on the nature, scale and complexity of its business, the PRA expects it may be appropriate for a firm to form an Audit Committee. An Audit Committee would typically examine management's process for ensuring the appropriateness and effectiveness of systems and controls. Where a firm establishes an Audit Committee, the Chair of that Committee will need approval by the PRA as a Senior Manager for the Chairman of Audit Committee function (SMF10).

...

An individual's suitability

- 2.10 ~~In the PRA's view, a firm's systems and controls should enable it to determine the suitability of anyone who acts for it. This includes assessing an individual's honesty and competence.~~ Firms have a statutory obligation under sections 60A and 63F FSMA to assess the fitness and propriety of persons who are to perform senior management functions or specified functions (in accordance with the Senior Management Functions, Certification and Fitness and Propriety Parts of the PRA Rulebook and SUP 10C, FIT and SYSC 5.2 of the FCA Handbook). This assessment should normally be made at the point of recruitment and on an annual basis.

...

- 2.14 Firms must allocate prescribed responsibilities to senior managers as required by the PRA Rulebook (Allocation of Responsibilities Part) and the FCA Handbook (SYSC). Building societies are also required to provide a statement of responsibilities and a management responsibilities map together with each application to the PRA or FCA for approval. Where a firm is unable to ensure the complete segregation of duties (for example, because it has a limited number of staff), it should ensure that there are adequate compensating controls in place (for example, frequent review of an area by relevant senior managers).

...

Internal audit

- 2.17 The term 'internal audit function' in Internal Audit 3.1 and General Organisational Requirements 2.1 in the PRA Rulebook refers to the generally understood concept of internal audit within a firm, ie, the function of assessing adherence to and the effectiveness of internal systems and controls, procedures and policies. The internal

audit function is not a controlled function itself, but it is ~~part of the systems and controls function (CF28)~~responsibility for oversight of the integrity and independence of internal audit must be allocated to a person performing a senior management function under Chapter 4 of the Allocation of Responsibilities Part of the PRA Rulebook.

Draft Supervisory Statement - Exercising functions under the Building Societies Act 1986

[Note: Appendix 2.6 contains proposed amendments to the draft Supervisory Statement on Exercising functions under the Building Societies Act 1986 as consulted on by the PRA in The PRA Rulebook: Part 2 (CP25/14, Appendix 2c). The amended text below sets out how the relevant sections of the Supervisory Statement would look once the Senior Managers Regime (consulted on in CP14/14) comes into force.]

Fit and proper test for directors

- 2.20 A person elected as an executive or non-executive director of a building society must not exercise a ~~controlled~~ designated senior management function¹ unless the ~~PRA~~appropriate regulator ~~has given~~ its approval (sections 59 and 60 of FSMA). The PRA will not approve a director unless it is satisfied that he ~~meets, and will continue to meet, the Fit and Proper Test for Approved Persons is fit and proper~~ (see the Fit and Proper Test for Approved Persons sourcebook in the Handbook (FIT) Fitness and Propriety Part of the PRA Rulebook). ~~An approved person~~ A senior manager² must also comply with the requirements of the ~~Statement of Principle and Code of Practice for Approved Persons sourcebook in the Handbook (APER) Conduct Rules Part of~~ the PRA Rulebook and the FCA's Code of Conduct sourcebook (C-CON).

¹ a function, relating to the carrying on of a regulated activity by a firm, which is specified, under section 59 of the Act (Approval for particular arrangements), ~~in the table of controlled functions shown in the Supervision manual of the Handbook in the Senior Management Functions Part of the PRA Rulebook or in SUP10C of the FCA Handbook.~~

² a person approved under section 59 of FSMA (Approval for particular arrangements) to perform a ~~controlled function~~ senior management function.

Appendix 3
FCA and PRA forms



Application number
(for FCA/PRA use only)

Form H

Notification of Conduct Rules Breaches and Disciplinary Action relating to certification employees and other conduct rules staff

FCA Handbook Reference: SUP15.11 Annex 7R

[date]

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>

Contact for this notification

	Title	
	First Name	
	Surname	
	Job Title	
	Business address	
	Post code	
	Phone number (including STD code)	
	Email address	
	Mobile No	
	Fax No.	

2.01 Name of *firm*

2.02 Firm Reference Number (FRN)

Fitness and Propriety - Notifications under section 64B(5) or 64C of the Financial Services and Markets Act 2000.

Section 3

This section should be completed by a firm to:

- (a) make a quarterly notification under section 64B(5) (Breach of conduct rules) of the Financial Services and Markets Act 2000 of known or suspected breach by any certification employees or other conduct rules staff of the individual conduct rules set out in the FCA's Code of Conduct (C-CON);**
- (b) make a quarterly notification of disciplinary action (as defined in section 64C ((Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000) if the reason for taking the disciplinary action is any action, failure to act or circumstance that amounts to a breach of the individual conduct rules set out in the FCA's Code of Conduct (C-CON);**
- (c) make a follow up notification to update a notification that has been previously made by the firm in relation to (a) or (b) (section 5.01)**

For each individual that is the subject of a notification under this Form, please provide the details requested below, in so far as applicable.

Title	Surname	Forenames	Date of Birth	National Insurance Number	Nationality	Passport Number	Job Title/Position	Is this notification updating a previous the firm has made? If so, please provide details here.	Is this a notification of a breach of conduct rules set out in C-CON? If so, please provide a summary of details below.	If this is a notification of a breach of conduct rules set out in C-CON, please indicate whether it is a known or suspected breach?	If this is a notification of a breach of conduct rules set out in C-CON, please provide the date or period of the breach.	If this is a notification of a breach of conduct rules set out in C-CON, please identify the relevant conduct rules set out in C-CON here.	If this is a notification of disciplinary action taken provide details below of disciplinary action taken and the reasons.

Declaration

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive. Even if you believe information has been provided to us before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application. If there is any doubt about the relevance of information, it should be included.

The firm confirms that the information provided is accurate and complete to the best of the firm's knowledge. The firm will notify the *FCA*, as applicable, immediately if there is a material change to the information provided.

The firm authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate to verify information that it considers relevant to this notification.

The firm understands that the *FCA* and/or *PRA* may require it to provide further information or documents at any time.

For the purpose of complying with the Data Protection legislation, personal data about an individual that is the subject a notification under this Form may be used by the *FCA* and/or *PRA* to discharge its or their statutory functions and in accordance with the Data Protection Act, will not be disclosed for other purposes without the permission of the firm.

In addition to other regulatory responsibilities, *firms*, have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it or they would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm.

By signing below, the person submitting this Form on behalf of the firm confirms that this form is accurate and complete to the best of his or her knowledge [and he or she has read and understood the notes to this form].

Name of the *firm*

Name of *person* signing on behalf of the *firm*

Position

Signature

Date //



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

Form I – Application for the Variation of a Conditional Approval for the performance of a Senior Management Function

FCA Handbook Reference: SUP 10 C Annex 5D

PRA Rulebook Reference: Senior Persons Regime - Application and Notifications

[DATE TBC]

Name of individual
(to be completed by applicant)

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales
No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No
07854923. Registered Office: 8 Lothbury Road, London, EC2R
7HH

1.01 Contact for this application

Title	
First Name	
Surname	
Job Title	
Business address	
Post code	
Phone number (including STD code)	
Email address	
Mobile No	
Fax No.	

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 Name of individual

2.04 *Individual* Reference Number (IRN)

3.01 Are you applying to add, vary or remove a condition?

Add	
Vary	
Remove	

3.02 If you are applying to vary an existing condition please provide details of the current condition, proposed variation and reason for the proposed variation .

<u>Applicable SMF</u>	
<u>Current condition</u>	
<u>Proposed variation</u>	
<u>Reason for variation</u>	

3.03 If you are applying to add a condition to an existing conditional approval please provide details and reason for proposed condition.

<u>Applicable SMF</u>	
<u>Proposed condition</u>	
<u>Reason for proposed condition</u>	

3.04 If you are applying to remove a condition from an existing conditional approval please provide details of the current condition and the reason for the proposed removal.

<u>Applicable SMF</u>	
<u>Current condition</u>	
<u>Reason for removal of condition</u>	



I have supplied further information related to this page in Section 4

YES

NO

- 4.01** Is there any other information that the firm considers to be relevant to the application?
Please indicate clearly which section the supplementary information relates to.
Please submit an updated Statement of Responsibilities with this form.

Section	Information

- 4.02** How many additional sheets are being submitted?

Declaration

In this declaration, the *firm* seeking the variation of the conditional approval previously granted in relation to the performance of a senior management function by an individual is referred to as the “Applicant”. The individual in relation to whom the *FCA/PRA* (as applicable) gave the conditional approval is referred to as the “Individual”.

It is a criminal offence, knowingly or recklessly, to give the *FCA/PRA* (as applicable) information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000).

The Applicant will notify the *FCA/PRA* (as applicable) immediately if there is a material change to the information provided.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the *FCA/PRA* (as applicable) matters of which it would reasonably expect to be notified. Failure to notify the *FCA/PRA* (as applicable) of such information may lead to the *FCA/PRA* (as applicable) taking disciplinary or other action against the Applicant and/or individuals.

The Applicant understands that the *FCA/PRA* (as applicable) may require it to provide further information or documents at any time.

For the purpose of complying with the data protection legislation, personal data may be used by the *FCA/PRA* (as applicable) to discharge its statutory functions and in accordance with the Data Protection Act, and otherwise will not be disclosed for other purposes without the permission of the Applicant.

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Applicant which it is intended that the individual will be responsible for managing.

The person submitting this Form on behalf of the Applicant confirms that he or she has authority to submit this form and, on behalf of the Applicant confirms that he or she has read and understood [the notes to this Form and] the declaration given by the Applicant,

Name of the *firm*

Name of *person* signing

on behalf of the *firm*

Position

Signature

Date //



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

Notification of Significant Changes in Responsibilities of a Senior Management Function Manager (Form J)

FCA Handbook Reference: SUP 10C Annex 7D

PRA Rulebook Reference: Senior Persons Regime - Applications and Notifications

[DATE TBC]

Name of *individual*
(to be completed by *firm*)

Name of *firm*
(as entered in 3.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road,
London, EC2R 7HH

1.01 Contact for this notification

	Title	
	First Name	
	Surname	
	Job Title	
	Business address	
	Post code	
	Phone number (including STD code)	
	Email address	
	Mobile No	
	Fax No.	

Personal identifications details**Section 2**

2.01 Individual Reference Number (IRN) †

2.02 Title
(e.g. Mr, Mrs, Ms, etc) †

2.03 Surname †

2.04 ALL forenames †

2.05 Date of birth †

2.06 National Insurance number †

Firm identification details**Section 3**

3.01 Name of *firm*

3.02 *Firm* Reference Number (FRN)

3.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this notice? †

b Business address †

c Position †

d Telephone †

e Mobile †

f Fax †

g E-mail †

† The above question(s) appears on an electronic form submission and a paper form submission

4.1 Summary of Significant Changes made

Please provide a summary of the significant changes made since the date of the previously submitted statement

Please submit with this form an updated Statement of Responsibilities including the effective date.

Please submit with this form an updated Firm's Management Responsibilities Map.

