

**LEGAL CUTOVER (VARIATION OF PERMISSION) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
- (10) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (12) "PRA Relevant Instrument" means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

**Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
- (1) "Designated" in Column 2 of Annex C to this Instrument; and

- (2) "FCA" or "FCA/PRA" in Column 3 of Annex C to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

**Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument; and
  - (2) each provision in Annex B to this Instrument that meets all of the conditions in paragraph 7; and
  - (3) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as "Made" in Column 2 of Annex C to this Instrument; and
  - (2) identified as "FCA" or "PRA/FCA" in Column 3 of Annex C to this Instrument.
- 8 The conditions referred to in paragraph 6(3) are that a provision is:
- (1) identified as "Designated" in Column 2 of Annex C to this Instrument; and
  - (2) identified as "FCA" or "PRA/FCA" in Column 3 of Annex C to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137A (The FCA's general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.

- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
- (1) "Designated" in Column 2 of Annex C to this Instrument; and
  - (2) "PRA" or "FCA/PRA" in Column 3 of Annex C to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification of rules etc. by the Prudential Regulation Authority**

- 18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

- 19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument; and
  - (2) each provision in Annex B to this Instrument that meets all of the conditions in paragraph 20; and
  - (3) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.
- 20 The conditions referred to in paragraph 19(2) are that a provision is:
- (1) Identified as "Made" in Column 2 of Annex C to this Instrument; and
  - (2) Identified as "PRA" or "PRA/FCA" in Column 3 of Annex C to this Instrument.
- 21 The conditions referred to in paragraph 19(3) are that a provision is:
- (1) identified as "Designated" in Column 2 of Annex C to this Instrument; and
  - (2) identified as "PRA" or "PRA/FCA" in Column 3 of Annex C to this Instrument,
- 22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:

- (1) section 137G (The PRA's general rules); and
  - (2) section 137T (General supplementary powers).
- 23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives as guidance:
- (1) each provision in Annex B to this instrument identified as "PRA" or "FCA/PRA" in Column 3 of Annex C that is marked with a G in Column 1 of Annex C to this Instrument; and
  - (2) each provision listed in Annex C to this Instrument identified as "PRA" or "FCA/PRA" in Column 3 of Annex C that is (a) marked with a G in Column 1 of Annex C to this Instrument and (b) not in Annex B to this Instrument.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The modules of the FCA's and PRA's Handbooks 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
Supervision manual (SUP)	Annex B

**Citation**

- 29 This Instrument may be cited as the Legal Cutover (Variation of Permission) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Glossary of definitions

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

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

*own-initiative requirement power*      The *FCA's* power under section 55L(3) of the *Act* or the *PRA's* power under section 55M(3) of the *Act* to impose a new *requirement* on a *firm*, to vary a *requirement* that it has imposed on the *firm* or to cancel any such *requirement* otherwise than on the application of a *firm*.

*own-initiative variation power*      The *FCA's* or the *PRA's* power under section 55J (Variation or cancellation on initiative of regulator) to vary or cancel a *Part 4A permission* otherwise than on the application of a *firm*.

Amend the following definition as shown.

*own-initiative power powers*      the ~~*FSA's* power under section 45 of the *Act* (Variation etc on the Authority's own initiative) to vary or cancel a *Part IV permission* otherwise than on the application of a *firm*~~ *FCA's* or the *PRA's own-initiative variation power* and *own-initiative requirement power*.

## Annex B

### Amendments to the Supervision manual (SUP)

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

#### 6 Applications to vary and cancel Part IV ~~4A~~ permission and to impose, vary or cancel requirements

##### 6.1 Application, interpretation and purpose

###### Application

6.1.1 G This chapter applies to every *firm* with a ~~Part IV permission~~ Part 4A permission which wishes to:  
[FCA/  
PRA]

- (1) vary its ~~Part IV permission~~ Part 4A permission;
- (2) cancel its ~~Part IV permission~~ Part 4A permission and end its *authorisation*;
- (3) have a new requirement imposed on it;
- (4) vary a requirement imposed on it; or
- (5) cancel a requirement imposed on it.

6.1.2 G If appropriate, a *firm* which is an *authorised fund manager* should also refer to COLL 7 for *guidance* on the termination of *ICVCs* and *AUTs* and on winding up *authorised funds* that are not commercially viable.  
[FCA/  
PRA]

...

###### Interpretation

- 6.1.3A G (1) In SUP 6 the “relevant regulator” is the regulator to which a *firm* with a *Part 4A permission* has made or can make (in accordance with SUP 6) an application to vary or cancel its *Part 4A permission* or to have imposed on it a new *requirement* or to vary or cancel any existing *requirement* (see SUP 6.2.3AG to SUP 6.2.3EG).  
[FCA/  
PRA]
- (2) Where the PRA can only determine an application with the consent of the FCA, the FCA may request further information as if it were the relevant regulator.
- (3) In some instances, the Act requires the FCA and the PRA to consult with each other prior to exercising their powers under the Act. Details of where consultation is required have not been set out in SUP 6. Where a provision in SUP 6 makes reference to a power, the exercise of which by the FCA or the PRA (as the case may be) requires consultation under the Act, firms should be aware that the regulator concerned will need to consult the other regulator before exercising that power.

###### Purpose

- 6.1.4 G This chapter explains:
- [FCA/  
PRA]
- (1) how a *firm* with ~~Part IV permission~~ a Part 4A permission can apply to the FSA relevant regulator to vary that *permission*;
  - (2) how a *firm* which has ceased to carry on any of the *regulated activities* for which it has a Part IV 4A permission, or which expects to do so in the short term (normally less than six months), should apply to the FSA relevant regulator to cancel that *permission* completely;
- (2A) how a firm with a Part 4A permission can apply to the relevant regulator to:
- (a) have a new requirement imposed on it; or
  - (b) vary a requirement imposed on it; or
  - (c) cancel a requirement imposed on it.
- ...
- (4) how the FSA relevant regulator assesses those applications.
- 6.1.5 G This chapter also outlines the FSA's relevant regulator's powers to withdraw *authorisation* from a *firm* whose ~~Part IV permission~~ Part 4A permission has been cancelled at the *firm's* request. ~~It does not, however, cover the FSA's appropriate regulator's use of its own initiative powers to vary or cancel a firm's Part IV 4A permission (see SUP 7 (Individual requirements) and EG 8 (Variation and cancellation of permission on the FSA's own initiative and intervention against incoming firms)).~~
- [FCA/  
PRA]
- 6.1.6 G This chapter does not cover the FCA's use of its own-initiative variation power to vary or cancel a firm's Part 4A permission or its own-initiative requirement power to impose, vary or cancel a requirement (see SUP 7 (Individual requirements) and EG 8 (Variation and cancellation of permission on the FCA's own initiative and intervention against incoming firms)).
- [FCA]
- 6.2 Introduction**
- 6.2.1 G A firm authorised under Part IV 4A of the Act (Permission to carry on regulated activity) has a single ~~Part IV permission~~ Part 4A permission granted by the ~~FSA~~ FCA or the PRA. A *firm's* ~~Part IV permission~~ Part 4A permission specifies all or some of the following elements (see PERG 2 Annex 2G (Regulated activities and the permission regime) and the ~~FSA~~ information online at the FCA and PRA websites): ~~website "How do I get authorised": <http://www.fsa.gov.uk/Pages/Doing/how/index.shtml>)~~
- [FCA/  
PRA]
- ...
- 6.2.2 G Under section 20(1) and 20(1A) of the *Act* (Authorized persons acting without permission), a *firm* is prohibited from carrying on a *regulated activity* in the *United Kingdom* (or purporting to do so) otherwise than in accordance with its *permission*.
- [FCA/  
PRA]
- 6.2.3 G ~~If a firm wishes to change its Part IV permission, it can apply to the FSA under section 44 of the Act (Variation etc. at request of authorised person) for a variation or cancellation of its Part IV permission. SUP 6.2.5G sets out the differences between these types of application and the circumstances in which they should be made and~~

~~SUP 6 Annex 1 gives an overview of the considerations in these cases. [deleted]~~

- 6.2.3A [FCA] G If an FCA-*authorised person* wishes to change its Part 4A *permission* to:
- (1) add a *regulated activity*, other than a *PRA-regulated activity*; or
  - (2) remove a *regulated activity* from those to which the *permission* relates; or
  - (3) vary the description of a *regulated activity* to which the *permission* relates; or
  - (4) cancel the *permission*;
- it can apply to the FCA under section 55H of the Act (Variation by FCA at request of authorised person).
- 6.2.3B [FCA/  
PRA] G If an FCA-*authorised person* wishes to change its Part 4A *permission*, by adding to the *regulated activities* to which the *permission* relates one or more *regulated activities*, which include a *PRA-regulated activity*, it can apply to the PRA under section 55I of the Act (Variation by PRA at request of authorised person). The PRA can determine such an application only with the consent of the FCA.
- 6.2.3C [FCA] G If a *firm* with a Part 4A *permission* wishes the FCA to:
- (1) impose a new *requirement*; or
  - (2) vary a *requirement* imposed by the FCA; or
  - (3) cancel such a *requirement*;
- it can apply to the FCA under section 55L(5) of the Act (Imposition of Requirements by FCA).
- 6.2.3D [PRA] G If a PRA-*authorised person* wishes to change its Part 4A *permission* to:
- (1) add a *regulated activity* to those to which the *permission* relates; or
  - (2) remove a *regulated activity* from those to which the *permission* relates; or
  - (3) vary the description of a *regulated activity* to which the *permission* relates; or
  - (4) cancel the *permission*;
- it can apply to the PRA under section 55I of the Act (Variation by PRA at request of authorised person). The PRA can determine such an application, other than an application to cancel the *permission*, only with the consent of the FCA.
- 6.2.3E [PRA] G If a PRA-*authorised person* wishes the PRA to:
- (1) impose a new *requirement*; or
  - (2) vary a *requirement* imposed by the PRA; or
  - (3) cancel such a *requirement*;
- it can apply to the PRA under section 55M(5) of the Act (Imposition of Requirements by PRA).



