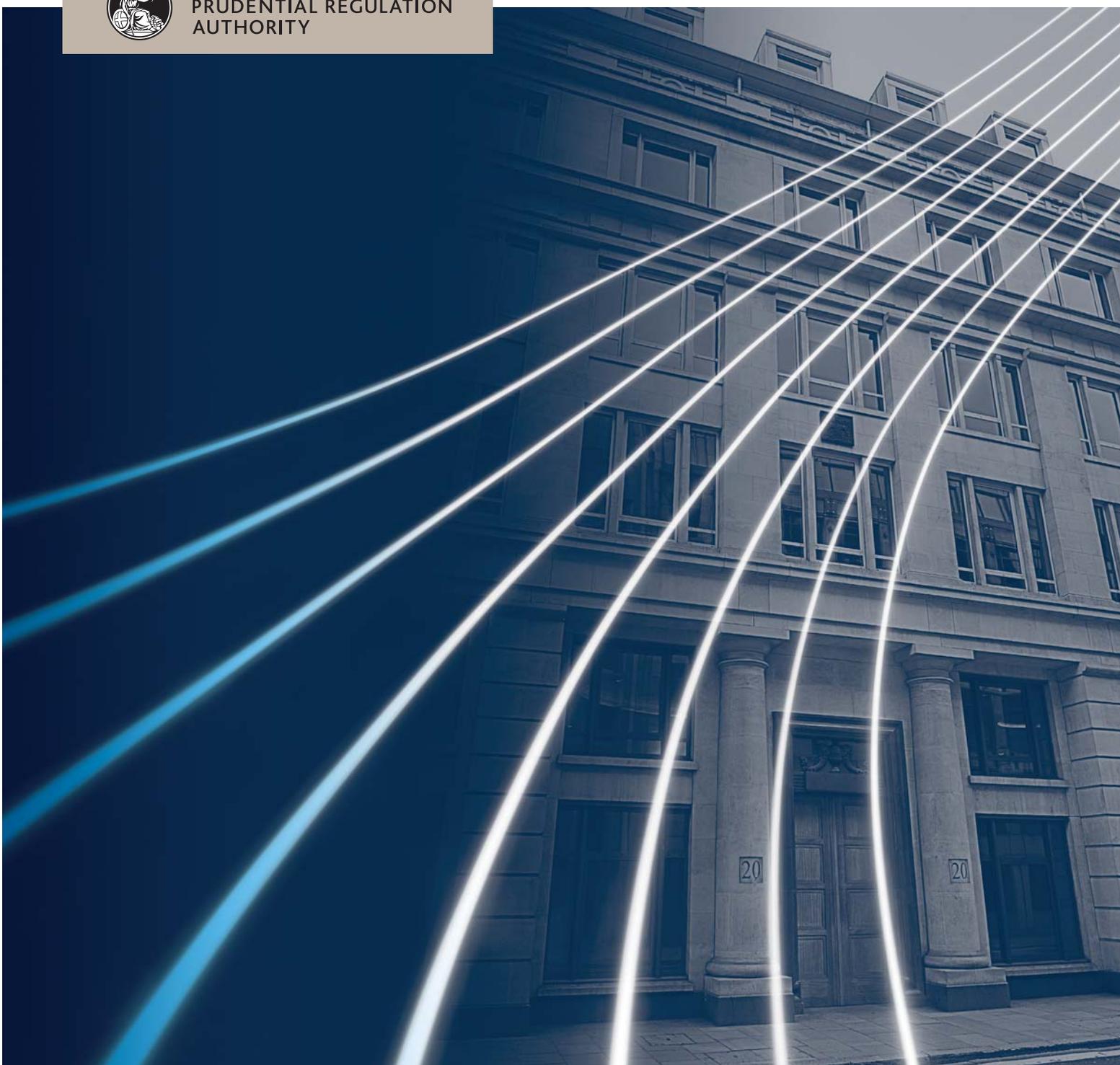


Policy Statement | PS5/14  
**The PRA Rulebook**

June 2014



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
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# The PRA Rulebook

June 2014



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## 1 Overview

1.1 This Prudential Regulation Authority (PRA) Policy Statement (PS) publishes final rules and provides feedback to the responses to the *Consultation Paper CP2/14*, 'The PRA Rulebook', January 2014.<sup>(1)</sup> It is relevant to all PRA-regulated firms.

1.2 Consideration of the responses to CP2/14 has resulted in changes to some of the draft instruments for Fundamental Rules, Information Gathering, Auditors, Lloyd's (Auditors and Actuaries), skilled persons and Notifications. A description of these changes is provided in Chapters 2, 3, 4, 5 and 6. In the case of all of the other instruments published here, no amendments have been made as a result of feedback received. In the case of all final rules, even where there has been an amendment, the impact will not differ significantly from that of the draft rules, either for mutual societies or other firms.

1.3 The Fundamental Rules support compliance with the PRA's existing rules to promote the safety and soundness of regulated firms, and, specifically for insurers, to contribute to the securing of an appropriate degree of policyholder protection. The other Rulebook changes do not make any substantive changes to policy. The proposed rules are neutral with respect to competition in the relevant markets.

1.4 Overall, the PRA received 18 responses, primarily from firms and trade bodies representing banks, the insurance market, building societies, credit unions, the PRA Practitioner Panel, and a society representing law firms. A summary of the feedback received and the PRA's response on the significant issues raised by respondents are integrated into the relevant chapters within this PS.

1.5 The PRA's final rules are set out in Appendices 2 to 9, and supervisory statement 7/14 on the use of skilled persons in Appendix 1. The statement of policy on the financial stability information power is published separately. The rules and policy have been made by the PRA Board and will come into force on 19 June 2014.

## 2. Fundamental Rules

2.1 The PRA received a number of responses to its proposals to replace its Principles for Businesses (the Principles) with new high-level rules (the Fundamental Rules). The PRA has now made a set of Fundamental Rules, as set out in Appendix 2, which differ from the draft consulted on in CP2/14, to deal with points raised by respondents, as detailed below.

2.2 The Fundamental Rules are high-level rules, which collectively set out the PRA's expectations of firms and act as an expression of the PRA's general objective of promoting the safety and soundness of regulated firms and insurance

objective of contributing to securing an appropriate degree of protection for those who are or may become policyholders. The Fundamental Rules are drafted to be a clearer expression of the PRA's expectations and to more closely reflect the PRA's underlying detailed rules than the Principles.

2.3 The Fundamental Rules apply proportionately to all PRA firms, taking into account the differences between sectors and between sizes of firms. This is consistent with Principle 2 of the Regulatory Principles, as set out in section 3B of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) (FSMA). The Fundamental Rules apply to firms from 19 June 2014 and will not be applied or enforced retrospectively. However, enforcement action will continue to be taken on cases for breaches of the Principles prior to the Fundamental Rules coming into force.

2.4 Alongside the approach documents<sup>(2)</sup> and the statutory Threshold Conditions (TCs), the Fundamental Rules are core to the PRA's supervisory approach and underpin the PRA Rulebook. As with the TCs, it is vital that boards and senior management understand the Fundamental Rules, and the more detailed underlying rules in the PRA Rulebook, and establish within their firms a culture that supports adherence to the spirit and letter of these requirements.

2.5 The PRA encourages firms to exercise judgement, and take responsibility for what the Fundamental Rules mean in relation to their business. The Fundamental Rules are high-level requirements and within their broad scope compliance can be achieved in different ways. However, as with all rules, should the PRA judge compliance to be inadequate or consider there to be a breach of the Fundamental Rules, the PRA will review potential supervisory actions accordingly.

2.6 The combined effect of the Fundamental Rules addresses the Parliamentary Commission on Banking Standards (PCBS) recommendation that the Principles should be amended to include a requirement that a bank must operate in accordance with the safety and soundness of the firm and that directors' responsibilities to shareholders are to be interpreted in the light of this requirement.

### General feedback

2.7 Some respondents raised the issue of different wording from the Financial Conduct Authority's (FCA) Principles. The separate statutory objectives of the FCA and the PRA necessitate some differences in policies and rules in order to advance the respective mandates of each regulator. The PRA

(1) [www.bankofengland.co.uk/pr/ Documents/publications/policy/2014/rulebookcon214.pdf](http://www.bankofengland.co.uk/pr/ Documents/publications/policy/2014/rulebookcon214.pdf).

(2) [www.bankofengland.co.uk/publications/Documents/praapproach/bankingappr1304.pdf](http://www.bankofengland.co.uk/publications/Documents/praapproach/bankingappr1304.pdf) and [www.bankofengland.co.uk/publications/Documents/praapproach/insuranceappr1304.pdf](http://www.bankofengland.co.uk/publications/Documents/praapproach/insuranceappr1304.pdf).

believes that the Fundamental Rules are better aligned with its objectives than the Principles. However, the version of the Fundamental Rules consulted on has been amended to ensure that these rules meet their intended purpose, and minimise any divergence in wording where it is possible to do so while preserving the overall goal of better alignment with the PRA's objectives. The scope of the FCA's Principles, and therefore the FCA's expectations and range of enforcement action, are not affected by the Fundamental Rules. The FCA and PRA will continue to co-ordinate across a range of regulatory activity, including sharing information and co-ordinating enforcement.

2.8 Some respondents requested additional guidance on the Fundamental Rules, in addition to clarity on the status of the material in CP2/14. The PRA's approach documents should be read alongside the Fundamental Rules as a detailed expression of the PRA's expectations. The approach documents and this PS should be referred to in order to assist firms in assessing their compliance with the Fundamental Rules rather than the text in CP2/14.

### Feedback on Fundamental Rules

**FR1 — A firm must conduct its business with integrity and**

**FR2 — A firm must conduct its business with due skill, care and diligence.**

2.9 These rules are the same as Principle 1 — *A firm must conduct its business with integrity* and Principle 2 — *A firm must conduct its business with due skill, care and diligence*. The draft version of FRs 1 and 2 have been revised following consultation so that they revert to the original Principle 1 and 2 wording.

Some respondents felt that the existing wording in Principles 1 and 2 should be reproduced verbatim in FRs 1 and 2. Given the scope of the application provisions for the Fundamental Rules, there is no substantive difference between 'act' and 'conduct its business' and therefore no benefit in the change.

**FR3 — A firm must act in a prudent manner.**

2.10 This is a new rule and remains unchanged by the consultation.

2.11 Respondents noted that the rule is broad and a qualification of the word 'prudent' would be useful, for example by the inclusion of a 'reasonableness' test or by additional guidance on the PRA's expectations.

2.12 Firms are already expected to act in a prudent manner; this new requirement reflects the TCs and the approach documents. The PRA believes that FR3 will not deter appropriate, controlled risk-taking and innovation, particularly where firms are acting in compliance with the other Fundamental Rules and the PRA's other requirements. The approach documents provide detailed guidance on how the PRA expects firms to act prudently across many aspects of

business and so should be read in conjunction with this rule. We therefore do not intend to produce any additional guidance or include a 'reasonableness' test with this rule.

2.13 FR3 makes a significant contribution to the combined effect of the Fundamental Rules which addresses the PCBS recommendation.

**FR4 — A firm must at all times maintain adequate financial resources.**

2.14 FR4 is derived from Principle 4 — *A firm must maintain adequate financial resources*. The inclusion of 'at all times' is in line with the requirements on firms in the Capital Requirements Directive (CRD IV) and proposed Solvency II requirements. FR4 remains unchanged following the consultation.

2.15 There were few responses to FR4. Insurers asked for clarity that the rule does not pose an additional requirement beyond that which is envisaged for Solvency II. Also, it was suggested that the addition of 'at all times' was superfluous as this is already implied.

2.16 While the PRA agrees that the existing form of wording in Principle 4 effectively requires that adequate financial resources must be maintained at all times, as drafted FR4 reflects the explicit requirements in the EU Capital Requirements Regulation,<sup>(1)</sup> the Internal Capital Adequacy Assessment Rules and General Prudential Sourcebook. This wording ensures that the Fundamental Rules are aligned with the wording used in the underlying detailed rules. FR4 does not impose an additional requirement for any PRA firms beyond that which is already required by applicable rules and legislation.

**FR5 — A firm must have effective risk strategies and risk management systems.**

2.17 This rule derives from Principle 3 — *A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems*. The draft version of FR5 has been revised following consultation with the deletion of the 'sound' stipulation, as it is unnecessary where a firm is required to 'control its affairs responsibly and effectively'.

2.18 Some respondents were concerned that enforcement of this rule may be based on a subjective assessment. It was queried whether a higher standard is expected of FR5 than Principle 3.

2.19 Determining whether firms have complied with the Fundamental Rules, more detailed PRA rules and with the PRA's expectations demands judgment based on evidence and

(1) Regulation (EU) No 575/2013.

analysis. As set out in the approach documents, the PRA already expects that firms should have robust frameworks for risk management and financial and operational control, which are commensurate with the nature, scale and complexity of their business to ensure that safety and soundness is maintained. Competent and, where appropriate, independent control functions should oversee these frameworks. Firms should have risk strategies that provide a structured and coherent approach to identifying, assessing and managing risk. Therefore, this rule aligns with the language of existing detailed rules, which generally utilise 'effective' throughout and which, in general, contain absolute requirements rather than reasonable care.

**FR6 — A firm must organise and control its affairs responsibly and effectively.**

2.20 FR6 derives from Principle 3 — *A firm must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.*

FR6 remains unchanged following the consultation.

2.21 As with FR5, FR6 aligns with existing detailed rules and so there is no change of expectation. It is primarily focused on effective internal governance. Compliance with this rule will vary in practice depending on the firm's size and complexity.

**FR7 — A firm must deal with the PRA in an open and co-operative way, and must disclose to the PRA appropriately anything relating to the firm of which the PRA would reasonably expect notice.**

2.22 FR7 derives from Principle 11 — *A firm must deal with its regulators in an open and co-operative way, and must disclose to the appropriate regulator appropriately anything relating to the firm of which that regulator would reasonably expect notice.*

The draft version of FR7 has been revised following the consultation.

2.23 The draft version of FR7 as consulted upon included the word 'timely' which is now omitted in the final rule. Timely disclosure is an implicit requirement of the FCA and the PRA's Principles; the intention in the draft version of FR7 was to make existing expectations explicit. However, the PRA believes that this addition is not necessary at this time. Respondents noted that a variation in wording may imply that firms are not required to make timely disclosure of relevant information when dealing with the FCA, which is not the case.

**FR8 — A firm must prepare for resolution so, if the need arises, it can be resolved in an orderly manner with a minimum disruption of critical services.**

2.24 This is a new rule and remains unchanged following the consultation. FR8 reflects the importance the PRA places on a firm's resolvability through resolution planning.

2.25 Respondents noted that given the differing application to banks compared to credit unions or insurers, it should be made clear that this rule is applied proportionately to firms authorised by the PRA. Insurers in particular asked for further clarity on the application of this rule.

2.26 With regard to insurers, the resolution regime is less advanced than that for deposit-takers. Recognising this, the approach document for insurers sets out the PRA's expectations of insurers with regard to resolution. At present, the PRA has made no detailed rules concerning the provision of resolution information to the PRA for insurers (unlike the rules applying to banks and investment firms). The PRA's discussions with insurers concerning the PRA's resolution plans therefore vary depending upon insurers' systemic importance, proximity to failure, or other reasons such as major transactions being contemplated.

2.27 The PRA therefore expects insurers to be responsive to such discussions as they take place, but appreciates that compliance with FR8 will need to be judged in the context of an insurer's own perception of its resolvability, absent any more detailed rules. As the resolution regime changes, FR8 will continue to capture the PRA's requirements of insurance firms. The PRA will consult as appropriate as requirements for insurers are developed in the future (whether domestically or internationally).

**FR9 — A firm must not knowingly or recklessly give the PRA information that is false or misleading in a material particular.**

2.28 FR9 will no longer be included in the Fundamental Rules as it is sufficiently covered in FSMA and other Fundamental Rules, in particular section 398 of FSMA, FR5, FR6 and FR7. In forming supervisory judgements, the PRA draws on a broad set of information and data. The PRA continues to view it as vital that firms take care in submitting sufficient data of appropriate quality to inform the PRA's judgments about regulatory risks. Firms should not view the deletion of FR9 as reducing the importance the PRA places on information submitted to it.

### 3 Information Gathering

3.1 The PRA received four responses to its proposals to replace rule and guidance material in Chapter 2 (Information gathering by the FCA or PRA on its own initiative) of the Supervision Manual (SUP) of the PRA Handbook, with a Rulebook Part, called Information Gathering.

3.2 Respondents suggested that the drafting of the version of rule 4.1 as consulted upon has the apparent effect that it would be open to the PRA to circumvent the statutory protection (set out in section 413 of FSMA), which rule 4.1(2) acknowledges exists in respect of protected items or privileged communications. The PRA does not intend that firms should

be required to disclose its protected items or privileged communications. The PRA has amended draft rule 4.1 to make it explicitly clear that this rule is subject to section 413 of FSMA. The PRA has also included the same qualification in rule 5.1.

3.3 Some respondents questioned the scope of the definition of 'personnel' in the draft rule 4.1(2). This draft rule is now omitted as the PRA considers that the requirement is captured by other rules within the Information Gathering Part of the Rulebook.

3.4 Respondents suggested that there should be an explicit reference in rule 5.1 to clarify that the same level of protection of confidentiality that was set out in SUP2.3.11G applies to rule 5.1. The PRA's obligations in relation to confidential information are set out in FSMA and associated secondary legislation and therefore it is not necessary to set out such an assurance in a rule.

## 4 Auditors and Lloyd's

### Auditors

4.1 The PRA received three responses to its proposals to replace rule and guidance material in Chapter 3 (Auditors) of SUP, with a Rulebook Part, called Auditors.

4.2 Respondents commented that draft rules 5.2(1) and 7.1 appear to extend beyond the intention of the corresponding guidance provisions that were set out at SUP 3.6.2G and 3.8.3G. The intention behind rules 5.2(1) and 7.1 remain the same as the previous guidance. The PRA has made some wording changes to rules 5.1, 5.1(1), 5.1(2) and 7.1 to clarify the scope of the rules in response to the comments received.

4.3 The PRA has also redrafted rule 7.2 to require auditors to co-operate with skilled persons directly appointed by the PRA.

### Lloyd's

4.4 The PRA received a response on the Rulebook Lloyd's Part, which suggested that the proposed glossary definition for 'syndicate' should relate to 'one or more members', rather than 'one or more persons', as 'members' has already been defined. The language as consulted upon is consistent with the language of other PRA provisions so this wording remains unchanged.

## 5 Use of skilled persons

5.1 The PRA received five responses to its proposals to replace rule and guidance material in Chapter 5 of SUP (Reports by skilled persons), with a Rulebook Part, called Use of skilled persons.

5.2 Respondents commented that the PRA's approach to supervision continues to make increased use of skilled person's

reports under section 166 of FSMA as a supervisory tool. Respondents also commented that the use of skilled persons is now far more routine (rather than exceptional) and has subjected smaller firms to very considerable cost on top of the substantial fees already paid.

5.3 The PRA is mindful of costs and takes into account a number of factors when considering the costs and benefits of commissioning each individual skilled person's report (see paragraph 2.8 of supervisory statement 7/14 on the use of skilled persons). In addition, if a firm is contracting directly with a skilled person it will conduct a competitive tender process.

5.4 Respondents were concerned that it seemed unfair that it will be the firm who will be deemed to have breached a rule if the skilled persons report is not delivered in a timely manner. The PRA acknowledges this concern and agrees that it might be unduly burdensome or unreasonable to require firms to take control of the skilled person's duty to deliver a timely report. The PRA has therefore amended draft rule 4.1 from 'must' to 'must take reasonable steps to ensure'.