A large, solid grey rectangular area that occupies the majority of the page below the instructions. This area is intended for the user to provide a summary of significant changes and to submit updated documents as requested in the text above.

In this Form, the *firm* giving notice of a change in a statement of responsibilities is referred to as the "Firm". The *SMF Manager* to whom the change in the statement of responsibilities relates in respect of whom the change or changes relate is referred to as the "Individual".

Declaration by Individual

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive.

The Individual confirms that the information provided is accurate and complete to the best of his or her knowledge.

The Individual confirms that he or she is aware that, for the purpose of complying with the Data Protection legislation, personal data may be used by the *FCA* and/or *PRA* to discharge its statutory functions and in accordance with the Data Protection Act, will not be disclosed for other purposes without the permission of the Firm.

In addition to other regulatory responsibilities, firms, *SMF Managers* and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

The Individual signing below confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of the Individual's knowledge, and the updated Statement of Responsibility accurately reflects the aspects of the affairs of the Firm which it is intended that the Individual will be responsible for managing.

Individual's full name

Signature

Date

Declaration by Firm

It is a criminal offence, knowingly or recklessly, to give us information that is materially false, misleading or deceptive.

The Firm confirms that the information provided is accurate and complete to the best of its knowledge.

In addition to other regulatory responsibilities, *firms*, *SMF Managers* and other *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

The person signing on behalf of the Firm confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of his or her knowledge, and the updated Statement of Responsibility accurately reflects the aspects of the affairs of the Firm which it is intended that the Individual will be responsible for managing.

Name of the *firm* submitting the form

Name of person signing on behalf of the *firm*

Job title

Signature

Date



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

Grandfathering Notification Form (Form K)

FCA Handbook Reference: SUP TP5 Annex 1.

PRA Rulebook Reference: Transitional Rules

[Date: TBC]

Name of *firm*

Firm Reference Number (FRN)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road,
London, EC2R 7HH

Contact for this notification

Title	
First Name	
Surname	
Job Title	
Business address	
Post code	
Phone number (including STD code)	
Email address	
Mobile No	
Fax No.	

2.01 Provide details of each approved person and of which senior management functions are to be carried out by each such approved person. **If this is an update to a previous grandfathering notification please complete section 3.**

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)

2.02 If you have submitted any applications for approval of individuals to perform one or more *controlled functions* under the approved persons regime that are currently subject to determination by the *FCA* and/or *PRA*, please, provide details below of which senior management functions are to be carried out by each such approved person. **For the purpose of this section, you should assume that the FCA and/or PRA will approve the application that is subject to determination before the commencement date, and that the individual will therefore be eligible for grandfathering.**

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Senior Management Function(s)

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Senior Management Function(s)

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Senior Management Function(s)

2.03 If there are one or more individuals currently approved to perform one or more Significant Influence Functions (excluding CF10a, CF30, CF40 and CF50) and such individuals are not listed above in section 2.01, please provide for each such individual the reasons why the relevant Significant Influence Function is not being grandfathered.

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

2.04 If you have submitted any applications for approval of individuals to perform one or more Significant Influence Functions (excluding CF10a, CF30, CF40 and CF50) under the approved persons regime that are currently subject to determination by the *FCA* and/or *PRA*, and such individuals are not listed above in 2.02, please provide for each such individual the reasons why the relevant significant influence function is not being grandfathered. **For the purpose of this section, you should assume that the FCA and/or PRA will approve the application that is subject to determination before the commencement date, and that the individual will therefore be eligible for grandfathering.**

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

3.00 If you need to update a previous grandfathering notification, please provide details of updates to the firm's Grandfathering Notification Form below.

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)
Details of change and reasons for such change.	

IRN	Name of individual
Controlled Function	Proposed Senior Management Function(s)
Details of change and reasons for such change.	

4.00 Please attach a Statement of Responsibilities for each individual identified in this form as being grandfathered to perform one or more senior management functions.
Please also attach the Firm's Management Responsibilities Map

4.01 How many additional sheets are being submitted?

Declaration

In this declaration, the *firm* making the notification in relation to each individual is referred to as the “**applicant**” . .

The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for grandfathering to a *senior management function* to cause the information contained in this Form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the *FCA's Code of Conduct (C-CON)* and/or the *PRA Conduct Rules* (as applicable).

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000).

The applicant must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

For the purpose of complying with the data protection legislation, personal data may be used by the *FCA* and/or *PRA* to discharge its statutory functions and in accordance with the Data Protection Act, and otherwise will not be disclosed for other purposes without the permission of the applicant.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of the his/her knowledge, and that each Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant individual will be responsible for managing.

Name of the *applicant*

Name of *person* signing on behalf of the *applicant*

Position

Signature

Date //



Application number
(for PRA use only)

The PRA has produced notes which will assist the Firm in answering the questions in this form. Please read these notes, which are available on the PRA's website at:

http://media.fshandbook.info/Forms/notes/imap_formd_notes.doc

www.bankofengland.co.uk/PRA

The Firm will be treated by the PRA as having taken these notes into consideration when completing this form.

Form L: Notifications of breach of conduct rules and related disciplinary action (other than SMF)

PRA Handbook Reference: Notifications

[DATE TBC]

Name of individual
(to be completed by firm)

Name of firm

Firm Reference Number (FRN)

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road,
London, EC2R 7HH

Contact details for this notification

	Title	
	First Name	
	Surname	
	Job Title	
	Business address	
	Post code	
	Phone number (including STD code)	
	Email address	
	Mobile No	
	Fax No.	

Details of individual

2.01	Title (e.g. Mr, Mrs, Ms, etc)	
2.02	Surname	
2.03	ALL forenames	
2.04	Date of birth	//
2.05	National Insurance number	
2.06	Nationality	
2.07	Passport number	
2.08	Job Title or Position	
2.09	Additional entities or firms to which the breach is relevant (FRN / Firm name)	

This section should be completed by a firm to:

- (a) make a notification under section 64B(5) of the Financial Services and Markets Act 2000 of known or suspected breach of the individual conduct rules set out in C-CON or PRA Conduct Rules ;
- (b) make a notification of disciplinary action (as defined in section 64C of the Financial Services and Markets Act 2000) due to any action, failure to act or circumstance that amounts to a breach of any individual conduct rules set out in C-CON or PRA Conduct Rules;
- (c) make a follow up notification to update a determination that has previously been the subject of a notification that has been previously made by the Firm in relation to (1). See [Notifications 11.5 in the PRA Rulebook].

3.01 Is the firm updating a determination that has previously been the subject of a notification previously made under section 64B(5) of the Financial Services and Markets Act 2000 ?

YES NO

If the firm has answered “No”, please go to section 3.02

If the firm has answered “Yes”, please go to section 3.03

3.02 If the firm is making a notification under section 64B(5) of the Financial Services and Markets Act 2000 of any known or suspected breach(es) of the individual conduct rules set out in C-CON or PRA Conduct Rules , please complete the relevant boxes below.

	Tick the rule(s) relevant to this notification	Tick if this is a known breach	Tick if this is a suspected breach
Individual Conduct Rules			
Rule 1: You must act with integrity.			
Rule 2: You must act with due skill, care and diligence.			
Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators.			
Rule 4: You must pay due regard to the interests of customers and treat them fairly.			
Rule 5: You must observe proper standards of market conduct.			

3.03 For each breach please provide the following information. Date when known or suspected breach(es) came to the attention of the firm:

Date or period of known or suspected breach(es):

Details of the known or suspected breach(es):

Update on previously submitted notification:

3.04 If the firm is making a notification under section 64C of the Financial Services and Markets Act 2000, please provide details below of disciplinary action taken and the reasons for this action.

--

Knowingly or recklessly giving the *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the *PRA* merely because it is in the public domain or has previously been disclosed to the *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms*, have a responsibility to disclose to the *PRA* matters of which it or they would reasonably expect to be notified. Failure to notify the *PRA* of such information may lead to the *PRA* taking action against the *Firm*.

For the purposes of complying with the Data Protection Act, the personal information in this form may be used by the *PRA* to discharge its statutory functions and in accordance with the Data Protection Act. It will not be disclosed for any other purposes without the permission of the firm.

The *firm* confirms that the information in this Form is accurate and complete to the best of its knowledge and belief. The *firm* will notify the *PRA*, as applicable, immediately if there is a material change to the information provided.

If the *Firm* submits this Form on behalf of one or more other *firms*, the *Firm* confirms that is duly authorised by such *firm(s)* to make such submission.

The *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it or they consider appropriate. The *Firm* authorises the *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form.

I confirm that a permanent copy of this application, signed by the firm, will be retained for an appropriate period, for inspection at the *PRA*'s request. Confirm that you have read and understood the declaration:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory note relating to the Form.

Name of the *Firm*

Name of *person* signing on behalf of the *Firm*

Position

Signature

Date //



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



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

Senior Management Regime: Statement of Responsibilities

A statement provided under section 60(2A) of the *Act* (Applications for approval), including a statement revised under section 62A of the *Act* (Changes in responsibilities of senior managers).

For candidates for approval, this form **must** be submitted as an attachment to a Form A: application or a Form E application

For significant changes to an existing *statement of responsibilities*, this form **must** be submitted as an attachment to a Significant Change of Statement of Responsibilities Form.

FCA Handbook Reference: SUP 10C.10, SYSC 4.5

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications
[Date TBC]

Name of *individual*[†]
(to be completed by *firm*)

Name of *firm*[†]
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

Personal identifications details

Section 1

1.01 Individual Reference Number (IRN) †

1.02 Title
(e.g. Mr, Mrs, Ms, etc) †

1.03 Surname †

1.04 ALL forenames †

1.05 Date of birth †

1.06 National Insurance number †

Firm identification details

Section 2

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this *statement of responsibilities*?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information related to this page in Section 4

YES NO

A *statement of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* or senior manager is to perform as part of their *controlled function* and how they fit in with the *firm's* overall governance and management arrangements. A *statement of responsibilities* should also be consistent with the *firm's management responsibilities map*. (SUP 10C.10.7G)

A *statement of responsibilities* should be drafted in such a way as to be practical and useable by regulators. The *FCA* and the *PRA* consider that this would be achieved by succinct, clear statements for each responsibility which would not usually exceed a word limit of 300.

A *statement of responsibilities* must be a self-contained document. There should be one statement per senior manager per firm. Where an individual performs a senior manager function on behalf of more than one firm within a group, one *statement of responsibilities* is required for each firm. In addition, a statement of responsibilities must not cross refer to or include other documents, attachments or links.

A *statement of responsibilities* should include functions that are included in a *PRA controlled function* under SUP 10C.8 (Minimising overlap with the *PRA* approved persons regime). (10C.10.10 G)

If the appropriate regulator considers that the *statement of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 to 3.4, as appropriate:

- Section 3.2 covers those responsibilities required by regulators to be allocated to one or more senior managers.
- Section 3.3 covers having overall responsibility for each of the business areas, activities, management functions and risks of the firm.
- Section 3.4 covers anything else, not otherwise included, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* senior management function(s) role.