- 6.2.4 [FCA/PRA] G A *firm* intending to expand its business should assess, taking appropriate professional advice where necessary, whether it will need to apply to the *FSA* to vary its ~~Part IV permission~~ make an application in accordance with SUP 6 before making any changes to its business.
- 6.2.4A [FCA/PRA] G If a *firm* intends to transfer its business to a different legal entity (~~for example, the business is to be transferred from a sole trader to a partnership or the other way around~~) it will need to apply to the *FSA* relevant regulator for cancellation of its ~~Part IV permission~~ Part 4A permission and the entity to which the business is to be transferred will need to apply for a ~~Part IV permission~~ Part 4A permission.
- 6.2.4B [FCA/PRA] G SUP 6.2.5G sets out the differences between these types of applications and the circumstances in which they should be made.
- 6.2.5 [FCA and PRA] G Variation and cancellation of Part IV 4A permission and imposition, variation and cancellation of requirements. See SUP 6.2.3AG to SUP 6.2.3EG

Question	Variation of Part IV 4A permission	Cancellation of Part IV 4A permission	Imposition, variation and cancellation of requirements
What does the application apply to?	Individual elements of a <i>firm's</i> <del>Part IV permission</del> <u>Part 4A permission</u> . Variations may involve adding or removing categories of <i>regulated activity</i> or <i>specified investments</i> or varying or removing any <del>limitations or requirements</del> in the <i>firm's</i> <del>Part IV permission</del> <u>Part 4A permission</u> .	A <i>firm's</i> entire <del>Part IV permission</del> <u>Part 4A permission</u> and not individual elements within it.	<u>Any requirement imposed on a firm with a Part 4A permission. Requirements may involve requiring the firm concerned to take or refrain from taking a specified action.</u>
In what circumstances is it usually appropriate to make an application?	If a <i>firm</i> : 1. wishes to change the <i>regulated activities</i> it carries on in the <i>United Kingdom</i> under a <del>Part IV permission</del> <u>Part 4A permission</u> (SUP 6.3); or 2. has the ultimate intention of ceasing carrying on <i>regulated activities</i> but due to the nature of those	If a <i>firm</i> : 1. has ceased to carry on all of the <i>regulated activities</i> for which it has <del>Part IV permission</del> <u>Part 4A permission</u> (SUP 6.4); or 2. wishes or expects to cease carrying on all of the <i>regulated activities</i> for which it has <del>Part IV permission</del> <u>Part 4A</u>	If a <i>firm</i> : 1. wishes to <u>have a new requirement imposed on it</u> ; or 2. wishes to <u>vary or cancel an existing requirement imposed by the FCA or PRA</u> (for example, if anything relating to the <i>firm's</i>

	<i>regulated activities</i> (for example, <i>accepting deposits</i> , or <i>insurance business</i> ) it will require a long term (normally over six months) to wind down (run off) its business (see SUP 6.2.8G to SUP 6.2.11G and SUP 6 Annex 4).	<u>permission</u> in the short term (normally not more than six months). In this case, the <i>firm</i> may apply to cancel its <del>Part IV permission</del> <u>Part 4A permission</u> prior to ceasing the <i>regulated activities</i> (see SUP 6.4.3G).	<u>individual circumstances change and any existing requirement should be varied or cancelled</u> .
Where do I find a summary of the application procedures?	See SUP 6 Annex 2G.	See SUP 6 Annex 3G.	

- 6.2.6 G A *firm* which is seeking to:
- [FCA/  
PRA]
- (1) to vary its ~~Part IV permission~~ Part 4A permission substantially; or
  - (2) to cancel its ~~Part IV permission~~ Part 4A permission; or
  - (3) the imposition of a new requirement and/or the variation or cancellation of any existing requirement.

should discuss its plans with its usual supervisory contact at the FSA relevant regulator as early as possible before making an application, in order to comply with Principle 11 (see SUP 15.3.7G (~~Notifications to the FSA~~)). These discussions will help the FSA relevant regulator and the *firm* to agree the correct approach for the *firm*.

- 6.2.7 G If a *firm* intends to cease carrying on one or more *regulated activities* permanently, it should give prompt notice to the FSA appropriate regulator to comply with Principle 11 (see SUP 15.3.8G(1)(d)). A *firm* should consider whether it needs to notify the FSA appropriate regulator before applying to vary or cancel its ~~Part IV permission~~ Part 4A permission.
- [FCA/  
PRA]

Firms with long term liabilities to customers

- 6.2.8 G Discussions with the FSA appropriate regulator are particularly relevant where the *firm* has to discharge obligations to its *customers* or policyholders before it can cease carrying on a *regulated activity*. This may be the case, for example, where the *firm* is an *insurer*, a *bank* a *dormant account fund operator*, or, as is often the case, holding *client money* or *customer assets*.
- [FCA/  
PRA]

- 6.2.9 G If an *insurer*, a *bank* or a *dormant account fund operator* wishes to cease carrying on all *regulated activities* for which it has ~~Part IV permission~~ Part 4A permission, it will usually be necessary to wind down the business over a long term period which is normally more than six months. This may also be the case for a *firm* holding *client money* or *customer assets*. In these circumstances, it will usually be appropriate for the *firm* to apply for variation of its ~~Part IV permission~~ Part 4A permission and/or imposition of a new requirement, variation of any existing requirement or cancellation of such a requirement before commencing the wind-down. A *firm* should only make an application for cancellation of *permission* when it expects to complete its wind-
- [FCA/  
PRA]

down (run-off) within six months.

6.2.10 G A *firm* which is winding down (running off) its activities should contact its usual supervisory contact at the *FSA appropriate regulator* to discuss its circumstances. The *FSA will discuss* Discussions will focus on the *firm's* winding down plans and the need for the *firm* to vary or cancel its *Part IV permission Part 4A permission and/or the need to impose a new requirement, vary any existing requirement or cancel such a requirement.* Following these discussions ~~an application for variation or cancellation of *Part IV 4A permission*, as appropriate, should usually be made by the *firm*, although, in certain circumstances, the *FSA* may use its *own-initiative powers* under section 45 of the Act (Variation etc. on the *FSA's* own initiative) (see *SUP 7* and *EG 8* (Variation and cancellation of permission on the *FSA's* own initiative and intervention against))~~ the *firm* should usually make the relevant application, as appropriate.

6.2.10A G In certain circumstances the *FCA* and/or the *PRA* may use their *own-initiative powers* (see *SUP 7* and *EG 8*) (Variation and cancellation of permission on the *FCA's* own initiative and intervention against incoming firms)).

6.2.11 G ...

[FCA/ PRA] (2) The guidance in *SUP 6* Annex 4 applies to any *firm* that is applying for variation of ~~*Part IV permission Part 4A permission*~~ or for the imposition, variation or cancellation of a *requirement* before it applies for cancellation of ~~*Part IV permission Part 4A permission*~~ to enable it to wind down (run off) its business over a long term period of six months or more. It will apply to most *insurers* and *banks* and, in some circumstances, ~~as advised by the *FSA*~~, to *firms* holding *client money* or *customer assets*.

(3) If a *firm* wishes to cease carrying on some of its *regulated activities*, or the *specified investments* in respect of which the activities are carried on, the *FSA appropriate regulator* may consider it appropriate for the *firm* to comply with the additional procedures in *SUP 6* Annex 4. This would depend on the scale and nature of the *regulated activities* concerned. This might be the case, for example, if the *firm* is ceasing a significant part of its business in respect of which it has outstanding obligations to *customers* and ~~the *FSA believes*~~ it is believed that the additional procedures would protect *consumers*.

#### UK firms exercising EEA or Treaty rights

6.2.12 G A *UK firm* should assess the effect of any change to its ~~*Part IV 4A permission, or any requirements*~~, on its ability to continue to exercise any *EEA right* or *Treaty right* and discuss any concerns with its usual appropriate supervisory contact(s) ~~at the *FSA*~~. ~~A variation of *Part IV permission*~~ This may also change the *applicable provisions* with which it is required to comply by a *Host State*.

6.2.13 G A *UK firm* which, as well as applying to vary or cancel its ~~*Part IV permission Part 4A permission*~~, wishes to vary or terminate any business which it is carrying on in another *EEA State* under one of the *Single Market Directives*, should follow the procedures in *SUP 13* (Exercise of passport rights by UK firms) on varying or terminating its *branch* or *cross border services* business.

#### The Lloyd's market

6.2.14 G A *firm* making an application ~~to vary or cancel its *Part IV permission*~~ in accordance with *SUP 6* which requires any approval from the *Society of Lloyd's* should apply to the *Society* for this at the same time as applying to the *FSA relevant regulator* ~~for the variation or cancellation~~. See *SUP 6* Annex 4 for additional procedures.

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

What is a variation of permission?

- 6.3.1 G ~~Under section 44 of the Act, a firm may apply to the FSA to vary its Part IV permission to:~~
- ~~(1) allow it to carry on further regulated activities; or~~
  - ~~(2) reduce the number of regulated activities it is permitted to carry on; or~~
  - ~~(3) vary the FSA's description of its regulated activities (including by the removal or variation of any limitations); or~~
  - ~~(4) cancel any requirement applied for by the firm or imposed by the FSA under section 43 of the Act (Imposition of requirements); or~~
  - ~~(5) vary any such requirement. [deleted]~~
- 6.3.1A G Under section 55H of the Act, an FCA-*authorised person* may apply to the FCA to vary its Part 4A permission to:  
[FCA]
- (1) allow it to carry on further regulated activities, other than a PRA-regulated activity; or
  - (2) reduce the number of regulated activities it is permitted to carry on; or
  - (3) vary the description of its regulated activities (including by the removal or variation of any limitations).
- 6.3.1B G Under section 55I of the Act, an FCA-*authorised person* may apply to the PRA to vary its Part 4A permission to add regulated activities which include a PRA-regulated activity.  
[FCA/  
PRA]
- 6.3.1C G Under section 55I of the Act, a PRA-*authorised person* may apply to the PRA to vary its Part 4A permission to:  
[PRA]
- (1) allow it to carry on further regulated activities; or
  - (2) reduce the number of regulated activities it is permitted to carry on; or
  - (3) vary the description of its regulated activities (including by the removal or variation of any limitations).
- 6.3.2 G ~~An application for variation of Part IV 4A permission may include one or more of SUP 6.3.1G(1)(5). For example, a firm may apply to vary its Part IV IV permission to add a new regulated activity and at the same time remove a regulated activity for which it currently has permission. [deleted]~~

Applications to impose, vary or cancel requirements

- 6.3.2A G Under section 55L(5) of the Act a firm with a Part 4A permission may apply to the FCA for the imposition of a new requirement and/or the variation or cancellation of any requirement previously imposed by the FCA.  
[FCA]

- 6.3.2B [PRA] G Under section 55M(5) of the Act, a PRA-*authorised person* may apply to the PRA for the imposition of a new *requirement* and/or the variation or cancellation of any *requirement* previously imposed by the PRA.

The scope of applications

- 6.3.2C [FCA] G An application may relate to one or more of SUP 6.3.1AG and SUP 6.3.2AG. For example, a *firm* may apply to vary its *Part 4A permission* to add a new *regulated activity* and at the same time remove a *regulated activity* for which it currently has *permission*.

- 6.3.2D [PRA] G An application may relate to one or more of SUP 6.3.1C and SUP 6.3.2BG. For example, a *firm* may apply to vary its *Part 4A permission* to add a new *regulated activity* and at the same time remove a *regulated activity* for which it currently has *permission*.

- 6.3.3 [FCA/ PRA] G In applying for a variation of ~~*Part IV permission*~~ *Part 4A permission*, a branch of a *firm* from outside the *EEA* should be mindful of any continuing requirements referred to in the rest of the *Handbook*.

Applications to add additional regulated activities

- 6.3.4 [FCA/ PRA] G In determining the activities and *specified investments* for which a ~~*Part IV 4A permission*~~ is required, and whether to apply for a variation of that ~~*permission*~~, a *firm* may need to take professional advice and may also wish to discuss this with its ~~usual~~ appropriate supervisory contact ~~at the FSA~~.

- 6.3.5 [FCA/ PRA] G Before applying to vary its *permission*, a *firm* should determine whether there are any statutory restrictions that do not allow combinations of certain types of *regulated activity*, particularly for *insurance business* or *UCITS managers*. For example, the ~~FSA PRA~~ will not grant a variation of ~~*Part IV permission*~~ *Part 4A permission* to allow a *friendly society* to carry on reinsurance business as this is not permitted under the *Friendly Societies Acts 1974 and 1992*. A *firm* should discuss its plans with its ~~usual~~ appropriate supervisory contact ~~at the FSA~~.