## 6 Notifications

6.1 The PRA received four responses to its proposals to replace rule and guidance material in Chapter 15 (Notifications to the FCA or PRA) of SUP, with a Rulebook Part, called Notifications.

6.2 Respondents commented that the requirement in draft rule 2.2 to 'consider properly all the consequences of events' when notifying the PRA is too far reaching. Respondents also commented that it was not clear whether the word 'event' in the first line of draft rule 2.2 is intended to refer to those events in rule 2.1 (as it does in the second line of draft rule 2.2). This draft rule is now omitted as the PRA considers that it is an inherent requirement in rule 2.1 to consider properly all potential consequences of events.

6.3 One respondent questioned the rationale for guidance from SUP15.7.2G being redrafted as draft rule 7.2 because the need for the firm to consider the urgency and significance of a matter in notifying a PRA supervisory contact is an example of judgment being applied, which the respondent felt was inappropriate for a rule. While rules do not exclude judgment by firms, this rule has been deleted as it is sufficiently covered by rule 7.3.

6.4 Some respondents suggested that rule 2.3 was phrased in a way that might encourage firms to notify the PRA of all potential events, rather than those in rule 2.1. The PRA acknowledges this concern and has amended the wording of draft rule 2.3 to ensure that the events are limited to those set out in rule 2.1.

# Appendices

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1. Reports by skilled persons — SS7/14

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  2. PRA Rulebook: Fundamental Rules Instrument 2014

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  3. PRA Rulebook: Information Gathering Instrument 2014

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  4. PRA Rulebook: Auditors Instrument 2014

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  5. PRA Rulebook: Lloyd's (Auditors and Actuaries) Instrument 2014

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  6. PRA Rulebook: Permissions and Waivers Instrument 2014

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  7. PRA Rulebook: Use of skilled persons Instrument 2014

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  8. PRA Rulebook: Notifications Instrument 2014

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  9. Handbook (Rulebook Consequentials) Instrument (No 1) 2014



## Reports by skilled persons — SS7/14

### 1 Introduction

1.1 This supervisory statement is addressed to all firms regulated by the Prudential Regulation Authority (PRA). Its purpose is to set out the PRA's policy on and expectations for the use of the following powers as supervisory tools:

- (i) section 166 (Reports by skilled persons) of the Financial Services and Markets Act (FSMA); and
- (ii) section 166A (Appointment of skilled person to collect and update information) FSMA.

1.2 This statement is intended to be read together with the Use of skilled persons Part of the PRA Rulebook which sets out rules on the contract with the skilled person, and associated delivery and costs. Firms are also advised to read sections 166 and 166A of FSMA. This statement takes effect from 19 June 2014.

#### Who may be required to provide a report under sections 166 and 166A FSMA?

1.3 Under section 166 FSMA, the PRA may, by giving notice, appoint a skilled person to provide it with a report, or require any of the following persons ('relevant persons') to provide it with a skilled persons report:

- (i) an authorised firm ('firm');
- (ii) any other member of the firm's group;
- (iii) a partnership of which the firm is a member; or
- (iv) a person who has at any relevant time been a person falling within (1), (2) or (3); but only if the person is, or was at the relevant time, carrying on a business.

1.4 Under section 166A of FSMA, the PRA may require a firm to appoint, or may itself appoint, a skilled person to collect or update information.

#### The use of skilled persons as a supervisory tool

1.5 The appointment of a skilled person to produce a report under section 166 FSMA is one of the PRA's regulatory tools. The tool may be used:

- (i) for diagnostic purposes: to identify, assess and measure risks;
- (ii) for monitoring purposes: to track the development of identified risks, wherever these arise;
- (iii) for preventative action: to limit or reduce identified risks and so prevent them from crystallising or increasing; or

- (iv) for remedial action: to allow the PRA to respond to risks when they have crystallised.

1.6 The use of the tool could be prompted by:

- (i) a specific requirement by the PRA for information;
- (ii) an analysis of information undertaken by the PRA;
- (iii) an assessment of a situation by the PRA;
- (iv) expert advice or recommendations received by the PRA; or
- (v) a decision by the PRA to seek assurance in relation to a regulatory return.

1.7 The tool may also be used as part of the supervisory programme applicable to a firm, or the result of an event or development in relation to a firm, that is prompted by a need for verification of information provided to the PRA or part of the PRA's regular monitoring of a firm.

#### Collecting and updating information as a supervisory tool

1.8 The appointment of a skilled person to collect and update information under section 166A FSMA is another one of the PRA's regulatory tools. It may be used where the PRA considers that a firm has failed to collect, and keep up-to-date, information required by the PRA.

## 2 PRA considerations

2.1 When determining whether to use powers under section 166 or section 166A, the PRA will consider a range of factors relevant to the specific case. These factors include those covered under the headings below.

#### Circumstances relating to a firm

2.2 The PRA will consider circumstances relating to a firm, including, for example:

- (i) **the attitude of a firm:** whether the firm is being co-operative;
- (ii) **history of similar issues:** whether similar issues have arisen in the past and, if so, whether timely corrective action was taken;
- (iii) **quality of a firm's systems and records:** whether the PRA has confidence that a firm has the ability to provide the required information;
- (iv) **objectivity:** whether the PRA has confidence in a firm's willingness and ability to deliver an objective report;

- (v) **conflicts of interest:** whether the subject matter of the report involves actual or potential misconduct and it would be inappropriate for the PRA to rely on a firm itself to enquire into the matter; and
- (vi) **knowledge or expertise available to a firm:** whether the firm has the required technical expertise.

### Alternative and complementary tools available, including other statutory powers

2.3 The PRA will consider the relative effectiveness of the alternative and complementary tools available to achieve its objectives, including, for example:

- (i) non-statutory powers such as an informal PRA visit or information request;
- (ii) section 165 (Power to require information) FSMA;
- (iii) section 167 (Appointment of investigator in general cases) FSMA; or
- (iv) section 168 (Appointment of investigator in specific cases) FSMA.

2.4 If the objectives are limited to gathering historic information, or evidence for possible enforcement actions information gathering and investigation powers are likely to be more appropriate than the powers to use skilled person.

2.5 If the objectives include obtaining expert analysis or recommendations, or it is desirable to obtain an authoritative and independent report to use in any subsequent proceedings it may be appropriate to use the section 166 powers instead of, or in conjunction with, the PRA's other available powers.

### Cost considerations and objectives

2.6 Information about the number and cost of reports by skilled persons is published by the PRA on its website,<sup>(1)</sup> and its Annual Report respectively.

2.7 The PRA will be mindful of costs, particularly because a firm will normally have to pay for the services of the skilled person, irrespective of whether the skilled person is engaged by a firm or contracts directly with the PRA.

2.8 The PRA will take into account relevant factors when considering costs, including, for example:

- (i) whether a firm may derive some benefit from the work carried out and recommendations made by the skilled person (eg a better understanding of its business and its risk profile, the operation of its information systems, or improvements to its systems and controls);

- (ii) whether the work to be carried out by the skilled person is work that should otherwise reasonably have been carried out by a firm, or by persons instructed by a firm on its own initiative, for instance a compliance review or the development of new systems;
- (iii) whether a firm's record keeping and management information systems are poor and:
  - (a) the required information and documents are not readily available; or
  - (b) an analysis of the required information cannot readily be performed without expert assistance;
- (iv) the extent to which there appear to be risks that could threaten the safety and soundness of a firm or the protection of policyholders; and
- (v) the perceived probability and seriousness of possible breaches of regulatory requirements and the possible need for further action.

### Considerations relating to PRA resources

2.9 The PRA will consider whether it has the necessary expertise, whether the resources required are available within the PRA and whether the exercise will be the best use of PRA resources at the time.

## 3 Appointment of the skilled person

### Appointment

3.1 When the PRA is contracting directly with a skilled person it will itself appoint the skilled person. Where it is considered appropriate for a firm to contract with a skilled person, the PRA may nominate the skilled person or where the firm is asked to propose a skilled person, the PRA will direct the firm to the skilled persons in the relevant lot(s) on the Panel and ask the firm to submit a shortlist of nominees for the PRA to approve. Where the firm is contracting with a skilled person, it remains a firm's responsibility to assess the individual appropriateness of the skilled person.

### Panel

3.2 To enable the PRA to use its power to appoint a skilled person in line with the European Procurement Directive and the Public Contracts Regulation 2006, a panel of skilled persons ('the Panel') has been developed for use by the PRA.

3.3 Where the PRA is contracting directly with the skilled person, the PRA will conduct a tender process, where

(1) [www.bankofengland.co.uk/pr/Pages/supervision/activities/reportsskilledpersons.aspx](http://www.bankofengland.co.uk/pr/Pages/supervision/activities/reportsskilledpersons.aspx).

appropriate, to identify the most suitable skilled person. This will include the considerations detailed below.

### Skills, resources and conflicts of interest

3.4 When considering whether to nominate, approve or appoint a skilled person, the PRA will consider the circumstances of the case, including whether the proposed skilled person appears to have:

- (i) **the necessary skills and any relevant specialised knowledge:** relating to the business model of the firm and the particular subject matter area;
- (ii) **sufficient resources:** to complete the report or collect or update the information within the time expected by the PRA;
- (iii) **any professional difficulty, potential conflict of interest, or insufficient detachment:** such matters would include:
  - (a) matters already reported on by the skilled person (for example, on the financial statements of a firm or in relation to their systems and controls);
  - (b) matters that are likely to be contentious and may result in disciplinary or other enforcement action against a firm, its management, shareholders or controllers; or
  - (c) matters that the skilled person has been involved in, in another capacity (for example, when a skilled person has been involved in developing an information system it may not be appropriate for them to provide a subsequent opinion on the adequacy of the system).

## 4 Expectations of skilled persons

4.1 The PRA expects a skilled person to clarify or discuss any matters that are raised by the PRA regarding a contract before it is finalised.

4.2 The PRA expects the skilled person normally to give a periodic update on progress and issues during the engagement, the frequency of which is to be discussed with the PRA. This should allow for a re-focusing of the report if necessary.

4.3 The channel of communication would normally be directly between the skilled person and the PRA. The skilled person would usually be expected to keep the firm informed of any communication between the skilled person and the PRA. It may be appropriate for the skilled person to communicate matters of material significance to the PRA set out in the rule in Use of skilled persons 3.1(1)(b), without first informing the firm.

4.4 If the PRA is considering asking for additional information during the engagement, it will take into consideration the cost of the skilled person complying with the request and the benefit that the PRA may derive from the information. In most cases, the PRA will not need to request a skilled person to give it source data, documents and working papers. However, the PRA may do so when it reasonably believes that this information will be relevant to any investigation it may be conducting, or any action it may consider taking against the firm.

### Scope of report

4.5 The PRA will normally contact the relevant persons to discuss the PRA's requirements before finalising its notice to require a report or the updating or collection of information by a skilled person.

4.6 The PRA will give written notification to the relevant persons of the purpose of the report or collection or updating of information, its scope, the timetable for completion and any other relevant matters. The PRA will state the matters which the report is to contain, or the information which is to be collected or updated, as well as any requirements as to the report's format.

4.7 The PRA attaches importance to there being a timetable for each report and to the skilled person, with the co-operation of the relevant persons keeping to that timetable.

### Reporting

4.8 Where the skilled person is appointed by a firm, the PRA will normally require the skilled person to report to the PRA through that firm. Where the skilled person is to be appointed by the PRA itself, the skilled person will report directly to the PRA.

4.9 The skilled person is expected to provide the PRA with identical copies of any draft report or relevant information at the same time they are issued to the firm. The PRA expects that a firm will be given the opportunity to provide written comments on the report or the collection of the relevant information prior to its final submission to the PRA.

4.10 The PRA will normally specify a time limit within which it expects the skilled person to deliver the report or collect or update the relevant information.

4.11 If the skilled person becomes aware that the report, or collection or updating of the relevant information may not be delivered on time, they should inform the PRA and the firm as soon as possible. Where the skilled person is appointed by a firm and if the skilled person becomes aware that there may be difficulties delivering the report, or collecting or updating the relevant information within cost estimates, the skilled person should advise the firm.

4.12 The PRA may meet with the firm and the skilled person together to discuss the final report. The PRA may also wish to discuss the final report with the skilled person but without the regulated firm.

## 5 Assisting the skilled person

5.1 A firm is expected to provide reasonable assistance, which should include:

- (i) access at all reasonable business hours for the skilled person to a firm's accounting and other records in whatever form;
- (ii) the provision of such information and explanations as the skilled person reasonably considers necessary or desirable for the performance of his duties; and
- (iii) permitting a skilled person to obtain such information directly from a firm's auditor as he reasonably considers necessary or desirable for the proper performance of his duties.

5.2 In providing reasonable assistance, a firm should take reasonable steps to ensure that, when reasonably required by

the skilled person, each of its appointed representatives or where applicable tied agents waives any duty of confidentiality and provides reasonable assistance expected of a firm.

## 6 Confidential information and privilege

6.1 Within the legal constraints that apply, the PRA may pass on to a skilled person any information which it considers relevant to the skilled person's function. A skilled person, being a primary recipient under section 348 FSMA (Restrictions on disclosure of confidential information by PRA), is bound by the confidentiality provisions in Part XXIII FSMA (Public record, disclosure of information and co-operation) as regards confidential information the skilled person receives from the PRA or directly from a firm or other person.

6.2 A skilled person may not pass on confidential information without lawful authority, for example, where an exception applies under the FSMA (Disclosure of Confidential Information) Regulations 2001 (SI 2001/2188) or with the consent of the person from whom that information was received and (if different) the person to whom the information relates. The PRA will indicate to a skilled person if there is any matter which cannot be discussed with the firm.

**Appendix 2**

**PRA RULEBOOK: FUNDAMENTAL RULES INSTRUMENT 2014**

**Powers exercised**

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

**Pre-conditions to making**

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

**PRA Rulebook: Fundamental Rules Instrument 2014**

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

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Fundamental Rules Instrument 2014.

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

13 June 2014

## Annex A

## PRA RULEBOOK – GLOSSARY

Insert the following new definitions into the Glossary Part of the PRA Rulebook:

*ancillary activity*

means an activity which is not a *regulated activity* but which is:

- (1) carried on in connection with a *regulated activity*; or
- (2) held out as being for the purposes of a *regulated activity*.

*dealing in investments as principal*

means the *regulated activity* specified in Article 14 of the *Regulated Activities Order* (Dealing in investments as principal).

*EU instrument*

has the meaning given in Part II of Schedule 1 to the European Communities Act 1972.

*Fundamental Rules*

means the *rules* set out in Fundamental Rules 2.

*incoming EEA firm*

means an *EEA firm* which is exercising, or has exercised, its right to carry on a *regulated activity* in the *UK* in accordance with Schedule 3 of *FSMA*.

*incoming Treaty firm*

means a *Treaty firm* which is exercising, or has exercised, its right to carry on a *regulated activity* in the *UK* in accordance with Schedule 4 of *FSMA*.

*permission*

means permission to carry on *regulated activities*.

*regulatory system*

means the arrangements for regulating a *firm* or other *person* in or under *FSMA*, including the *threshold conditions*, the *Fundamental Rules* and other *rules*, the *Statements of Principle*, codes and *guidance* given by the *PRA* and including any relevant directly applicable provisions of a *EU Directive* or *Regulation*.

*top-up permission*

means a *Part 4A permission* given to an *incoming EEA firm* or an *incoming Treaty firm*.

*UK firm*

has the meaning given in paragraph 10 of Schedule 3 to *FSMA* (EEA Passport Rights).

**Annex B**

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

**Part**

# **FUNDAMENTAL RULES**

---

**Chapter content**

- 1. APPLICATION AND DEFINITIONS**
- 2. FUNDAMENTAL RULES**
- 3. RESTRICTIONS**
- 4. TRANSITIONAL PROVISIONS**

**Links**

## 1 APPLICATION AND DEFINITIONS

---

1.1 Unless otherwise stated, this Part applies to all *firms*.

1.2 In this Part, the following definitions shall apply:

*branch*

has the meaning specified in Article 4(1)(17) of the *CRR*.

*cross border services*

means:

- (1) (in relation to a *UK firm*) services provided within an *EEA State* other than the *UK* under the freedom to provide services; and
- (2) (in relation to an *incoming EEA firm* or an *incoming Treaty firm*) services provided within the *UK* under the freedom to provide services.

*prudential context*

means, in relation to activities carried on by a *firm*, the context in which the activities have, or might reasonably be regarded as likely to have, a negative effect on:

- (1) the safety and soundness of *firms*; or
- (2) the ability of the *firm* to meet either:
  - (a) the "fit and proper" test in *threshold conditions* 4E and 5E (Suitability); or
  - (b) the applicable requirements and standards under the *regulatory system* relating to the *firm's* financial resources.

## 2 FUNDAMENTAL RULES

---

2.1 *Fundamental Rule 1: A firm must conduct its business with integrity.*

2.2 *Fundamental Rule 2: A firm must conduct its business with due skill, care and diligence.*

2.3 *Fundamental Rule 3: A firm must act in a prudent manner.*

2.4 *Fundamental Rule 4: A firm must at all times maintain adequate financial resources.*

2.5 *Fundamental Rule 5: A firm must have effective risk strategies and risk management systems.*

2.6 *Fundamental Rule 6: A firm must organise and control its affairs responsibly and effectively.*

2.7 *Fundamental Rule 7: A firm must deal with its regulators in an open and cooperative way and must disclose to the PRA appropriately anything relating to the firm of which the PRA would reasonably expect notice.*

2.8 *Fundamental Rule 8: A firm must prepare for resolution so, if the need arises, it can be resolved in an orderly manner with a minimum disruption of critical services.*

### 3 RESTRICTIONS

---

- 3.1 The *Fundamental Rules* apply to every *firm*, except that:
- (1) for an *incoming firm*, the *Fundamental Rules* apply only in so far as responsibility for the matter in question is not reserved by an *EU instrument* to the *firm's home state regulator*;
  - (2) for an *incoming EEA firm* that is a *credit institution* without a *top-up permission*, *Fundamental Rule 4* applies only in relation to the liquidity of a *branch* established in the *UK*; and
  - (3) for an *incoming EEA firm* that has *permission* only for *cross border services* and does not carry on *regulated activities* in the *UK*, the *Fundamental Rules* do not apply.
- 3.2 A *firm* will not be subject to a *Fundamental Rule* to the extent that it would be contrary to the *UK's* obligations under *EU* legislation.
- 3.3 The *Fundamental Rules* apply with respect to the carrying on of:
- (1) *regulated activities*;
  - (2) activities that constitute *dealing in investments as principal*, disregarding the exclusion in Article 15 of the *Regulated Activities Order* (Absence of holding out etc); and
  - (3) *ancillary activities* in relation to *PRA-regulated activities*.
- 3.4 *Fundamental Rules* 3, 4, 5, 6, 8 and (in so far as it relates to disclosing to the *PRA*) 7 (and this chapter) also:
- (1) apply with respect to the carrying on of *unregulated activities* (for *Fundamental Rules* 5, 6 and 8 this is only in a *prudential context*); and
  - (2) take into account any activity of other members of a *group* of which the *firm* is a member.
- 3.5 The *Fundamental Rules* apply with respect to activities wherever they are carried on.
- 3.6 Where *Fundamental Rule 7* refers to regulators, this means, in addition to the *PRA*, other regulators with recognised jurisdiction in relation to *regulated activities*, whether in the *UK* or abroad.

