



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Consultation Paper | CP1/16

Strengthening individual accountability in banking: amendments to notification rules and forms

January 2016

Prudential Regulation Authority
20 Moorgate
London EC2R 6DA

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Registered in England and Wales No: 07854923



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Responses are requested by Monday 8 February 2016.

Please address any comments or enquiries to:

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20 Moorgate
London
EC2R 6DA

Email: CP1_16@bankofengland.co.uk

Contents

| | | |
|----------|---|-----------|
| 1 | Overview | 5 |
| 2 | Amendments for Forms C, D and L and Conduct Rules: Notifications | 7 |
| | Appendices | 10 |

1 Overview

1.1 In this consultation paper (CP), the Prudential Regulation Authority (PRA) proposes a series of minor interim amendments to Forms C, D and L and the Conduct Rules: Notifications Chapter of the Notifications Part in the PRA Rulebook.¹

1.2 This consultation is aimed primarily at banks, building societies, credit unions and PRA-designated investment firms (collectively referred to as ‘relevant authorised persons’ in the Financial Services and Markets Act 2000 (FSMA) as amended by the Financial Services (Banking Reform) Act 2013 (Banking Reform Act).² However, in light of the proposed extension of the Senior Managers and Certification Regimes (SM&CR) to all PRA-regulated firms in the Bank of England and Financial Services Bill (the Bill),³ the consultation may also be of interest to insurance firms.

1.3 The aim of the amendments proposed in this CP is to update the PRA’s rules and forms (two of which, Forms C and D, are shared with the Financial Conduct Authority (FCA)) in light of the proposed changes to the SM&CR in the Bill. In particular, the amendments seek to reflect the proposed removal of section 64B(5) of the FSMA. Section 64B(5) of FSMA would have required relevant authorised persons to notify the regulators if they knew or suspected that an individual performing a Senior Management Function (senior manager) or otherwise subject to the regulators’ conduct rules had failed to comply with any such rules.

1.4 The similar but separate statutory requirement to notify the regulators of disciplinary action relating to a breach of the conduct rules against the individuals referred to above (section 64C) is expected to remain in FSMA.

1.5 The SM&CR will enter into force for relevant authorised persons on 7 March 2016. However, following HM Treasury’s publication of The Financial Services (Banking Reform) Act 2013 (Commencement No. 9) (Amendment) Order 2015,⁴ section 64B(5) and the presumption of responsibility in sections 66B(5) and (6) of FSMA will no longer enter into force on that date.

1.6 Subject to the outcome of Parliamentary debates on the Bill, sections 64B(5), 66B(5) and 66B(6) may be deleted and, in the specific case of the presumption of responsibility, replaced with a statutory duty of responsibility. These changes would take place only when the Bill receives royal assent, which is expected later this year.

1.7 In the meantime, the PRA and FCA are keen to ensure that their forms and rules reflect the fact that sections 64B(5), 66B(5) and 66B(6) of FSMA will not enter into force when the remaining provisions of the SM&CR enter into force for relevant authorised persons on 7 March 2016. The FCA is consulting simultaneously with the PRA on changes to its rules and identical amendments to Forms C and D, which are shared by the regulators, and Form H, which is an FCA-only form. The PRA has also published a revised version of Supervisory Statement 28/15 *Strengthening individual accountability in banking*,⁵ which has been updated to take into account the proposed removal of sections 64B(5), 66B(5) and 66B(6). Appendix 1 of this CP sets out the proposed changes to the PRA’s rules and the proposed amendments to Forms C and D. Appendix 2 sets out the proposed amendments to Form L.

1 www.prulebook.co.uk/rulebook/Content/Chapter/302395/08-12-2016.

2 www.legislation.gov.uk/ukpga/2013/33/contents/enacted.

3 <http://services.parliament.uk/bills/2015-16/bankofenglandandfinancialservices.html>.

4 www.legislation.gov.uk/uksi/2015/2055/contents/made.

5 www.bankofengland.co.uk/pr/ Documents/publications/ss/2016/ss2815update.aspx.

1.8 When the Bill receives royal assent, the PRA will consider whether it should consult on additional, longer-term rules and guidance, including additional requirements to report misconduct.