3.1 Effective date and relevant Senior Manager Functions

3.1.1 Please state the effective date of this *statement of responsibilities*: / /

Please note that where this is a revised *statement of responsibilities*, e.g. it requires an update as a result of a change in allocation of responsibilities within the firm, or the senior manager is applying for a new or additional senior manager function, then this *statement of responsibilities* supersedes any previous versions.

3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions. Please include those *FCA* functions that are included in a *PRA controlled function* under SUP 10C.8 (Minimising overlap with the *PRA* approved persons regime).

SMF	Description	Tick SMF applied for or held	Tick FCA SMF where included in a PRA SMF (as a result of SUP 10C.8)	Effective Date
SMF1	Chief Executive function*			
SMF2	Chief Finance function*			
SMF3	Executive Director*			
SMF4	Chief Risk function*			
SMF5	Head of Internal Audit*			
SMF6	Head of Key Business Area			
SMF7	Group Entity Senior Manager			
SMF8	Credit Union SMF (small Credit Unions only)*			
SMF9	Chairman*			
SMF10	Chair of the Risk Committee*			
SMF11	Chair of the Audit Committee*			
SMF12	Chair of the Remuneration Committee*			
SMF13	Chair of the Nominations Committee*			
SMF14	Senior Independent Director*			
SMF15	Non-Executive Director*			
SMF16	Compliance Oversight*			
SMF17	Money Laundering Reporting*			
SMF18	Significant Responsibility SMF			

Please note that for those roles asterisked above, this *statement of responsibilities* is considered to automatically include the existing legal and regulatory obligations for these roles. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.2 PRA Prescribed Responsibilities & FCA Senior Management Responsibility

This section deals with those responsibilities required by *PRA* and *FCA* rules to be allocated to one or more senior manager. Please note this section does not apply to candidates applying to perform, or senior managers approved to perform, the Significant Responsibility SMF.

The allocation of responsibilities under a *statement of responsibilities* should not reduce or alter the scope of any applicable prescribed requirements.

If the responsibilities that the *candidate* or *senior manager* is to carry out as described in the *statement of responsibilities* go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(*FCA SYSC 4.5.16R/PRA: Allocation of Responsibilities*)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual. Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details.

Ref	Prescribed Responsibilities	Tick if applicable
1	Ensuring the firm's performance of its obligations under the senior management regime, including implementation and oversight	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
2	Ensuring the firm's performance of its obligations under the employee certification regime, including implementation and oversight	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
3	Compliance with the requirements of the regulatory system about the management responsibilities map	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
4	Ensuring the induction, training and professional development of all persons performing designated senior management functions on behalf of the firm and all members of the firm's management body	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
5	Ensuring and overseeing the integrity and independence of the audit function in	

	accordance with SYSC 6.2 (Internal Audit)	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
6	Ensuring and overseeing the integrity and independence of the compliance function in accordance with SYSC 6.1 (Compliance)	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
7	Ensuring and overseeing the integrity and independence of the risk function in accordance with SYSC 7.1.21R and SYSC 7.1.22 (Risk Control)	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
8	Maintaining the independence, integrity, and effectiveness of the firm's policies and procedures on whistleblowing and for ensuring staff who raise concerns are protected from detrimental treatment	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
9	Allocation of all prescribed responsibilities	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
10	Leading the development of the firms culture and standards in relation to the carrying on of its business and the behaviours of its staff	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
11	Embedding the firm's culture and standards in relation to the carrying on of its business and the behaviours of its staff in the day to day management of the firm	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
12	The development and maintenance of the firm's business model	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	

13	Management of the allocation and maintenance of capital, funding and liquidity	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
14	The firm's treasury management functions	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
15	The production and integrity of the firm's financial information and its regulatory reporting in respect of its regulated activities	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
16	The firm's recovery plan and resolution pack and overseeing the internal processes regarding their governance	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
17	If the firm carries out proprietary trading, the firm's proprietary trading activities	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
18	If the firm does not have an individual performing the Chief Risk function, overseeing and demonstrating that the risk management policies and procedures which the firm has adopted in accordance with SYSC 7.1.2 R to SYSC 7.1.5 R satisfy the requirements of those rules and are consistently effective in accordance with SYSC 4.1.1R.	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
19	If the firm outsources its internal audit function taking reasonable steps to ensure that every person involved in the performance of the service is independent from the persons who perform external audit, including <ul style="list-style-type: none"> (a) Supervision and management of the work of outsourced internal auditors and (b) Management of potential conflicts of interest between the provision of external audit and internal audit services 	
	Is this responsibility shared with another senior manager?	

	If 'yes' please provide further details in section 4:	
20	<p>If the firm does not have a person who performs the Senior Independent Director function,</p> <p>(a) Carry out oversight of the person who performs the Chairman function; and</p> <p>(b) Oversight of the adequacy and quality of the resources available to the office of that person to enable the role to be fulfilled within the firm.</p>	
	<p>Is this responsibility shared with another senior manager?</p> <p>If 'yes' please provide further details in section 4:</p>	



I have supplied further information related to this page in Section 4

YES

NO

3.3 FCA Overall Responsibility for Key Functions

This section deals with having overall responsibility for each of the business areas, activities, management functions and risks of the firm.

By overall responsibility we mean the ultimate responsibility (under the governing body) for managing or supervising that function, and primary responsibility for briefing and reporting to the governing body about that function and putting matters for decision about that function to the governing body of the firm.

(SYSC 4.5.16R/PRA: Allocation of Responsibilities and SYSC 4.5.19G)

3.3.1 If the individual has overall responsibility for any or part of the key functions or risks of a firm, please indicate which and provide details in the table below.

Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming senior managers work together temporarily as part of a handover), please provide details.

Where responsibilities are divided (for example, retail sales may be divided between several people on the basis of product lines), please provide details.

If the individual does not have overall responsibility for a key function or risk of the firm, please go to section 4.

The FCA considers that most or all of these functions 1 to 27 in the table below will normally apply to a complex firm. Many of them may not be applicable in every firm.

Please note that the FCA does not require firms to organise themselves by these functions.

Ref	Key functions & Risks	Select
1	Overall responsibility for establishing and operating systems and controls in relation to financial crime	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
2	Overall responsibility for safekeeping and administration of assets of clients	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	

	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
3	<p>Overall responsibility for payment services</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
4	<p>Overall responsibility for settlement</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
5	<p>Overall responsibility for investment management</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	

	Please provide a description of your responsibilities under this function:	
6	Overall responsibility for financial or investment advice	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
7	Overall responsibility for mortgage advice	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
8	Overall responsibility for corporate investments	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
9	Overall responsibility for wholesale sales	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	

	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
10	<p>Overall responsibility for retail sales</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
11	<p>Overall responsibility for first line quality assurance of sales</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
12	<p>Overall responsibility for trading for clients</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	

	Please provide a description of your responsibilities under this function:	
13	Overall responsibility for investment research	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
14	Overall responsibility for origination/syndication and underwriting	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
15	Overall responsibility for retail lending decisions	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
16	Overall responsibility for wholesale lending decisions	
	Is this responsibility shared with another senior manager?	

	If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
17	Overall responsibility for design and manufacturing of products intended for wholesale customers	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
18	Overall responsibility for design and manufacture of products intended for retail customers	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
19	Overall responsibility for production and distribution of marketing materials and communications	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you	

	<p>responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
20	<p>Overall responsibility for customer service</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
21	<p>Overall responsibility for customer complaints handling</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
22	<p>Overall responsibility for collection and recovering amounts owed to a firm by its customers / dealing with customers in arrears</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	

23	Overall responsibility for middle office	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
24	Overall responsibility for the firm's information technology	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities under this function:	
25	Overall responsibility for business continuity	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details:	
	Please provide a description of your responsibilities under this function:	
26	Overall responsibility for human resources	
	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	

	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
27	<p>Overall responsibility for incentive schemes for the firm's staff</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
28	<p>Overall responsibility for any part of a risk that the firm has identified under the requirements set out <i>FCA</i> and <i>PRA</i> rules (see note below).</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	
	<p>Please provide a description of your responsibilities under this function:</p>	
29	<p>Overall responsibility for any other activities, business areas or management functions of the firm, in addition to those set out above.</p>	
	<p>Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:</p>	
	<p>Is this responsibility divided with another senior manager i.e. are you responsible for part of this function rather than all of it? If 'yes' please provide further details in section 4:</p>	

	Please provide a description of your responsibilities under this function:	
--	--	--

Please note that for the purposes of responsibility reference 28 in the above table, the relevant requirements are set out the following rules:

- Rule 3.1. of the *PRA's* Internal Capital Adequacy Assessment section of the CRR firms rulebook (which implements article 73 of the *CRD*);
- The function of having overall responsibility for any other activities, business areas or management functions of the *firm*.
- SYSC 4.1.1R (governance, including effective processes to identify, manage, monitor and report the risks it is or might be exposed);
- SYSC 7.1.2R (risk management policies);
- SYSC 7.1.3R (mechanisms to manage risk);
- SYSC 7.1.4R (management body review of strategies and policies in relation to the risks a firm is, or might be, exposed to); and
- SYSC 7.1.17R (management body has overall responsibility for risk management).
- SYSC 7.1.21R (Risk function)



I have supplied further information related to this page in Section 4

YES

NO

3.4 Other Responsibilities

3.4.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) role.

	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this responsibility rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities:	

→ I have supplied further information related to this page in Section 4 YES NO

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?



Application number
(for FCA/PRA use only)

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

- <http://fshandbook.info/FS/html/FCA/SUP/10A/Annex4>
- <http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FCA and PRA 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) Application to perform controlled functions under the approved persons regime

Relevant Authorised Persons should not complete this form, but instead use the Form A Application to perform senior management functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Handbook Reference: SUP 10B Annex 4D

[date TBC]

Name of *candidate*[†]
(to be completed by applicant firm)

Name of *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7
Long Form A – UK and Overseas
Application to perform controlled functions under the approved persons regime
Version 15

Declaration of *Candidate*

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Disclosure and Barring Service for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

<http://fshandbook.info/fs/html/handbook/APER>

<http://www.bankofengland.co.uk/PRA>

Tick here to confirm you have read and understood this declaration: [∞]

7.01 *Candidate's* full name[†]

7.02 Signature^{*}

Date[†]

[†] The above question(s) appears on an electronic form submission and a paper form submission

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

Declarations and signatures

Declaration of Firm

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* 15.6.1R and *SUP* 15.6.4R require 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.

APER 4.4.7G provides that, where an *approved person* is responsible for reporting matters to the *FCA* and/or *PRA*, failure to inform the *FCA* and/or *PRA* of materially significant information of which he is aware is a breach of *Statement of Principle* 4. 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

In signing this form on behalf of the firm:

- a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.
- b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 3.05. I also confirm that a copy of this Form, as submitting to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.
- c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

[\(<http://fshandbook.info/fs/html/handbook/APER>\)](http://fshandbook.info/fs/html/handbook/APER)

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

7.03	Name of the <i>firm</i> submitting the application [†]	<input type="text"/>
7.04	Name of <i>person</i> signing on behalf of the <i>firm</i> [†]	<input type="text"/>
7.05	Job title [†]	<input type="text"/>
7.06	Signature [*]	<input type="text"/>
	Date [†]	<input type="text"/>

^{*} The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.