### 4 TRANSITIONAL PROVISIONS

---

- 4.1 Each *rule* in the Principles for Businesses module of the *PRA Handbook* continues to apply in relation to any act or omission before the date on which this Part came into force.
- 4.2 Anything done, or having effect as done, under or for the purposes of any *rule* in the Principles for Businesses module of the *PRA Handbook* has effect after the date on which this Part came into force as if done under or for the purposes of any substantially similar *rule* in this Part.

**Appendix 3**

**PRA RULEBOOK: INFORMATION GATHERING INSTRUMENT 2014**

**Powers exercised**

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

**Pre-conditions to making**

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

**PRA Rulebook: Information Gathering Instrument 2014**

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

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Information Gathering Instrument 2014.

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

13 June 2014

Annex A

PRA RULEBOOK – GLOSSARY

Insert the following new definitions in the Glossary Part of the PRA Rulebook:

*Capital Requirements Regulations*

means the Capital Requirements Regulations 2013 (SI 2013/3115).

*employee*

means an individual:

- (1) who is employed or appointed by a *person* in connection with that *person's* business, whether under a contract of service or for services or otherwise;  
or
- (2) whose services, under an arrangement between that *person* and a third party, are placed at the disposal and under the control of that *person*.

*material outsourcing*

means outsourcing services of such importance that weakness, or failure, of the services would cast serious doubt upon the *firm's* continuing satisfaction of the *threshold conditions* or compliance with the *Fundamental Rules*.

*relevant legislation*

means:

- (1) *FSMA*;
- (2) the *Capital Requirements Regulations*;
- (3) any other *enactment*; or
- (4) any directly applicable *EU* regulation.

## Annex B

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

Part

# INFORMATION GATHERING

---

Chapter content

1. APPLICATION
2. COOPERATION
3. ACCESS TO PREMISES
4. ACCESS TO DOCUMENTS AND PERSONNEL
5. INFORMATION REQUESTED ON BEHALF OF OTHER REGULATORS

Links

## 1 APPLICATION

---

- 1.1 This Part applies to every *firm*.

## 2 COOPERATION

---

- 2.1 A *firm* must take reasonable steps to ensure that its agents, *appointed representatives* and suppliers under *material outsourcing* arrangements deal in an open, cooperative and timely way with the *PRA* in the discharge of its functions under any *relevant legislation* in relation to the *firm*.

## 3 ACCESS TO PREMISES

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- 3.1 A *firm* must permit any representative or appointee of the *PRA* to have access, with or without notice, during reasonable business hours to any of its business premises, in relation to the discharge of the *PRA*'s functions under any *relevant legislation*.
- 3.2 A *firm* must take reasonable steps to ensure that its agents, *appointed representatives* and suppliers under *material outsourcing* arrangements permit any representative or appointee of the *PRA* to have access, with or without notice, during reasonable business hours to any of its business premises, in relation to the discharge of the *PRA*'s functions under any *relevant legislation* in relation to the *firm*.

## 4 ACCESS TO DOCUMENTS AND PERSONNEL

---

- 4.1 Subject to section 413 of *FSMA*, a *firm* must, in relation to the discharge of the *PRA*'s functions under any *relevant legislation*:
- (1) permit any representative or appointee of the *PRA* to have access to any document that the *PRA* reasonably requests;
  - (2) make itself readily available to meet any representative or appointee of the *PRA* as the *PRA* reasonably requests; and
  - (3) answer truthfully, fully and promptly all questions reasonably put to it by any representative or appointee of the *PRA*.
- 4.2 Subject to section 413 of *FSMA*, a *firm* must, in relation to the discharge of the *PRA*'s functions under any *relevant legislation*, take reasonable steps to ensure that the following *persons* act in the manner set out in 4.1 in relation to the *firm*:
- (1) its *employees*, agents and *appointed representatives*; and
  - (2) any other members of its *group*, and their *employees* and agents.

## 5 INFORMATION REQUESTED ON BEHALF OF OTHER REGULATORS

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- 5.1 Subject to section 413 of *FSMA*, a *firm* must cooperate with the *PRA* in providing information at the request of another regulator to enable that regulator to discharge its functions properly.

**Appendix 4**

**PRA RULEBOOK: AUDITORS INSTRUMENT 2014**

**Powers exercised**

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
- (1) section 137G (the PRA's general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 340(1) and (4) (Appointment: requirements on firms);
  - (4) section 340(3A) (Appointment: requirements as to co-operation); and
  - (5) section 340(6) and (7) (Appointment: qualifications of auditors).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Pre-conditions to making**

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

**PRA Rulebook: Auditors Instrument 2014**

- D. The PRA makes the rules in Annex A and Annex B to this instrument.

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Auditors Instrument 2014.

**By order of the Board of the Prudential Regulation Authority**  
13 June 2014

## Annex A

Insert the following new definitions in the Glossary Part of the PRA Rulebook.

### *guidance*

means guidance given by the *PRA* in the form of supervisory statements or otherwise.

### *internal controls*

means the whole system of controls, financial or otherwise, established by the management of a *firm* in order to:

- (1) carry on the business of the *firm* in an orderly and efficient manner;
- (2) ensure adherence to management policies;
- (3) safeguard the assets of the *firm* and other assets for which the *firm* is responsible; and
- (4) secure as far as possible the completeness and accuracy of the *firm's* records (including those necessary to ensure continuous compliance with the requirements or standards under the *regulatory system* relating to the adequacy of the *firm's* financial resources).

### *Statement of Principle*

means one of the Statements of Principle issued by the *PRA* under section 64(1A) of *FSMA* (Conduct: statements and codes) with respect to the conduct of approved persons .

## Annex B

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

Part

# AUDITORS

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## Chapter content

1. APPLICATION
2. APPOINTMENT OF AUDITORS
3. AUDITORS' QUALIFICATIONS
4. AUDITORS' INDEPENDENCE
5. FIRMS' COOPERATION WITH THEIR AUDITORS
6. NOTIFICATION OF MATTERS RAISED BY AUDITORS
7. DUTIES OF AUDITORS

Links

## 1 APPLICATION

---

- 1.1 This Part applies to:
- (1) every *firm*, except for an *incoming firm* that does not have a *top-up permission*; and
  - (2) the external auditor of such a *firm* (if appointed under 2 or appointed under or as a result of a statutory provision other than in *FSMA*).
- 1.2 In 1.1, where *firm* refers to a *managing agent*, it applies in respect of the *managing agent's* own business and in respect of the *insurance business* of each *syndicate* that the *managing agent* manages.

## 2 APPOINTMENT OF AUDITORS

---

- 2.1 A *firm* must:
- (1) appoint an auditor;
  - (2) when it becomes aware that a vacancy in the office of auditor will arise or has arisen:
    - (a) notify the *PRA*; and
    - (b) give reasons for the vacancy,without delay, using the form referred to in Notifications 10.3;
  - (3) appoint an auditor to fill any vacancy in the office of auditor;
  - (4) ensure that the replacement auditor can take up office at the time the vacancy arises or as soon as reasonably practicable after that; and
  - (5) when a new auditor is appointed:
    - (a) notify the *PRA* of that appointment; and
    - (b) advise the *PRA* of the name and business address of the auditor appointed and the date from which the appointment has effect,using the form referred to in Notifications 10.3.
- 2.2 Where a *firm* that is not under an obligation to appoint an auditor imposed by an *enactment* other than *FSMA* fails to appoint an auditor within 28 days of a vacancy arising, the *PRA* may appoint an auditor for that *firm* on the following terms:
- (1) the auditor to be remunerated by the *firm* on the basis agreed between the auditor and *firm* or, in the absence of agreement, on a reasonable basis; and
  - (2) the auditor to hold office until he resigns or the *firm* appoints another auditor.
- 2.3 A *firm* must comply with and is bound by the terms on which an auditor has been appointed by the *PRA*.

## 3 AUDITORS' QUALIFICATIONS

---

- 3.1 Before a *firm* appoints an auditor, it must take reasonable steps to ensure that the auditor:

- (1) has the required skill, resources and experience to perform its functions under the *regulatory system* commensurate with the nature, scale and complexity of the *firm's* business and the requirements and standards under the *regulatory system* to which it is subject; and
  - (2) is eligible for appointment as an auditor under any applicable laws.
- 3.2 A *firm* must not appoint as auditor a *person* who is disqualified under Part XXII of *FSMA* (Auditors and Actuaries) from acting as an auditor either for that *firm* or for a relevant class of *firm*.
- 3.3 A *firm* must take reasonable steps to ensure that an auditor, which it is planning to appoint or has appointed, provides information to the *PRA* about the auditor's qualifications, skills, experience and independence in accordance with the reasonable requests of the *PRA*.

#### 4 AUDITORS' INDEPENDENCE

---

- 4.1 A *firm* must take reasonable steps to ensure that the auditor which it appoints is independent of the *firm*.
- 4.2 If a *firm* becomes aware at any time that its auditor is not independent of the *firm*, it must take reasonable steps to ensure that it has an auditor independent of the *firm*. The *firm* must notify the *PRA* if independence is not achieved within a reasonable time.

#### 5 FIRMS' COOPERATION WITH THEIR AUDITORS

---

- 5.1 A *firm* must cooperate with its auditor in the discharge of the auditor's duties under this Part. In complying with this rule, and in each case subject to section 413 of *FSMA* (Protected items):
- (1) a *firm* must give its auditor a right of access at all times to the *firm's* accounting and other records, in whatever form they are held, and *documents* relating to its business; and
  - (2) a *firm* must allow its auditor to copy *documents* or other material on the premises of the *firm* and to remove copies or hold them elsewhere, or give the auditor such copies on request.
- 5.2 A *firm* must take reasonable steps to ensure that:
- (1) each of its:
    - (a) *appointed representatives*;
    - (b) suppliers under a *material outsourcing* arrangement; and
    - (c) *tied agents*,

where applicable, gives the *firm's* auditor the same rights of access to their own books, accounts and vouchers, and entitlement to information and explanations from their officers as are given in respect of the *firm* by section 341 of *FSMA* (Access to books etc); and
  - (2) all its employees cooperate with its auditor in the discharge of the duties of the auditor under this Part,

in each case subject to section 413 of *FSMA* (Protected items).

## 6 NOTIFICATION OF MATTERS RAISED BY AUDITORS

---

- 6.1 A *firm* must notify the *PRA* if the *firm* expects, or knows, that the auditor will qualify the report on the audited annual financial statements or include any emphasis of matter.

## 7 DUTIES OF AUDITORS

---

- 7.1 An auditor of a *firm* must cooperate with the *PRA* in the discharge of its functions under any *relevant legislation* including by attending such meetings and supplying such information as the *PRA* reasonably requests about the firm to enable the *PRA* to discharge its functions under any *relevant legislation*.
- 7.2 An auditor of a *firm* must give a *skilled person* appointed by the *firm* or appointed by the *PRA* in respect of the *firm* all assistance that *person* reasonably requires.
- 7.3 An auditor of a *firm* must be independent of the *firm* when performing duties in respect of that *firm*.
- 7.4 An auditor of a *firm* must take reasonable steps to be satisfied that no conflict of interest exists in respect of that *firm* from which bias may reasonably be inferred. The auditor must take appropriate action where this is not the case.
- 7.5 An auditor must notify the *PRA* without delay if the auditor:
- (1) is removed from office by a *firm*;
  - (2) is formally notified of such removal from office;
  - (3) resigns before the term of office expires;
  - (4) is not re-appointed by a *firm*; or
  - (5) is disqualified from being the auditor of:
    - (a) any *undertaking* or particular class of *undertaking*; or
    - (b) any *firm* or particular class of *firm*.
- 7.6 In the circumstances set out in 7.5, the auditor must notify the *PRA* without delay:
- (1) of any matter connected with the removal or ceasing of the office of auditor that the auditor thinks ought to be drawn to the *PRA*'s attention; or
  - (2) that there is no such matter.

**Appendix 5**

**PRA RULEBOOK: LLOYD'S (ACTUARIES AND AUDITORS) INSTRUMENT 2014**

**Powers exercised**

- A. The Prudential Regulation Authority ("PRA") makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 ("the Act"):
- (1) section 137G (The PRA's general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 316(1) (Direction by a regulator).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA) and section 319 of the Act (Consultation), the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and the proposed direction and had regard to representations made.

**PRA Rulebook: Lloyd's (Actuaries and Auditors) Instrument 2014**

- D. The PRA makes the rules in Annex A and Annex B to this instrument and gives the direction in Annex B to this instrument.

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Lloyd's (Actuaries and Auditors) Instrument 2014.

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

13 June 2014

**Annex A**

Insert the following new definitions into the Glossary Part of the PRA Rulebook:

*actuarial body*

means the Institute and Faculty of Actuaries.

*actuary*

means a fellow of an *actuarial body* or (in connection with *general insurance business*) a Fellow of the Casualty Actuarial Society who is a member of an *actuarial body*.

*carrying out contracts of insurance*

means the *regulated activity* specified in article 10(2) of the *Regulated Activities Order* (Effecting and carrying out contracts of insurance).

*contracts of general insurance*

has the meaning given in article 3(1) of the *Regulated Activities Order*.

*contracts of long-term insurance*

has the meaning given in article 3(1) of the *Regulated Activities Order*.

*Council*

means the governing body of the *Society* constituted by section 3 of the Lloyd's Act 1982.

*effecting contracts of insurance*

means the *regulated activity* specified in article 10(1) of the *Regulated Activities Order* (Effecting and carrying out contracts of insurance).

*general insurance business*

the business of *effecting contracts of insurance* or *carrying out contracts of insurance* in each case in relation to *contracts of general insurance* only.

*long-term insurance business*

the business of *effecting contracts of insurance* or *carrying out contracts of insurance* in each case in relation to *contracts of long-term insurance* only.

*managing agent*

has the meaning given in article 3(1) of the *Regulated Activities Order*.

*member*

means a *person* admitted to membership of the *Society* or any *person* by law entitled or bound to administer its affairs.

*PRA Handbook*

means the *PRA's Handbook of rules and guidance*.

*syndicate*

means one or more *persons*, to whom a particular *syndicate* number has been assigned by or under the authority of the *Council*, *carrying out contracts of insurance* or *effecting contracts of insurance* written at Lloyd's.

## Annex B

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

Part

# LLOYD'S: ACTUARIES AND AUDITORS

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Chapter content

1. DEFINITION
2. AUDITORS AND ACTUARIES DIRECTION

Links

## 1 DEFINITIONS

---

1.1 In this Part the following definition applies:

*insurance business*

means the *regulated activities of effecting contracts of insurance or carrying out contracts of insurance* written at Lloyd's.

## 2 AUDITORS AND ACTUARIES DIRECTION

---

- 2.1 (1) The *PRA* directs that, with effect from 19 June 2014, Part XXII of *FSMA* (Auditors and Actuaries) applies to the carrying on of *insurance business* by *members* as modified by (2).
- (2) Regulations made by *the Treasury* under section 342(5) and section 343(5) of Part XXII of *FSMA* apply only to *actuaries* appointed by a *managing agent* in respect of the *insurance business* of a *syndicate*, in relation to the *long-term insurance business* of that *syndicate*.
- (3) In Part XXII of *FSMA* (Auditors and Actuaries) as applied by this direction:
- (a) a reference to an auditor of an *authorised person* is to be read as including an auditor appointed by a *managing agent* in respect of the *insurance business* of a *syndicate*; and
  - (b) a reference to an *actuary* acting for an *authorised person* is to be read as including an *actuary* appointed by a *managing agent* in respect of the *insurance business* of a *syndicate*.
- 2.2 The direction in SUP 3.1.13D of the *PRA Handbook* continues to have effect from the date specified in that direction to the date on which the direction in 2.1 has effect.

**Appendix 6**

**PRA RULEBOOK: PERMISSIONS AND WAIVERS INSTRUMENT 2014**

**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers;
  - (3) section 55U(4) (Applications under Part 4A FSMA);and
  - (4) section 138A(3) (Modification or waiver of rules).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Pre-conditions to making**

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

**PRA Rulebook: Permissions and Waivers Instrument 2014**

- D. The PRA makes the rules and gives the directions in the Annex to this instrument.

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Permissions and Waivers Instrument 2014.

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

13 June 2014

## Annex A

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

Part

# PERMISSIONS AND WAIVERS

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## Chapter content

1. APPLICATION AND DEFINITIONS
2. APPLICATIONS TO VARY AND CANCEL PART 4A PERMISSION
3. APPLICATIONS TO IMPOSE, VARY AND CANCEL REQUIREMENTS
4. WAIVER AND MODIFICATION OF RULES
5. CHANGES TO INFORMATION, ADDITIONAL INFORMATION AND NOTIFICATION OF ALTERED CIRCUMSTANCES

## 1 APPLICATION AND DEFINITIONS

---

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

1.2 In this Part, the following definitions shall apply:

*requirement*

means a requirement imposed by the *PRA* on a *firm* under section 55M of *FSMA* (Imposition of requirements by *PRA*).

*waiver*

means a direction waiving or modifying a *rule*, given by the *PRA* under section 138A of *FSMA* (Modification or waiver of rules).

## 2 APPLICATIONS TO VARY AND CANCEL PART 4A PERMISSION

---

2.1 This Chapter applies to every *firm* that wishes to:

(1) vary its *Part 4A permission*; or

(2) cancel its *Part 4A permission*.

2.2 The *PRA* directs that a *firm* other than a *credit union* wishing to make an application to vary or cancel a *Part 4A permission* apply online using the form specified on the *ONA system*, unless otherwise advised by the *PRA*.

2.3 Where the *ONA system* fails and is unavailable for 24 hours or more, the *PRA* directs that a *firm* which is required to make an application in the manner set out in 2.2 make the application by using the relevant form on the *PRA*'s website and submit it using one of the alternative ways set out in Notifications 7.4.

2.4 The *PRA* directs that a *credit union* wishing to make an application to vary or cancel a *Part 4A permission* submit the relevant form on the *PRA*'s website using one of the alternative ways set out in Notifications 7.4.

2.5 Where a *firm* has applied for cancellation of its *Part 4A permission*, it must demonstrate to the *PRA* that it has ceased or will cease carrying on all *regulated activities*.

## 3 APPLICATIONS TO IMPOSE, VARY AND CANCEL REQUIREMENTS

---

3.1 This Chapter applies to every *firm* that wishes to:

(1) have a new *requirement* imposed on it; or

(2) vary a *requirement* imposed on it; or

(3) cancel a *requirement* imposed on it.

3.2 The *PRA* directs that a *firm* other than a *credit union* wishing to make an application to impose, vary or cancel a *requirement* apply online using the form specified on the *ONA system*, unless otherwise advised by the *PRA*.

3.3 Where the *ONA system* fails and is unavailable for 24 hours or more, the *PRA* directs that a *firm* which is required to make an application under 3.2 make the application by using the relevant form on the *PRA*'s website and submit it using one of the alternative ways set out in Notifications 7.4.

- 3.4 The *PRA* directs that a *credit union* wishing to make an application to impose, vary or cancel a *requirement* submit the relevant form on the *PRA*'s website using one of the alternative ways set out in Notifications 7.4.

#### **4 WAIVER AND MODIFICATION OF RULES**

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- 4.1 This Chapter applies to every *firm* or *person* who is subject to *PRA rules*.
- 4.2 The *PRA* directs that a *firm* or *person* wishing to apply for a *waiver* must complete the relevant form on the *PRA*'s website and submit it in the way set out in Notifications 7.4 unless otherwise advised by the *PRA*.