1.9 The PRA consulted jointly with the FCA on rules to implement sections 64B(5) and 64C of FSMA in CP14/14 *Strengthening accountability in banking: a new regulatory framework for individuals*¹ and on Forms C, D and L in CP28/14 *Strengthening accountability in banking: forms, consequential and transitional aspects*.² The PRA's final policy and rules were set out in PS16/15 *Strengthening individual accountability in banking: responses to CP14/14, CP28/14 and CP7/15*.³

1.10 In October 2015, the PRA also published CP36/15 *Strengthening accountability in banking and insurance: regulatory references*,⁴ which contained a proposal to include information on concluded breaches of the conduct rules in a new template form for regulatory references. The consultation for CP36/15 closed on 7 December 2015 and the PRA and FCA will incorporate any changes stemming from the proposed deletion of section 64B(5) into the final policy and rules on regulatory references.

1.11 The PRA invites feedback on the proposals set out in this consultation, which closes on Monday 8 February 2016. Please address any comments or enquiries to CP1_16@bankofengland.co.uk. Subject to the outcome of this consultation, the PRA and FCA also plan to update their respective rules and relevant forms ahead of 7 March 2016.

1 www.bankofengland.co.uk/pradocuments/publications/cp/2014/cp1414.aspx.

2 www.bankofengland.co.uk/pradocuments/publications/cp/2014/cp2814.aspx.

3 www.bankofengland.co.uk/pradocuments/publications/ps/2015/ps1615.aspx.

4 www.bankofengland.co.uk/pradocuments/publications/cp/2015/cp3615.aspx.

2 Amendments for Forms C, D and L and Conduct Rules: Notifications

Background

2.1 The Banking Reform Act introduced two statutory requirements into FSMA for relevant authorised persons to notify the PRA and FCA of breaches of the conduct rules by individuals:

- Section 64B(5), which required these firms to notify the regulators of actual or suspected breaches of the conduct rules by senior managers and other employees in scope of such rules.
- Section 64C which required these firms to notify the regulators of disciplinary action relating to a breach of the conduct rules against senior managers and other employees in scope of the conduct rules. Section 64C defines disciplinary action as the:
 - (a) issuing of a formal written warning;
 - (b) suspension or dismissal of the person; and/or
 - (c) reduction or recovery of any of the person's remuneration.

2.2 In PS16/15, the PRA set out the scope and frequency of its notification requirements under sections 64B(5) and 64C, which:

- applied the conduct rules only to senior managers and employees subject to the Certification Regime under the PRA's rules, which are broadly aligned to firms' population of material risk takers (MRTs) under the Remuneration Rules;¹ and
- required firms to notify the PRA of matters falling under sections 64B(5) or 64C within seven business days of determining that an actual or suspected breach of the conduct rules had taken place and/or that the firm was taking related disciplinary action.

2.3 Consistent with its statutory objectives, the FCA applied the conduct rules to a wider set of employees than the PRA. However, this made it impractical for the FCA to require notifications under sections 64B and 64C to be made as frequently as the PRA for all employees in scope. Consequently, the FCA decided to require notifications under sections 64B(5) and 64C involving senior managers to be made within seven business days (in line with the PRA) and notifications involving all other employees to be made annually using an FCA-only form (Form H).

2.4 The regulators' respective requirements were reflected in the following forms.

- Forms C (Notice of ceasing to perform a controlled functions) and D (Notification: Changes to personal information/application details and conduct breaches/disciplinary action related to conduct) were amended to record notifications made pursuant to sections 64B(5) and 64C where they involve a senior manager. These forms remain shared PRA/FCA forms.

¹ The criteria for identifying MRTs is set out in Commission Delegated Regulation (EU) No 604/2014 of 4 March 2014, see <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014R0604&from=EN>.

- Form H is a new FCA-only form for firms to make their annual notifications under sections 64B(5) and 64C on behalf of all employees other than senior managers.
- Form L is a new PRA-only form for employees in scope of the PRA certification rules. A separate form is needed for these employees because, unlike senior managers, they will not be subject to regulatory pre-approval and will therefore not have an Individual Reference Number, which in turn prevents firms from using online Forms C and D to make notifications on their behalf.

Proposed removal of section 64B(5) of FSMA

2.5 Section 64B(5) of FSMA attracted comment during the development and implementation of the SM&CR for relevant authorised persons. In particular, firms highlighted the challenges of having to report suspected breaches, which they argued could give rise to:

- inconsistent reporting by different firms depending on their respective definitions of ‘suspicion’;
- large operational costs, especially for larger firms; and
- potential employment litigation if suspected breaches were reported without, at least, some prior substantiation and due process.