- 6.3.6 [FCA/ PRA] G If a *firm* is seeking a variation of ~~*Part IV permission*~~ *Part 4A permission* to add categories of *regulated activities*, it should be mindful of the directive requirements referred to at SUP 6.3.42G relating to the need to commence new activities within 12 months.

Applications to remove certain regulated activities

- 6.3.7 [FCA/ PRA] G If a *firm* wishes to cease carrying on an activity for which it has ~~*Part IV permission*~~ *Part 4A permission*, it will usually apply to vary its ~~*Part IV permission*~~ *Part 4A permission* to remove that activity. If a *firm* wishes to cease carrying on an activity in relation to any *specified investment*, it will usually apply to vary its ~~*Part IV permission*~~ *Part 4A permission* to remove that *specified investment* from the relevant activity.

How a variation of permission may affect the firm's approved persons

- 6.3.8 [FCA/ PRA] G (1) ~~Where a *firm* is submitting an application for variation of *Part IV permission*~~ *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 ~~to the FSA~~ for an internal transfer of an *approved person*, Form E (Internal transfer), or make an application ~~to the FSA~~ for an individual to perform additional *controlled functions*, the relevant Form A (Application); see SUP 10.13.3D to

SUP 10.13.5G;

- (b) notify the *FSA 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.

- (2) If the *firm* intends to recruit new individuals to perform *controlled functions*, it should apply to the *FSA* for approval of the individuals as *approved persons* as soon as possible using Form A (Application); see SUP 10.12.

How a variation of permission may change a firm's prudential category

- 6.3.9 G A variation of *Part IV permission* may, in some cases, lead to a change in a firm's prudential category or sub-category (see SUP App 1). For example, an *investment management firm* which varies its *Part IV permission* to include *accepting deposits* and as a result meets the definition of a *bank*, would move to the prudential category for a *bank* (see SUP App 1.3.1G). ~~[deleted]~~
- 6.3.10 G Even if a variation of *permission* does not itself lead to a change in a firm's prudential category or sub-category, the *FSA* may use its *their own initiative powers* to require a firm to comply with a different category or sub-category of prudential rules where it considers this to be appropriate. For details of when and how the *FSA* may use its *own initiative powers* in this context, see SUP 7. ~~[deleted]~~

Variation of permission involving insurance business

- 6.3.11 G A firm with ~~*Part IV permission*~~ *Part 4A permission* to carry on *insurance business*, which is applying for a variation of its ~~*Part IV permission*~~ *Part 4A permission* to add further insurance activities or *specified investments*, will be required to submit particular information on its existing activities as part of its application. This includes the *scheme of operations* which is required to be submitted as part of the application pack (for further details on the *scheme of operations*, see SUP App 2 (Insurers: scheme of operations)).
- [FCA/  
PRA]
- 6.3.12 G In applying to vary its ~~*Part IV permission*~~ *Part 4A permission* to add categories of *specified investments*, in relation to *insurance business*, a firm carrying on *insurance business* will need to determine the *classes of specified investments* relating to *effecting and carrying out contracts of insurance* for which variation of ~~*Part IV permission*~~ *Part 4A permission* will be necessary, having regard to whether certain *classes of contract* may qualify to be effected or carried out on an ancillary or supplementary basis (see SUP 3.12.6G to SUP 3.12.12G).
- [FCA/  
PRA]
- 6.3.13 G The application for variation of ~~*Part IV permission*~~ *Part 4A permission* will need to provide information about the *classes of contract of insurance* for which variation of ~~*Part IV permission*~~ *Part 4A permission* is requested and also those *classes* qualifying to be carried on, on an ancillary or supplementary basis. For example, an *insurer* applying to vary its *permission* to include *class 10* (motor vehicle liability, other than carrier's liability) must satisfy the ~~*FSA FCA*~~ that it will meet, and continue to meet, ~~*threshold condition 2A3F*~~-(Appointment of claims representatives). Firms should note that, although the ~~*FSA*~~ relevant regulator is able in principle to use its power to give ~~*Part IV permission*~~ *Part 4A permission* for an applicant to carry on a *regulated activity* for which it did not originally apply, this is not possible under the Insurance Directives, which set out minimum information requirements for an application for *authorisation* including information on the *specified investments* the applicant proposes to deal in.
- [FCA/  
PRA]
- 6.3.14 G (1) A firm carrying on *insurance business* which is seeking to cease such business in respect of one or more *classes of specified investment*, but which is not intending to cease all *insurance business*, should apply to vary its ~~*Part IV permission*~~ *Part 4A permission* to remove the activity of *effecting*

*contracts of insurance* in respect of those *specified investments* in relation to which it no longer wishes to carry on business. A *firm* intending to cease all *insurance business* should refer to SUP 6 Annex 4.

- (2) If the application for variation of ~~Part IV permission~~ Part 4A permission is granted by the ~~FSA PRA~~, the *firm* will have ~~Part IV permission~~ Part 4A permission only to *carry out contracts of insurance* in respect of the *specified investments* in relation to which it no longer wishes to carry on business (see SUP 6 Annex 4). This will allow the *firm* to run off this aspect of its business. When the business in question has been run-off completely, the *firm* should then apply to vary its ~~Part IV permission~~ Part 4A permission to remove the relevant *classes of specified investment*.

The application for variation of permission and/or imposition, variation or cancellation of requirements

- 6.3.15 D (1) A *firm* other than a *credit union* wishing to ~~vary its Part IV permission~~ make an application under SUP 6 must apply online at ~~www.fsa.gov.uk~~ using the form specified on the ~~FSA's~~ ONA system.
- [FCA/  
PRA]
- (2) A ~~credit union~~ wishing to ~~vary its Part IV permission~~ must apply using the form in ~~SUP 6 Ann 5D~~ and submit its application in the way set out in ~~SUP 15.7.4R to SUP 15.7.9G~~ (Form and method of notification). ~~[deleted]~~
- (3) Until the application has been determined, a *firm* which submits an application ~~for variation of Part IV permission~~ must inform the ~~FSA~~ relevant regulator of any significant change to the information given in the application immediately it becomes aware of the change.
- (3A) Where an application requires the consent of the FCA, a firm which submits an application must inform the FCA of any significant change to the information given in the application immediately it becomes aware of the change.
- (4) Where a *firm* is obliged to submit any form, notice or application online under (1), if the ~~FSA's~~ ONA information technology systems 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 any form, notice or application by using the form in SUP 6 Ann 5D and submitting it in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- 6.3.15A G (1) If the ~~FSA's~~ ONA information technology systems fail and online submission is unavailable for 24 hours or more, the ~~FSA~~ relevant regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 6.3.15D(4) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used.
- [FCA/  
PRA]
- (2) Where SUP 6.3.15D(4) applies to a *firm*, GEN 1.3.2R (Emergency) does not apply.
- 6.3.15B G A credit union wishing to make an application under SUP 6 must apply using the form in SUP 6 Ann 5D and submit its application in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- [PRA]
- 6.3.16 G (1) Section ~~54(2)~~ 55(U)(2) of the *Act* (Applications under this Part) requires that the application for variation of ~~Part IV permission~~ Part 4A permission must contain a statement:
- [FCA/  
PRA]

...

- (1A) Section 55(U)(3) of the Act requires that an application for variation of a requirement imposed under section 55L or 55M or the imposition of a new requirement must contain a statement of the desired variation or requirement.
- (2) The full form and content of the application for variation of ~~Part IV permission~~ Part 4A permission or for the imposition or variation of a requirement is a matter for direction by the ~~FSA~~ FSA relevant regulator, who will determine the additional information and documentation required on a case by case basis.

- 6.3.17 G (1) [deleted]
- [FCA/  
PRA] (2) A *firm* is advised to discuss its application with ~~its usual supervisory contact at the FSA~~ the relevant regulator before submission, particularly if it is seeking a variation of Part 4A permission or imposition, variation or cancellation of a requirement within a short timescale. A *firm* is also advised to include as much detail as possible (including any additional information identified by its supervisors at this stage) with its application.

- 6.3.18 G The ~~FSA~~ FSA relevant regulator, as soon as possible after receipt of an application, will advise the *firm* of any additional information which is required as part of its application (see SUP 6.3.23G to SUP 6.3.27G). The amount of information ~~the FSA will~~ required will vary depending on the scale of the variation in the context of the *firm* as a whole, and the nature, risk profile and complexity of the variation.
- [FCA/  
PRA]

Applications from firms winding down (running off) business over the long term

- 6.3.19 G A *firm* which is making an application for variation of ~~Part IV permission~~ Part 4A permission to wind down (run off) its business before applying for a cancellation of that *permission* (see SUP 6.2.9G) should read SUP 6 Annex 4 for details of the additional procedures that apply.
- [FCA/  
PRA]

Applications involving significant changes

- 6.3.20 G In certain cases, ~~FSA~~ FSA the relevant regulator may consider that granting an application for imposition, variation or cancellation of any requirement or for variation of ~~Part IV permission~~ Part 4A permission which includes adding further *regulated activities* or changing a ~~requirement or limitation~~ would cause a significant change in the *firm's* business or risk profile. In these circumstances, the ~~FSA~~ FSA relevant regulator may require the *firm* to complete appropriate parts of the full application pack (see the ~~FSA relevant regulator's website "How do I get authorised":~~ <http://www.fsa.gov.uk/Pages/Doing/how/index.shtml>), as directed by the ~~FSA~~ FSA relevant regulator. Applications for variation involving significant changes may be processed by the *firm's* usual appropriate supervisory contact ~~at the FSA~~, in conjunction with the ~~Permissions department~~ Authorisations Team. Examples of an application for imposition, variation or cancellation of a requirement and for variation of ~~Part IV permission~~ Part 4A permission which may represent a significant change include, but are not limited to, an application:
- [FCA/  
PRA]

...

- (3) to remove a *requirement* preventing a *firm* from holding or controlling *client money*, ~~or,~~
- (4) ~~which causes the firm to change prudential category by, for example, removing a requirement relating to prudential category (see SUP App 1).~~  
[deleted]



- 6.3.21 G A *firm* that wishes to make a significant change to its business, or is unsure whether the changes it is proposing would be considered to be significant, should contact ~~its usual supervisory contact at the FSA~~ the relevant regulator. The ~~FSA~~ relevant regulator will discuss with the *firm* whether it will be required to submit parts of the application pack and whether any reports from third parties may be required.
- [FCA/  
PRA]
- 6.3.22 R G The fees payable for a *firm* applying for the imposition, variation or cancellation of any requirements and/or a variation of its ~~part IV permission~~ Part 4A permission are set out in FEES 3.
- [FCA/  
PRA]

Information to be supplied to the ~~FSA~~ relevant regulator as part of the application

- 6.3.23 G (1) The ~~FSA~~ relevant regulator may ask for any information it reasonably requires before determining the application. The information required will be determined on a case by case basis, taking into account the ~~FSA's~~ relevant regulator's existing knowledge of the *firm* and the ~~variation change~~ requested. The ~~FSA~~ relevant regulator will advise the *firm* of the information required at an early stage in the application process.
- [FCA/  
PRA]
- (2) The nature of the information and documents requested will be related to the risks posed to the ~~FSA's~~ relevant regulator's regulatory statutory objectives by the *regulated activities* and any *unregulated activities* that the *firm* is carrying on or is seeking to carry on. This information will be proportional to the nature of the business which the *firm* intends to carry on or the risks posed by the *firm*.
- 6.3.24 G (1) The information the ~~FSA~~ relevant regulator may require includes, but is not limited to, the examples given in SUP 6.3.25G:
- [FCA/  
PRA]
- 6.3.25 G Information which may be required. See SUP 6.3.24G

[FCA/  
PRA]

Type of business	Information which may be required
All	1. Details of how the <i>firm</i> plans to comply with the <del>FSA's</del> <u>relevant regulator's</u> regulatory requirements relating to any additional <i>regulated activities</i> it is seeking to carry on.
	...
<i>Insurance business</i>	...
	2. (If the application seeks to vary a <i>permission</i> to include <i>motor vehicle liability insurance business</i> ) details of the claims representatives required by <u>threshold condition 2A 3E</u> (Appointment of claims representatives), if applicable.
<i>Accepting deposits and designated investment business</i>	1. A business plan which includes the impact of the variation on the <i>firm's</i> existing or continuing business financial projections for the <i>firm</i> , including the impact of the requested <del>variation of Part IV permission</del> <u>change</u> on the <i>firm's</i> financial resources and capital adequacy requirements.