#### **5 CHANGES TO INFORMATION, ADDITIONAL INFORMATION AND NOTIFICATION OF ALTERED CIRCUMSTANCES**

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- 5.1 Until an application under this Part has been determined, a *firm* or *person* who submits the application must immediately notify the *PRA* of any significant change to the information provided in the application.
- 5.2 A *firm* or *person* which has applied for or has been granted a *waiver* must immediately notify the *PRA* if it becomes aware of any matter which could affect the continuing relevance or appropriateness of the application of the *waiver*.

**Appendix 7**

**PRA RULEBOOK: USE OF SKILLED PERSONS INSTRUMENT 2014**

**Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (the PRA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 166 (Reports by skilled persons); and
  - (4) section 166A (Appointment of skilled person to collect and update information).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Pre-conditions to making**

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

**PRA Rulebook: Use of Skilled Persons Instrument 2014**

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

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Use of Skilled Persons Instrument 2014.

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

13 June 2014

**Annex A**

In the Glossary Part of the PRA Rulebook, insert the following new definition:

*skilled person*

means a *person* appointed to:

- (1) make and deliver to the *PRA* a report as provided for by section 166 of *FSMA* (Reports by skilled persons); or
- (2) collect or update information as required by the *PRA* under section 166A of *FSMA* (Appointment of skilled person to collect and update information).

**Annex B**

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

**Part**

# **USE OF SKILLED PERSONS**

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**Chapter content**

- 1. APPLICATION AND DEFINITIONS**
- 2. COST OF THE SKILLED PERSON'S REPORT**
- 3. CONTRACT WITH THE SKILLED PERSON**
- 4. DELIVERY OF THE SKILLED PERSON'S REPORT TO THE PRA**

**Links**

## 1 APPLICATION AND DEFINITIONS

---

1.1 This Part applies to all *firms*.

1.2 In this Part, the following definition shall apply:

*relevant requirement*

has the meaning specified in section 204A(2) of *FSMA*.

## 2 COST OF THE SKILLED PERSON'S REPORT

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2.1 A *firm* must, including where applicable in complying with the *Fundamental Rules*, give the *PRA* information about the cost of the *skilled person's* report. This includes both an initial estimate of the cost as well as the cost of the completed report.

## 3 CONTRACT WITH THE SKILLED PERSON

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3.1 When a *firm* appoints a *skilled person* the *firm* must, in a contract with the *skilled person*:

- (1) require and permit the *skilled person* during and after the course of their appointment:
  - (a) to cooperate with the *PRA* in the discharge of its functions under *relevant legislation* in relation to the *firm*; and
  - (b) to communicate to the *PRA* information on, or the *skilled person's* opinion on, matters of which they have, or had, become aware in their capacity as *skilled person* reporting on the *firm* in the following circumstances:
    - (i) the *skilled person* reasonably believes, as regards the *firm* concerned:
      - (A) that there is or has been, or may be or may have been, a contravention of any *relevant requirement* that applies to the *firm* concerned; and
      - (B) that the contravention may be of material significance to the *PRA* in determining whether to exercise, in relation to the *firm* concerned, any functions conferred on the *PRA* by or under *relevant legislation*; or
    - (ii) the *skilled person* reasonably believes that the information on, or their opinion on, those matters may be of material significance to the *PRA* in determining whether the *firm* concerned satisfies and will continue to satisfy the *threshold conditions*; or
    - (iii) the *skilled person* reasonably believes that *firm* is not, may not be or may cease to be a going concern;
- (2) require the *skilled person* to prepare a report or collect or update information, as notified to the *firm* by the *PRA*, within the time specified by the *PRA*; and
- (3) waive any contractual or other duty of confidentiality owed by the *skilled person* to the *firm* which might limit the provision of information or opinion by that *skilled person* to the *PRA* in accordance with (1) or (2).

3.2 A *firm* must ensure that the contract it makes with the *skilled person* under 3.1 requires and permits the *skilled person* to provide the following to the *PRA* if requested to do so:

- (1) interim reports;
- (2) source data, *documents* and working papers;
- (3) copies of any draft reports given to the *firm*; and
- (4) specific information about the planning and progress of the work to be undertaken (which may include project plans, progress reports including percentage of work completed, details of time spent, costs to date, and details of any significant findings and conclusions).

3.3 A *firm* must ensure that the contract required by 3.1:

- (1) is governed by the laws of a part of the *UK*;
- (2) expressly:
  - (a) provides that the *PRA* has a right to enforce the provisions included in the contract under 3.1, 3.2 and 3.3(2)(b)-(d);
  - (b) provides that, in proceedings brought by the *PRA* for the enforcement of those provisions, the *skilled person* is not to have available by way of defence, set-off or counterclaim any matter that is not relevant to those provisions;
  - (c) (if the contract includes an arbitration agreement) provides that the *PRA* is not, in exercising the right in (a), to be treated as a party to, or bound by, the arbitration agreement; and
  - (d) provides that the provisions included in the contract under 3.1, 3.2 and 3.3(2)(a)-(c) are irrevocable and may not be varied or rescinded without the *PRA*'s consent; and
- (3) is not varied or rescinded in such a way as to extinguish or alter the provisions referred to in (2)(d).

3.4 A *firm* must give the *PRA* a copy of the draft contract required by 3.1 before it is made with the *skilled person*.

#### **4 DELIVERY OF THE SKILLED PERSON'S REPORT TO THE PRA**

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4.1 When a *firm* appoints a *skilled person*, a *firm* must, including where applicable in complying with the *Fundamental Rules*, take reasonable steps to ensure that a *skilled person* delivers a report or collects or updates information in accordance with the terms of the *skilled person's* appointment.

**Appendix 8****PRA RULEBOOK: NOTIFICATIONS INSTRUMENT 2014****Powers exercised**

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 137G (the PRA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 318(1) (Exercise of powers through Council).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Pre-conditions to making**

- C. In accordance with section 138J of the Act (Consultation by the PRA) and section 319 (Consultation) of the Act, the PRA consulted the Financial Conduct Authority. After consulting, the PRA published a draft of proposed rules and directions and had regard to representations made.

**PRA Rulebook: Notifications Instrument 2014**

- D. The PRA makes the rules and gives the directions in Annex A, Annex B, Annex C, Annex D and Annex E to this instrument.

**Commencement**

- E. This instrument comes into force on 19 June 2014.

**Citation**

- F. This instrument may be cited as the PRA Rulebook: Notifications Instrument 2014.

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

13 June 2014

## Annex A

## PRA RULEBOOK – GLOSSARY

Insert the following new definitions into the Glossary Part of the PRA Rulebook:

*approved person*

means a *person* in relation to whom the *FCA* or the *PRA* has given its approval under section 59 of *FSMA* (Approval for particular arrangements) for the performance of a *controlled function*.

*bank*

means:

- (1) a *firm* with a *Part 4A Permission* to carry on the *regulated activity* of accepting deposits and is a *credit institution*, but is not a *credit union*, *friendly society* or a *building society*; or
- (2) an *EEA bank*.

*business day*

means:

- (1) (in relation to anything done or to be done in (including to be submitted to a place in) any part of the *UK*) any day which is not a Saturday or Sunday, Christmas Day, Good Friday or a bank holiday in that part of the *UK*;
- (2) (in relation to anything done or to be done by reference to a market outside the *UK*) any day on which that market is normally open for business.

*Consolidated Life Directive*

means the Council Directive of 5 November 2002 on the taking-up and pursuit of the business of life assurance (No 2002/83/EC), which consolidates the provisions of the *First Life Directive*, the *Second Life Directive* and the *Third Life Directive*.

*controlled function*

means a function, relating to the carrying on of a *regulated activity* by a *firm*, which is specified by either the *FCA* or the *PRA*, under section 59 of *FSMA* (Approval for particular arrangements).

*CRD credit institution*

means a *credit institution* that has its registered office (or, if it has no registered office, its head office) in an *EEA State*, excluding an *institution* to which the *CRD* does not apply under Article 2 of the *CRD*.

*EEA bank*

means an *incoming EEA firm* that is a *CRD credit institution*.

*First Life Directive*

means the Council Directive of 5 March 1979 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct life assurance (No 79/267/EEC).

*First Non-Life Directive*

the Council Directive of 24 July 1973 on the coordination of laws, regulations and administrative provisions relating to the taking up and pursuit of the business of direct insurance other than life insurance (No 73/239/EEC).

*insurance business*

means the *regulated activities* of *effecting contracts of insurance* or *carrying out contracts of insurance*.

*Insurance Groups Directive*

means Directive of the European Parliament and of the Council of 27 October 1998 on the supplementary supervision of *insurance undertakings* in an insurance group (1998/78/EC).

*insurance special purpose vehicle*

means an *undertaking*, other than an *insurance undertaking* or *reinsurance undertaking* which has received an official *authorisation* in accordance with Article 6 of the *First Non-Life Directive*, Article 4 of the *Consolidated Life Directive* or Article 3 of the *Reinsurance Directive*:

- (1) which assumes risks from such *insurance undertakings* or *reinsurance undertakings*; and
- (2) which fully funds its exposures to such risks through the proceeds of a debt issuance or some other financing mechanism where the repayment rights of the providers of such debt or other financing mechanism are subordinated to the *undertaking's reinsurance* obligations.

*insurance undertaking*

means an *undertaking*, whether or not an *insurer*, which carries on *insurance business*.

*insurer*

means a *firm* with *permission* to *effect contracts of insurance* or *carry out contracts of insurance* (other than a *UK ISPV*).

*officer*

means, in relation to a *body corporate*:

- (1) a *director*, member of the committee of management, *chief executive*, *manager*, secretary or other similar officer of the body, or a *person* purporting to act in any such capacity; and
- (2) an individual who is a *controller* of the body.

#### *ONA system*

means the *PRA's* online notification and applications system, by whatever name known.

#### *reinsurance*

includes retrocession.

#### *Reinsurance Directive*

means the Directive of 16 November 2005 of the European Parliament and of the Council (No 2005/68/EC) on reinsurance and amending the *First Non-Life Directive* and the *Third Non-Life Directive* as well as the *Insurance Groups Directive* and the *Consolidated Life Directive*.

#### *reinsurance undertaking*

means an *insurance undertaking* whose *insurance business* is restricted to *reinsurance*.

#### *Second Life Directive*

means the Council Directive of 8 November 1990 on the coordination of laws, etc and laying down provisions to facilitate the effective exercise of freedom to provide services and amending Directive 79/267/EEC (No 90/619/EEC).

#### *Society*

means the society incorporated by the Lloyd's Act 1871 by the name of Lloyd's.

#### *Third Life Directive*

means the Council Directive of 10 November 1992 on the coordination of laws, etc, and amending Directives 79/267/EEC and 90/619/EEC (No 92/96/EEC).

#### *Third Non-Life Directive*

means the Council Directive of 18 June 1992 on the coordination of laws, etc, and amending Directives 73/239/EEC and 88/357/EEC (No 92/49/EEC).

#### *UK ISPV*

means an *insurance special purpose vehicle* with a *Part 4A permission* to carry out *contracts of insurance* or *effect contracts of insurance*.



## Annex B

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

Part

# NOTIFICATIONS

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## Chapter content

1. APPLICATION AND DEFINITIONS
2. GENERAL NOTIFICATION REQUIREMENTS
3. LLOYD'S OF LONDON
4. NOTIFIED PERSONS
5. CORE INFORMATION REQUIREMENTS
6. INACCURATE, FALSE OR MISLEADING INFORMATION
7. FORM AND METHOD OF NOTIFICATION
8. SPECIFIC NOTIFICATIONS
9. FINANCIAL CONGLOMERATE NOTIFICATIONS
10. FORMS

Links

## 1 APPLICATION AND DEFINITIONS

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

1.2 In this Part, the following definitions shall apply:

*authorised UK representative*

means (in relation to a *firm*) a *person* resident in the *UK* who is authorised to act generally, and to accept service of any *document*, on behalf of the *firm*.

*branch*

- (1) (in relation to a *credit institution*) means:
  - (a) a place of business which forms a legally dependent part of a *credit institution* and which carries out directly all or some of the transactions inherent in the business of *credit institutions*;
  - (b) for the purposes of the *CRD* and in accordance with Article 38 of the *CRD*, any number of places of business set up in the same *EEA State* by a *credit institution* with headquarters in another *EEA State* are to be regarded as a single branch;
- (2) (in relation to an *investment firm*) has the meaning given in Article 4(1)(26) of *MiFID*; and
- (3) (in relation to an *insurance undertaking*) any permanent presence of the *insurance undertaking* in an *EEA State* other than that in which it has its head office is to be regarded as a single *branch*, whether that presence consists of a single office which, or two or more offices each of which:
  - (a) is managed by the *insurance undertaking's* own staff; or
  - (b) is an agency of the *insurance undertaking*; or
  - (c) is managed by a *person* who is independent of the *insurance undertaking*, but has permanent authority to act for the *insurance undertaking* as an agency would.

*competent authority*

has the meaning given in point (16) of Article 2 of the *Financial Groups Directive*.

*consolidation group*

means the *undertakings* included in the scope of consolidation pursuant to Articles 18(1), 18(8), 19(1), 19(3) and 23 of the *CRR* and Groups 2.1- 2.3.

*coordinator*

means, in relation to a *financial conglomerate*, the *competent authority* appointed as coordinator in accordance with Article 10(1) of the *Financial Groups Directive*.

*dormant account fund operator*

means a *firm* with *permission* for operating a *dormant account fund*.

*EEA financial conglomerate*

means a *financial conglomerate* that is of a type that falls under Article 5(2) of the *Financial Groups Directive*.

*financial conglomerate*

has the meaning given in point (14) of Article 2 of the *Financial Groups Directive*.

*Financial Groups Directive*

means Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of *credit institutions*, *insurance undertakings* and *investment firms* in a *financial conglomerate*.

*injunction*

means a court order made by the *High Court* that prohibits a *person* from doing or continuing to do a certain act or requires a *person* to carry out a certain act.

*insolvency order*

means an administration order, compulsory winding up order, bankruptcy order or sequestration order.

*MiFID Regulation*

means Commission Regulation (EC) 1287/2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for *investment firms* and defined terms for the purposes of that Directive.

*notification rule*

(in relation to a *firm*) means a *rule* requiring a *firm* to give the *PRA* notice of, or information regarding, an event, but excluding a *rule* requiring periodic submission of a report.

*occupational pension scheme*

has the meaning given in Article 3(1) of the *Regulated Activities Order*.

*operating a dormant account fund*

means either of the *regulated activities* specified in Article 63N(1) of the *Regulated Activities Order*.

*overseas regulator*

has the meaning given in section 195(3) of *FSMA*.

*regulated entity*

means one of the following:

- (1) a *credit institution*;
- (2) an *insurance undertaking* within the meaning of Article 4 of the *Consolidated Life Directive*, Article 6 of the *First Non-Life Directive* or Article 1(b) of the *Insurance Groups Directive*; or
- (3) an *investment firm*,

whether or not it is incorporated in, or has its head office in, an *EEA State*.

*repurchase transaction*

has the meaning given in point (83) of Article 4(1) of the *CRR*.

*sole trader*

means an individual who is a *firm*.

1.3 This Part applies to *incoming firms* without a *top-up permission* as follows:

- (1) 1 applies in full;
- (2) 2.1-2.3 apply in so far as responsibility for the matter in question is not reserved by an *EU instrument* to the *firm's Home State regulator*;
- (3) 2.4-2.5 apply in full;
- (4) 2.6-2.9 apply in so far as responsibility for the matter in question is not reserved by an *EU instrument* to the *firm's Home State regulator*;
- (5) 3-4 do not apply;
- (6) 5.1-5.3 apply in full except that 5.2(2) does not apply to an *incoming EEA firm* without a *top-up permission*;
- (7) 5.4 applies in so far as responsibility for the matter in question is not reserved by an *EU instrument* to the *firm's Home State regulator*;
- (8) 5.5 applies in full; and
- (9) 6-9 apply in full.

1.4 This Part:

- (1) applies with respect to the carrying on of both *regulated activities* and *unregulated activities*; and

- (2) takes into account any activity of other members of a *group* of which the *firm* is a member.

## 2 GENERAL NOTIFICATION REQUIREMENTS

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2.1 A *firm* must notify the *PRA* immediately it becomes aware, or has information which reasonably suggests, that any of the following has occurred, may have occurred or may occur in the foreseeable future:

- (1) the *firm* failing to satisfy one or more of the *threshold conditions*; or
- (2) any matter which could have a significant adverse impact on the *firm's* reputation; or
- (3) any matter which could affect the *firm's* ability to continue to provide adequate services to its customers and which could result in serious detriment to a customer of the *firm*; or
- (4) any matter in respect of the *firm* which could result in serious financial consequences to the *UK financial system* or to other *firms*.

2.2 In determining whether the *PRA* should be notified of any of the events in 2.1 that may occur in the foreseeable future, a *firm* must consider both the probability of the event happening and the severity of the outcome should it happen.

2.3 A *firm* must give the *PRA* notice of:

- (1) any proposed restructuring, reorganisation or business expansion which could have a significant impact on the *firm's* risk profile or resources, including, but not limited to:
  - (a) setting up a new *undertaking* within a *firm's* *group*, or a new *branch* (whether in the *UK* or not);
  - (b) commencing the provision of *cross border services* into a new territory;
  - (c) commencing the provision of a new type of product or service (whether in the *UK* or not);
  - (d) ceasing to undertake a *regulated activity* or *ancillary activity*, or significantly reducing the scope of such activities;
  - (e) entering into, or significantly changing, a *material outsourcing* arrangement;
  - (f) a substantial change or a series of changes in the *governing body* of an *overseas firm* (other than an *incoming firm*);
  - (g) any proposed change which limits the liability of any of the members or partners of a *firm* such as a general partner becoming a limited partner or re-registration as a limited liability company of a company incorporated with unlimited liability; or
  - (h) in relation to a *dormant account fund operator*, notify the *PRA* when the operator intends to rely on a third party for the performance of operational

functions which are critical or important for the performance of relevant services and activities in connection with *operating a dormant account fund* on a continuous and satisfactory basis;

- (2) any significant failure in the *firm's* systems or controls, including those reported to the *firm* by the *firm's* auditor;
- (3) any action which a *firm* proposes to take which would result in a material change in its capital adequacy or solvency, including, but not limited to:
  - (a) any action which would result in a material change in the *firm's* financial resources or financial resources requirement;
  - (b) a material change resulting from the payment of a special or unusual dividend or the repayment of share capital or a subordinated loan;
  - (c) for *firms* which are subject to consolidated financial supervision, any proposal under which another *group* member may be considering such an action; or
  - (d) significant trading or non-trading losses (whether recognised or unrecognised).

2.4 (1) A *firm* must notify the *PRA* of:

- (a) a significant breach of a *rule* or *Statement of Principle*;
- (b) a breach of any requirement imposed by *FSMA* or by regulations or an order made under *FSMA* by *the Treasury* (except if the breach is an offence, in which case (c) applies);
- (c) the bringing of a prosecution for, or a conviction of, any offence under *FSMA*;
- (d) a breach of a directly applicable provision in the *MiFID Regulation*;
- (e) a breach of a directly applicable provision in the *CRR* or any directly applicable regulations made under the *CRD* or the *CRR*;
- (f) a breach of any requirement in regulation 4C(3) (or any successor provision) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007; or
- (g) it exceeding (or becoming aware that it will exceed) the limit in Article 395 of the *CRR*,

by (or as regards (c), against) the *firm* or any of its *directors, officers, employees, approved persons, or appointed representatives* or, where applicable, *tier 1 agents*.

- (2) A *firm* must make the notification in (1) immediately it becomes aware, or has information which reasonably suggests, that any of the matters in (1) has occurred, may have occurred or may occur in the foreseeable future.