2.6 Consequently, as part of the proposed amendment and extension of the SM&CR, HM Treasury is proposing to remove section 64B(5) from FSMA.¹

2.7 HM Treasury decided to keep section 64C in the statute book. Unlike section 64B(5), section 64C is anchored to firms’ internal disciplinary procedures which, in principle, makes it clearer for firms to know at which point a notification needs to be made.

2.8 Section 64B(5) cannot be deleted from FSMA until the Bill receives royal assent, which is not expected until later this year, after the SM&CR enters into force for relevant authorised persons on 7 March 2016. Consequently, on 17 December 2015, HM Treasury amended the relevant SM&CR commencement order in order to stop section 64B(5) coming into force on 7 March 2016 pending continuing Parliamentary debates on the merits of deleting it permanently.

2.9 In order to ensure that the PRA’s rules and forms reflect the statutory position at the time of commencement (even if such a position is provisional), the PRA is now consulting on changes (mostly deletions) to the rules in Notifications and Forms C, D and L.

¹ www.gov.uk/government/uploads/system/uploads/attachment_data/file/468328/SMCR_policy_paper_final_15102015.pdf.

3 The PRA's statutory obligations

3.1 The proposals in this CP are compatible with the PRA's statutory objective under FSMA to promote the safety and soundness of PRA-authorized firms.¹ The prompt reporting by firms of disciplinary action relating to breaches of the conduct rules against senior managers and employees in scope of the PRA's Certification Regime should help the PRA identify and respond to misconduct involving those individuals with the greatest ability to impact on a firm's safety and soundness.

3.2 When discharging its general rule-making function, the PRA is legally required, so far as is reasonably possible, to facilitate effective competition in the markets for services provided by PRA-authorized persons in carrying on regulated activities.² The PRA has assessed whether the proposals in this CP facilitate effective competition and considers that they do so. In particular, the proposed removal of the requirement to notify suspected breaches of the Conduct Rules to the regulators, which could be interpreted differently by firms, will facilitate effective competition among relevant authorized persons by promoting a clearer and more consistent regulatory framework for reporting misconduct by individuals.

3.3 The PRA is required to perform a cost benefit analysis in respect of proposed rules. The PRA's and FCA's proposals for implementing the SM&CR in relevant authorized persons, including the requirements examined in this CP, were subject to a detailed cost benefit analysis in PRA CP14/14 and CP28/14.

3.4 In making its rules and establishing its practices and procedures, the PRA must have regard to the regulatory principles as set out in FSMA. In drafting this CP, the PRA had regard to the Regulatory Principles, including the need to balance the burden placed on firms against the benefits produced and the transparency of the exercise of PRA functions, both of which are relevant to the proposals set out in this CP. In line with the current, provisional statutory position this CP proposes to make the reporting of misconduct by individuals more focused, thereby reducing the burden placed on firms.

3.5 The PRA is required, under the Equality Act 2010, to have due regard to the need to eliminate discrimination and to promote equality of opportunity in carrying out its policies, services and functions. The PRA has made an assessment of this and does not consider that the proposals in this CP give rise to equality and diversity implications.

3.6 FSMA requires that the PRA assesses whether, in its opinion, the impact of the proposed rules on mutuals will be significantly different from the impact on other firms. The PRA considers that the proposals in this CP will apply to, and impact equally on, all relevant authorized persons, including mutuals.

¹ See s.2B(1) and s.2B(2) FSMA.

² See s.2H FSMA.

Appendices

-
- | | |
|----------|---|
| 1 | PRA Rulebook: CRR Firms, Non-CRR Firms: Individual Accountability (No. 1) Instrument 2016 (includes amendments to Forms C and D) |
| 2 | Amended Form L |
-

1 PRA RULEBOOK: CRR FIRMS, NON CRR FIRMS: INDIVIDUAL ACCOUNTABILITY (NO. 1) INSTRUMENT 2016

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 approval);
 - (2) section 64C (Requirement for relevant authorised persons to notify regulator of disciplinary action);
 - (3) section 137G (The PRA’s general rules); and
 - (4) 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 the proposed rules and had regard to representations made.

PRA Rulebook: CRR Firms, Non CRR Firms: Individual Accountability (No.1) Instrument 2016

- D. The PRA makes the rules in Annexes A, B, C and D to this instrument.