Application number
(for FCA/PRA use only)

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

- <http://fshandbook.info/FS/html/FCA/SUP/10A/Annex4>
- <http://www.bankofengland.co.uk/PRA>

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

Short Form A – UK and Overseas Firms (not Incoming EEA)

Application to perform controlled functions under the approved persons regime

Relevant Authorised Persons should not complete this form, but instead use the Form A Application to perform senior management functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Handbook Reference: SUP 10B Annex 4D

[Date TBC]

Name of *candidate*[†]
(to be completed by applicant firm)

Name of *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Website <http://www.fca.org>

Declaration of Candidate

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).

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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing this form on behalf of the firm:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application'

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

[\(<http://fshandbook.info/fs/html/handbook/APER>\)](http://fshandbook.info/fs/html/handbook/APER)

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

7.01 Candidate's full name[†]

7.02 Signature^{*}

Date[†]

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

^{*} The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.

Version 6

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime

Declaration of Firm

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* 15.6.1R and *SUP* 15.6.4R require 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.

APER 4.4.7G provides that, where an *approved person* is responsible for reporting matters to the *FCA* and/or *PRA*, failure to inform the *FCA* and/or *PRA* of materially significant information of which he is aware is a breach of *Statement of Principle* 4. 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the firm believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3.

FOR FIRMS UNDERTAKING ANY NON MiFID BUSINESS PLEASE ALSO COMPLETE THE FOLLOWING

The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

YES NO

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those firms at the same time as submitting the Form to the *FCA* and/or *PRA*.

c) I confirm the candidate has been made aware of the regulatory responsibilities of proposed role as set out in, the Statements of Principle and Code of Practice for Approved Persons.

<http://fshandbook.info/fs/html/handbook/APER>

<http://www.bankofengland.co.uk/PRA>

Tick here to confirm you have read and understood this declaration: [∞]

7.03	Name of the firm submitting the application [†]	<input type="text"/>
7.04	Name of person signing on behalf of the firm [†]	<input type="text"/>
7.05	Job title [†]	<input type="text"/>
7.06	Signature [*]	<input type="text"/>
	Date [†]	<input type="text"/>

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

^{*} The above question(s) should only be completed if the form is being submitted in one of the ways set out in *SUP* 15.7 other than online submission. It should not be completed if submission of this form is online.

Version 6

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

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

http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Long Form A – UK Firms (Relevant Authorised Persons only)

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 4D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

[DATE TBC]

Name of *candidate*[†]
(to be completed by applicant firm)

Name of *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London E14 5HS

United Kingdom

Telephone +44 (0) 845 606 9966

Facsimile +44 (0) 207 066 0017

E-mail iva@fca.org.uk

Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail PRA.firmenquiries@bankofengland.co.uk

Website www.bankofengland.co.uk/PRA

Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
Long Form A – UK firms (Relevant Authorised Persons only)
Application to perform senior management functions

Personal identification details

1.01 a	Candidate Individual Reference Number (IRN) †	
b	OR name of previous regulatory body †	
c	AND previous reference number (if applicable) †	
1.02	Title (e.g. Mr, Mrs, Ms, etc) †	
1.03	Surname †	
1.04	ALL forenames †	
1.05	Name commonly known by †	
1.06	Date of birth (dd/mm/yyyy) †	/ /
1.07	National Insurance number †	
1.08	Previous name †	
1.09	Date of name change †	/ /
1.10 a	Nationality †	
b	Passport number (if National Insurance number not available) †	
1.11	Place of birth †	



I have supplied further information related to this page in Section 6 †

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
Long Form A – UK firms (Relevant Authorised Persons only)
Application to perform senior management functions

1.12 a Private address[†]

[Redacted address field]

b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1[†]

[Redacted address field]

b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To /

1.14 a Previous address 2[†]

[Redacted address field]

¹ b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To /



I have supplied further information related to this page in Section 6[†]

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
Long Form A – UK firms (Relevant Authorised Persons only)
Application to perform senior management functions

2.01	Name of <i>firm</i> making the application	
2.02	Firm Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	



I have supplied further information related to this page in Section 6[†]

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook
 Long Form A – UK firms (Relevant Authorised Persons only)
 Application to perform senior management functions

3.01 Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<hr/>		
<i>c</i>	Contract for services	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	Other	<input type="checkbox"/>
	Give details	
<hr/>		

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
 Long Form A – UK firms (Relevant Authorised Persons only)
 Application to perform senior management functions

3.02 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 **3.04**

Function	Description of a Senior Manager function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function		
SMF 2	Chief Finance function		
SMF 3	Executive Director		
SMF 4	Chief Risk function		
SMF 5	Head of Internal Audit		
SMF 6	Head of Key Business Area		
SMF 7	Group Entity Senior Manager		
SMF 8	Credit Union SMF (small Credit Unions only)		
SMF 9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF15	Non-Executive Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Significant Responsibility SMF		

3.03 Job title

Insurance mediation

Will the *candidate* be responsible for Insurance mediation 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) (MiPRU 2.2.2))



I have supplied further information related to this page in Section 6[†]

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
Long Form A – UK firms (Relevant Authorised Persons only)
Application to perform senior management functions

3.04

Complete this section only if the application is on behalf of more than one firm.

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested senior management function for that firm.[†]

	Firm Reference Number	Name of firm	Senior Management function	Job title	Effective date
a					/ /
b					/ /
c					/ /
d					/ /
e					/ /



I have supplied further information related to this page in Section 6

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
 Long Form A – UK firms (Relevant Authorised Persons only)
 Application to perform senior management functions

N.B.: ALL gaps must be accounted for

4.01 Employment details (1) †

a	Period (mm/yyyy)	From		/		To																			
b	Nature of employment	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;"><i>a</i></td> <td style="width: 85%;">Employed</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>						<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																							
<i>b</i>	Self-employed	<input type="checkbox"/>																							
<i>c</i>	Not employed	<input type="checkbox"/>																							
<i>d</i>	Full-time education	<input type="checkbox"/>																							
	If c or d is ticked, please give details																								
c	Name of employer																								
d	Nature of business																								
e	Previous / other names of employer																								
f	Last known address of employer																								
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body																					
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?																					
i	Position held																								
j	Responsibilities																								
k	Reason for leaving:	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;"><i>a</i></td> <td style="width: 85%;">Resignation</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>						<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																							
<i>b</i>	Redundancy	<input type="checkbox"/>																							
<i>c</i>	Retirement	<input type="checkbox"/>																							
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<i>e</i>	End of contract	<input type="checkbox"/>																							
<i>f</i>	Other	<input type="checkbox"/>																							
	Specify																								

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the PRA Rulebook
Long Form A – UK firms (Relevant Authorised Persons only)
Application to perform senior management functions

4.02 Employment details (2) †

a	Period (mm/yyyy)	From		/		To		/																			
b	Nature of employment	<table border="0" style="width: 100%;"> <tr> <td style="width: 20px;"><i>a</i></td> <td>Employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>								<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																									
<i>b</i>	Self-employed	<input type="checkbox"/>																									
<i>c</i>	Not employed	<input type="checkbox"/>																									
<i>d</i>	Full-time education	<input type="checkbox"/>																									
	If c or d is ticked, please give details																										
c	Name of employer																										
d	Nature of business																										
e	Previous / other names of employer																										
f	Last known address of employer																										
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body																							
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?																							
i	Position held																										
j	Responsibilities																										
k	Reason for leaving:	<table border="0" style="width: 100%;"> <tr> <td style="width: 20px;"><i>a</i></td> <td>Resignation</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>								<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																									
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<i>d</i>	Termination/dismissal	<input type="checkbox"/>																									
<i>e</i>	End of contract	<input type="checkbox"/>																									
<i>f</i>	Other	<input type="checkbox"/>																									
	Specify																										



I have supplied further information related to this page in Section 6† YES NO

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Disclosure Note:

We require firms to disclose all relevant information relating to a *candidate's* fitness and propriety. If there is any doubt about the relevance of the information, the information should be disclosed. The FCA/PRA takes non-disclosure very seriously and may consider it to be evidence of dishonesty and/or lack of integrity. In all circumstances, disclosures should be full, frank and unambiguous; if in doubt, disclose. In the event that a *candidate* discloses adverse information to applicant firm (or the applicant firm knows of adverse information by some other means) the applicant firm has a duty to disclose that information candidly to the FCA/PRA and explain why the applicant firm considers this does not affect the *candidate's* fitness and propriety (this paragraph should be read in conjunction with the information on disclosure in the guidance notes corresponding to this form).

5.01 Criminal Proceedings

When answering the questions in this section *candidate* should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *candidate* is subject to the law of England and Wales, *candidate* must disclose spent convictions and cautions (other than a protected conviction or caution). (In the following questions, *candidate* should include all matters even when the arrest, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01 even where the *candidate* them self was not the subject of the investigation.)

5.01.1a	Has the <i>candidate</i> ever been convicted of any criminal offence (whether spent or not and whether or not in the <i>United Kingdom</i>):	
	i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or	YES <input type="checkbox"/> NO <input type="checkbox"/>
	ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</i>	
b	Is the <i>candidate</i> , or has the <i>candidate</i> ever been, the subject of any criminal proceedings, whether in the UK or elsewhere?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Has the <i>candidate</i> ever been given a caution in relation to any criminal offence?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.2	Has the <i>candidate</i> any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.3	Has the <i>candidate</i> ever been arrested or charged with any criminal offence or been the subject of any criminal investigation? (<i>Candidate</i> should include all matters even if the arrest, charge or investigation did not result in a conviction.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.4	Has the <i>candidate</i> ever been ordered to produce documents pursuant to any criminal investigation or been the subject of a search (with or without a warrant) pursuant to any criminal investigation?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.01.5 Has any firm at which the *candidate* holds or has held a position of influence ever:
(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

YES NO

a Been convicted of any criminal offence?

YES NO

b Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?

YES NO

c Been the subject of any criminal proceeding which has not resulted in a conviction?

YES NO

d Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook
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5.02 Civil Proceedings

5.02.1	Has the <i>candidate</i> , ever been the subject of a judgement debt or award against the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
	Please give a full explanation of the events in questions, ensuring that it adheres to the Disclosure Note at the beginning of this form. <i>Candidate</i> should include all Count Court Judgement(s) (CCJs) made against the <i>candidate</i> , whether satisfied or not); and i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and ii) the total number of all judgment debts, awards or CCJs ordered.		
5.02.2	Has the <i>candidate</i> ever been party to any civil proceedings which resulted in any order against the <i>candidate</i> (other than a judgement debt or award referred to in 5.02.1 above)? (<i>candidate</i> should include, for example, injunctions and employment tribunal proceedings.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.3	Is the <i>candidate</i> aware of:		
a	Any proceedings that have begun, or anyone's intention to begin proceedings against the <i>candidate</i> , for a CCJ or another judgement debt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
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 <input type="checkbox"/>	NO <input type="checkbox"/>
c	Anybody's intention to claim more than £1,000 of CCJs or judgement debts in total from the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.4	Does the <i>candidate</i> have any current judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.5	Has the <i>candidate</i> ever failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.02.6	Has the <i>candidate</i> ever:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
a	Filed for the <i>candidate's</i> own bankruptcy or had a bankruptcy petition served on the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Been adjudged bankrupt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
d	Made any arrangements with the <i>candidate's</i> creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
e	Had assets sequestrated?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
f	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <i>candidate</i> or result in any kind of agreement with the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.7	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past? (whether or not in the UK or overseas)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.8	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.9	Is the <i>candidate</i> currently:		
a	Party to any civil proceedings? (including those covered in 5.02.7 above)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Aware of anybody's intention to begin civil proceedings against the <i>candidate</i> ? (<i>candidate</i> should include any ongoing disputes whether or not such dispute is likely to result in any order against the <i>candidate</i> .)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.10	Has any firm at which the <i>candidate</i> holds or has held a position of influence ever been:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
a	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	The subject of a judgement debt or award against the firm? (<i>candidate</i> should include all CCJs) made against the firm, whether satisfied or not.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.02.11 Is any firm at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

a a party to civil proceedings?