2.5 A notification under 2.4 must include:

- (1) information about any circumstances relevant to the breach or offence;
- (2) identification of the *rule* or requirement or offence; and
- (3) information about any steps which a *firm* or other *person* has taken or intends to take to rectify or remedy the breach or prevent any future potential occurrence.

2.6 A *firm* must notify the *PRA* immediately if:

- (1) civil proceedings are brought against the *firm* and the amount of the claim is significant in relation to the *firm's* financial resources or its reputation; or
- (2) any action is brought against the *firm* under section 71 (Actions for damages) or section 138D (Actions for damages) of *FSMA*; or
- (3) disciplinary measures or sanctions have been imposed on the *firm* by any statutory or regulatory authority, professional organisation or trade body (other than the *PRA*) or the *firm* becomes aware that one of those bodies has started an investigation into its affairs; or
- (4) the *firm* is prosecuted for, or convicted of, any offence involving fraud or dishonesty, or any penalties are imposed on it for tax evasion; or
- (5) it is removed as trustee of an *occupational pension scheme* by a court order.

2.7 A notification under 2.6 must include details of the matter and an estimate of the likely financial consequences, if any.

- 2.8 (1) A *firm* must notify the *PRA* immediately if one of the following events arises and the event is significant:
- (a) it becomes aware that an *employee* may have committed a fraud against one of its customers;
  - (b) it becomes aware that a *person*, whether or not employed by it, may have committed a fraud against it;
  - (c) it considers that any *person*, whether or not employed by it, is acting with intent to commit a fraud against it;
  - (d) it identifies irregularities in its accounting or other records, whether or not there is evidence of fraud; or
  - (e) it suspects that one of its *employees* may be guilty of serious misconduct concerning their honesty or integrity and which is connected with the *firm's regulated activities* or *ancillary activities*.
- (2) A notification under (1) must provide all relevant and significant details of the incident or suspected incident of which the *firm* is aware.

2.9 A *firm* must notify the *PRA* immediately of any of the following events:

- (1) the calling of a meeting to consider a resolution for winding up the *firm*;
- (2) an application to dissolve the *firm* or to strike it off the Register of Companies;
- (3) the presentation of a petition for the winding up of the *firm*;
- (4) the making of, or any proposals for the making of, a composition or arrangement with any one or more of its creditors;
- (5) an application for the appointment of an administrator or trustee in bankruptcy to the *firm*;
- (6) the appointment of a receiver to the *firm* (whether an administrative receiver or a receiver appointed over particular property);
- (7) an application for an interim order against the *firm* under section 252 of the Insolvency Act 1986 (or, in Northern Ireland, section 227 of the Insolvency (Northern Ireland) Order 1989);
- (8) if the *firm* is a *sole trader*:
  - (a) an application for a sequestration order on the *firm*; or
  - (b) the presentation of a petition for bankruptcy; or
- (9) anything equivalent to (1) to (8) above occurring in respect of the *firm* in a jurisdiction outside the *UK*.

### 3 LLOYD'S OF LONDON

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#### 3.1 The *PRA* directs that:

- (1) the *Society* must immediately inform the *PRA* in writing if it becomes aware that any matter likely to be of material concern to the *PRA* may have arisen in relation to:
  - (a) the *regulated activities* for which the *Society* has *permission*; or
  - (b) *managing agents*; or
  - (c) *approved persons* or individuals acting for or on behalf of *managing agents*.
- (2) the *Society* must inform the *PRA* if it commences investigations or disciplinary proceedings relating to apparent breaches:
  - (a) of *FSMA* or requirements made or imposed under *FSMA*, including the *threshold conditions* or any *rules*, by a *managing agent*; or
  - (b) of the *Statements of Principle* by an individual or other *person* who carries out *controlled functions* for or on behalf of a *managing agent*.
- (3) that the *Society* must inform the *PRA* if it commences investigations or disciplinary proceedings which do not fall within the scope of (2) but which:

- (a) involve a *managing agent*, or an *approved person* who carries out *controlled functions* for it or on its behalf; or
- (b) may indicate that an individual acting for or on behalf of a *managing agent* may not be a fit and proper person to perform functions in relation to *regulated activities*,

and in each case the direction is given in relation to the exercise of the powers of the *Society* and of the *Council* generally, with a view to achieving the objective of enabling the *PRA* to (1) comply with its general duty under section 314 of *FSMA*; (2) determine whether *managing agents* or *approved persons* acting for them or on their behalf, are complying with the requirements imposed on them by or under *FSMA* and (3) enforce the provisions of *FSMA*, or requirements made under *FSMA*, by enabling the *PRA* to consider, where appropriate, whether it should use its powers, for example to:

- (i) vary or cancel the *permission* of a *managing agent*, under section 55J of *FSMA* (Variation or cancellation on initiative of regulator);
- (ii) withdraw approval from an *approved person* acting for or on behalf of a *managing agent*, under section 63 of *FSMA* (Withdrawal of approval);
- (iii) prohibit an individual, acting for or on behalf of a *managing agent*, from involvement in *regulated activities*, under section 56 of *FSMA* (Prohibition orders);
- (iv) require a *managing agent* to make restitution, under section 384 of *FSMA* (Power of [FCA or PRA] to require restitution);
- (v) discipline a *managing agent*, or an *approved person* acting for it or on its behalf, for a breach of a requirement made under *FSMA*, including the *Fundamental Rules*, *Statements of Principle* and *rules*;
- (vi) apply to court for an *injunction*, restitution order or *insolvency order*; and
- (vii) prosecute any criminal offence that the *PRA* has power to prosecute under *FSMA*.

3.2 Each direction in SUP 15.3.22D to SUP 15.3.25D of the *PRA Handbook* continues to have effect from the date the relevant direction was given to the date on which the direction in 3.1 has effect.

#### 4 NOTIFIED PERSONS

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- 4.1 (1) An *overseas firm*, which is not an *incoming firm*, must notify the *PRA* within 30 *business days* of any *person* taking up or ceasing to hold the following positions:
- (a) the *firm's* worldwide chief executive (that is, the *person* who, alone or jointly with one or more others, is responsible under the immediate authority of the *directors* for the whole of its business) if the *person* is based outside the *UK*;
  - (b) the *person* within the *overseas firm* with a purely strategic responsibility for *UK* operations;
  - (c) for a *bank*: the two or more *persons* who effectively direct its business; or

(d) for an *insurer*: the *authorised UK representative*.

- (2) The notification in (1) must be submitted in the form referred to in 10.1 (Form F). However, if the *person* is an *approved person*, notification giving details of their name, the *approved person's* individual reference number and the position to which the notification relates, is sufficient.

**[Note: 4.1 is not made under the powers conferred on the PRA by Part V of FSMA (Performance of Regulated Activities). A person notified to the PRA under 4.1 is not subject to the Statements of Principle or Code of Practice for Approved Persons, unless they are also an approved person.]**

- 4.2 (1) A *firm* other than a *credit union* must submit the form referred to in 10.1 online using the *ONA system*.
- (2) Where a *firm* is obliged to submit an application online under (1), if the *ONA system* fails and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored:
- (a) a *firm* must submit the form in the way set out in 7.4 to 7.6; and
- (b) the *rules* in relation to non-compliance with *rules* by a *firm* in the case of an emergency do not apply.

## 5 CORE INFORMATION REQUIREMENTS

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- 5.1 A *firm* must give the *PRA* reasonable advance notice of a change in any of the following names, and give details of the new name and the date of the change:
- (1) the *firm's* name (which is the registered name if the *firm* is a *body corporate*); and
- (2) any business name under which the *firm* carries on a *regulated activity* or *ancillary activity* either from an establishment in the *UK* or with or for clients in the *UK*,
- in each case by submitting the form referred to in 10.2 (Standing Data Form).
- 5.2 A *firm* must give the *PRA* reasonable advance notice of a change in any of the following addresses, and give details of the new address and the date of the change:
- (1) the *firm's* principal place of business in the *UK*; and
- (2) in the case of an *overseas firm*, its registered office (or head office) address,
- in each case by submitting the form referred to in 10.2 (Standing Data Form).
- 5.3 A *firm* must give the *PRA* reasonable advance notice of a change in any of the following telephone numbers, and give details of the new telephone number and the date of the change:
- (1) the number of the *firm's* principal place of business in the *UK*; and
- (2) in the case of an *overseas firm*, the number of its head office,

in each case by submitting the form referred to in 10.2 (Standing Data Form).

- 5.4 A *firm* must notify the *PRA* immediately if it becomes subject to or ceases to be subject to the supervision of any *overseas regulator* (including a *Home State regulator*).
- 5.5 (1) A *firm* other than a *credit union* must submit the forms required in 5.1 to 5.3 online using the *ONA system*.
- (2) Where a *firm* is obliged to submit a notice online under (1), if the *ONA system* fails and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored:
- (a) a *firm* must submit any notice required by 5.1 to 5.3 in the way set out in 7.4 to 7.6; and
- (b) the *rules* in relation to non-compliance with *rules* by a *firm* in the case of an emergency do not apply.

## 6 INACCURATE, FALSE OR MISLEADING INFORMATION

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- 6.1 A *firm* must take reasonable steps to ensure that all information it gives to the *PRA* in accordance with a *rule* is:
- (1) factually accurate or, in the case of estimates and judgments, fairly and properly based after appropriate enquiries have been made by the *firm*; and
- (2) complete, in that it should include anything of which the *PRA* would reasonably expect notice.
- 6.2 If a *firm* is unable to obtain the information required in 6.1, then it must inform the *PRA* that the scope of the information provided is, or may be, limited.
- 6.3 If a *firm* becomes aware, or has information that reasonably suggests that it has or may have provided the *PRA* with information which was or may have been false, misleading, incomplete or inaccurate, or has or may have changed in a material particular, it must notify the *PRA* immediately. Subject to 6.4, the notification must include:
- (1) details of the information which is or may be false, misleading, incomplete or inaccurate, or has or may have changed;
- (2) an explanation why such information was or may have been provided; and
- (3) the correct information.
- 6.4 If the information in 6.3(3) cannot be submitted with the notification (because it is not immediately available), it must instead be submitted as soon as possible afterwards.

## 7 FORM AND METHOD OF NOTIFICATION

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- 7.1 A notification required from a *firm* under any *notification rule* must be given in writing, and in English, and must be submitted on the form specified for that *notification rule*, or if no form is

specified, on the form referred to in 10.3 (Notification form), and must give the *firm's* Firm Reference Number unless:

- (1) the *notification rule* states otherwise; or
- (2) the notification is provided solely in compliance with 2.3 or *Fundamental Rule 7*.

7.2 A *firm* must provide a written notification following an oral notification if:

- (1) the *PRA* requests written confirmation of a *firm's* oral notification; or
- (2) a matter either is complex or may be such as to make it necessary for the *PRA* to take action.

7.3 In giving notice to the *PRA*:

- (1) a *firm* must ensure that matters are promptly, properly and clearly communicated to the *PRA*; and
- (2) a *firm* must discuss relevant matters with the *PRA* at an early stage, before making any internal or external commitments.

7.4 Unless stated in the *notification rule*, or on the relevant form (if specified), a written notification required from a *firm* under any *notification rule* must be:

- (1) given to or addressed for the attention of the *firm's* usual supervisory contact at the *PRA*; and
- (2) delivered to the *PRA* by one of the following methods:
  - (a) post to the *PRA's* address;
  - (b) leaving the notification at the *PRA's* address and obtaining a time-stamped receipt;
  - (c) electronic mail to an address for the *firm's* usual supervisory contact at the *PRA* and obtaining an electronic confirmation of receipt;
  - (d) hand delivery to the *firm's* usual supervisory contact at the *PRA*;
  - (e) fax to a fax number for the *firm's* usual supervisory contact at the *PRA* and receiving a successful transmission report for all pages of the notification;
  - (f) online submission via the *PRA's* website at [www.bankofengland.co.uk/pr/](http://www.bankofengland.co.uk/pr/).

**[Note: The current published address of the PRA for postal submission or hand delivery of notifications is 20 Moorgate, London EC2R 6DA.]**

7.5 If the *firm* or its *group* is subject to lead supervision arrangements by the *PRA*, the *firm* or *group* may give or address a notice under 7.4(1) to the supervisory contact at the *regulator* designated as lead supervisor, if the *firm* has chosen to make use of the lead supervisor as a central point of contact.

- 7.6 If a *firm* is a member of a *group* which includes more than one *firm*, any one *undertaking* in the *group* may notify the *PRA* on behalf of all *firms* in the *group* to which the notification applies. In this way, that *undertaking* may satisfy the obligation of all relevant *firms* in the group to notify the *PRA*. Nevertheless, the obligation to make the notification remains the responsibility of the individual *firm* itself.
- 7.7 If a *notification rule* requires notification within a specified period:
- (1) the *firm* must give the notification so as to be received by the *PRA* no later than the end of that period; and
  - (2) if the end of that period falls on a day which is not a *business day*, the notification must be given so as to be received by the *PRA* no later than the first *business day* after the end of that period.

## 8 SPECIFIC NOTIFICATIONS

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- 8.1 A *CRR firm* must report to the *PRA* immediately any case in which its counterparty in a *repurchase transaction* or securities or commodities lending or borrowing transaction defaults on its obligations.

## 9 FINANCIAL CONGLOMERATE NOTIFICATIONS

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- 9.1 A *firm* that is a *regulated entity* must notify the *PRA* immediately it becomes aware that any *consolidation group* of which it is a member:
- (1) is a *financial conglomerate*; or
  - (2) has ceased to be a *financial conglomerate*.
- 9.2 (1) A *firm* that is a *regulated entity* must establish whether or not any consolidation group of which it is a member:
- (a) is a *financial conglomerate*; or
  - (b) has ceased to be a *financial conglomerate*,
- if:
- (c) the *firm* believes; or
  - (d) a reasonable *firm* that is complying with the requirements of the *regulatory system* would believe,
- that it is likely that (a) or (b) is true.
- (2) A *firm* does not need to determine whether (1)(a) is the case if the *consolidation group* is already being regulated as a *financial conglomerate*.
- (3) A *firm* does not need to determine whether (1)(b) is the case if notification has already been given as contemplated by 9.4.

- 9.3 A *firm* must consider the requirements in 9.2 on a continuing basis, and in particular, when the *group* prepares its financial statements and on the occurrence of an event affecting the *consolidation group*. Such events include, but are not limited to, an acquisition, merger or sale.
- 9.4 A *firm* does not have to give notice to the *PRA* under 9.1 if it or another member of the *consolidation group* has already given notice of the relevant fact to:
- (1) the *PRA*; or
  - (2) (if another *competent authority* is *coordinator* of the *financial conglomerate*) that *competent authority*; or
  - (3) (in the case of a *financial conglomerate* that does not yet have a *coordinator*) the *competent authority* who would be *coordinator* under Article 10(2) of the *Financial Groups Directive* (Competent authority responsible for exercising supplementary supervision (the *coordinator*)).
- 9.5 (1) A *firm* must, at the level of the *EEA financial conglomerate*, regularly provide the *PRA* with details on the *financial conglomerate's* legal structure and governance and organisational structure, including all *regulated entities*, non-regulated subsidiaries and significant *branches*.
- (2) A *firm* must disclose publicly, at the level of the *EEA financial conglomerate*, on an annual basis, either in full or by way of references to equivalent information, a description of the *financial conglomerate's* legal structure and governance and organisational structure.
- (3) For the purposes of (1) and (2), where a *firm* is a member of an *EEA financial conglomerate* which is part of a wider *UK regulated EEA financial conglomerate*, reporting applies only at the level of the *EEA parent mixed financial holding company* or *ultimate EEA mixed financial holding company*.

## 10 FORMS

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- 10.1 Form F can be found [here](#).
- 10.2 The Standing Data Form can be found [here](#).
- 10.3 The Notification Form can be found [here](#).

**Annex C**

**Form F**



Application number  
(for FCA /PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the notified person in answering the questions in this form. Please read these notes, which are available on both FCA and PRA websites at:

[http://media.fshandbook.info/Forms/notes/imap\\_formf\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formf_notes.doc)  
<http://www.bankofengland.co.uk/PRA>

Both the applicant and the notified person will be treated by the FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form F - Changes in notified persons

FCA and PRA Handbook Reference: SUP 15 Annex 2R – Notification under SUP 15.4.1R

1 April 2013

Name of notified person<sup>†</sup>  
(to be completed by applicant)

Name of firm<sup>†</sup>

Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website <http://www.bankofengland.co.uk/PRA>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

<sup>†</sup>The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP

## Contact Details

Contact for this application

Title†
First Name†
Surname†
Job Title†
Business address †
Post code†
Phone number (including STD code) †
Email address†
Mobile No†
Fax No. †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Details of notified person

Is the notified person an approved person?