Commencement

- E. This instrument comes into force on 7 March 2016.

Citation

- F. This instrument may be cited as the PRA Rulebook: CRR Firms, Non CRR Firms: Individual Accountability (No.1) Instrument 2016.

By order of the Board of the Prudential Regulation Authority

[DATE]

Annex A

Amendments to the Notifications Part

In this Annex new text is underlined and deleted text is struck through.

....

11 CONDUCT RULES: NOTIFICATIONS

...

~~11.2~~ If a *firm* knows or suspects that a *person* has failed to comply with any conduct rules it must notify the *PRA*.

~~11.3~~ If a *firm* is required to notify the *PRA* in compliance with 11.2 based on a suspicion, it must notify the *PRA* of any subsequent determination it makes in relation to that matter.

~~11.4~~ If a *firm* is required to notify the *PRA* in compliance with 11.2 to 11.3 based on a determination, it must notify the *PRA* of any different determination it subsequently makes in relation to that matter.

11.25 If a *firm* takes disciplinary action against a *person* relating to any action, failure to act, or circumstance that amounts to a breach of any conduct rule it must notify the *PRA*.

11.36 If a *firm* is required to notify the *PRA* under 11.2 in respect of *persons* performing *certification functions*, it must do so within seven business days of the point at which it determined the relevant requirement applied, by submitting Form L. A *firm* must not unreasonably delay its determination of whether or not the requirement applies.

11.47 If a *firm* is required to notify the *PRA* under 11.2 in respect of a *person* performing a *senior management function*, it must do so within seven business days of the point at which it determined the relevant requirement applied, 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.

A *firm* must not unreasonably delay its determination of whether or not the requirement applies.

11.58 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*, 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.

11.69 A *firm* other than a *credit union* must submit:

- (1) Form C and Form D using the *ONA system*; and
- (2) Form L using the *PRA* email address specified in Form L.

11.74 A *credit union* must submit:

- (1) Form C and Form D using the *ONA system* or in the manner set out in Notifications 7;
- (2) Form L using the *PRA* email address specified in Form L.

11.814 If, under any rule in this Chapter:

- (1) a *firm* is required to make a notification; 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.

11.912(1) Form C may be found [here](#).

(2) Form D may be found [here](#).

(3) Form L may be found [here](#).

Annex B

Amendments to the Senior Managers Regime – Applications and Notifications Part

In this Annex, deleted text is struck through.

1 APPLICATION TO PERFORM A SENIOR MANAGEMENT FUNCTION

....

2.4 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 Rules or equivalent *FCA* rules);~~
 - (c) section 64C of *FSMA* (Requirement for relevant authorised persons to notify regulator of disciplinary action);

...

8 FORMS

8.1

- (4) Form C may be found [here](#).
- (5) Form D may be found [here](#).

Annex C

Amendments to Form C

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

...

Form C: Notice of ceasing to perform controlled functions (including senior management functions)

...

List of controlled functions

Section 3

...

3.03: For Relevant Authorised Persons, does the firm also seek to notify the *FCA* and/or *PRA* under one or ~~more~~ both 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 under question 3.03 based on ~~of~~ any ~~known or suspected~~ breach(es) of the individual or senior manager conduct rules set out in the *FCA*'s ~~C-CO~~ COCON 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 | <input type="checkbox"/> | | |

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. Please do not repeat information already included in the answers to Questions 3.04 and 3.05 above; if necessary please cross refer to the answers provided.

3.07 If the firm is making a notification under 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. Please do not repeat information already included in the answers to Questions 3.04 and 3.05; if necessary please cross refer to the answers provided.

...

**Annex D
Amendments to Form D**

Form D: Notification of changes to personal information or application details and disciplinary action related to conduct

...

What sections should you complete?

The question below will help you determine the sections of the form you must complete

Please select the outcome

...

...

Notifications under ~~Section section~~ section 64B(5) or 64C of the Financial Services and Markets Act 2000

YES You must complete sections 1, 2, 6 & 7

...