- 6.3.26 G Specific information may also be required by the ~~FSA~~ relevant regulator on the activities the *firm* intends to cease, or cease carrying on in relation to any *specified investments* (see SUP 6 Annex 4).
- [FCA/  
PRA]

6.3.27 G When determining whether to grant an application, the ~~FSA~~ relevant regulator may request further information, including reports from third parties such as the *firm's* auditors, and may require meetings with, and visits to, the *firm*. The ~~FSA~~ relevant regulator may also require a statement from members of the *firm's governing body* confirming, to the best of their knowledge, the completeness and accuracy of the information supplied. The ~~FSA~~ relevant regulator may also discuss the application with other regulators or exchanges.

When will ~~the FSA~~ grant an application for variation of permission and/or imposition or variation of requirements be granted?

6.3.28 G (1) The ~~FSA~~ relevant regulator is required by section 41(2) 55B(3) of the *Act* to ensure that a *firm* applying to gain or vary a ~~Part IV permission~~ Part 4A permission or to impose or vary a requirement satisfies and will continue to satisfy the threshold conditions in relation to all the regulated activities for which the *firm* has or will have a Part IV permission Part 4A permission. ~~after the variation determination of the application. However, the FSA's duty under the Act does not prevent it, having regard to that duty, from taking such steps as it considers necessary in relation to a particular firm, to meet any of its regulatory objectives. This may include granting a firm's application for variation of Part IV 4A permission when it wishes to wind down (run off) its business activities and cease to carry on new business as a result of no longer being able to satisfy the threshold conditions.~~

(2) ~~In addition, the FSA may refuse the application if it appears that any of its regulatory objectives would be adversely affected if the application were to be granted and it is desirable in order to meet any of its regulatory objectives for the application to be refused. [deleted]~~

6.3.28A G Where a firm applies to the PRA for the variation of its Part 4A permission, the FCA, in giving consent to such an application or imposing any requirements on the firm, is required by section 55B(3) of the Act to ensure that the firm satisfies and will continue to satisfy the threshold conditions for which the FCA is responsible in relation to all the regulated activities for which the firm has or will have Part 4A permission after the variation.

6.3.28B G (1) The FCA's duty under section 55B(3) of the Act does not prevent it, having regard to that duty, from taking such steps as it considers necessary in relation to a particular firm, to meet any of its operational objectives. This may include granting or consenting to (as the case may be) a firm's application for variation of Part 4A permission when it wishes to wind down (run off) its business activities and cease to carry on new business as a result of no longer being able to satisfy the threshold conditions.

(2) The FCA may refuse an application, or refuse to give its consent to an application, under section 55B(3) of the Act if it considers that it is desirable to do so in order to advance any of its operational objectives.

6.3.28C G (1) The PRA's duty under section 55B(3) of the Act does not prevent it, having regard to that duty, from taking such steps as it considers necessary in relation to a particular firm, to meet any of its objectives. This may include, with the consent of the FCA, granting a firm's application for variation of Part 4A permission when it wishes to wind down (run off) its business activities and cease to carry on new business as a result of no longer being able to satisfy the threshold conditions.

(2) The PRA may refuse an application under section 55B(3) of the Act if it considers that it is desirable to do so in order to advance any of its objectives.

- 6.3.29 G In determining whether the *firm* satisfies and continues to satisfy the *threshold conditions*, the *FSA regulator concerned* will consider whether the *firm* is ready, willing and organised to comply with the ~~*regulatory requirements*~~ *regulatory requirements* it will be subject to if the *application* requested variation of *Part IV permission* is granted.  
[FCA/  
PRA]
- 6.3.30 G The ~~*FSA will also consider*~~ the specific requirements that apply to certain types of activity will also need to be considered as these may not allow certain combinations of activity.  
[FCA/  
PRA]
- 6.3.31 G In considering whether to grant (or consent to, as the case may be) a *firm's* application to vary its ~~*Part IV permission*~~ *Part 4A permission* or impose or vary a *requirement*, the *FSA regulator concerned* will also have regard, under section 49(4) 55R(1) of the *Act* (Persons connected with an applicant), to any *person* appearing to be, or likely to be, in a relationship with the *firm* which is relevant. The *Financial Groups Directive Regulations* make special consultation provisions where the ~~*FSA regulator*~~ is exercising its functions under Part IV 4A of the *Act* (Permission to carry on regulated activities) for the purposes of carrying on supplementary supervision. Broadly, where ~~the *FSA a regulator*~~, in the course of carrying on supplementary supervision, is considering varying the ~~*Part IV permission*~~ *Part 4A permission* of a *person* who is a member of a *group* which is a *financial conglomerate*, the consultation provisions in section 49(2) 55R(2) of the *Act* are disapplied. In their place, the regulations impose special obligations, linked to the *Financial Groups Directive*, to obtain the consent of the relevant competent authorities, to consult those authorities and to consult with the *group* itself.  
[FCA/  
PRA]

The *FSA's regulator's* powers in respect of application for variation of Part IV permission

- 6.3.32 G The ~~*FSA's power to vary a Part IV permission*~~ after it receives an application from a *firm* extends to including in the ~~*Part IV permission*~~ as varied any provision that could be included as though a fresh *permission* was being given in response to an application under section 40 of the *Act* (Application for permission). Under sections 42 (Giving permission) and 43 of the *Act* (Imposition of requirements), the ~~*FSA*~~ may:  
(1) ~~incorporate in the description of a *regulated activity* a *limitation* (for example, as to the circumstance in which a *regulated activity* may or may not be carried on); or~~  
(2) ~~specify a narrower or wider description of *regulated activity* than the *firm* applied for in the application for variation of *Part IV permission* (see SUP 3.9.29G(3) for restrictions on *insurers*); or~~  
(3) ~~require the *firm* not to take a specified action (for example, not to hold *client money*); or~~  
(4) ~~require the *firm* to take a specified action (for example, to submit financial returns more frequently than normal). [deleted]~~
- 6.3.32A G The *FCA's* power to vary a *Part 4A permission* after it receives an application from a *firm* extends to including in the *Part 4A permission* as varied any provision that could be included as though a fresh *permission* was being given in response to an application under section 55A of the *Act* (Application for permission). Under section 55E of the *Act* (Giving permission: the *FCA*) the *FCA* may:  
[FCA]  
(1) incorporate in the description of a *regulated activity* such *limitations* (for example, as to the circumstance in which a *regulated activity* may or may not be carried on) as it considers appropriate; or

- (2) specify a narrower or wider description of *regulated activity* than that to which the application relates; or
- (3) give permission for the carrying on of a *regulated activity* which is not included among those to which the application relates and is not a *PRA-regulated activity*.
- 6.3.32B G Thus, when determining an application for variation of *Part 4A permission*, the *FCA* can, include new *limitations* and vary existing *limitations*, either on application from the *firm* (for example, the *customer* categories with which a *firm* may carry on a specified activity) or, if considered appropriate, by the *FCA* under section 55E(5) of the *Act*.  
[FCA]
- 6.3.32C G If a *firm* has applied (whether to the *FCA* or the *PRA*) for the variation of a *Part 4A permission*, the *FCA* has the power to impose on that person such *requirements*, taking effect on or after the variation of permission, as the *FCA* considers appropriate.  
[FCA/  
PRA]
- 6.3.33 G Thus, when determining an application for variation of *Part IV permission*, the *FCA* can, therefore:
- (1) ~~include new *limitations* and vary existing *limitations*, either on application from the *firm* (for example, the *customer* categories with which a *firm* may carry on a specified activity), or if considered appropriate by the *FSA* under section 42(7)(a) of the *Act*; or~~
- (2) ~~include any new *requirements* and vary existing *requirements*, either on application from the *firm* or where considered appropriate by the *FSA* under section 43 of the *Act* to ensure that the *firm* satisfies and continues to satisfy the *threshold conditions*. [deleted]~~
- 6.3.33A G The *PRA*'s powers to vary a *Part 4A permission* after it receives an application from a *firm* extends, subject to the consent of the *FCA*, to including in the *Part 4A permission* as varied any provision that could be included as though a fresh *permission* was being given in response to an application under section 55A of the *Act* (Application for permission). Under section 55F of the *Act* (Giving permission: the *PRA*), the *PRA* may:  
[PRA]
- (1) incorporate in the description of a *regulated activity* such *limitations* (for example, as to the circumstance in which a *regulated activity* may or may not be carried on) as it considers appropriate; or
- (2) specify a narrower or wider description of *regulated activity* than that to which the application relates; or
- (3) give permission for the carrying on of a *regulated activity* which is not included among those to which the application relates.
- 6.3.33B G Thus, when determining an application for variation of *Part 4A permission*, the *PRA* can include new *limitations* and vary existing *limitations*, either on application from the *firm* (for example, the *customer* categories with which a *firm* may carry on a specified activity), or if considered appropriate by the *PRA* under section 55F(4) of the *Act*.  
[PRA]
- 6.3.33C If a *firm* has applied to the *PRA* for the variation of a *Part 4A permission*, the *PRA* has the power to impose on that person such *requirements*, taking effect on or after the giving or variation of the *permission*, as the *PRA* considers appropriate.  
[PRA]
- 6.3.34 G If ~~*limitations* or *requirements*~~ are varied or imposed or *requirements* are imposed by the ~~*FSA*~~ relevant regulator which were not included in the *firm*'s application for  
[FCA/

PRA] variation of Part IV 4A permission, the FSA relevant regulator will be required to issue the firm with a warning notice and decision notice (see SUP 6.3.39G).

6.3.34A G Where a firm has made an application to the PRA for the variation of its Part 4A permission and requirements are imposed by the FCA which were not included in the firm's application, the FCA will be required to issue the firm with a warning notice and decision notice (see SUP 6.3.39G).  
[FCA/  
PRA]

How long will an application take?