YES  NO

**1.01 a** If 'yes' Notified person's Individual Reference Number (IRN)<sup>†</sup>

**b** OR name of previous regulatory body<sup>†</sup>

**c** AND previous reference number<sup>†</sup>

**1.02** Title  
(e.g. Mr, Mrs, Ms, etc)<sup>†</sup>

**1.03** Surname<sup>†</sup>

**1.04** ALL forenames<sup>†</sup>

**1.05** Name commonly known by<sup>†</sup>

**1.06** Date of birth<sup>†</sup> / /

**1.07** National Insurance number<sup>†</sup>

**1.08** Previous name<sup>†</sup>

**1.09** Date of change<sup>†</sup> / /

**1.10** Reason for change<sup>†</sup>

**1.11 a** Nationality<sup>†</sup>

**b** Passport Number<sup>†</sup>  
(If National Insurance number not available)

**1.12** Place of birth<sup>†</sup>

 I have supplied further information related to this in Section 6<sup>†</sup>

YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**1.13 a** Private address<sup>†</sup>

**b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From / /  To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)<sup>†</sup>

**1.14 a** Previous address 1<sup>†</sup>

**b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From / /  To / /

**1.15 a** Previous address 2<sup>†</sup>

**b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From / /  To / /



I have supplied further information related to this in Section 6<sup>†</sup>

YES

NO

<sup>†</sup>The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

2.01 Name of *firm* making the application<sup>†</sup>

2.02 a *Firm* Reference Number (FRN)<sup>†</sup>

2.03 a Name of Home State regulator<sup>†</sup>

b Country<sup>†</sup>



I have supplied further information  
related to this in Section 6<sup>†</sup>

YES

NO

---

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.01** Notified positions individual is taking over. †

**a** Firm's world-wide chief executive where *the person* is situated outside the *United Kingdom*

**b** The *person*, if not the world-wide chief executive, within the *overseas* firm with a purely strategic responsibility for *UK* operations

**c** For a *bank*: the two or more *persons* who effectively direct its business in accordance with SYSC 4.2.2

**d** For a *UK* branch of an *insurer*: the *authorised UK representative*

**3.02** Effective date†

/ /

**3.03** Individual Reference Number of individual being replaced†

**3.04** Name of individual being replaced†



I have supplied further information related to this in Section 6†

YES

NO

**Employment history for past 5 years**

**Section 4**

Please start with the most recent employment. †

Note: ALL gaps in employment must be accounted for

\_\_\_\_\_

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.01 Employment details (1)**

**a** Period (mm/yyyy)<sup>†</sup> From / To /

**b** Nature of employment<sup>†</sup>

a	Employed	<input type="checkbox"/>
b	Self-employed	<input type="checkbox"/>
c	Unemployed	<input type="checkbox"/>
d	Full-time education	<input type="checkbox"/>

if b, c or d is ticked, please give details<sup>†</sup>

**c** Name of employer<sup>†</sup>

**d** Nature of business<sup>†</sup>

**e** Previous / other names of employer<sup>†</sup>

**f** Last known address of employer<sup>†</sup>

**g** Is / was employer regulated by a regulatory body?<sup>†</sup> Yes  No  Name of regulatory body

**h** Is / was employer an *appointed representative/tied agent*<sup>†</sup>? Yes  No  If yes, of which firm?

**i** Position held<sup>†</sup>

**j** Responsibilities<sup>†</sup>

**k** Reason for leaving<sup>†</sup>

a	Resignation	<input type="checkbox"/>
b	Redundancy	<input type="checkbox"/>
c	Retirement	<input type="checkbox"/>
d	Termination/dismissal	<input type="checkbox"/>
e	End of contract	<input type="checkbox"/>
f	Other	<input type="checkbox"/>

Specify<sup>†</sup>

**➔** I have supplied further information related to this in Section 6<sup>†</sup> YES  NO

**4.02 a** Period (mm/yyyy)<sup>†</sup> From / To /

**b** Nature of employment<sup>†</sup>

a	Employed	<input type="checkbox"/>
b	Self-employed	<input type="checkbox"/>

- c Unemployed
- d Full-time education

if b, c or d is ticked, please give details †

c Name of employer †

d Nature of business †

e Previous / other names of employer †

f Last known address of employer †

g Is / was employer regulated by a regulatory body? †

Yes  No

Name of regulatory body

h Is / was employer an *appointed representative/tied agent* †

Yes  No

If yes, of which firm?

i Position held †

j Responsibilities †

k Reason for leaving †

- a Resignation
- b Redundancy
- c Retirement
- d Termination/dismissal
- e End of contract
- f Other

Specify †



I have supplied further information related to this in Section 6 †

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.03 Employment details (3)**

<b>a</b>	Period (mm/yyyy) <sup>†</sup>	From /	To /
<b>b</b>	Nature of employment <sup>†</sup>	a Employed	<input type="checkbox"/>
		b Self-employed	<input type="checkbox"/>
		c Unemployed	<input type="checkbox"/>
		d Full-time education	<input type="checkbox"/>
	if b, c or d is ticked, please give details <sup>†</sup>		
<b>c</b>	Name of employer <sup>†</sup>		
<b>d</b>	Nature of business <sup>†</sup>		
<b>e</b>	Previous / other names of employer <sup>†</sup>		
<b>f</b>	Last known address of employer <sup>†</sup>		
<b>g</b>	Is / was employer regulated by a regulatory body? <sup>†</sup>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Name of regulatory body
<b>h</b>	Is / was employer an <i>appointed representative/tied agent</i> <sup>†</sup>	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, of which <i>firm</i> ?
<b>i</b>	Position held <sup>†</sup>		
<b>j</b>	Responsibilities <sup>†</sup>		
<b>k</b>	Reason for leaving <sup>†</sup>	a Resignation	<input type="checkbox"/>
		b Redundancy	<input type="checkbox"/>
		c Retirement	<input type="checkbox"/>
		d Termination/dismissal	<input type="checkbox"/>
		e End of contract	<input type="checkbox"/>
		f Other	<input type="checkbox"/>
	Specify <sup>†</sup>		

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.04 Employment details (4)**

<b>a</b>	Period (mm/yyyy) †	From /	To /												
<b>b</b>	Nature of employment †	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">a Employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>b Self-employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>c Unemployed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>d Full-time education</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>		a Employed	<input type="checkbox"/>	b Self-employed	<input type="checkbox"/>	c Unemployed	<input type="checkbox"/>	d Full-time education	<input type="checkbox"/>				
a Employed	<input type="checkbox"/>														
b Self-employed	<input type="checkbox"/>														
c Unemployed	<input type="checkbox"/>														
d Full-time education	<input type="checkbox"/>														
	if b, c or d is ticked, please give details †														
<b>c</b>	Name of employer †														
<b>d</b>	Nature of business †														
<b>e</b>	Previous / other names of employer †														
<b>f</b>	Last known address of employer †														
<b>g</b>	Is / was employer regulated by a regulatory body? †	Yes <input type="checkbox"/>	No <input type="checkbox"/> Name of regulatory body												
<b>h</b>	Is / was employer an <i>appointed representative/tied agent</i> †	Yes <input type="checkbox"/>	No <input type="checkbox"/> If yes, of which <i>firm</i> ?												
<b>i</b>	Position held †														
<b>j</b>	Responsibilities †														
<b>k</b>	Reason for leaving †	<table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">a Resignation</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>b Redundancy</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>c Retirement</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>d Termination/dismissal</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>e End of contract</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>f Other</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>		a Resignation	<input type="checkbox"/>	b Redundancy	<input type="checkbox"/>	c Retirement	<input type="checkbox"/>	d Termination/dismissal	<input type="checkbox"/>	e End of contract	<input type="checkbox"/>	f Other	<input type="checkbox"/>
a Resignation	<input type="checkbox"/>														
b Redundancy	<input type="checkbox"/>														
c Retirement	<input type="checkbox"/>														
d Termination/dismissal	<input type="checkbox"/>														
e End of contract	<input type="checkbox"/>														
f Other	<input type="checkbox"/>														
	Specify †														



I have supplied further information related to this in Section 6 †

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.05 Employment details (5)**

<b>a</b>	Period (mm/yyyy) †	From /	To /
<b>b</b>	Nature of employment †	a Employed <input type="checkbox"/> b Self-employed <input type="checkbox"/> c Unemployed <input type="checkbox"/> d Full-time education <input type="checkbox"/>	
	if b, c or d is ticked, please give details †		
<b>c</b>	Name of employer †		
<b>d</b>	Nature of business †		
<b>e</b>	Previous / other names of employer †		
<b>f</b>	Last known address of employer †		
<b>g</b>	Is / was employer regulated by a regulatory body? †		
<b>h</b>	Is / was employer an <i>appointed representative/tied agent</i> †		
<b>i</b>	Position held †		
<b>j</b>	Responsibilities †		
<b>k</b>	Reason for leaving †		
	Specify †		



I have supplied further information related to this in Section 6 †

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.01	a	Has the notified person <b>ever</b> been convicted of any offence (whether spent or not and whether or not in the <i>United Kingdom</i> ): i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies</i> , insurance, banking or other financial services, insolvency, consumer credit or consumer protection, <i>money laundering</i> , market manipulations or <i>insider dealing</i> ?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	b	Is the notified person the subject of any current criminal proceedings?	Yes <input type="checkbox"/> No <input type="checkbox"/>
	c	Has the notified person <b>ever</b> been given a caution in relation to any criminal offence	Yes <input type="checkbox"/> No <input type="checkbox"/>
		*	
5.02		Has the notified person any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?*	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.03	a	Has the notified person <b>ever</b> had a County Court Judgment (CCJ) or other judgement debt, (whether or not in the United Kingdom) Has the notified person had: i. more than 2 CCJs or judgment debts? or ii. more than £1,000 in total of CCJs or judgment debts?	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
	b	Is the notified person aware of anybody's intention to: i. begin more than one set of proceedings against the notified person for a CCJ or other judgment debt? Or ii. claim more than £1,000 of CCJs or judgment debts in total from the notified person	Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>
5.04		Does the notified person have any judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.05		Has the notified person <b>ever</b> failed to satisfy any such judgment debts within one year of the making of the order?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.06	a	Is the notified person, or has the notified person <b>ever</b> been, the subject of any bankruptcy proceedings or proceedings for the sequestration of the notified person's estate?	Yes <input type="checkbox"/> No <input type="checkbox"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

b	Has the notified person <b>ever</b> entered or is in the process of entering into an agreement in favour of the notified person's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.07	Does the notified person have any outstanding financial obligations arising from <i>regulated activities</i> , which the notified person has carried on in the past (whether or not in the <i>United Kingdom</i> )?  (In the case of <i>advisers</i> , this will include any outstanding liabilities arising from commissions paid for the sale of <i>packaged products</i> that have lapsed.)	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.08	Has the notified person <b>ever</b> been found guilty of carrying on any unauthorised <i>regulated activities</i> or been investigated for the possible carrying on of unauthorised <i>regulated activities</i> ?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.09	Is the notified person, or has the notified person <b>ever</b> been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activities?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.10	<b>Has the notified person ever</b> (whether or not in the <i>United Kingdom</i> ) –	
a	been refused entry to, or been dismissed or requested to resign from, any profession, vocation, office or employment, or any fiduciary office or position of trust, whether or not remunerated?	Yes <input type="checkbox"/> No <input type="checkbox"/>
b	been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required?	Yes <input type="checkbox"/> No <input type="checkbox"/>
c	been disqualified by a court from acting as a <i>director</i> of a <i>company</i> or from acting in a management capacity or conducting the affairs of any <i>company, partnership</i> or <i>unincorporated association</i> ?	Yes <input type="checkbox"/> No <input type="checkbox"/>
d	been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice that such a direction or order be made?	Yes <input type="checkbox"/> No <input type="checkbox"/>
5.11	In relation to activities regulated by the <i>FCA</i> and/or <i>PRA</i> or any other regulatory body (see note section 5), has:	
	i. the notified person, or	
	ii. any company, partnership or unincorporated association of which the notified person is or has been a controller, director, senior manager, partner or company secretary, during the notified person's association with that entity and for a period of three years after the notified person ceased to be associated with it, <b>ever</b> –	
a	been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted <b>by any such body</b> ?	Yes <input type="checkbox"/> No <input type="checkbox"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

- b been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary or intervention action **by any such body**? Yes  No
- c resigned whilst under investigation by, or been required to resign from, **any such body**? Yes  No
- d decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by **any such body**, not to proceed with it? Yes  No
- e been the subject of any civil action which has resulted in a finding against the notified person or it by a court? Yes  No

**5.12 Has any company, partnership or unincorporated association of which the notified person is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the notified person's involvement or within one year of such an involvement -**

- a been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors? Yes  No
- b been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct? Yes  No
- c been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation? Yes  No
- d been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the *Takeover Panel* or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b)) Yes  No

**5.13** Is the notified person aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the *controlled functions* for which approval is now sought? Yes  No

 I have supplied further information related to this in Section 6<sup>†</sup> YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Supplementary Information †

### Section 6

**6.01** Is there any other information the notified person of the firm considers to be relevant to the application?

†

Please provide full details†

**6.02** Full details must be provided here if there were any issues that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.†

Please indicate clearly which question additional information relates to.†

Question	Information

**6.03** Include a list of all directorships currently or previously held by the notified person in the past 10 years (where *director* has the meaning given in the *Glossary*).†

**6.04** Is there any other information the notified person or the *firm* considers to be relevant to the application?†

Yes  No

If yes, provide details below or on a separate sheet of paper†

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

# Supporting Documents†

Indicate the required supporting documents to accompany this form.

Documents	Mode (Send by Email, Post, or by Fax)

Other information

--

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## DECLARATION OF NOTIFIED PERSON<sup>†</sup>

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another *regulatory body*. If there is any doubt about the relevance of information, it should be included.

### Data Protection<sup>†</sup>

For the purposes of complying with the Data Protection Act, the personal information in this Form will be used by the *FCA* and/or *PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**I can confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the Notes to this Form.**

The *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. **I authorise the *FCA* and/or *PRA* to make such enquiries and seek further information as it thinks appropriate in the course of verifying the information given in this Form. I also understand that the results of these checks may be disclosed to my employer.**

7.01 Notified person's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

Tick here to confirm you have read and understood this declaration: <sup>∞</sup>

---

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission

<sup>∞</sup> The above question(s) appears on the electronic form submission only. It does not appear on a paper form submission.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**DECLARATION OF FIRM<sup>†</sup>**

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided.

*APER* 4.4.7E provides that, where an *approved person* is responsible for reporting matters to the *FCA* and/or *PRA*, failure to inform the *FCA* and/or *PRA* of materially significant information of which he is aware is a breach of *Statement of Principle* 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the *FCA* and/or *PRA*.

It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry that the notified person is a fit and proper person to perform the notified position(s) listed in section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the notified person is competent to fulfil the duties required of such function(s).

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the Notes to this Form.**

**I confirm that I have authority to make this notification, and sign this Form, on behalf of each *firm* identified in section 7. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA* will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.**

Name of the *firm* submitting the application<sup>†</sup>

7.03

7.04 Name of *person* signing on behalf of the *firm*<sup>†</sup>

7.05 Job title<sup>†</sup>

7.06 Signature<sup>\*</sup>

Date<sup>†</sup>

Tick here to confirm you have read and understood this declaration:

## Completion Checklist

Is the Form fully completed? †

Are ALL forenames included? †

Is there a complete five-year employment history with all gaps explained? †

Is the Form correctly signed and dated by both the *firm* making the application and the notified person? †

Has all supplementary information been included and clearly marked? †

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Form F – Changes in notified persons**  
**Version 5**

**Annex D**  
**Standing Data Form**



This form may be completed on screen and printed, or printed for completion by hand.

NOTE: You cannot save the form if you are completing it using Acrobat Reader. It is therefore advisable to assemble all the information you require before completing the form.

Print as many copies as you require before quitting

This form can be saved if you are using the full Acrobat application.

All fields except Signatures may be completed on screen.

Text in blue will not print.

## Standing Data

**To update firm name and trading names, website address,  
accounting reference date, auditors, locum, contacts and addresses.**

*SUP 15 Annex 3R – Notifications under SUP 16.10*

(April 2013)

Click in any field to enter text. Press tab to go to next field.

Firm name

("The Firm")

Firm reference number

Address

**Please return the form, marked for the attention of the Customer Contact Centre to:**

Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom

Telephone +44 (0) 20 7066 1000  
Facsimile +44 (0) 20 7066 1099

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

## NOTES

This form should be used to update your *firm* name and trading name(s), website address, accounting reference *date*, auditors, locum, contacts and addresses.

### Personal Details

### Section A

1 Contact Name for this notification

\*

2 Contact's Details:

a Position in the firm

\*

b Daytime telephone number

\*

c E-mail address

d Individual reference number (IRN), if applicable

### Change Full Name of *Firm*

### Section B

If you wish to advise the *FCA* or *PRA* of a change to the firm's name please enter the following details, otherwise proceed to Section C1.

**Note:** this section is not intended to be used by firms that are covered by Industrial & Provident, Friendly Society, Credit Union or Building Society legislation. These firms should contact the *FCA*'s Mutuals Team.

Current Legal Status:

(a) Private Limited Company

(b) Public Limited Company

(c) Limited Liability Partnership

(d) Limited Partnership

(e) Sole Trader

(f) Unlimited Liability Company

(g) Partnership

(h) **Other, please specify below**

1 New full name of *firm*

\*

2 Please enter the date on which the change becomes effective

/ /

Yes No N/A

3 Has the change requested been approved by Companies House?

If your *firm* is a UK registered limited company (including PLC), limited partnership (if registered at Companies House), *limited liability partnership* or unlimited liability company, you should only make a change to your *firm* name if the change has already been approved by Companies House.

If you have answered 'Not Applicable', please explain why below:

4 I confirm that the change requested does not constitute a change of legal status.

**Add New Trading Name(s) †****Section C1**

If you wish to add a new trading name of the firm please enter the following details, otherwise please proceed to Section C2:

- |           |   |  |   |
|-----------|---|--|---|
| <b>1</b>  | New Trading Name  | <input type="text"/>   | * |
| <b>1a</b> | Please enter the date on which the change becomes effective | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>2</b>  | New Trading Name  | <input type="text"/>   | * |
| <b>2a</b> | Please enter the date on which the change becomes effective | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>3</b>  | New Trading Name  | <input type="text"/>   | * |
| <b>3a</b> | Please enter the date on which the change becomes effective | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>4</b>  | New Trading Name  | <input type="text"/>   | * |
| <b>4a</b> | Please enter the date on which the change becomes effective | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |

**Delete Current Trading Name(s)**

If you wish to delete a trading name of the firm please enter the following details, otherwise please proceed to Section D:

- |           |   |  |   |
|-----------|---|--|---|
| <b>1</b>  | Trading name to be deleted  | <input type="text"/>   | * |
| <b>1a</b> | Please confirm when the trading name must cease:  | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>1b</b> | I confirm that the above trading name will not be used by the firm from the date indicated above. |  |   |
| <b>2</b>  | Trading name to be deleted  | <input type="text"/>   | * |
| <b>2a</b> | Please confirm when the trading name must cease:  | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>2b</b> | I confirm that the above trading name will not be used by the firm from the date indicated above. |  |   |
| <b>3</b>  | Trading name to be deleted  | <input type="text"/>   | * |
| <b>3a</b> | Please confirm when the trading name must cease:  | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>3b</b> | I confirm that the above trading name will not be used by the firm from the date indicated above. |  |   |
| <b>4</b>  | Trading name to be deleted  | <input type="text"/>   | * |
| <b>4a</b> | Please confirm when the trading name must cease:  | <input type="text"/> / <input type="text"/> / <input type="text"/> | * |
| <b>4b</b> | I confirm that the above trading name will not be used by the firm from the date indicated above. |  |   |



If you wish to change the contact details of the Complaints Officer or Primary Compliance Contact please enter the following details, otherwise please proceed to Section E1:

**Please note that this will not change your approved person records. If you want to change these records, please complete the appropriate Approved Persons Form.**

Please indicate which contact this change applies to. If you wish to change the details for both please copy this form and record the details for each on separate forms, unless the details are the same.

(a) Complaints Officer

(b) Primary Compliance Contact

1 Title

\*

2 Forename(s)

\*

3 Surname

\*

4 Job Title

5 Email address

6 Phone number. This must be a direct dialled number.

\*

7 Fax Number

8 Please enter the date on which the change becomes effective.

/ /

\*

9 Address

\*

Postcode:

10 If you would also like the contact details of the following to be changed, please tick the appropriate boxes. This will amend the contact details in line with the changes recorded above.

Complaints Contact

Primary Compliance Contact





(c) Customer Services

(d) EEA Branch Address

Page 6

\* Denotes a mandatory field

(e) Firm Association Branch

(f) Professional Advisor

Please enter the new address details:

2 Address

\*

Postcode:

\*

3 Telephone number.

4 Fax Number

5 Email address

6 Please enter the date on which the change becomes effective.

/ /

\*



1 Please enter the following details to change your accounting reference date:

- (a) Current Accounting Reference Date (dd/mm) / \*
- (b) New Accounting Reference Date (dd/mm) / \*

2 What accounting periods will result from the change? The new accounting reference date that you have entered could result in several different periods depending on whether you want to extend or reduce your periods and which period is the first period affected.

Although the *FCA* or *PRA* may accept accounting periods of up to 18 months, SUP 16.3.18G advises firms that accounting periods longer than 15 months may be deemed unacceptable as this may hinder the timely provision of relevant and important information to the *FCA* or *PRA*. If a firm wishes to have an accounting period of longer than 18 months (sole traders and certain partnerships), the firm must apply to the *FCA* in writing.