**Fitness and Propriety – Notifications under ~~Section 64B(5) or section~~ section 64C of the Financial Services and Markets Act 2000
Section 60n 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 COCON or PRA Conduct Rules;~~
- ~~(b) (a) 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 COCON or PRA Conduct Rules;~~
- ~~(c) (b) 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 FCA, SUP15.11.8 or in the case of the PRA PRA, Notifications 11.4 and 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 firm 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~~ Please include details in the relevant boxes below of any known or suspected breach(es) of the individual or senior manager conduct rules set out in the FCA's COCON or PRA Conduct Rules, please complete the relevant boxes below on which the disciplinary action was based.

| | Tick the rule(s) relevant to this notification | Tick if this is a known breach | Tick if this is a suspected breach |
|-----|--|--------------------------------|------------------------------------|
| ... | | | |

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: |
| <u>Further details of the known or suspected breach:</u> |

6.02.3 ~~If the firm is making a notification under section 64C of the Financial Services and Markets Act 2000, please~~ Please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Questions 6.02.1 and 6.02.2 above. If necessary please cross refer to the answers provided.

| |
|--|
| |
|--|



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY

Application number
(for PRA use only)

Form L: Notifications of ~~breach of conduct rules and related disciplinary action~~ in relation to an employee performing a certification function

PRA Rulebook Reference: Notifications 11

7 March 2016

A *firm* should only use this Form to make a notification in relation to an employee performing a *certification function* specified by the PRA. Notifications of ~~conduct rules breaches~~ disciplinary action relating to a person performing a *Senior Management Function* should be made using Form C or Form D, as set out in Notifications 11-7.

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

| | | |
|--------|--|--|
| 1.01 a | Who should the <i>PRA</i> contact at the <i>firm</i> in relation to this notification? | |
| b | Position | |
| c | Telephone | |
| d | Fax | |
| e | E-mail | |
| f | Business address | |
| | Postcode | |

Details of individual

| | | | |
|------|--|-----|--|
| 2.01 | Individual Reference Number (IRN) – If applicable | | |
| 2.02 | Title (e.g. Mr, Mrs, Ms, etc) | | |
| 2.03 | Surname | | |
| 2.04 | ALL forenames | | |
| 2.05 | Date of birth | / / | |
| 2.06 | Nationality | | |
| 2.07 | National Insurance Number (or Passport number) | | |
| 2.08 | Job Title or Position | | |
| 2.09 | Additional entities or firms to which the <u>breach-notification</u> 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 a known or suspected breach of the Individual Conduct Rules set out in Chapter 2 of the Conduct Rules Part of the PRA Rulebook (Conduct Rules 2) by a person performing a certification function as specified in Certification 2;~~
make a notification under section 64C of the Financial Services and Markets Act 2000 of disciplinary action (as defined in section 64C(2)) due to any action, failure to act or circumstance that amounts to a breach of any Individual Conduct Rule set out in Conduct Rules 2;
- (b) ~~make a follow up notification to update a determination that has previously been the subject of a notification made by the Firm in relation to (a). See Notifications 11.3 and 11.4 in the PRA Rulebook.~~

~~3.01 Is the firm updating a determination that has previously been the subject of a notification 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 3.04~~

~~3.02 Known or suspected breach. If the firm is making a notification under section 64B(5) of the Financial Services and Markets Act 2000 of a~~
Please identify the relevant Individual Conduct Rules set out in PRA Conduct Rules 2 which have been breached which form the basis of the disciplinary action taken.
~~known or suspected breach of the Individual Conduct Rules set out in PRA Conduct Rules 2, please complete the relevant boxes below.~~

| <u>Individual Conduct Rules</u> | <u>Tick the rule(s) relevant to this notification</u> |
|--|---|
| <u>Rule 1: You must act with integrity</u> | |
| <u>Rule 2: You must act with due skill, care and diligence</u> | |
| <u>Rule 3: You must be open and cooperative with the FCA, the PRA and other Regulators</u> | |

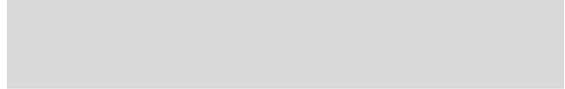
| | Tick the rule(s) relevant to this notification | Tick if this is a known breach | Tick if this is a suspected breach |
|---|---|---|---|
| Individual Conduct Rules | | | |
| Rule 1: You must act with integrity. | | | |
| Rule 2: You must act with due skill, care and diligence. | | | |
| Rule 3: You must be open and cooperative with the FCA, the PRA and other regulators. | | | |

3.03 Details of breach: For each breach please provide the following information: (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.)