6.3.35 G Under section ~~52(4)~~ 55V(1) of the Act (Determination of applications), the FSA relevant regulator has six months to consider a completed application from the date of receipt.  
[FCA/  
PRA]

6.3.36 G If the FSA relevant regulator receives an application which is incomplete (that is, if information or a document required as part of the application is not provided), section ~~52(2)~~ 55V(2) of the Act requires the FSA relevant regulator to determine that incomplete application within 12 months of the initial receipt of the application.  
[FCA/  
PRA]

6.3.36A G Where the application cannot be determined by the PRA without the consent of the FCA, section 55V(3) of the Act requires that the FCA's decision must also be made within the period required in SUP 6.3.35G or SUP 6.3.36G as appropriate.  
[FCA/  
PRA]

6.3.37 G Within these time limits, however, the length of the process will relate directly to the complexity of the ~~variation requested application~~. ~~The FSA [To be inserted] publishes standard response times on its website at www.fsa.gov.uk [insert new website link] setting out how long the application process is expected to take in practice. From time to time, the FSA also publishes its performance against these times.~~  
[FCA/  
PRA]

6.3.37A G The FCA publishes standard times on its website setting out how long the application process is expected to take. From time to time, the FCA also publishes its performance against these times.  
[FCA]

6.3.38 G At any time after receiving an application and before determining it, the FSA relevant regulator may require the applicant to provide additional information or documents. The circumstances of each application will dictate what additional information or procedures are appropriate.  
[FCA/  
PRA]

How will the FSA relevant regulator make the decision?

6.3.39 G A decision to grant an application for ~~variation of Part IV permission, as applied for,~~ will be taken by appropriately experienced staff at the FSA relevant regulator staff. However, if the FSA staff dealing with the application recommend that a firm's application for variation of ~~Part IV permission~~ Part 4A permission be either refused or granted subject to limitations or requirements or a narrower description of regulated activities than applied for, the decision will ~~be taken by either the RDC or executive procedures~~ be subject to the regulator's formal decision making process.  
[FCA/  
PRA]

6.3.40 G DEPP gives guidance on the ~~FSA's~~ FCA's decision making procedures including the procedures it will follow if it proposes to refuse an application for variation of ~~Part IV permission~~ Part 4A permission or for imposition or variation of a requirement either in whole or in part (for example, an application granted by the FSA FCA but subject to limitations or requirements not applied for).  
[FCA]

Commencing new regulated activities

6.3.41 G If the variation of ~~Part IV permission~~ Part 4A permission is given, the FSA relevant regulator will expect a firm to commence a new regulated activity in accordance with its business plan (revised as necessary to take account of changes during the  
[FCA/

- PRA] application process) or scheme of operations for an *insurer*. Firms should take this into consideration when determining when to make an application to the FSA relevant regulator.
- 6.3.42 G (1) Firms should be aware that the FSA appropriate regulator may exercise its own-initiative variation power to vary or cancel their Part IV permission Part 4A permission if they do not (see EG 8 section 55J of the Act (Variation and or cancellation on initiative of regulator of permission on the FSA's own initiative and intervention against incoming firms)):
- [FCA/ PRA]
- (a) commence a *regulated activity* for which they have Part IV permission Part 4A permission within a period of at least 12 months from the date of being given; or
- (b) carry on a *regulated activity* for which they have Part IV permission Part 4A permission for a period of at least 12 months (irrespective of the date of grant).
- (1A) The FSA appropriate regulator may exercise its own-initiative variation power to cancel an *investment firm's Part IV permission Part 4A permission* if the *investment firm* has provided or performed no *investment services and activities* at any time during the period of six months ending with the day on which the *warning notice* under section ~~54(1)~~ 55Z(1) of the *Act* is given (see *EG 8*).
- [Note: article 8(a) of *MiFID*]
- (2) If the FSA appropriate regulator considers that such a variation or cancellation of the *firm's Part IV permission Part 4A permission* is appropriate, it will discuss the proposed action with the *firm* and its reasons for not commencing or carrying on the *regulated activities* concerned.
- 6.3.43 G When a *firm* commences new *regulated activities* following a variation of a Part IV permission Part 4A permission, it should have particular regard to the requirements of *Principle 11 (Relations with regulators)* (see *SUP 15.3.8G(1)(c)*).
- [FCA/ PRA]

## 6.4 Applications for cancellation of permission

- 6.4.1 G ~~Under section 44(2) of the Act (Variation etc. at request of authorised person), if an authorised person with a Part IV permission applies to the FSA, the FSA may cancel that permission. Cancellation applies to a firm's entire Part IV permission, that is to every activity and every specified investment and not to the individual elements such as specified investments. Changes to the individual elements of a permission would require a variation. [deleted]~~
- 6.4.1A G Under section 55H(3) of the Act (Variation by FCA at request of authorised person), if an FCA-*authorised person* applies to the FCA, the FCA may cancel its Part 4A permission. Cancellation applies to a firm's entire Part 4A permission, that is to every activity and every specified investment and not to the individual elements such as specified investments. Changes to the individual elements of a permission would require a variation.
- [FCA]
- 6.4.1B G Under section 55I(2) of the Act (Variation by PRA at request of authorised person), if a PRA-*authorised person* applies to the PRA, the PRA may cancel its Part 4A permission. Cancellation applies to a firm's entire Part 4A permission, that is to every activity and every specified investment and not to the individual elements such as specified investments. Changes to the individual elements of a permission would
- [PRA]

require a variation.

- 6.4.2 G Under section 44(3) of the *Act*, the *FSA* may refuse an application from a *firm* to cancel its *Part IV permission* if it appears that it is desirable for the application to be refused in order to meet any of the *FSA's regulatory objectives*.
- (1) [deleted]
- (2) [deleted]
- 6.4.2A G Under section 55H(4) of the *Act*, the *FCA* may refuse an application from a *firm* to  
[FCA] cancel its *Part 4A permission* if it considers that it is desirable to do so in order to  
advance any of its operational objectives.
- 6.4.2B G Under section 55I(4) of the *Act*, the *PRA* may refuse an application from a *firm* to  
[PRA] cancel its *Part 4A permission* if it appears that it is desirable to do so in order to  
advance any of its objectives.
- 6.4.3 G (1) A *firm* may apply to the ~~*FSA*~~ relevant regulator to cancel its *Part IV 4A*  
[FCA/ permission before it has ceased carrying on all *regulated activities*. However, *PRA*] where a *firm* makes a formal application for cancellation of its *permission* when it has not yet ceased carrying on *regulated activities*, the ~~*FSA*~~ relevant regulator will expect the *firm*:
- ...
- (2) *Firms* should note, however, that the ~~*FSA*~~ relevant regulator will not grant an application for cancellation of ~~*Part IV permission*~~ *Part 4A permission* until the *firm* can demonstrate that it has ceased carrying on all *regulated activities* (*SUP* 6.4.19G).
- (3) The ~~*FSA*~~ relevant regulator may apply additional procedures or require additional information, as if the *firm* had entered into a long term wind down of business (see *SUP* 6 Annex 4), if it considers it appropriate to the circumstances of the *firm*.
- 6.4.4 G Additional guidance for a *firm* carrying on *insurance business*, *accepting deposits*,  
[FCA/ operating a *dormant account fund* or which holds *client money* or *customer's assets*  
[PRA] is given in *SUP* 6 Annex 4. As noted in *SUP* 6.2.9G, it will usually be appropriate for a *firm* to apply for variation of its ~~*Part IV permission*~~ *Part 4A permission* and/or the imposition, variation or cancellation of a *requirement* while winding down (running off) its *regulated activities* and before applying to cancel its ~~*Part IV permission*~~ *Part 4A permission*.

The application for cancellation of permission

- 6.4.5 D (1) A *firm* other than a *credit union* wishing to cancel its *Part IV 4A* *permission*,  
[FCA/ must apply online at ~~www.fsa.gov.uk~~ the *appropriate regulator's* website  
[PRA] using the form specified on the ~~*FSA's*~~ ONA system.
- (2) A *credit union* wishing to cancel its *Part IV permission* must apply using the form in ~~*SUP* 6 Annex 6D~~ and submit its application in the way set out in ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ (Form and method of notification). The application must be addressed for the attention of the ~~Cancellations Team~~ at the ~~*FSA*~~.
- (a) [deleted]
- (b) [deleted]

- (3) [deleted]
- (4) Until the application has been determined, a *firm* which submits an application for cancellation of ~~Part IV permission~~ Part 4A permission must inform the ~~FSA~~ relevant regulator of any significant change to the information given in the application immediately it becomes aware of the change.
- (5) Where a *firm* is obliged to submit any form, notice or application online under (1), if the ~~FSA's information technology~~ ONA systems 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 any form, notice or application by using the form in SUP 6 Annex 6D and submitting it in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- 6.4.5A G (1) If the ~~FSA's information technology~~ ONA systems fail and online submission is unavailable for 24 hours or more, the ~~FSA~~ relevant regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 6.4.5D(5) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used.
- [FCA/  
PRA]
- ...
- 6.4.5B G A credit union wishing to cancel its Part 4A permission must apply using the form in SUP 6 Annex 6D and submit its application in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). The application must be addressed for the attention of the Credit Union Supervision Team at the PRA.
- [PRA]
- 6.4.6 G (1) In addition to applying for cancellation of ~~Part IV permission~~ Part 4A permission in accordance with SUP 6.4.5D, a *firm* may discuss prospective cancellations with its usual supervisory contact ~~at the FSA~~ at the appropriate regulator. Alternatively a *firm* can contact the Firms Contact Centre on 0845 606 9966.
- [FCA/  
PRA]
- (2) To contact the Cancellations Team:
- (a) write to: Cancellations Team, The Financial Services Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS; or
- (b) email ~~cancellation.team@fca.gov.uk~~ cancellation.team@fca.org.uk
- (3) If a *firm* which has applied for cancellation decides to remain authorised it should inform the ~~FSA~~ relevant regulator immediately using one of the methods in SUP 6.4.6G(2).
- 6.4.7 G When an application is received, the ~~FSA~~ relevant regulator will send the *firm* a written acknowledgement. The *firm* will be required to provide information which, in the opinion of the ~~FSA~~ relevant regulator, is necessary for it to determine whether to grant or refuse the application for cancellation of ~~Part IV~~ 4A permission. ~~The Cancellations Team will work with the firm's usual supervisory contact at the FSA during this process.~~
- [FCA/  
PRA]
- Information to be supplied to the ~~FSA~~ relevant regulator as part of the application for cancellation of permission
- 6.4.8 G The information which the ~~FSA~~ relevant regulator may request on the circumstances of the application for cancellation and the confirmations which the ~~FSA~~ relevant regulator may require a *firm* to provide will differ according to the nature of the *firm*
- [FCA/



- PRA] and the activities it has ~~Part IV permission~~ Part 4A permission to carry on.
- 6.4.9 G A *firm* will be expected to demonstrate to the FSA relevant regulator that it has  
[FCA/ ceased carrying on *regulated activities*. The FSA relevant regulator may require, as  
PRA] part of the application, a report from the *firm* that includes, but is not limited to, the  
confirmations referred to in SUP 6.4.12G (as appropriate to the *firm's* business). The  
FSA relevant regulator may also require additional information to be submitted with  
the report including, in some cases, confirmation or verification from a professional  
adviser on certain matters to supplement the report (see SUP 6.4.15G).
- 6.4.10 G (1) If a *firm* is subject to the complaints rules in DISP, the ~~FSA FCA~~ may request  
[FCA] confirmation from the *firm* that there are no unresolved, unsatisfied or  
undischarged complaints against the *firm* from a *customer* of the *firm*.
- (2) If there are unresolved or undischarged complaints against a *firm* from a  
*customer* of the *firm*, the ~~FSA FCA~~ may request confirmation, as appropriate,  
of the steps (if any) which have been taken under the *firm's* complaints  
procedures and the amount of compensation claimed. The ~~FSA FCA~~ may  
also request an explanation of the arrangements made for the future  
consideration of such complaints.
- 6.4.11 G If the *firm* is carrying on *designated investment business* with *retail clients*, the ~~FSA~~  
[FCA] ~~FCA~~ may request confirmation that the *firm* has written, or intends to write, to all *retail*  
*clients* with, or for whom, the *firm* has conducted *regulated activities* within a certain  
period.