Please detail the start and end dates for the current accounting period and the two following periods below:

- (a) Current Period / / to / / \*
- (b) Next Period / / to / / \*
- (c) Next Period 2 / / to / / \*

**Note the change that you have requested will result in a change to your reporting timetable.**

3 I confirm the change requested above and that it is correctly represented by the accounting periods listed.

Please enter the new website address:

1 Website (format – [www.fca.org.uk](http://www.fca.org.uk)):

Please enter the following details to change your Auditor's details:

1 Firm name



2 Address

\*

Postcode:

3 Telephone number.

\*

4 Fax Number

5 Email address

6 Effective date

/ / \*

## Change Locum Details†

## Section H2

Please enter the following details to change your Locum's details:

1 Title

2 Forename(s)

3 Surname

4 Firm name

\*

5 Address

\*

Postcode:



6 Telephone number.

[Redacted] \*

7 Fax Number

[Redacted]

8 Email address

[Redacted]

6 Effective date

[Redacted] / / \*



**Warning**

Knowingly or recklessly giving the *FCA* or *PRA* information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* or *PRA* and to notify the *FCA* or *PRA* *immediately if materially inaccurate information has been provided*. *Contravention of these requirements* may lead to disciplinary sanctions or other enforcement action by the *FCA* or *PRA*. It should not be assumed that information is known to the *FCA* or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* or *PRA* or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

**Data Protection**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the Financial Conduct Authority and the Prudential Regulation Authority to discharge their statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**Declaration**

By submitting this notification form

I/we confirm that the information contained in this form is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.

I am/we are aware that it is a criminal offence knowingly or recklessly to give the *FCA* or *PRA* information that is false or misleading in a material particular.

I/we confirm that, for those questions that do not require supporting evidence, the records which demonstrate the firm's compliance with the rules in relation to the questions will be available to the *FCA* or *PRA* on request.

I/we will notify the *FCA* or *PRA* immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in enforcement action.

Date

Name of first signatory<sup>1</sup>

Position<sup>2</sup> of first signatory

Individual Reference Number (IRN)

Signature

Name of second signatory<sup>1</sup>

Position<sup>2</sup> of second signatory

Individual Reference Number (IRN)

Signature

<sup>1</sup> For a sole trader, the signature of the principal is required.  
For a limited company, the signature of two directors or one director and the company secretary is required.  
For a partnership, the signature of at least one partner is required.

<sup>2</sup> e.g. director, partner or sole trader

**Annex E**  
**Notification Form**



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



# Notification Form

(April 2013)

Firm name

("The Firm")

Firm Reference Number

Address

Please return the form, marked for the attention of your relevant supervisory contact as appropriate:

Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS United Kingdom  
[www.fca.org.uk](http://www.fca.org.uk)  
[fcc@fca.org.uk](mailto:fcc@fca.org.uk)

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

[PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

Telephone +44 (0) 20 7066 1000

Telephone +44 (0) 20 3461 7000

Facsimile +44 (0) 20 7066 1099

The Financial Conduct Authority is registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

The Prudential Regulation Authority is registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

1 Contact Name for this form \*

2 Contact's Details:

a Position in the firm \*

b Daytime telephone number \*

c E-mail address

d Individual reference number (IRN), if applicable

**Type of notification**

**Section B**

There are circumstances where a firm must disclose information to the FCA and/or PRA in a timely manner, including:-

- where a rule has been breached;
- where the firm fails to satisfy a threshold condition (these can be found in Schedule 6 of the Financial Services and Markets Act 2000);
- where a matter occurs which could have a significant adverse impact on a firm, including its ability to provide adequate services to a customer;
- where a particular notifiable event may have occurred.

A consolidated summary of some of the notification rules is in the Handbook, Schedule 2 of the Supervision Modules (SUP). Also, Principle for Businesses No 11 requires a firm to disclose appropriately any information of which the FCA and/or PRA would reasonably expect notice. Other notification requirements are listed in Schedule 2 of many of the other FCA and PRA Modules within the Handbook. This form allows you to make any of these notifications.

3 To help us process your notification efficiently, please select at least one of the categories below:\*

Finance/capital issues †

For example:

- breach of capital requirements;
- excess in allowed large exposures requirements;
- qualification in audited annual accounts (financial issue); and
- insolvency, bankruptcy or winding up.

Client money issues



For example:

- negative client money account; and
- notifiable issue in client assets report.

Professional indemnity insurance (PII) cover



For example:

- cover not renewed;
- cover exhausted; and
- cover does not meet FCA or PRA requirements.

Complaints, including a decision not to pay a Financial Ombudsman Service award



Fraud, error or other irregularities



For example:

- fraud on the firm (actual or attempted);
- fraud by staff (actual or attempted); and
- money laundering issues.

Litigation/disciplinary issues, including civil, criminal or disciplinary proceedings against the firm or any of its representatives.



Other rule breaches (not included above).



Other notification requirements (not relating to a rule breach)



For example:

- a repayment of a subordinated loan (see the Supervision manual (SUP) 15.3.8(3)(a**b**)G for more information); or
- any proposed restructuring, reorganisation or business expansion that could have a significant impact on the firm's risk profile and resources.

This Notification should form should not be used for the following purposes:

- changes to Standing Data e.g. change of firm name, address, contact details, website, auditor, accounting reference date. (These changes need to be made via the FCA and PRA Standing Data form); or
- Whistle blowing e.g. revealing a suspected wrongdoing in an organisation. In these circumstances you should email [whistle@fca.org.uk](mailto:whistle@fca.org.uk) or write in or phone us.

Please see our website for more details.

Yes No

4 Has the notifiable event occurred? \*



4a If selected 'Yes', on what date did the event occur (record last applicable date)?

/ /

4b If selected 'No', what is the probability of the event occurring?

[Large grey text input area for question 4b]

5 If this notification is about a specific rule, threshold condition and/or principle, please record its reference if known:

[Large grey text input area for question 5]

6 What are the details of the notification? \*

[Large grey text input area for question 6]

7 What (if any) is the impact of the notification?

Yes No N/A

8 If relevant, have you resolved the issue?

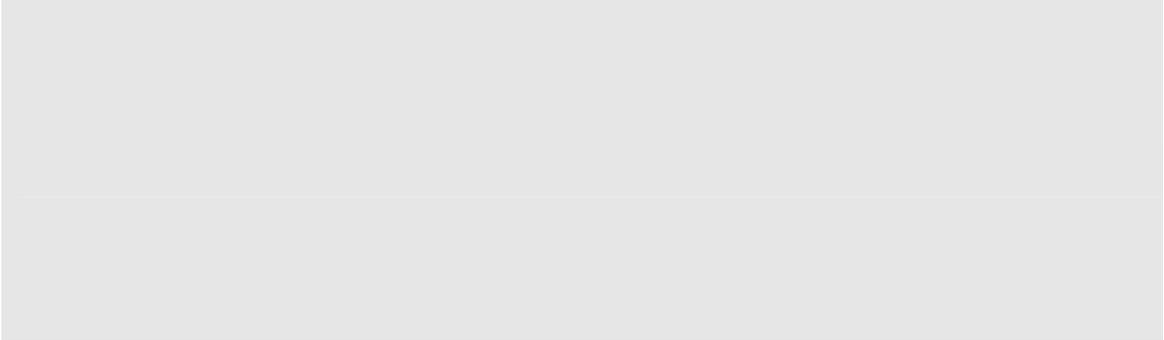
8a If answered 'Yes'. When did you resolve the issue (end date)?

/ /

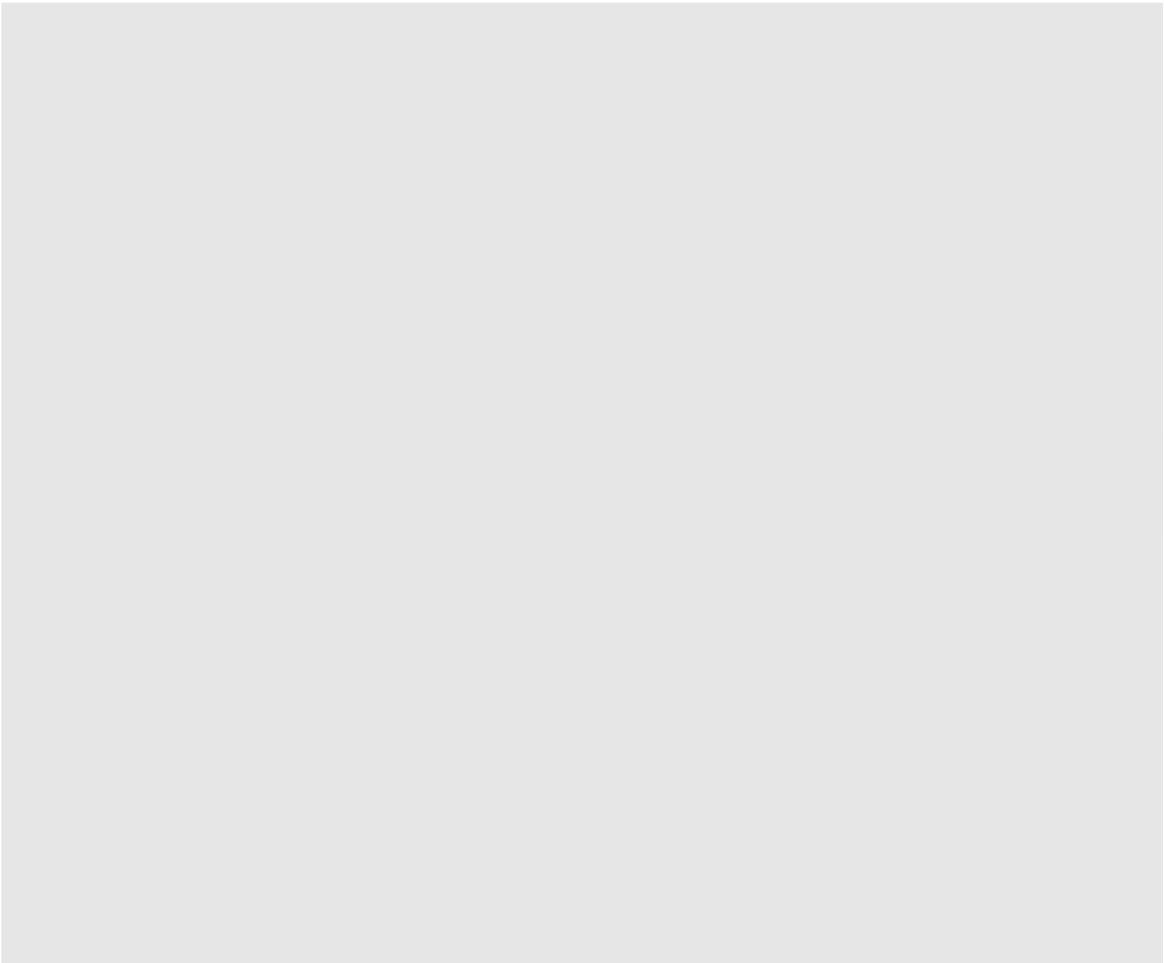
How was the issue resolved?

8b If answered 'No', what action (if any) will you be taking?

8c If answered 'Not applicable', please explain why below:



9 If you have any additional information to add to this form, please enter it below or attach it as a document. (Please remember to mark attachments with the firm's name and FRN, and the question number to which the document relates.)



Warning

Knowingly or recklessly giving the FCA and/or PRA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000) SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA and/or PRA and to notify the FCA and/or PRA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FCA and/or PRA. It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FCA and/or PRA. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the Financial Conduct Authority and/or the Prudential Regulation Authority to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

By signing this form

- I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.
- I am/we are aware that it is a criminal offence knowingly or recklessly to give the FCA and/or PRA information that is false or misleading in a material particular.
- Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FCA and/or PRA on request.
- I/we will notify the FCA and/or PRA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.

Date	<input type="text"/>
Name of first signatory <sup>1</sup>	<input type="text"/>
Position <sup>2</sup> of first signatory	<input type="text"/>
Individual Registration Number	<input type="text"/>
Signature	<input type="text"/>
Name of second signatory	<input type="text"/>
Position of second signatory	<input type="text"/>
Individual Registration Number	<input type="text"/>
Signature	<input type="text"/>

<sup>1</sup> For a sole trader, the signature of the principal is required.  
 For a limited company, the signature of two directors or one director and the company secretary is required.  
 For a partnership, the signature of at least one partner is required.

<sup>2</sup> e.g. Director, Partner or Sole Trader.

## Appendix 9

### HANDBOOK (RULEBOOK CONSEQUENTIALS NO 1) INSTRUMENT 2014

#### Powers exercised

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

#### Pre-conditions to making

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

#### Commencement

- D. This instrument comes into force on 19 June 2014.

#### Amendments

- E. The modules of the PRA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
General provisions (GEN)	Annex C
Fees manual (FEES)	Annex D
General Prudential sourcebook (GENPRU)	Annex E
Prudential sourcebook for Insurers (INSPRU)	Annex F
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex G
Supervision manual (SUP)	Annex H

#### Deletion

- G. Each of the following modules and chapters of the PRA’s Handbook is deleted:

PRIN (Principles for Businesses)
FINMAR (Financial Stability and Market Confidence Sourcebook)
SUP 2 (Information gathering by the FCA or PRA on its own initiative)
SUP 3 (Auditors)
SUP 5 (Reports by skilled persons)
SUP 6 (Applications to vary and cancel Part 4A permission and to impose, vary or cancel requirements)
SUP 8 (Waiver and modification of rules)
SUP 15 (Notifications to the FCA or PRA)

**Citation**

- H. This instrument may be cited as the Handbook (Rulebook Consequentials No 1) Instrument 2014.

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

13 June 2014

## Annex A

## Amendments to the Glossary of definitions

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

<i>close links</i>	...	(2) (except where (1) applies and except in <del>SUP 3 (Auditors)</del> and <del>SUP 4 (Actuaries)</del> ) (in accordance with paragraph 3(2) in Schedule 6 to the Act (Close links)) the relationship between a <i>person</i> (“A”) and another <i>person</i> (“CL”) which exists if:
	...	(3) (in <del>SUP 3 (Auditors)</del> and <del>SUP 4 (Actuaries)</del> ) (in accordance with section 343(8) of the Act (Information given by auditor or actuary to a regulator: persons with close links)) the relationship in (2), disregarding (e) and (f).
	...	
<i>eligible counterparty</i>	(1) <del>(for the purposes other than those set out in (2))</del> (in accordance with COBS 3.6.1R) a <i>client</i> that is either a <i>per se eligible counterparty</i> or an <i>elective eligible counterparty</i> .	
	(2) <del>(for the purposes of PRIN, in relation to activities other than designated investment business) a client categorised as an eligible counterparty in accordance with PRIN 1 Annex 1 R.</del> <u>[deleted]</u>	
	...	
<u><i>Fundamental Rules</i></u>	<u>the Fundamental Rules set out in Fundamental Rules 2 in the PRA Rulebook.</u>	
	...	
<i>material outsourcing</i>	<i>outsourcing</i> services of such importance that weakness, or failure, of the services would cast serious doubt upon the <i>firm</i> ’s continuing satisfaction of the <i>threshold conditions</i> or compliance with the <del>Principles</del> <i>Fundamental Rules</i> .	
	...	
<i>PRIN</i>	<del>the part of the Handbook in High Level Standards that has the title</del>	

~~Principles for Businesses.~~ In relation to any rules in PRIN, the equivalent provision (if any) in the Fundamental Rules Part of the PRA Rulebook.

...

*Principle*

one of the Principles set out in PRIN 2.1.1R (Principles for Businesses)- or:

- (a) in relation to Principle 1, Fundamental Rule 1;
- (b) in relation to Principle 2, Fundamental Rule 2;
- (c) in relation to Principle 3, Fundamental Rule 5 or Fundamental Rule 6 as appropriate;
- (d) in relation to Principle 4, Fundamental Rule 4; and
- (e) in relation to Principle 11, Fundamental Rule 7.

...

*regulatory system*

...

the arrangements for regulating a *firm* or other *person* in or under the *Act*, including the *threshold conditions*, the ~~Principles~~ Fundamental Rules and other *rules*, the *Statements of Principle*, codes and *guidance* and including any relevant directly applicable provisions of a Directive or Regulation such as those contained in the *MiFID implementing Directive*, the *MiFID Regulation* and the *EU CRR*.

...

*requisite details*

the details required in regulation 1 of the *EEA Passport Rights Regulations* ~~and set out in SUP 13 Annex 1 R (Requisite details: branches).~~

...

*rule*

(in accordance with section 417(1) of the *Act* (Definitions)) a rule made by the *FCA* or the *PRA* under the *Act*, includes ~~;~~ an evidential provision.

- (a) ~~a Principle;~~ and [deleted]
- (b) ~~an evidential provision~~ [deleted]

...

*waiver*

a direction waiving or modifying a *rule*, given by the ~~appropriate regulator~~ PRA under section 138A of the *Act* (Modification or waiver of rules) or by the *FCA* under sections 250, 261L or 294 of the *Act* (Modification or waiver of rules) or regulation 7 of the *OEIC Regulations* (see ~~SUP 8~~ and REC 3.3).

...

## Annex B

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

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

#### 1.2 Purpose

...

##### 1.2.1 G ~~The purposes of SYSC are:~~

- (1) ~~to encourage *firms' directors and senior managers* to take appropriate practical responsibility for their *firms'* arrangements on matters likely to be of interest to the *appropriate regulator* because they impinge on the *appropriate regulator's* functions under the *Act*; [deleted]~~
- (2) ~~to increase certainty by amplifying *Principle 3*, under which a *firm* must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems; [deleted]~~
- (3) ~~to encourage *firms* to vest responsibility for effective and responsible organisation in specific *directors and senior managers*; and [deleted]~~
- (4) ~~to create a common platform of organisational and systems and controls requirements for all *firms*. [deleted]~~

##### 1.2.1A G The purposes of SYSC are:

- (1) to encourage *firms' directors and senior managers* to take appropriate practical responsibility for their *firms'* arrangements on matters likely to be of interest to the *PRA* because they impinge on the *PRA's* functions under the *Act*;
- (2) to encourage *firms* to vest responsibility for effective and responsible organisation in specific *directors and senior managers*; and
- (3) to create a common platform of organisational and systems and controls requirements for all *firms*.

...

#### 11.1 Application

...

- 11.1.8 G Appropriate systems and controls for the management of *liquidity risk* will vary with the scale, nature and complexity of the *firm's* activities. Most of the material in SYSC 11 is, therefore, guidance. SYSC 11 lays out some of the main issues that the *PRA* expects a *firm* to consider in relation to *liquidity*

*risk*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations as set out in *Principle 3* to organise and control its affairs responsibly and effectively.

...

## 14.1 Application

...

- 14.1.6 G This section is designed to amplify ~~*Principle 3* (Management and control)~~ which requires the requirement that a *firm* take reasonable care to must organise and control its affairs responsibly and effectively, and have effective risk strategies and with adequate risk management systems. This section is also designed to be complementary to *SYSC 2*, *SYSC 3* and *SYSC 13* in that it contains some additional *rules* and *guidance* on senior management arrangements and associated systems and controls for *firms* that could have a significant impact on the *PRA's* objectives
- 14.1.7 G In addition to supporting ~~*PRIN*~~ and *SYSC 2*, *SYSC 3* and *SYSC 13*, this section lays the foundations for the more specific *rules* and *guidance* on the management of credit, market, liquidity, operational, insurance and group risks that are in *SYSC 11*, *SYSC 12*, *SYSC 15*, *SYSC 16* and *INSPRU 5.1*. Many of the elements raised here in general terms are expanded upon in these sections.

...

## 15.1 Application

...

- 15.1.6 G Appropriate systems and controls for the management of credit risk will vary with the scale, nature and complexity of the *firm's* activities. Therefore the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations as set out in ~~*Principle 3*~~ to organise and control its affairs responsibly and effectively.

...

## 16.1 Application

...

- 16.1.4 G ...
- (4) Appropriate systems and controls for the management of *market risk* will vary with the scale, nature and complexity of the *firm's*

activities. Therefore the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in *Principle 3*~~ to organise and control its affairs responsibly and effectively.

...