YES NO

b aware of anyone's intention to begin civil proceedings against them?

YES NO

5.02.12 Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the United Kingdom or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

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5.03 Business and Employment Matters

5.03.1	Has the <i>candidate</i> ever been:	
a	Disqualified from acting as a director or similar position (one where the <i>candidate</i> acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the <i>candidate</i>)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	The subject of any investigation which has led or might lead to disciplinary proceedings?	YES <input type="checkbox"/> NO <input type="checkbox"/>
d	Notified of any potential proceedings of a disciplinary nature against the <i>candidate</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
e	The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (this question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.03.2	Has the <i>candidate</i> ever been refused entry to , or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.03.3	Does the <i>candidate</i> have any material written complaints made against the <i>candidate</i> by the <i>candidate</i> 's clients or former clients in the last five years which the <i>candidate</i> has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.04 Regulatory Matters

- 5.04.1** In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body (see note section 5), has:
- The *candidate*, or
 - Any company, partnership or unincorporated associate of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, ever –
- a** Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?
- b** Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?
- c** Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the *candidate* or the firm?
- d** Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the *candidate* or the firm?
- e** Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?
- f** Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?
- g** Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?
- h** Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?
- i** Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?
- j** Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?
- k** Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).

YES NO



I have supplied further information related to this page in Section 6[†] YES NO

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5.04.2 In relation to activities regulated by the *FCA/PRA* or any other regulatory body, has the *candidate* or any firm at which the *candidate* holds or has held a position of influence at any time during and within one year of the *candidate's* association with the firm ever:

a Been found to have carried on activities for which authorisation or registration by the *FCA/PRA* or any other regulatory body is required without the requisite authorisations?

YES NO

b Been investigated for the possible carrying on of activities requiring authorisation or registration by the *FCA/PRA* or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the *candidate*?

YES NO

c Been found to have performed a senior management function or other controlled function (or an equivalent function requiring approval by the *FCA/PRA* or any other regulatory body) without the requisite approval?

YES NO

d Been investigated for the possible performance of a senior management function or other controlled function (or an equivalent function requiring approval by the *FCA/PRA* or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the *candidate*?

YES NO

e Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the *FCA/PRA* of the identity of a person acting in a position of influence over its electronic money or payment services business?

YES NO

f Been the subject of disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning?

YES NO



I have supplied further information related to this page in Section 6[†]

YES NO

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5.05 Other Matters

5.05.1 Is the *candidate*, in the role to which the application relates, aware of any business interests, employment obligations, or any other circumstance which may conflict with the performance of the senior management functions for which approval is now being sought?

YES NO

5.05.2 Are the *candidate or the firm* aware of any other information relevant to this notification that we might reasonably expect from the *candidate*?

YES NO

5.05.3 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* or *PRA*?

Please note that a *firm* is required to *obtain* the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R and Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook])

YES NO

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.



I have supplied further information related to this page in Section 6[†]

YES NO

5.05.4 Has / Have a reference or references been obtained from previous employer(s) in accordance with the requirements of the *FCA* or *PRA*?
If No, please provide details why the reference or references has/have not been obtained.

Please note that a firm is required to use reasonable efforts to obtain a reference from any previous employer of the candidate during the last 5 years (see SYSC 5.3.8R and Fitness and Propriety 2 in the PRA Rulebook. However, reference(s) may not be necessary if the individual is applying for an additional senior management function within the same firm.

YES NO

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Supplementary information for Senior Management Functions Section 6

- 6.00**
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
 - Please provide full details of
 - why the *candidate* is competent and capable to carry out the senior management function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
 - Provide a copy of the *candidate's*:-
 - *Statement of Responsibilities* with this form
 - Roles description
 - Curriculum Vitae (C.V)
 - Organisational chart
 - Provide a copy of the firm's *management responsibilities map* (SYSC 4.5 and SUP 10C.8.10G, and Allocation of Responsibilities in the *PRA* Rulebook
 - A *firm* should include any handover certificate and a reasonable summary of any other handover material (as referred to in SYSC4.5.40R to SYSC 4.5.44G and Senior Management Functions Chapter 2 in the *PRA* Rulebook.
-
- Please also include here any additional information indicated in previous sections of the Form.
 - **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
 - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
 - **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

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Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

The candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The candidate authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The *candidate* confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s C-CON and/or *PRA* Conduct Rules (as applicable).

The *candidate* confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the *candidate* will be responsible for managing.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration: ∞

7.01 *Candidates* full name†

7.02 Signature

Date

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Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the Individual aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA*'s C-CON and/or *PRA* Conduct Rules (as applicable).

The Applicant confirms that the Statement of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application†

7.04 Name of *person* signing on behalf of the *firm* †

7.05 Job title †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook
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7.06 Signature*
Date †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Managers Regime - Applications and Notifications' in the *PRA* Rulebook
Long Form A – UK firms (Relevant Authorised Persons only)
Application to perform senior management functions



Application number
(for FCA/PRA use only)

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

http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Short Form A – UK Firms (Relevant Authorised Persons only)

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 4D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

[DATE TBC]

Name of *candidate*[†]
(to be completed by applicant firm)

Name of *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No
1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road, London,
EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

1.01	a	<i>Candidate</i> Individual Reference Number (IRN) †	
	b	OR name of previous regulatory body†	
	c	AND previous reference number (if applicable) †	
1.02		Title (e.g. Mr, Mrs, Ms, etc) †	
1.03		Surname†	
1.04		ALL forenames†	
1.05		Name commonly known by†	
1.06		Date of birth (dd/mm/yyyy) †	/ /
1.07		National Insurance number†	
1.08		Previous name †	
1.09		Date of name change†	/ /
1.10	a	Nationality†	
	b	Passport number (if National Insurance number not available) †	
1.11		Place of birth†	

I have supplied further information related to this page in Section 6 †
 YES
 NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
 Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

1.12 a Private address[†]

[Redacted address field]

b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1[†]

[Redacted address field]

b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To /

1.14 a Previous address 2[†]

[Redacted address field]

¹ b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To /



I have supplied further information related to this page in Section 6[†]

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

2.01	Name of <i>firm</i> making the application	
2.02	Firm Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	



I have supplied further information related to this page in Section 6[†]

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook
 Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

3.01 Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<hr/>		
<i>c</i>	Contract for services	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	Other	<input type="checkbox"/>
	Give details	
<hr/>		

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
 Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

3.02

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 **3.04**

Function	Description of a Senior Manager function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function		
SMF 2	Chief Finance function		
SMF 3	Executive Director		
SMF 4	Chief Risk function		
SMF 5	Head of Internal Audit		
SMF 6	Head of Key Business Area		
SMF 7	Group Entity Senior Manager		
SMF 8	Credit Union SMF (small Credit Unions only)		
SMF 9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF15	Non-Executive Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Significant Responsibility SMF		

3.03 Job title

Insurance mediation

Will the candidate be responsible for Insurance mediation 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) (MiPRU 2.2.2))



I have supplied further information related to this page in Section 6[†]

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
 Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

3.04

Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *senior management function* for that *firm*.[†]

	Firm Reference Number	Name of <i>firm</i>	Senior Management function	Job title	Effective date
a					/ /
b					/ /
c					/ /
d					/ /
e					/ /



I have supplied further information related to this page in Section 6

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
 Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

6.00

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the candidate is competent and capable to carry out the senior management function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
- Provide a copy of the candidate's:-
 - *statement of responsibilities* with this form
 - Roles description
 - Curriculum vitae (C.V)
 - Organisational chart
- Provide a copy of the firm's *management responsibilities map* (SYSC 4.5 and SUP 10C.8.10G and Allocation of Responsibilities in the *PRA* Rulebook
- A *firm* should include any handover certificate and a reasonable summary of any other handover material (as referred to in SYSC4.5.40R to SYSC 4.5.44G and Senior Management Functions Chapter 2 in the *PRA* Rulebook.
- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook
 Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

Declaration of *Candidate*

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

The Candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The Candidate will notify the appropriate regulator immediately if there is a material change to the information provided.

The Candidate authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Candidate acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The Candidate agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The Candidate agrees that the *FCA* and/or *PRA* may use the address specified for the Candidate in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* and *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

The Candidate confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s C-CON and/or *PRA* Conduct Rules (as applicable).

The Candidate confirms that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the Candidate will be responsible for managing.

The Candidate is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

Tick here to confirm you have read and understood this declaration: ∞

7.01 Candidate's full name†

7.02 Signature

Date

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook
Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions

Declaration of Firm

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the appropriate regulator, matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the appropriate regulator taking disciplinary or other action against the firm and/or individuals.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the appropriate regulator immediately if there is a material change to the information provided.

The Applicant authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the Individual aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's C-CON* and/or *PRA Conduct Rules* (as applicable).

The Applicant confirms that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the Candidate will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application †

7.04 Name of *person* signing on behalf of the *firm* †

7.05 Job title †

7.06 Signature*

Date †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – UK firms (Relevant Authorised Persons only) Application to perform senior management functions



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Application number
(for FCA/PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA and PRA website at http://media.fshandbook.info/Forms/notes/imap_formb_notes.doc

www.bankofengland.co.uk/PRA

Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form B

Notice to withdraw an application to perform controlled functions (including senior management functions)

This form is also to be used for notice to withdraw an application to vary a conditional approval

FCA Handbook Reference: SUP 10A Annex 5R

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications/Notifications

[DATE TBC]

Name of *candidate/approved person*
(as applicable)
(to be completed by applicant)

Name of *firm*
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

Personal Identification Details

Section 1

1.01 *Candidate/Approved Person* Individual Reference Number (IRN)

1.02 Title
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.07 *Candidate's* private address



I have supplied further information related to this page in Section 4

YES

NO

Firm Identification Details

Section 2

2.01	Name of <i>firm</i>	
2.02	<i>Firm</i> Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this notice?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	

2.04 *Firms* included on application Form (including applicant *firm*)

	FRN [†]	Name of <i>firm</i> [†]	<i>Controlled function or Senior Management Function</i> [†]
a			
b			
c			
d			
e			

If this is notice to withdraw an application to perform controlled functions (including senior management functions) please complete sections 3, 5, and 6.

If this is notice to withdraw an application to vary a conditional approval for the performance of a senior management function, please complete sections 4, 5 and 6

[†] The above question(s) appears on an electronic form submission and a paper form submission

3.01 Indicate the reason for withdrawal of application to perform controlled functions including senior management functions.