#### Confirmations and resolutions

- 6.4.12 G The FSA relevant regulator will usually require the report in SUP 6.4.9G to be signed  
[FCA/ by a *director* or other officer with authority to bind the *firm*. It may include  
PRA] confirmations from the *firm* that, in relation to business carried on under its ~~Part IV~~  
~~permission~~ Part 4A permission, it has:
- ...
- 6.4.13 G The FSA relevant regulator may also require a resolution from the *firm's governing*  
[FCA/ *body*, for example to support the application for cancellation of *permission*, expressed  
PRA] to be irrevocable, and to give the signatory the authority to sign the formal report to  
the FSA relevant regulator.
- 6.4.14 G Under section ~~397~~ 398 of the *Act* (~~Misleading statements and practices~~ the FCA or  
[FCA/ PRA: residual cases), it is an *offence*, in purported compliance with a requirement  
PRA] imposed by or under the *Act* (including the directions in SUP 6.4.5D), for a *person* to  
knowingly or recklessly give the FSA regulator information that is false or misleading.  
If necessary, a *firm* should take appropriate professional advice when supplying  
information required by the FSA regulator(s). An *insurer*, for example, may ask an  
*actuary* to check assumptions in respect of future *claims* made under *contracts of*  
*insurance*.

#### Reports from professionals

- 6.4.15 G The FSA relevant regulator may require additional information, including professional  
[FCA/ advice, to supplement or support the report in SUP 6.4.9G where it considers this  
PRA] appropriate. Examples of reports that may be requested by the FSA relevant  
regulator include, but are not limited to those detailed in SUP 6.4.16G.
- ...
- 6.4.17 G If a *firm* is transferring its business, the FSA relevant regulator may require a  
professional opinion in respect of certain aspects of the transfer. For example, the

[FCA/  
PRA] FSA relevant regulator may require a legal opinion on the validity of arrangements to transfer *regulated activities, client money, client deposits, custody assets* or any other property belonging to *clients*, to another *authorised person*. Alternatively, an auditor or *reporting accountant* may be requested to verify that a transfer has been properly accounted for in the *firm's* books and records. Transfers of *insurance* and *banking business* are subject to statutory requirements (see SUP 18).

Approved persons

6.4.18 G A *firm* which is applying for cancellation of ~~Part IV permission~~ Part 4A permission and which is not otherwise *authorised* by, or under, the *Act* should, at the same time, comply with SUP 10.13.6R and notify the FSA appropriate regulator of persons ceasing to perform *controlled functions* specified by that regulator. These forms should give the effective date of withdrawal, if known (see SUP 10 (Approved persons)).

When will the FSA relevant regulator grant an application for cancellation of permission?

6.4.19 G The FSA relevant regulator will usually not cancel a *firm's* ~~Part IV permission~~ Part 4A permission until the *firm* can demonstrate that, in relation to business carried on under that *permission*, it has, as appropriate:

...

6.4.20 G If it is not possible for a *firm* to demonstrate a relevant matter referred to in SUP 6.4.19G, for example, depositors are uncontactable, the *firm* will be expected to have satisfied the FSA relevant regulator that it has made adequate provisions for discharging any liabilities to *clients* which do not involve the *firm* carrying on *regulated activities*.

6.4.21 G Before the FSA relevant regulator cancels a *firm's* ~~Part IV permission~~ Part 4A permission, the *firm* will be expected to be able to demonstrate that it has ceased or transferred all *regulated activities* under that *permission*. For example, the *firm* may be asked to provide evidence that a transfer of business (including, where relevant, any *client money, customer assets* or *deposits* or insurance liabilities) is complete. As noted in SUP 6.4.9G, the FSA relevant regulator may require the *firm* to confirm this by providing a report, in a form specified by the FSA relevant regulator:

- (1) as part of the application for cancellation of *permission*, if the *firm* has ceased carrying on all *regulated activities* under its ~~Part IV permission~~ Part 4A permission at the time of application (see SUP 6.4.9G); or
- (2) after the application but before its determination, if the *firm* has not ceased carrying on *regulated activities* under its ~~Part IV permission~~ Part 4A permission at the time of application.

6.4.22 G In deciding whether to cancel a *firm's* ~~Part IV permission~~ Part 4A permission, the FSA relevant regulator will take into account all relevant factors in relation to business carried on under that *permission*, including whether:

...

- (2) the *firm* has complied with ~~CASS 4.3.99R~~, CASS 5.5.80R and CASS 7.2.15R (Client money: discharge of fiduciary duty) and ~~CASS 4.3.104R~~ and CASS 7.2.19R (Client money: allocated but unclaimed client money) if it has ceased to hold *client money*; these *rules* apply to both repayment and transfer to a third party;

- (3) the *firm* has ceased to hold or control *custody* assets in accordance with instructions received from *clients* (including instructions set out in an agreement entered into in accordance ~~CASS 2.3.2R (Custody: client agreement))~~ and COBS 6.1.7R (Information concerning safeguarding of designated investments belonging to clients and client money);
- ...
- (5) the ~~FSA~~ relevant regulator or another regulator has commenced an investigation against the *firm* or continuing enforcement action against the *firm*;
- (6) there are any matters affecting the *firm* which should be investigated before a decision on whether the *firm* should have its ~~Part IV permission~~ Part 4A permission cancelled by the ~~FSA~~ relevant regulator or be disciplined;
- ...
- (8) the *firm* has settled all its debts to the ~~FSA~~ appropriate regulator; and
- ...

The ~~FSA's~~ FCA and the PRA enforcement and investigation powers against a former authorised person

6.4.23 G If ~~the FSA has granted~~ an application for cancellation of a *firm's* ~~Part IV permission~~ Part 4A permission has been granted and ~~withdrawn~~ a *firm's* status as an *authorised person* has been withdrawn (see SUP 6.5) it will ~~retain~~ remain subject to certain investigative and enforcement powers in relation to the *firm* as a former *authorised person*. These include:

6.4.24 G However, ~~the FSA will not be able to use~~ the following powers may not be used against former *authorised persons*:

- (2) the power to require *firms* to make restitution under section 384 of the *Act* (Power of ~~the FSA~~ FCA or PRA to require restitution).

6.4.25 G Consequently, the ~~FSA~~ relevant regulator considers that it will have good reason not to grant a *firm's* application for cancellation of *permission* where:

- (1) ~~it the FCA and/or the PRA~~ proposes to exercise any of the powers described in SUP 6.4.24G; or
- (2) ~~it the FCA and/or the PRA~~ has already begun disciplinary and/or restitution proceedings against the *firm* by exercising either or both of these powers against the *firm*.

6.4.26 G The ~~FSA's~~ FCA's use of those powers is outlined in DEPP 6 (Penalties).

How long will an application take?

6.4.27 G (1) Under section ~~52(1)~~ 55V(1) of the *Act* (Determination of applications), the ~~FSA~~ relevant regulator has six months to consider a completed application.

PRA]

- (2) If the ~~FSA relevant regulator~~ receives an application which is incomplete, that is, where information or a *document* required as part of the application is not provided, section ~~52(2) 55V(2)~~ of the *Act* requires the ~~FSA relevant regulator~~ to determine the incomplete application within 12 months of the initial receipt of the application.
- (3) Within these time limits, however, the length of the process will relate directly to the complexity of ~~variation cancellation~~ requested and whether the *firm* has fully wound down (run off) its activities at the time it applies. ~~The FSA publishes standard response times on its website setting out how long the application process is expected to take in practice. From time to time, the FSA also publishes its performance against these times.~~

6.4.27A G The FCA publishes standard response times on its website setting out how long the application process is expected to take in practice. From time to time, the FCA also publishes its performance against these times.  
[FCA]

How will the ~~FSA relevant regulator~~ make the decision?

6.4.28 G A decision to grant an application for cancellation of *permission* will be taken by appropriately experienced ~~FSA~~ staff at the relevant regulator. Where, however, the ~~FSA~~ staff dealing with the application recommend that a *firm's* application for cancellation of ~~Part IV permission Part 4A permission~~ be refused, the decision will be taken by the ~~RDC~~ if the applicant makes representations to the ~~FSA~~. If there are no representations, the decision will be made under ~~executive procedures~~ be subject to the regulator's formal decision making process.  
[FCA/  
PRA]

6.4.29 G See *DEPP* for *guidance* on the ~~FSA's FCA's~~ decision making procedures, including the procedures it will follow if it proposes to refuse an application for cancellation of ~~Part IV permission Part 4A permission~~.  
[FCA]

## 6.5 Ending authorisation

6.5.1 G Under section 33(2) of the *Act* (Withdrawal of authorisation ~~by the FSA~~), if the ~~FSA appropriate regulator~~ cancels a *firm's* ~~Part IV permission Part 4A permission~~, and as a result there is no *regulated activity* for which the *firm* has *permission*, the ~~FSA regulator~~ authorising that *firm* is required to give a *direction* withdrawing the *firm's* status as an *authorised person*.  
[FCA/  
PRA]

6.5.2 G ~~If the FSA concludes that it should grant a firm's application for cancellation of permission and end its authorisation, the FSA will:~~

- (1) ~~cancel the firm's Part IV permission under section 44(2) of the Act;~~
- (2) ~~withdraw the firm's authorised status under section 33(2) of the Act by giving the firm a direction in writing; and~~
- (3) ~~update the firm's entry in the FSA register to show it has ceased to be authorised. [deleted]~~

6.5.2A G If the FCA concludes that it should grant an FCA-*authorised person's* application for cancellation of *permission* and end its *authorisation*, the FCA will:  
[FCA]

- (1) cancel the *firm's* Part 4A *permission* under section 55H(3) of the *Act*;

- (2) withdraw the firm's authorised status under section 33(2) of the Act by giving the firm a direction in writing; and
- (3) update the firm's entry in the Financial Services Register to show it has ceased to be authorised.

6.5.2B G If the PRA concludes that it should grant a PRA-*authorised person's* application for cancellation of *permission* and end its *authorisation*, the PRA will:  
[PRA]

- (1) cancel the firm's Part 4A permission under section 55I(2) of the Act;
- (2) withdraw the firm's authorised status under section 33(2) of the Act by giving the firm a direction in writing; and
- (3) contact the FCA and request that it update the firm's entry in the Financial Services Register to show it has ceased to be authorised.

SUP 6 Annex 1, 2 and 3 are deleted in their entirety. The deleted text is not shown.

Amend the following as shown.