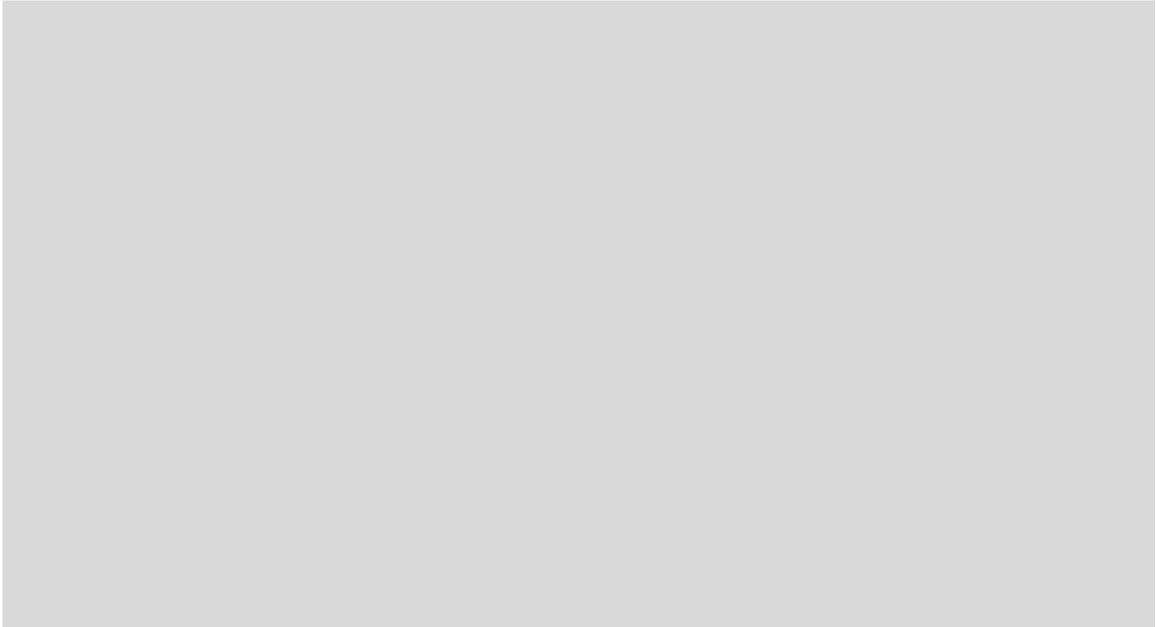
a Date when ~~known or suspected~~ breach(es) came to the attention of the firm:



b Date or period of ~~known or suspected~~ breach(es):



c Details of the ~~known or suspected~~ breach(es):

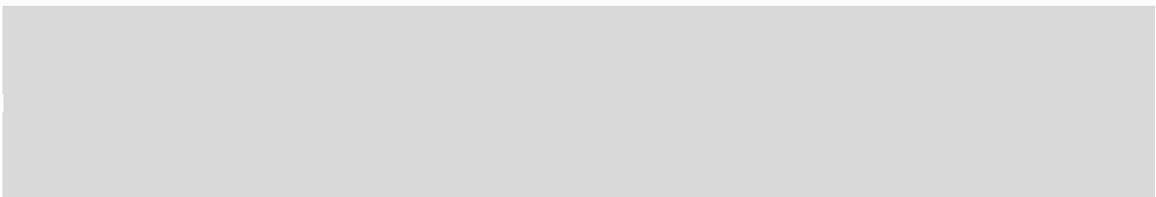


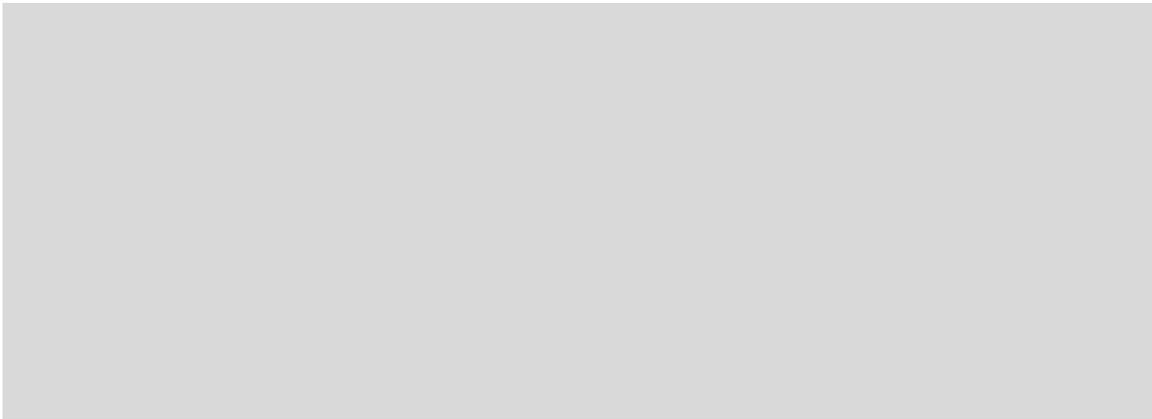
3.04 Update to previously notified ~~known or suspected~~ breach(es) disciplinary action:

a Date of previous notification to which this update relates

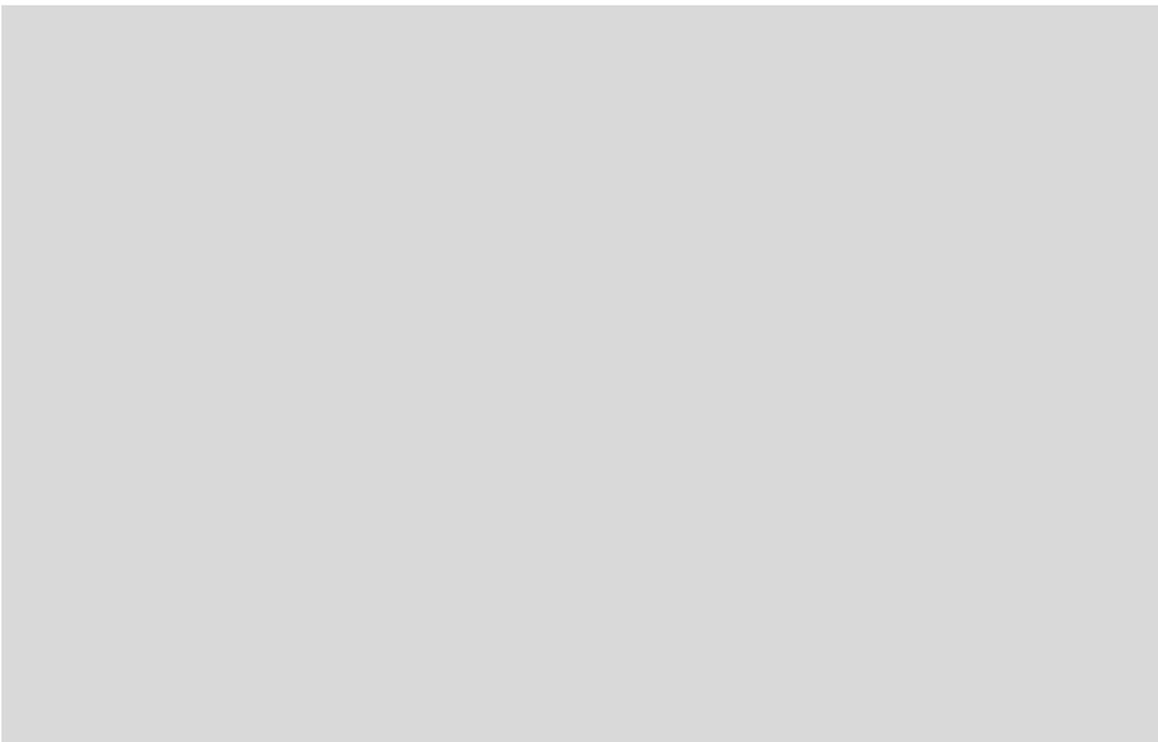


b Update Details:





3.05 ~~Disciplinary action. If the firm is making a notification under section 64C of the Financial Services and Markets Act 2000 and Notifications 11.5, please~~ Please provide details below of disciplinary action taken and the reasons for this action. Please do not repeat information already included in the answers to Question 3.03; if necessary please cross refer instead:



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* 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 notification, signed by the *firm*, will be retained by the *firm* for an appropriate period, for inspection at the *PRA*'s request.

I confirm that I 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.

4.01 Name of *firm*

4.02 Name of *person* signing on behalf of the *firm*

4.03 Job title

4.04 Signature

Date / /