<i>a</i>	Internal movement of staff	<input type="checkbox"/>
<i>b</i>	Termination of employment or contract	<input type="checkbox"/>
<i>c</i>	Resignation	<input type="checkbox"/>
<i>d</i>	Redundancy	<input type="checkbox"/>
<i>e</i>	Withdrawal of offer of employment	<input type="checkbox"/>
<i>f</i>	End of contract	<input type="checkbox"/>
<i>g</i>	Suspension	<input type="checkbox"/>
<i>h</i>	Other	<input type="checkbox"/>
GIVE DETAILS IN SECTION 5		



I have supplied further information related to this page in Section 5

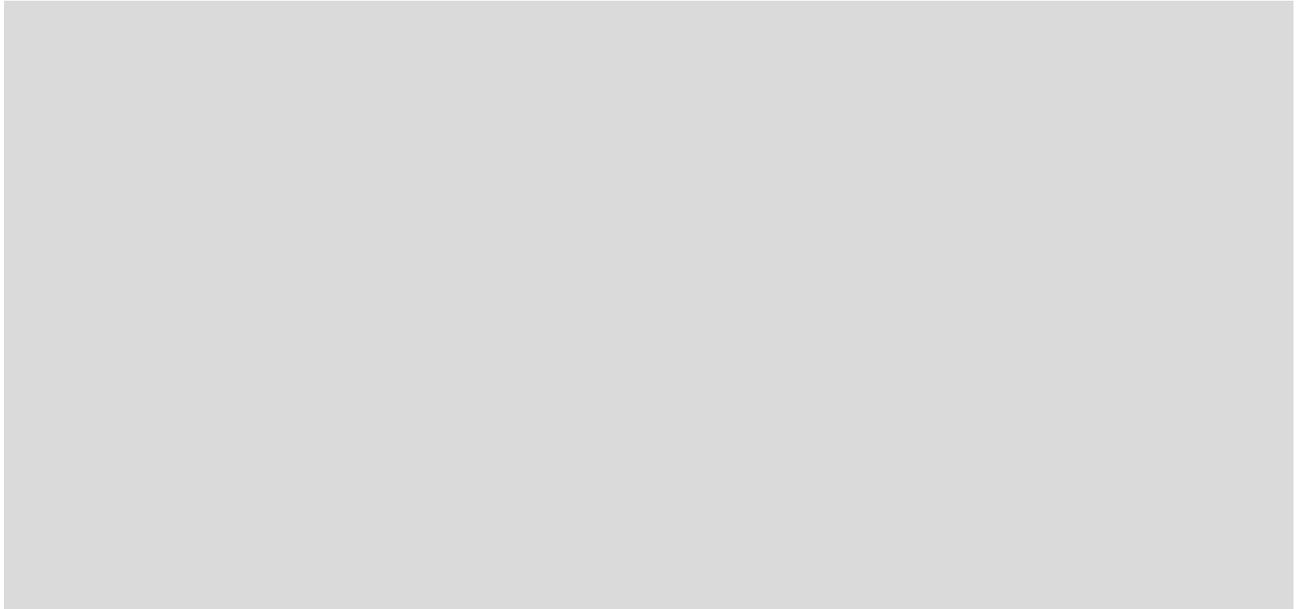
YES

NO

4.01

Only complete this section if this is notice to withdraw an application to vary a conditional approval for the performance of a senior management function

Indicate the reason(s) for withdrawal of an application to vary a conditional approval for the performance of a senior management function (including reference number of prior application).



I have supplied further information
related to this page in Section 5

YES NO

- 5.01** Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly which question supplementary information relates to.

Question	Information

- 5.02** How many additional sheets are being submitted?

DECLARATION OF CANDIDATE/APPROVED PERSON

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the *FCA* and/or *PRA* 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.

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

6.01 Candidate's full name

6.02 Signature

Date

DECLARATION BY APPOINTED REPRESENTATIVE OR OTHER FIRM (if applicable)

We concur that the application to perform *controlled functions (including senior management functions)* made in respect of the above *candidate* should be withdrawn with immediate effect.

6.03 Name of appointed representative or other *firm*

6.04 Name of *person* signing on behalf of the *firm*

6.05 Job title

6.06 Signature

Date

DECLARATION BY FIRM

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 15.6.1R* and *SUP 15.6.4R (FCA)* and Applications and Notifications for *PRA* Senior Management Functions in the *PRA* Rulebook (*PRA*) require 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. In addition to other regulatory responsibilities, *firms*, and *approved persons* have a responsibility to disclose to the appropriate regulator matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals. 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

6.07	Name of <i>firm</i>	
6.08	Name of <i>person</i> signing on behalf of the <i>firm</i>	
6.09	Job title	
6.10	Signature	
	Date	/ /



Application number
(for FCA/PRA use only)

The **FCA** and **PRA** have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the **FCA** and **PRA** website at

http://media.fshandbook.info/Forms/notes/imap_formc_notes.doc
www.bankofengland.co.uk/PRA

Both the applicant and the approved person will be treated by the **FCA** and **PRA** as having taken these notes into consideration when completing this form.

Form C

Notice of ceasing to perform controlled functions (including senior management functions)

FCA Handbook Reference: SUP 10A Annex 6R (Notifications)

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications/Notifications

[DATE TBC]

Name of approved person[†]

Name of firm[†]

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and
Wales No 07854923. Registered Office: 8 Lothbury
Road, London, EC2R 7HH

[†] The above question(s) appears on an electronic form submission and a paper form submission

Personal identification details**Section 1**

1.01	Individual Reference Number (IRN) †	
1.02	Title † (e.g. Mr, Mrs, Ms, etc)	
1.03	Surname †	
1.04	ALL forenames †	
1.05	Date of birth †	/ /
1.06	National Insurance number †	
1.07	Approved person's private address †	

Firm identification details**Section 2**

2.01	Name of <i>firm</i> *	
2.02	<i>Firm</i> Reference Number (FRN) *	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this notice? †	
b	Business address †	
c	Position †	
d	Telephone †	
e	Mobile †	
f	Fax †	
g	E-mail †	

† The above question(s) appears on an electronic form submission and a paper form submission

† The above question(s) appears on an electronic form submission and a paper form submission

3.01 List all *controlled functions* (other than senior management functions) which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions. If the person is ceasing to perform a senior management function(s), please complete section 3.02 instead.

If the reason for ceasing to perform the *controlled function* is indicated in column B, the *FCA* and/ or *PRA* should be notified in accordance with *SUP 10A.14.10R*, *SUP 10A.14.11G*, *SUP 10B.12.12.R* and *SUP 10B.12.13G* (that is, within one *business day*, by telephone, fax or email) that this Form will be submitted.

	FRN [†]	Name of firm [†]	Controlled function [†]	Effective date [†]	Reason [†]	
					A	B Full explanation in section 4
a				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
b				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
c				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
d				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)

[†] The above question(s) appears on an electronic form submission and a paper form submission

e			/ /	Internal move- ment of staff	<input type="checkbox"/>	Dismissal/ termination of employment or contract	<input type="checkbox"/>
				Resignation	<input type="checkbox"/>	Suspension	<input type="checkbox"/>
				Redundancy	<input type="checkbox"/>	Other	<input type="checkbox"/>
				Retirement	<input type="checkbox"/>	(specify in section 4)	
				End of contract	<input type="checkbox"/>		



I have supplied further information related to this page in Section 4[†]

YES

NO

[†]The above question(s) appears on an electronic form submission and a paper form submission

3.02

List all *senior management functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *senior management function* is indicated in column B, the *FCA* and/or *PRA* should be notified in accordance with SUP 10C.12.7R, SUP 10C.12.8G of the *FCA Handbook* and/or *Senior Managers Regime - Applications and Notifications of the PRA Rulebook*, as applicable (that is, within one *business day*, by telephone, fax or email) that this Form will be submitted.

	FRN [†]	Name of firm [†]	Senior Management function [†]	Effective date [†]	Reason [†]	
					A	B Full explanation in section 4
a				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
b				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
c				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)
d				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in section 4)

[†] The above question(s) appears on an electronic form submission and a paper form submission

e			/ /	Internal move- ment of staff	<input type="checkbox"/>	Dismissal/ termination of employment or contract	<input type="checkbox"/>
				Resignation	<input type="checkbox"/>	Suspension	<input type="checkbox"/>
				Redundancy	<input type="checkbox"/>	Other	<input type="checkbox"/>
				Retirement	<input type="checkbox"/>	(specify in section 4)	
				End of contract	<input type="checkbox"/>		



I have supplied further information related to this page in Section 4[†]

YES

NO

[†]The above question(s) appears on an electronic form submission and a paper form submission

3.03.1 Does the firm also seek to notify the *FCA* and/or *PRA* under one or more of section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval), section 64B(5) (Breach of conduct rules) or section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000.

YES NO

If the firm has answered “No”, please go to section 4

If the firm has answered “Yes”, please complete the below:

3.04 If the firm is making a notification of any known or suspected breach(es) of the individual or senior manager conduct rules set out in the *FCA*'s C-CON or *PRA*'s Conduct Rules , please complete the relevant boxes below. .

	Tick the rule(s) relevant to this notification	Tick if this is a known breach	Tick if this is a suspected breach
Individual Conduct Rules			
Rule 1: You must act with integrity.			
Rule 2: You must act with due skill, care and diligence.			
Rule 3: You must be open and cooperative with the <i>FCA</i> , the <i>PRA</i> and other regulators.			
Rule 4: You must pay due regard to the interests of customers and treat them fairly.			
Rule 5: You must observe proper standards of market conduct.			
Senior Manager Conduct Rules			
SM1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.			
SM2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with relevant requirements and standards of the regulatory system.			
SM3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.			
SM4: You must disclose appropriately any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.			

3.05 For each breach please provide the following information. Please attach additional sheets as necessary.

Details of the known or suspected breach:

3.06 If the firm is making a notification under section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000), please provide details below of disciplinary action taken and the reasons for this action.

3.07 If the firm is making a notification under s section 63(2A) (Duty to notify regulator of grounds for withdrawal of approval) of the Financial Services and Markets Act 2000), please provide details below.

4.01 Is there any other information the approved person or the firm considers to be relevant to this notice?

Please provide full details[†]

4.02 Please indicate clearly which question the supplementary information relates to.[†]

Question	Information

4.03 How many additional sheets are being submitted?[†]

Supporting Documents

Indicate the required supporting documents to accompany this form[†]

Documents	Mode (by email, fax or post)

Other information (please specify)[†]

--

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 of the *FCA Handbook* and/or Senior Managers Regime – Applications and Notifications of the *PRA Rulebook*

Knowingly or recklessly giving the *FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms*, SMF Managers and other *approved persons* have a responsibility to disclose to the *FCA and/or PRA* matters of which it or they would reasonably expect to be notified. Failure to notify the *FCA* of such information may lead to the *FCA and/or PRA* taking disciplinary or other action against the firm and/or the individuals.

For the purposes of complying with the Data Protection Act, the personal information in this form may be used by the *FCA and/or PRA* to discharge its or their statutory functions and in accordance with the Data Protection Act. It will not be disclosed for any other purposes without the permission of the firm.