**6 Annex 4 Additional guidance for a firm winding down (running off) its business**

6 Annex  
4.1G

[FCA/  
PRA]

1.	If a firm has <i>Part IV 4A permission</i> which enables it to hold <i>client money</i> or to carry on <i>regulated activities</i> including:
...	
it may require a long period (usually in excess of six months) in which to wind down (run off) its business. In these circumstances, it will usually be appropriate for the <i>firm</i> to apply for a variation of <del><i>Part IV permission</i></del> <i>Part 4A permission</i> before commencing the wind down.	
2.	A <i>firm</i> that believes that it may need to apply for a variation of <del><i>Part IV permission</i></del> <i>Part 4A permission</i> as a first step towards cancellation of its <i>permission</i> should discuss its plans with its <del>usual</del> supervisory contact <del>at the FSA</del> at the relevant regulator.
3.	If appropriate, in the interests of its <del>regulatory</del> <i>statutory objectives</i> (limited to the operational objectives in the case of the <i>FCA</i> ), the <del>FSA</del> <i>appropriate regulator</i> will require details of the <i>firm's</i> plans and will discuss them with the <i>firm</i> and monitor the winding down or transfer of the <i>firm's</i> business. During the period in which it is winding down, a <i>firm</i> will also be required to notify <del>the FSA</del> of any material changes to the information provided such as, for example, receipt of new complaints and changes to plans.
4.	If, after its <del><i>Part IV permission</i></del> <i>Part 4A permission</i> has been varied, a <i>firm</i> has wound down its business, complied with any <i>requirements</i> imposed by the <del>FSA</del> and ceased to carry on <i>regulated activities</i> (or expects to do so within the next six months), it should then make an application for cancellation of its <del><i>Part IV permission</i></del> <i>Part 4A permission</i> (see SUP 6.4 (Applications for cancellation of permission)).

**Use of own-initiative powers**

5.	If, for example, the <del>FSA</del> <u>FCA</u> or the <u>PRA</u> has concerns relating to any of the <u>regulatory statutory objectives</u> (limited to the operational objectives in the case of the <u>FCA</u> ), it may, <del>however,</del> use its <del>own-initiative power</del> <u>own-initiative variation power</u> under section 45 of the <del>Act</del> (Variation etc. on the Authority's <del>own initiative</del> ) (see <u>SUP 7</u> (Individual requirements) and <u>EG 8</u> (Variation and cancellation of permission on the <del>FSA's</del> <u>FCA's</u> own initiative and intervention against incoming firms)), to vary the <del>Part IV permission</del> <u>Part 4A permission</u> of a <i>firm</i> which is winding down or transferring its <i>regulated activities</i> .
5A.	If, for example, the <u>appropriate regulator</u> has concerns relating to any of its <u>statutory objectives</u> (limited to the operational objectives in the case of the <u>FCA</u> ), it may use its <u>own-initiative requirements power</u> to impose on a <i>firm</i> that is winding down or transferring its <i>regulated activities</i> , any <u>requirement</u> , or vary or cancel a <u>requirement</u> imposed by it on that <i>firm</i> .

**Reporting requirements: general**

6.	If a <i>firm</i> is winding down (running-off) its business, the routine reporting requirements in <u>SUP 16</u> (Reporting requirements) will apply unless the <i>firm</i> is granted a waiver. In addition, a <i>firm</i> may be asked to submit additional reports, for example, to enable the <del>FSA</del> <u>appropriate regulator</u> to monitor the wind down.
----	---

**6  
Annex  
4.2G**  
[FCA/  
PRA]

1.	If a <i>firm</i> makes an application in accordance with <u>SUP 6</u> to vary its <del>Part IV permission</del> to effect the winding down of <i>regulated activities</i> which it is carrying on including the repayment of <i>client money</i> , or the return of <i>client deposits</i> , <i>custody assets</i> or any other property belonging to <i>clients</i> , the <del>FSA</del> <u>appropriate regulator</u> will expect it to have formal plans to ensure that:
...	
2.	A <i>firm</i> must comply with <del>CASS 4.3.99R, CASS 5.5.80R and CASS 7.2.15R (Client money: discharge of fiduciary duty) and CASS 4.3.104R and CASS 7.2.19R (Allocated but unclaimed client money)</del> if it is ceasing to hold <i>client money</i> . A <i>firm</i> must also cease to hold or control <i>custody assets</i> in accordance with instructions received from <i>clients</i> (including instructions set out in an agreement entered into in accordance with <del>CASS 2.3.2R (Custody: client agreement)</del> and <del>COBS 6.1.7R (Information concerning safeguarding of designated investments belonging to clients and client money)</del> ). These <i>rules</i> apply to both repayment and transfer to a third party. [deleted]

**6  
Annex  
4.2AG**  
[FCA]

1.	A <i>firm</i> must comply with <u>CASS 5.5.80R</u> and <u>CASS 7.2.15R</u> (Client money: discharge of fiduciary duty) and <u>CASS 7.2.19R</u> (Allocated but unclaimed client money) if it is ceasing to hold <i>client money</i> . A <i>firm</i> must also cease to hold or control <i>custody assets</i> in accordance with instructions received from <i>clients</i> and <u>COBS 6.1.7R</u> (Information concerning safeguarding of designated investments belonging to clients and client money). These <i>rules</i> apply to both repayment and transfer to a third party.
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**6  
Annex  
4.3G**  
[FCA]

1.	A <i>firm</i> carrying on <i>insurance business</i> which, ultimately, intends to cease <i>insurance business</i> completely, will first need to apply for a variation of its <del>Part IV permission</del> <u>Part 4A permission</u> while it is running off its business. The <i>firm</i> should apply for a variation of <del>Part IV permission</del> <u>Part 4A permission</u> to remove the activity of <i>effecting contracts of insurance</i> from its <i>permission</i> , thus restricting its activities to <i>carrying out insurance contracts</i> to enable it to run off
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PRA]

	its remaining insurance liabilities (see SUP 6.2.9G).
2.	Examples of variations of <del>Part IV permission</del> <u>Part 4A permission</u> which may be appropriate in the context of winding down <i>insurance business</i> include:
	(1) removing one or more <i>regulated activities</i> (for example, when a <i>firm</i> which has <del>Part IV permission</del> <u>Part 4A permission</u> to carry on <i>insurance business</i> enters into run-off, its <del>Part IV permission</del> <u>Part 4A permission</u> will need to be varied to remove the activity of <i>effecting contracts of insurance</i> in relation to new <i>contracts of insurance</i> ); a new <i>contract of insurance</i> excludes contracts effected under a term of a subsisting <i>contract of insurance</i> . Thus the <i>firm's permission</i> will be restricted to <i>carrying out contracts of insurance</i> to enable it to run off its existing liabilities; or
	(2) imposing a <i>limitation</i> on <i>regulated activities</i> in a <i>firm's</i> <del>Part IV permission</del> or imposing a <del>requirement</del> on the type of investments a <i>firm</i> holds to support its insurance liabilities <u>Part 4A permission</u> .
2A.	<u>A firm may also have imposed on it a new requirement, or any existing requirement imposed on a firm may be varied or cancelled. In the context of winding down insurance business, it may for example be appropriate to impose a requirement on the type of investments a firm holds to support its insurance liabilities.</u>
3.	An <i>insurer</i> ceasing to <i>effect contracts of insurance</i> is required to submit a <i>scheme of operations</i> in accordance with SUP App 2 (Insurers: scheme of operations). The <del>FSA PRA</del> may require other information depending on the circumstances, for example an actuarial assessment of the <i>firm's</i> run-off.
...	
5.	An <i>insurer</i> should note that the <del>FSA PRA</del> will not cancel a <i>firm's permission</i> until all the <del>firm's</del> <i>firm's</i> insurance liabilities have been discharged, including any potential insurance liabilities. A <i>firm</i> is, therefore, advised to submit an application for cancellation of its <del>Part IV permission</del> <u>Part 4A permission</u> when its run-off is completed.

6  
Annex  
4.4G  
[FCA/  
PRA]

1.	A <i>firm</i> making an application to vary or cancel its <del>Part IV permission</del> in accordance with SUP 6 which requires any approval from the <i>Society of Lloyd's</i> should apply to the <i>Society</i> for this in addition to applying to the <del>FSA</del> for the variation or cancellation <u>relevant regulator</u> .
2.	Where a <i>firm</i> has <del>Part IV permission</del> <u>Part 4A permission</u> to manage the <i>underwriting capacity</i> of a <i>Lloyd's syndicate</i> as a <i>managing agent</i> at <i>Lloyd's</i> then, if it wishes to vary its <del>Part IV permission</del> <u>Part 4A permission</u> to remove this <i>regulated activity</i> or to cancel its <del>Part IV permission</del> <u>Part 4A permission</u> completely, special procedures will apply.
3.	(1) As a first step, the <i>firm</i> should apply to the <del>FSA</del> <u>relevant regulator</u> for a variation of its <del>Part IV permission</del> <u>Part 4A permission</u> to limit the <i>regulated activity</i> , after the <i>Lloyd's syndicates</i> have been closed, to permit no new business. Once the <i>syndicates</i> have been closed, the <i>firm's</i> consent from the <i>Society</i> to manage <i>syndicates</i> will also lapse
	(2) After a period of one year from the date of closure of the <i>Lloyd's syndicates</i> the <i>firm</i> may apply to the <del>FSA</del> to vary its <del>Part IV permission</del> <u>Part 4A permission</u> , to remove the <i>regulated activity</i> or to cancel its

	<del>Part IV permission</del> <u>Part 4A permission</u> entirely, as appropriate. At this time, a <i>firm's</i> approval from the <i>Society of Lloyd's</i> as a <i>managing agent</i> will cease.
4.	<i>Firms</i> which wish to discuss these procedures in more detail should contact their <del>usual</del> <u>appropriate</u> supervisory contact <del>at the FSA</del> and the <i>Society of Lloyd's</i> , as appropriate.

6  
Annex  
4.5G  
[FCA/  
PRA]

1. As stated in SUP 6.2.9G, where a <i>bank</i> , or other <i>firm</i> with permission that includes <i>accepting deposits</i> , wishes to cancel its <del>Part IV permission</del> <u>Part 4A permission</u> , it will generally need to apply for a variation of that <i>permission</i> while it winds down its business.
2. When a <i>firm</i> is winding down its business activities, it may be appropriate to <del>vary its Part IV permission</del> by imposing: (1) <u>vary its Part 4A permission by imposing a limitation</u> that no new <i>deposits</i> will be accepted; or (2) <u>vary its Part 4A permission by imposing a limitation</u> on the purchasing of <i>investments</i> for its own account; or (3) <u>impose on it requirements</u> concerning solvency.
3. After a <i>bank</i> has discussed with the <del>FSA</del> <u>appropriate regulator</u> the type of variation of <del>Part IV permission</del> <u>Part 4A permission</u> and/or <u>requirement</u> the <i>bank</i> requires to wind down its business, it should make an application for <del>variation of Part IV permission</del> as directed in SUP 6.3.15D and follow the <i>guidance</i> and procedures in SUP 6 as well as the additional procedures set out in this annex.
4. The <del>FSA</del> may <del>vary the firm's Part IV permission</del> to impose one or more of <u>As appropriate</u> , one or more of the following may be imposed on a <i>firm</i> : ...
5. The information concerning the circumstances of <del>the application for variation of Part IV permission</del> these applications and the confirmations a <i>firm</i> is required to give to the <del>FSA</del> <u>regulator(s) concerned</u> will differ according to the nature of the <i>bank</i> and its <del>Part IV permission</del> <u>Part 4A permission</u> . If appropriate, it may include, but will not necessarily be limited to: ...
<b>Dealing with residual deposits: general</b> 6. Where a <i>firm</i> has residual <i>deposits</i> which, for whatever reason, cannot be repaid, they may be protected by a number of different methods. The precise applicability of the courses to be followed depends upon the particular circumstances of the individual <i>firm</i> . The <del>FSA's</del> <u>appropriate regulator's</u> supervisory approach will be determined by the course of action taken.
<b>Holding funds on trust</b> 7. In some circumstances, it may be appropriate for the <i>firm</i> to make an irrevocable transfer of funds, at least equal to the total of its <i>deposits</i> , to an independent <i>trustee</i> to be held on <i>trust</i> for the benefit of the depositors. Any such proposal should be discussed in advance with the <del>FSA</del> <u>appropriate regulator</u> . The amount of funds held on trust should at all times exceed the total of all <i>deposits</i> , in order to provide for contingencies. Trust account arrangements are appropriate only in respect of solvent institutions. The <i>guidance</i> in paragraph 13 of this section applies in most cases.
8. .... (2) The <i>trustee</i> should be an independent and appropriately qualified third party, nominated by the institution and acceptable to the <del>FSA</del> <u>appropriate regulator</u> . ...



<p>(b) The <i>FSA appropriate regulator</i> should be consulted about, or pre-notified of, a potential change of trustee.</p> <p>(c) Trustees are responsible for fulfilling their obligations under the trust deed. In practice, the <i>FSA appropriate regulator</i> may wish to point out that certain factors need to be given consideration by the trustees and the institution (for example, the procedures for paying out to depositors).</p>
<p>9. The <i>FSA appropriate regulator</i> would require to see an opinion by the <i>firm's</i> legal advisers, confirming the validity and enforceability of the <i>trust</i> and in particular specifying the extent (if any) to which the trust arrangements may be set aside in future. The <i>FSA appropriate regulator</i> reserves the right to request sight of the proposed trust documentation itself.</p>
<p>...</p>
<p>11. The trustee should not deposit, or otherwise invest, trust funds except in segregated accounts with third-party authorised institutions.</p>
<p>...</p> <p>(2) Auditors' reports, from the trust's auditors, should subsequently be obtained at intervals to demonstrate that funds in the trust continue to be at least equal to the remaining liabilities to depositors and that repayments have been properly made. The <i>firm</i> retains the ultimate responsibility to provide information to the <i>FSA appropriate regulator</i>.</p> <p>(3) The <i>FSA appropriate regulator</i> may, however, require the inclusion of a clause in the trust deed requiring the trustee to provide such information as may be requested.</p>
<p>...</p>

**6 Variation of permission application form**

**Annex 5D**

[FCA/  
PRA]

D This annex consists only of one or more forms. Forms are to be found through the following address:

*Supervision forms - ~~FSA/form\_links.jsp#supAnc~~ [\[web address to be inserted\]](#)*

**6 Cancellation of permission application form**

**Annex 6D**

[FCA/  
PRA]

D This annex consists only of one or more forms. Forms are to be found through the following address:

*Cancellation of permission application form - ~~FSA/docs/sup/cancellation\_form.doc~~ [\[web address to be inserted\]](#)*

Annex C

Designations & Regulator making new provision

Handbook Provision	Made, designated or not in force after legal cutover	Relevant regulator
SUP 6.1.1 G	Designated	FCA/PRA
SUP 6.1.2 G	Designated	FCA/PRA
SUP 6.1.3 G	Designated	FCA/PRA
SUP 6.1.3A G	Made	FCA/PRA
SUP 6.1.4 G	Designated	FCA/PRA
SUP 6.1.5 G	Designated	FCA/PRA
SUP 6.1.6 G	Made	FCA
SUP 6.2.1 G	Designated	FCA/PRA
SUP 6.2.2 G	Designated	FCA/PRA
SUP 6.2.3 G	Not in force after legal cutover	
SUP 6.2.3A G	Made	FCA
SUP 6.2.3B G	Made	FCA/PRA
SUP 6.2.3C G	Made	FCA
SUP 6.2.3D G	Made	PRA
SUP 6.2.3E G	Made	PRA
SUP 6.2.4 G	Designated	FCA/PRA
SUP 6.2.4A G	Designated	FCA/PRA
SUP 6.2.4B G	Made	FCA/PRA
SUP 6.2.5 G	Designated	FCA/PRA
SUP 6.2.6 G	Designated	FCA/PRA
SUP 6.2.7 G	Designated	FCA/PRA
SUP 6.2.8 G	Designated	FCA/PRA
SUP 6.2.9 G	Designated	FCA/PRA
SUP 6.2.10 G	Designated	FCA/PRA
SUP 6.2.10A G	Made	FCA/PRA

SUP 6.2.11 G	Designated	FCA/PRA
SUP 6.2.12 G	Designated	FCA/PRA
SUP 6.2.13 G	Designated	FCA/PRA
SUP 6.2.14 G	Designated	FCA/PRA
SUP 6.3.1 G	Not in force after legal cutover	
SUP 6.3.1A G	Made	FCA
SUP 6.3.1B G	Made	FCA/PRA
SUP 6.3.1C G	Made	PRA
SUP 6.3.2 G	Not in force after legal cutover	
SUP 6.3.2A G	Made	FCA
SUP 6.3.2B G	Made	PRA
SUP 6.3.2C G	Made	FCA
SUP 6.3.2D G	Made	PRA
SUP 6.3.3 G	Designated	FCA/PRA
SUP 6.3.4 G	Designated	FCA/PRA
SUP 6.3.5 G	Designated	FCA/PRA
SUP 6.3.6 G	Designated	FCA/PRA
SUP 6.3.7 G	Designated	FCA/PRA
SUP 6.3.8 G	Designated	FCA/PRA
SUP 6.3.9 G	Not in force after legal cutover	
SUP 6.3.10 G	Not in force after legal cutover	
SUP 6.3.11 G	Designated	FCA/PRA
SUP 6.3.12 G	Designated	FCA/PRA
SUP 6.3.13 G	Designated	FCA/PRA
SUP 6.3.14 G	Designated	PRA
SUP 6.3.15 D	Designated	FCA/PRA
SUP 6.3.15A G	Designated	FCA/PRA

SUP 6.3.15B G	Made	PRA
SUP 6.3.16 G	Designated	FCA/PRA
SUP 6.3.17 G	Designated	FCA/PRA
SUP 6.3.18 G	Designated	FCA/PRA
SUP 6.3.19 G	Designated	FCA/PRA
SUP 6.3.20 G	Designated	FCA/PRA
SUP 6.3.21 G	Designated	FCA/PRA
SUP 6.3.22 G	Designated	FCA/PRA
SUP 6.3.23 G	Designated	FCA/PRA
SUP 6.3.24 G	Designated	FCA/PRA
SUP 6.3.25 G	Designated	FCA/PRA
SUP 6.3.26 G	Designated	FCA/PRA
SUP 6.3.27 G	Designated	FCA/PRA
SUP 6.3.28 G	Designated	FCA/PRA
SUP 6.3.28A G	Made	FCA
SUP 6.3.28B G	Made	FCA
SUP 6.3.28C G	Made	PRA
SUP 6.3.29 G	Designated	FCA/PRA
SUP 6.3.30 G	Designated	FCA/PRA
SUP 6.3.31 G	Designated	FCA/PRA
SUP 6.3.32 G	Not in force after legal cutover	
SUP 6.3.32A G	Made	FCA
SUP 6.3.32B G	Made	FCA
SUP 6.3.32C G	Made	FCA/PRA
SUP 6.3.33 G	Not in force after legal cutover	
SUP 6.3.33A G	Made	PRA
SUP 6.3.33B G	Made	PRA
SUP 6.3.33C G	Made	PRA

SUP 6.3.34 G	Designated	FCA/PRA
SUP 6.3.34A G	Made	FCA/PRA
SUP 6.3.35 G	Designated	FCA/PRA
SUP 6.3.36 G	Designated	FCA/PRA
SUP 6.3.36A G	Made	FCA/PRA
SUP 6.3.37 G	Designated	FCA/PRA
SUP 6.3.37A G	Made	FCA/PRA
SUP 6.3.38 G	Designated	FCA/PRA
SUP 6.3.39 G	Designated	FCA/PRA
SUP 6.3.40 G	Designated	FCA
SUP 6.3.41 G	Designated	FCA/PRA
SUP 6.3.42 G	Designated	FCA/PRA
SUP 6.3.43 G	Designated	FCA/PRA
SUP 6.4.1 G	Not in force after legal cutover	
SUP 6.4.1A G	Made	FCA
SUP 6.4.1B G	Made	PRA
SUP 6.4.2 G	Not in force after legal cutover	
SUP 6.4.2A G	Made	FCA
SUP 6.4.2B G	Made	PRA
SUP 6.4.3 G	Designated	FCA/PRA
SUP 6.4.4 G	Designated	FCA/PRA
SUP 6.4.5 D	Designated	FCA/PRA
SUP 6.4.5A G	Designated	FCA/PRA
SUP 6.4.5B G	Made	PRA
SUP 6.4.6 G	Designated	FCA/PRA
SUP 6.4.7 G	Designated	FCA/PRA
SUP 6.4.8 G	Designated	FCA/PRA
SUP 6.4.9 G	Designated	FCA/PRA

SUP 6.4.10 G	Designated	FCA
SUP 6.4.11 G	Designated	FCA
SUP 6.4.12 G	Designated	FCA/PRA
SUP 6.4.13 G	Designated	FCA/PRA
SUP 6.4.14 G	Designated	FCA/PRA
SUP 6.4.15 G	Designated	FCA/PRA
SUP 6.4.16 G	Designated	FCA/PRA
SUP 6.4.17 G	Designated	FCA/PRA
SUP 6.4.18 G	Designated	FCA/PRA
SUP 6.4.19 G	Designated	FCA/PRA
SUP 6.4.20 G	Designated	FCA/PRA
SUP 6.4.21 G	Designated	FCA/PRA
SUP 6.4.22 G	Designated	FCA/PRA
SUP 6.4.23 G	Designated	FCA/PRA
SUP 6.4.24 G	Designated	FCA/PRA
SUP 6.4.25 G	Designated	FCA/PRA
SUP 6.4.26 G	Designated	FCA
SUP 6.4.27 G	Designated	FCA/PRA
SUP 6.4.27A G	Made	FCA
SUP 6.4.28 G	Designated	FCA/PRA
SUP 6.4.29 G	Designated	FCA
SUP 6.5.1 G	Designated	FCA/PRA
SUP 6.5.2 G	Not in force after legal cutover	
SUP 6.5.2A G	Made	FCA
SUP 6.5.2B G	Made	PRA
SUP 6 Annex 1 G	Not in force after legal cutover	
SUP 6 Annex 2 G	Not in force after legal cutover	

SUP 6 Annex 3 G	Not in force after legal cutover	
SUP 6 Annex 4.1 G	Designated	FCA/PRA
SUP 6 Annex 4.2 G	Designated	FCA/PRA
SUP 6 Annex 4.3 G	Designated	FCA/PRA
SUP 6 Annex 4.4 G	Designated	FCA/PRA
SUP 6 Annex 4.5 G	Designated	FCA/PRA
SUP 6 Annex 5 D	Designated	FCA/PRA
SUP 6 Annex 6 D	Designated	FCA/PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable	Section 85	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
securities without approved prospectus)		
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of	Section 96C	None



Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
trading)		
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc)	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	None.
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None



**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395

**SCHEDULE A**

**Part 5**

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