The *firm* confirms that the information in this Form is accurate and complete to the best of its knowledge and belief. The firm will notify the *FCA/PRA*, as applicable, immediately if there is a material change to the information provided.

If the firm submits this Form on behalf of one or more other *firms*, the firm confirms that is duly authorised by such *firm(s)* to make such submission.

The *FCA and/or PRA* may seek to verify the information given in this Form. The *firm* authorises the *FCA* and *PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form.

I confirm that a permanent copy of this application, signed by the firm, will be retained for an appropriate period for inspection at the *FCA's* and/or *PRA's* request. Confirm that you have read and understood the declaration:

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory note relating to the Form.

Name of the *firm*

Name of *person* signing on behalf of the *firm*

Position

Signature

Date //



Application number
(for FCA/PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the FCA and PRA's website at: http://media.fshandbook.info/Forms/notes/imap_formd_notes.doc

www.bankofengland.co.uk/PRA

Both the applicant and the approved person will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form D Notification: Changes to personal information/ application details and conduct breaches/disciplinary action related to conduct

FCA Handbook Reference: SUP 10A Annex 7R

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications/Notifications

[DATE TBC]

Name of individual
(to be completed by firm)

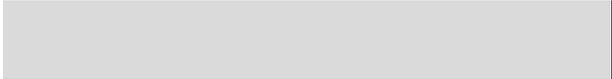
Name of firm
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

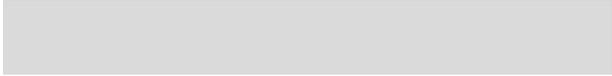
Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road,
London, EC2R 7HH

Contact for this notification

	Title	
	First Name	
	Surname	
	Job Title	
	Business address	
	Post code	
	Phone number (including STD code)	
	Email address	
	Mobile No	
	Fax No.	

2.01 *Approved person* Individual Reference Number (IRN) 

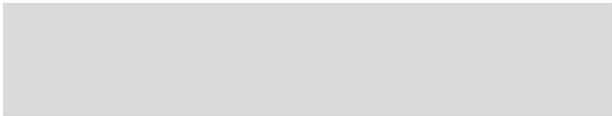
DETAILS TO BE CHANGED

2.02 Title (e.g. Mr, Mrs, Ms, etc) 

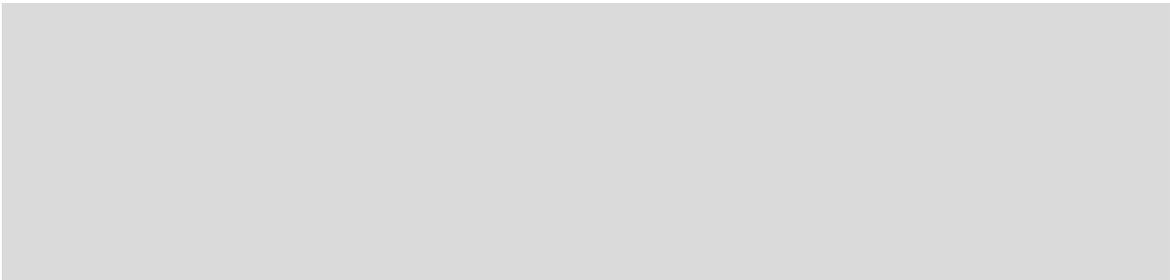
2.03 Surname 

2.04 ALL forenames 

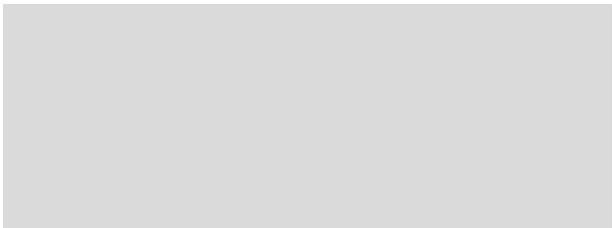
2.05 Date of birth 

2.06 National Insurance number
2.07 Nationality
2.08 Passport number 

2.09 Job Title or Position 

2.10 Other changes in application details and matters relating to fitness and propriety 

2.10 Effective date of change 

2.11 Reason for change 



I have supplied further information related to this page in Section 7

YES

NO

Do you want to notify us of a change of arrangement between the approved person and the firm?

--

Does the change in arrangement relate to an appointed representative?

--

Current appointed representative details?

AR FRN	Firm Name

Do you want to add an appointed representative?

--

Do you want to remove an appointed representative?

--

As a result of this removal you will need to consider whether to submit a withdrawal of a controlled function, senior management function and/or an Appointed Representative termination

Please select the appointed representative to remove

AR FRN	Firm Name	Remove

Effective Date

--

4.01 Name of *firm*

4.02 Firm Reference Number (FRN)

4.03 Other *firms* for whom the individual performs *controlled functions* (other than senior management functions – see section 4.04)

	FRN	Name of <i>firm</i>	Controlled function
a			
b			
c			
d			
e			

4.04 Other *firms* for whom the individual performs *senior management functions*

	FRN	Name of <i>firm</i>	Senior Management function
a			
b			
c			
d			
e			



I have supplied further information related to this page in Section 7

YES

NO

This section should be completed by any firm to update fitness and propriety related information provided on Form A. It should also be completed by any relevant authorised person if it seeks make a notification to the FCA and/or PRA under section 63 (2A (Duty to notify regulator of grounds for withdrawal of approval) of the Financial Services and Markets Act 2000.

5.00 Do you want to notify us of a change to the approved person's fitness and propriety?

5.01 Has the approved person ever been convicted of any offence (whether spent or not and whether or not in the United Kingdom):

(i) involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences and/or other dishonesty; or

(ii) relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations and/or insider dealing?

Enter full details in this section

5.02 Is the approved person the subject of any current criminal proceedings?

Enter full details in this section

5.03 Has the approved person ever been given a caution in relation to any criminal offence?

Enter full details in this section

5.04 Has the approved person any convictions for any offences other than those listed above, whether or not in the United Kingdom (excluding traffic offences unless these traffic offences resulted in a ban from driving or involved driving without insurance)?

Enter full details in this section

5.05 Has the approved person ever had a County Court Judgement (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not, in the United Kingdom or elsewhere?
Enter full details in this section

5.06 Has the approved person had more than two CCJs or judgement debts?
Enter full details in this section

5.07 Has the approved person had more than £1,000 in total of CCJs or judgement debts?
Enter full details in this section

5.08 Is the approved person aware of:

a) any proceedings that have begun, or anybody's intention to begin proceedings, against the approved person for a CCJ or other judgement debt?
Enter full details in this section

b) more than one set of proceedings, or anybody's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?
Enter full details in this section

c) anybody's intention to claim more than £1,000 of CCJs or judgement debts in total from the approved person?
Enter full details in this section

5.09 Does the approved person have any current judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?
Enter full details in this section

Form D – Notification: Change to personal information/application details and conduct breaches/disciplinary action related to conduct

[Redacted area]

5.10 Has the approved person ever failed to satisfy any such judgement debts within one year of the order being made?
Enter full details in this section

[Redacted area]

5.11 Is the approved person or has the approved person ever been the subject of any bankruptcy proceedings, or proceedings for the sequestration of the approved person's estate?
Enter full details in this section

[Redacted area]

5.12 Has the approved person ever entered into, or is in the process of entering into, an agreement in favour of the approved person's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?
Enter full details in this section

[Redacted area]

5.13 Does the approved person have any outstanding financial obligations arising from regulated activities, which the approved person has carried out in the past, in the United Kingdom or overseas? (In the case of advisers, this will include any outstanding liabilities arising from commissions paid for the sale of packaged products that have lapsed).
Enter full details in this section

[Redacted area]

5.14 Has the approved person ever been found guilty of carrying on any unauthorised regulated activities or been investigated for possible carrying on of unauthorised regulated activities?
Enter full details in this section

[Redacted area]

5.15 Is the approved person, or has the approved person, ever been the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?

Enter full details in this section

5.16 Has the approved person ever, either in the United Kingdom or elsewhere:

a) been refused entry to, or been dismissed, suspended or asked to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust, whether or not remunerated?

Enter full details in this section

b) been refused, restricted in or had suspended, the right to carry on any trade, business, or profession for which specific licence, authorisation, registration, membership or other permission is required?

Enter full details in this section

c) been disqualified from acting as a director of a company or from acting in a management capacity or conducting the affairs of any company, partnership or unincorporated association?

Enter full details in this section

d) been the subject of a disqualification direction under section 59 of the Financial Services Act 1986; a prohibition order under section 56 of the Financial Services and Markets Act 2000; or received a warning notice that such a direction or order be made?

Enter full details in this section

5.17 In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body, has:

i). the approved person, or

ii) any company, partnership or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner or company secretary, during the approved person's association with that entity and for a period of three years after the approved person ceased to be association with it, ever:

a) been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership, or other permission granted by any such body?

Enter full details in this section

b) been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary action by any such body?

Enter full details in this section

c) resigned while under investigation by, or been required to resign from any such body?

Enter full details in this section

d) decided, after making an application for any licence, authorisation, registration, notification, membership, other permission granted by any such body, not to proceed with it?

Enter full details in this section

e) been the subject of any civil action which has resulted in a finding against the approved person or it by a court?

Enter full details in this section

5.18 Has any company, partnership, or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the approved person's involvement or within one year of such an involvement:

a) been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

Enter full details in this section

b) been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct?

Enter full details in this section

c) been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?

Enter full details in this section

d) been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.17(b) above)?

Enter full details in this section

5.19 Is the approved person aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the controlled functions for which approval is now sought?

Enter full details in this section

Enter _____ Date _____ of _____ change:



I have supplied further information related to this page in Section 6[†]

YES

NO

Fitness and Propriety – Notifications under Section 64B(5) or 64C of the Financial Services and Markets Act 2000 **Section 6**

This section should be completed by a firm that is a relevant authorised person to:

- (a) make a notification under section 64B(5) (Breach of conduct rules) of the Financial Services and Markets Act 2000 of known or suspected breach of the individual or senior manager conduct rules set out in the FCA's C-CON or PRA Conduct Rules;
- (b) make a notification of disciplinary action (as defined in section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000) due to any action, failure to act or circumstance that amounts to a breach of the individual or senior manager conduct rules set out in the FCA's C-CON or PRA Conduct Rules ;
- (c) make a follow up notification to update a determination that has previously been the subject of a notification that has been made by the firm in relation to (a) or (b) (as appropriate and to the extent required by, in the case of the FCA, SUP15.11.8 or in the case of the PRA, Notifications 11.5 in the PRA's Rulebook)

6.01 Initial or update on previous notification

6.01.1 Is the firm updating a previous notification made under section 64B(5) or section 64C of the Financial Services and Markets Act 2000 ?

YES NO

If the firm has answered "No", please go to section 6.02

If the firms has answered "Yes", please complete the below:

Date of previous notification:
Please provide brief details of prior notification including reference number:
Description of the update to the previous notification (this includes updates to previous notifications made under section 64B(5) (Breach of Conduct Rules) and 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action) of the Financial Services and Markets Act 2000):

6.02 Notification of breaches of the individual or senior manager conduct rules and/or disciplinary action.

6.02.1 If the firm is making a notification under section 64B(5) of the Financial Services and Markets Act 2000 of any known or suspected breach(es) of the individual or senior manager conduct rules set out in the *FCA's C-CON* or *PRA Conduct Rules*, please complete the relevant boxes below.

	Tick the rule(s) relevant to this notification	Tick if this is a known breach	Tick if this is a suspected breach
Individual Conduct Rules			
Rule 1: You must act with integrity.			
Rule 2: You must act with due skill, care and diligence.			
Rule 3: You must be open and cooperative with the <i>FCA</i> , the <i>PRA</i> and other regulators.			
Rule 4: You must pay due regard to the interests of customers and treat them fairly.			
Rule 5: You must observe proper standards of market conduct.			
Senior Manager Conduct Rules			
SM1: You must take reasonable steps to ensure that the business of the firm for which you are responsible is controlled effectively.			
SM2: You must take reasonable steps to ensure that the business of the firm for which you are responsible complies with relevant requirements and standards of the regulatory system.			
SM3: You must take reasonable steps to ensure that any delegation of your responsibilities is to an appropriate person and that you oversee the discharge of the delegated responsibility effectively.			
SM4: You must disclose appropriately any information of which the <i>FCA</i> or <i>PRA</i> would reasonably expect notice.			

6.02.2 For each breach please provide the following information. Please attach additional sheets as necessary.

Relevant rule(s): Date when known or suspected breach came to the attention of the firm: Date or period of known or suspected breach / /
Details of the known or suspected breach:

6.02.3 If the firm is making a notification under section 64C of the Financial Services and Markets Act 2000, please provide details below of disciplinary action taken and the reasons for this action.

--



I have supplied further information related to this page in Section 7

YES

NO

- 7.00** Is there any other information the approved person or the firm considers to be relevant to the notification?
Please provide full details
Please indicate clearly which question the supplementary information relates to.

Question	Information

- 7.01** How many additional sheets are being submitted?

Supporting Documents

Indicate the required supporting documents to accompany this form.

Documents	Mode (by email, fax, post)

Declaration

In this Form D declaration, the *firm* giving notice of a change is referred to as the "Firm". The approved person to whom the change or changes relate is referred to as the "Individual".

The *Firm* must ask the Individual to make the declaration to be given by the Individual only where the Firm becomes aware of information that would reasonably be material to the assessment of the Individual's continuing fitness and propriety.

However, note that it may not be appropriate in the case of an Individual who performs a *senior management function* to ask that Individual to make the declaration below where the Firm becomes aware of information that would reasonably be material to the assessment of that Individual's continuing fitness and propriety.

Knowingly or recklessly giving the *FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, *firms*, senior managers and *approved persons* have a responsibility to disclose to the *FCA and/or PRA* matters of which it or they would reasonably expect to be notified. Failure to notify the *FCA and/or PRA* of such information may lead to the *FCA and/or PRA* taking disciplinary or other action against the Firm and/or the Individual.

DECLARATION OF INDIVIDUAL

The Individual confirms that he or she is aware that, for the purposes of complying with the Data Protection Act, the personal information in this form may be used by the *FCA and/or PRA* to discharge its or their statutory functions and in accordance with the Data Protection Act. It will not be disclosed for any other purposes without the permission of the Individual.

The Individual confirms that the information in this Form is accurate and complete to the best of his or her knowledge and belief and that he or she has read the notes to this Form. The Individual will notify the *FCA/PRA*, as applicable, immediately if there is a material change to the information provided.

The *FCA and/or PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it or they consider appropriate. The Individual authorises the *FCA and PRA*, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. The Individual also understands that the results of these enquiries may be disclosed to the *Firm* / his or her employer.

8.01 Full name of Individual

i.e. Title, forenames, SURNAME

8.02 Signature

Date //

DECLARATION OF FIRM

The Firm confirms that the information in this Form is accurate and complete to the best of its knowledge and belief. The Firm will notify the FCA/PRA, as applicable, immediately if there is a material change to the information provided.

If the Firm submits this Form on behalf of one or more other firms, the Firm confirms that is duly authorised by such firm(s) to make such submission.

The FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety and make such enquiries and seek further information as it or they consider appropriate. The Firm authorises the FCA and PRA, as applicable, to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form.

By signing below, the person submitting this Form on behalf of the Firm confirms that this Form is accurate and complete to the best of his or her knowledge and he or she has read and understood the notes to this Form and the declaration given by the Firm.

8.03 Name of the firm

8.04 Name of person signing on behalf of the firm

8.05 Position

8.06 Signature

Date //



Application number
(for FCA/PRA use only)

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

http://media.fshandbook.info/Forms/notes/imap_forme_notes.doc and
www.bankofengland.co.uk/PRA.

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

Form E

Internal transfer of an approved person

Relevant Authorised Persons should not complete this form, but instead use the Form E Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

FCA Handbook Reference: SUP 10A Annex 8D

PRA Handbook Reference: SUP 10B Annex 8D

1 April 2013

Name of *candidate*[†]
(to be completed by applicant *firm*)

Name of *firm*[†]
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

DECLARATION OF CANDIDATE

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

APER 4.4.7G provides that, where an *approved person* is responsible for reporting matters to the *FCA* and/or *PRA*, failure to inform the *FCA* and/or *PRA* of materially significant information of which he is aware is a breach of *Statement of Principle* 4. 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

<http://FSHandbook.info/FS/html/handbook/APER>
www.bankofengland.co.uk/PRA

6.01	Candidate's full name [†]	
6.02	Signature *	
	Date [†]	/ /

* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

DECLARATION OF FIRM

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* 15.6.1R and *SUP* 15.6.4R require 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.

APER 4.4.7G provides that, where an *approved person* is responsible for reporting matters to the *FCA* and/or *PRA*, failure to inform the *FCA* and/or *PRA* of materially significant information of which he is aware is a breach of *Statement of Principle* 4. 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm*

Believes on the basis of due and diligent enquiries made to date that the *candidate* is a fit and proper person to perform the *controlled function(s)* listed in section 4.

Believes on the basis of due and diligent enquiry, that the *candidate* is competent (including having achieved the relevant qualifications) to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH YOU HAVE NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES NO

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 4.05. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 4.05. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA* will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

(<http://FShandbook.info/FS/html/handbook/APER>)
(www.bankofengland.co.uk/PRA)

6.03	Name of the <i>firm</i> submitting the application [†]	
6.04	Name of <i>person</i> signing on behalf of the <i>firm</i> [†]	
6.05	Job title [†]	
6.06	Signature [*]	
	Date [†]	/ /

* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7



Application number
(for FCA/PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA and PRA's websites at http://media.fshandbook.info/Forms/notes/imap_forme_notes.doc and www.bankofengland.co.uk/PRA.

Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form E

Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

FCA Handbook Reference: SUP 10C Annex 4D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

DATE TBC

Name of *candidate*[†]
(to be completed by applicant *firm*)

Name of *firm*[†]
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or Senior Managers Regime - Applications and Notifications of the PRA Rulebook as applicable

Personal identification details

Section 1

1.01 Individual Reference Number (IRN) †

1.02 Title
(e.g. Mr, Mrs, Ms, etc) †

1.03 Surname †

1.04 ALL forenames †

1.05 Date of birth †

1.06 National Insurance number †

Firm identification details

Section 2

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this application?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information related to this page in Section 6

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or *Senior Managers Regime - Applications and Notifications of the PRA Rulebook* as applicable

3.01 List all *senior management functions* which the approved person is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	FRN [†]	Name of firm [†]	Senior Management function [†]	Effective date [†]
a				//
b				//
c				//
d				//
e				//



I have supplied further information related to this page in Section 7

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or *Senior Managers Regime - Applications and Notifications of the PRA Rulebook* as applicable

4.01 Nature of the arrangement between the candidate and the applicant.

a *Employee*

b *Group employee*

Name of group

c *Contract for services*

d *Partner*

e *Other*

Give details

4.02 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 a Senior Manager function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function		
SMF 2	Chief Finance function		
SMF 3	Executive Director		
SMF 4	Chief Risk function		
SMF 5	Head of Internal Audit		
SMF 6	Head of Key Business Area		
SMF 7	Group Entity Senior Manager		
SMF 8	Credit Union SMF (small Credit Unions only)		
SMF 9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF15	Non-Executive Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Significant Responsibility SMF		

4.03 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* and/ or *PRA*?

Please note that a *firm* is required to obtain the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R and Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook)

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 5.



I have supplied further information related to this page in Section 5

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or Senior Managers Regime - Applications and Notifications of the *PRA* Rulebook as applicable

4.04 List all *firms* within the *group* (including the *firm* entered in 2.01) for which the applicant requires approval and the requested *senior management function* for that *firm*.[†]

	Firm Reference Number	Name of firm	Senior Management function	Job title (mandatory)	Effective date
a					//
b					//
c					//
d					//
e					//



I have supplied further information related to this page in Section 5

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or *Senior Managers Regime - Applications and Notifications of the PRA Rulebook* as applicable
 Form E – Internal transfer of an approved person (for firms and individuals subject to the senior management regime) **Page 7**

Supplementary information for Senior Management Functions Section 5

- 5.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
 - Please provide full details of
 - why the candidate is competent and capable to carry out the senior management function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
 - Provide a copy of the candidate's:-
 - *statement of responsibilities* with this form
 - Roles description
 - Curriculum Vitae (C.V)
 - Organisational chart
 - Provide a copy of the firm's *management responsibilities map* (SYSC 4.5 and SUP 10C.8.10G, and Allocation of Responsibilities in the *PRA* Rulebook
 - A *firm* should include any handover certificate and a reasonable summary of any other handover material (as referred to in SYSC 4.5.40R to SYSC 4.5.44G and Senior Management Functions Chapter 2 in the *PRA* Rulebook.

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or *Senior Persons Regime - Applications and Notifications of the PRA Rulebook* as applicable

Declaration of Candidate

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). 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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. *Candidates* may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (C-CON) and/or *PRA* Conduct Rules (as applicable).

d) I confirm that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that I will be responsible for managing

[Hyperlinks to C-CON /PRA conduct rules to follow]

Tick here to confirm you have read and understood this declaration: ∞

6.01 Candidate's full name†

6.02 Signature

Date

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or Senior Persons Regime - Applications and Notifications of the *PRA* Rulebook as applicable

Declaration of Firm

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* 15.6.1R and *SUP* 15.6.4R of the *FCA* Handbook and Notification 6 of the *PRA* Rulebook require 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.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

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* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry and by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES NO

If the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the Individual and has given due consideration to the information contained in that certificate in determining that Individual to be fit and proper. Alternatively, where a certificate is not obtained the firm has provided an explanation in section 5.

In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (C-CON) and/or *PRA* Conduct Rules (as applicable).

d) I confirm that that the Statement of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the candidate will be responsible for managing

[[hyperlink to FCA C-CON and PRA Conduct Rules to follow](#)]

6.03 Name of the *firm* submitting the application †

6.04 Name of *person* signing on behalf of the *firm* †

6.05 Job title †

6.06 Signature

Date †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or Senior Persons Regime - Applications and Notifications of the *PRA* Rulebook as applicable



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



PUB REF: 001431

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