## 17.1 Application

...

- 17.1.7 G Appropriate systems and controls for the management of insurance risk will vary with the scale, nature and complexity of a *firm's* activities. Therefore, the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations, ~~as set out in *Principle 3*~~, to organise and control its affairs responsibly and effectively.

...

## 20.1 Application and purpose

...

- 20.1.2 G ~~This chapter amplifies *Principle 2*, under which a *firm* must conduct its business with due skill, care and diligence, and *Principle 3*, under which a *firm* must take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems.~~[deleted]

...

**Annex C****General Provisions (GEN)**

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

**1.3 Emergency**

...

1.3.2A **R** Notwithstanding *GEN* 1.3.2R(4), a notification under *GEN* 1.3.2R(3) must be given or addressed and delivered in accordance with Notifications 7 (Form and method of notification) of the *PRA* Rulebook (whether or not the *person* is a *firm*).

## Annex D

## Amendments to the Fees manual (FEES)

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

## 3.2 Obligation to pay fees

...

## 3.2.7A R Table of application, notification and vetting fees payable to the PRA

(1) Fee payer	(2) Fee payable	Due Date
...		
(h) <i>A person</i> in respect of which the <i>appropriate regulator</i> has given notice of its intention to itself appoint a <i>skilled person</i> to provide it with a report pursuant to section 166(3)(b) of the <i>Act</i> and <del><i>SUP 5.2</i></del> .	...	...
...		

...

## 4.3 Periodic fee payable by firms (other than AIFM qualifiers, ICVCs and UCITS qualifiers)

...

4.3.6A R If a *firm* has applied to cancel its *Part 4A permission* in the way set out in Permissions and Waivers 2 of the *PRA Rulebook*, then *FEES 4.3.6R(1)* and *(2)* do not apply but it must pay the total amount due when the application is made.

...

4.3.13A R (1) If:

(a) a *firm* makes an application to vary its *permission* (by reducing its scope), or cancel it, in the way set out in Permissions and Waivers 2 of the *PRA Rulebook*; and

(b) the *firm* makes the application or notification referred to in (a) before the start of the *fee year* to which the fee relates,

*FEES 4.2.1R* applies to the *firm* as if the relevant variation or cancellation of the *firm's permission* took effect immediately before the start of the *fee year* to which the fee relates.

(2) But (1) does not apply if, due to the continuing nature of the business, the variation or cancellation is not to take effect on or before 30 June of the *fee year* to which the fee relates.

...

Annex 2B R **PRA fee rates and EEA/Treaty firm modifications for the period from 1 April 2013 to 28 February 2014**

...

Part 5		
...		
(2)	The conditions in this paragraph are:	
	(a)	<i>FEES 4.3.13R</i> and <i>FEES 4.3.13AR</i> (Firms Applying to Cancel or Vary Permission Before Start of Period) <del>does</del> <u>do not</u> apply with respect to the relevant fee blocks;
	...	
...		

**Annex E**

**Amendments to the General Prudential sourcebook (GENPRU)**

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

**2 Capital**

...

2.1.20 R ...

- (2) that election is made by written notice given to the ~~appropriate regulator~~ PRA in a way that complies with the requirements for written notice in ~~SUP 15.7~~ Notifications 7 (Form and method of notification) of the PRA Rulebook.

...

**2 G Guidance on applications for waivers relating to Implicit items**

Annex  
8

1	...
2	Under section 138A of the <i>Act</i> , the <i>PRA</i> may, on the application of a <i>firm</i> , grant a <i>waiver</i> <del>from PRU</del> . There are general requirements that must be met before any <i>waiver</i> can be granted. <del>As explained in SUP 8,</del> <u>the</u> <u>The</u> <i>PRA</i> may not give a <i>waiver</i> unless the <i>PRA</i> is satisfied that:
	...
4	<i>Implicit items</i> are economic reserves which are contained within the long-term insurance business provisions. Article 27(4) of the <i>Consolidated Life Directive</i> identifies three types of <i>implicit item</i> , in respect of: future profits, <del>zillmerisation</del> and hidden reserves. This annex is intended to <del>amplify the</del> <u>provide guidance</u> <del>in SUP 8</del> relating to the granting of <i>waivers</i> for <i>implicit items</i> and to provide <i>guidance</i> on other aspects. Whilst this <i>guidance</i> applies to applications for <i>waivers</i> for <i>implicit items</i> generally, for a <i>realistic basis life firm</i> , to the extent that an <i>implicit item</i> is allocated to a <i>with-profits fund</i> , this <i>guidance</i> relates to <i>implicit items</i> for the purposes of determining the <i>regulatory value of assets</i> (see INSPRU 1.4.24R).
	...
9	This annex sets out the procedures to be followed and the form of calculations and data which should be submitted by <i>firms</i> to the <del>appropriate regulator</del> <u>PRA</u> . This <i>guidance</i> should also be read in conjunction with the general requirements relating to the <i>waiver</i>

	<p>process described in <i>SUP 8</i>. The <i>PRA</i> expects that applications for <i>waivers</i> in respect of future profits and <i>zillmerising</i> will not normally be considered to pass the "would not adversely affect the advancement of any of the <i>PRA</i>'s objectives" test unless the relevant criteria set out in this <i>guidance</i> have been satisfied and an application for such a <i>waiver</i> may require further criteria to be satisfied for this test to be passed. As set out below, <i>waivers</i> in respect of either <i>zillmerising</i> or hidden reserves will not normally be given except in very exceptional circumstances.</p>
Timing	
10	<p>A <i>long-term insurer</i> may apply to the <i>PRA</i> for a <i>waiver</i> in respect of <i>implicit items</i>. A <i>waiver</i> will not apply retrospectively (see <del><i>SUP 8.3.6 G</i></del>). Consequently, applications intended for a particular accounting reference date will normally need to be made well before that reference date. Applications by <i>firms</i> must be made to the <i>PRA</i> in writing and include the relevant details specified under <del><i>SUP 8.3.3D</i></del> <u>Permissions and Waivers 4 in the <i>PRA</i> Rulebook</u>. Given the uncertainty in predicting the future, <i>waivers</i> will normally be granted for a maximum of 12 months at a time and any further applications will need to be made accordingly.</p>
...	
15	<p>An application for a <i>capital resources waiver</i> (which includes an application for an extension to or other variation of a <i>waiver</i>) should be prepared using the standard application form for a <i>waiver</i> (see <del><i>SUP 8 Annex 2D</i></del>). In addition, the application should be accompanied by full supporting information to enable the <i>PRA</i> to arrive at a decision on the merits of the case. In particular, the application should state clearly the nature and the amounts of the <i>implicit items</i> that a <i>firm</i> wishes to count against its <i>capital resources requirement</i> and whether it proposes to treat the <i>implicit item</i> as <i>tier one capital</i> or <i>tier two capital</i>. In order to assess an application, the <i>PRA</i> needs information as to the make-up of the <i>firm's capital resources</i>, the quality of the capital items which have been categorised into each tier of capital and a breakdown of capital both within and outside the <i>firm's long-term insurance fund</i> or <i>funds</i> and between the <i>firm's with-profits funds</i> and <i>non-profit funds</i>. An explanation as to the appropriateness of the proposed treatment of the <i>implicit item</i> under the <i>capital resources table</i> should also be provided, including a demonstration that, in allowing for <i>implicit items</i>, there has been no double counting of future margins and that the basis for valuing such margins is prudent.</p>
...	
19	<p><i>Firms</i> should take into account any material changes in financial conditions or other relevant circumstances that may have an impact on the level of future profits that can prudently be taken into account. <i>Firms</i> should also re-evaluate whether an application to vary an</p>

	<p><i>implicit item waiver</i> should be made whenever circumstances have changed. In the event that circumstances have changed such that an amendment is appropriate, the <i>firm</i> must contact the <i>PRA</i> as quickly as possible in accordance with <del><i>Principle 11</i></del>. (See <del><i>SUP 8.5.1R</i></del>). <u><i>Fundamental Rule 7</i></u>. In this context, the <i>PRA</i> would expect notice of any matter that materially impacts on the <i>firm's</i> financial condition, or any <i>waivers</i> granted.</p>
...	
45	<p>The <i>PRA</i> will publish the <i>waiver</i> <del>(see <i>SUP 8.6</i> and <i>SUP 8.7</i>)</del>. Public disclosure is standard practice unless the <i>PRA</i> is satisfied that publication is inappropriate or unnecessary (see section <del>138AB</del> <u>138B</u> of the <i>Act</i>). Any request that a direction not be published should be made to the <i>PRA</i> in writing with grounds in support, <del>as set out in <i>SUP 8.6</i></del>. Disclosure of a <i>waiver</i> will normally be required in the <i>firm's</i> annual <i>returns</i>.</p>

## Annex F

## Amendments to the Interim Prudential sourcebook for Insurers (INSPRU)

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

## 2.1 Application

...

- 2.1.6 G The requirements in this section address both current and contingent exposure to credit risk. ~~PRIN and SYSC~~ requires a *firm* to establish adequate internal systems and controls for exposure to credit risk. This section requires a *firm* to restrict its exposure to different *counterparties* and assets to prudent levels and to ensure that those exposures are adequately diversified. It also requires a *firm* to make deductions from the value of assets in respect of exposures to one asset, *counterparty* or group of closely related *counterparties* in excess of prescribed limits.

...

- 2.1.23 R A *firm* must notify the PRA in accordance with ~~SUP 15.7~~ Notifications 7 (Form and method of notification) of the PRA Rulebook as soon as it first becomes aware that:

(1) ...

...

...

## 4.1 Application

...

- 4.1.5 G The purpose of this section is to amplify parts of INSPRU in their application to *liquidity risk* and, in so doing, to suggest minimum standards for management of that risk. The main relevant part, SYSC 14 (Prudential risk management and associated systems and controls), itself amplifies ~~Principle 3 (Management and control) and SYSC (Senior management arrangements, Systems and Controls)~~.
- 4.1.6 G Appropriate management of *liquidity risk* will vary with the scale, nature and complexity of the *firm's* activities. Most of the material in this section is, therefore, *guidance*. The section lays out some of the main issues that the PRA expects a *firm* to consider in relation to *liquidity risk*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in Principle 3~~ to organise and control its affairs responsibly and effectively.

...

## 5.1 Application

...

- 5.1.8 G Appropriate management of operational risk will vary with the scale, nature and complexity of a *firm's* activities. Therefore the material in this section is *guidance*. A *firm* should assess the appropriateness of any particular item of *guidance* in the light of the scale, nature and complexity of its activities as well as its obligations ~~as set out in *Principle 3*~~ to organise and control its affairs responsibly and effectively.

...

## 6.1 Application

...

- 6.1.16 G ~~*Principle 4* requires a~~ A *firm* is required to maintain adequate financial resources, taking into account any activity of other members of the *group* of which the *firm* is a member. *INSPRU* 6.1 sets out provisions that deal specifically with the way the activities of other members of the *group* should be taken into account. This results in the *firm* being required to hold sufficient capital resources so that the *group capital resources* are at least equal to the *group capital resources requirement*. However, the adequacy of the *group capital resources* needs to be assessed both by the *firm* and the *PRA*. *Firms* are required to carry out an assessment of the adequacy of their financial resources under the *overall financial adequacy rule*, the *overall Pillar 2 rule* and *GENPRU* 1.2.39R, and the *PRA* will review this and may provide individual guidance on the amount and quality of *capital resources* the *PRA* considers adequate. As part of such reviews, the *PRA* may also form a view on the appropriateness of the *group capital resources requirement* and *group capital resources*. Where necessary, the *PRA* may also give individual *guidance* on the *capital resources* a *firm* should hold in order to comply with ~~*Principle 4*~~ the requirement to maintain adequate financial resources expressed by reference to *INSPRU* 6.1.9R and *INSPRU* 6.1.15R.

...

- 6.1.26 R A *firm* may elect to use the calculation method referred to in *INSPRU* 6.1.25R(2) if it has made the election by written notice to the *PRA* in a way that complies with the requirements for written notice in ~~*SUP 15.7*~~ Notifications 7 of the *PRA* Rulebook.

...

## 7.1 Application

...

- 7.1.26 G ~~The ICA should assume that a firm will continue to manage its business having regard to the PRA's and FCA's Principles for Businesses. In particular, a firm should take into account how the Principles for Businesses may constrain its prospective management actions, for example, the FCA's Principle 6 (Treating Customers Fairly). [deleted]~~
- 7.1.26A G The ICA should assume that a firm will continue to manage its business having regard to the Principles. In particular, a firm should take into account how the Principles may constrain its prospective management actions.

## Annex G

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

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

**3.1 Application and purpose**

- 3.1.5 G ~~Under *Principles 3 and 4* a firm is required to take reasonable care to organise and control its affairs responsibly and effectively with adequate risk management systems and to maintain adequate financial resources. Under *Principle 9* a firm is obliged to take reasonable care to ensure the suitability of its advice on investments and discretionary decisions for any customer who is entitled to rely upon its judgement.~~[deleted]
- 3.1.5A G Under ~~*Principles 3 and 4*~~ *Fundamental Rules 4, 5 and 6* a firm is required to ~~take reasonable care to organise and control its affairs responsibly and effectively with adequate risk management systems~~ have effective risk strategies and risk management systems, to organise and control its affairs responsibly and effectively and to maintain adequate financial resources at all times.

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## Annex H

## Amendments to the Supervision manual (SUP)

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

## 4.4 Appropriate actuaries

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- 4.4.3 G An *appropriate actuary* should have skills and experience appropriate to the nature, scale and complexity of the *firm's* business and the requirements and standards under the regulatory system to which it is subject. ~~In complying with Principle 3, a~~ A firm should have regard to whether its proposed *appropriate actuary* has adequate qualifications and experience, and seek confirmation of this from the *actuary*, or the *actuary's* current and previous employers, as appropriate.

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## 4.5 Provisions applicable to all actuaries

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- 4.5.7A G In relation to Lloyd's, an effect of the *insurance market direction* set out ~~at SUP 3.1.13D~~ in Lloyd's (Auditors and Actuaries) 2 of the PRA Rulebook is that sections 342(5) and 343(5) of the *Act* (Information given by auditor or actuary to a regulator) apply also to *actuaries* who are appointed to evaluate the *long-term insurance business* of a *syndicate*.

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## 10B PRA Approved Persons

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## 10B.11.7 G Outsourcing arrangements

Outsourcing arrangements		Submitting form
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Outsourcing by A to B (both being a member of the same <i>United Kingdom group</i> and each having its registered office in the <i>United Kingdom</i> )	See SUP 10B.3.4G	<del>See SUP 15.7.8G</del> <u>If a firm is a member of a group which includes more than one firm, any one undertaking in the group may notify the PRA on behalf of all firms in the group to which the notification applies. In this way, that undertaking may satisfy the obligation of all relevant firms in the group to notify</u>

		the <i>PRA</i> . Nevertheless, the obligation to make the notification remains the responsibility of the individual <i>firm</i> itself.
...		

10B.14.1 D ...

- (3) An application by a *credit union* must be made using the form in *SUP* 10B Annex 4D or *SUP* 10B Annex 8D and must be submitted in the way set out in ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ Notifications 7 (Form and method of notification) of the *PRA* Rulebook.
- (4) Where a *firm* is obliged to submit an application online under (2), if the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must use the form in *SUP* 10B Annex 4D or *SUP* 10B Annex 8D and submit it in the way set out in ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ Notifications 7 (Form and method of notification) of the *PRA* Rulebook.

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10B.14.3 G If the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP* 10B.14.1D(4) and ~~*SUP* 15.7.4R to *SUP* 15.7.9G~~ Notifications 7 (Form and method of notification) of the *PRA* Rulebook should be used.

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## 11.9 Changes in close links

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11.9.3-B G The *PRA* may ask the *firm* for additional information following a notification under *SUP* 11.9.1BR in order to satisfy itself that the *firm* continues to satisfy the *threshold conditions* ~~(see *SUP* 2: Information gathering by the *FCA* and *PRA* on their own initiative)~~.

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## 13 Exercise of passport rights by UK firms

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13.5.3 R (1) ~~A *UK firm*, other than a *credit union*, must submit any notice under *SUP* 13.5.1R(1), *SUP* 13.5.1AR or *SUP* 13.5.2R online at [www.fca.org.uk](http://www.fca.org.uk) using the *ONA* system. [deleted]~~

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- (3) ~~Where a *firm* is obliged to submit a notice in accordance with (1), if the 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 that notice in the way set out in SUP 15.7.4 R to SUP 15.7.9 G (Form and method of notification). [deleted]~~

13.5.3-A R (1) A UK firm, other than a credit union, must submit any notice under SUP 13.5.1R(1), SUP 13.5.1AR or SUP 13.5.2R online at the PRA's website using the ONA system.

- (2) Where a *firm* is obliged to submit a notice in accordance with (1), if the 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 that notice in the way set out in Notifications 7 (Form and method of notification) of the PRA Rulebook.

13.5.3A G ~~A credit union must submit any notice under SUP 13.5.1R(1), SUP 13.5.1AR or SUP 13.5.2R in the way set out in SUP 15.7.4R to SUP 15.7.9 G (Form and method of notification). [deleted]~~

13.5.4 G (1) ~~If the information technology systems fail and online submission is unavailable for 24 hours or more, the appropriate UK 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 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used. [deleted]~~

- (2) ~~Where SUP 13.5.3 R(3) applies to a *firm*, GEN 1.3.2R (Emergency) does not apply. [deleted]~~

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13.8.1A G ~~The effect of SUP 13.8.1R(1) is that a firm should submit any form, notice or application under SUP 13.8.1R(1) in the following ways: [deleted]~~

- (1) ~~A UK firm, other than a credit union, should submit it online at [www.fca.org.uk](http://www.fca.org.uk) using the ONA system. [deleted]~~

- (2) ~~If the 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* should submit it in the way set out in SUP 13.5.3 R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). GEN 1.3.2R (Emergency) does not apply in these circumstances. [deleted]~~

- (3) ~~If the information technology systems fail and online submission is unavailable for 24 hours or more, the appropriate UK regulator will~~

~~endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission should be used. [deleted]~~

(4) [deleted]

13.8.1B G ~~A credit union should submit any form, notice or application under SUP 13.8.1R(1) in the way set out in SUP 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). [deleted]~~

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SUP 13A Annex 1 (Application of the Handbook to Incoming EEA Firms) is deleted in its entirety.

## 14.7 Cancellation of a top-up permission to carry on regulated activities outside the scope of the Single Market Directives or the auction regulation

14.7.1 G ~~Where an incoming EEA firm, an incoming Treaty firm or a UCITS qualifier wishes to cancel its top up permission, either with or without cancellation of its qualification for authorisation under Schedule 3, 4, or 5 to the Act, it should make an application following the procedures set out in SUP 6 (Applications to vary and cancel Part 4A Permission). [deleted]~~

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## 16.2 Purpose

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16.2.1 G (1) ~~In order to discharge its functions under the Act, the appropriate regulator needs timely and accurate information about firms. The provision of this information on a regular basis enables the appropriate regulator to build up over time a picture of firms' circumstances and behaviour. [deleted]~~

(2) ~~Principle 11 requires a firm to deal with its regulators in an open and cooperative way, and to disclose to the appropriate regulator appropriately anything relating to the firm of which the appropriate regulator would reasonably expect notice. The reporting requirements are part of the appropriate regulator's approach to amplifying Principle 11 by setting out in more detail the information that the appropriate regulator requires. They supplement the provisions of SUP 2 (Information gathering by the appropriate regulator on its own initiative) and SUP 15 (Notifications to the FCA or PRA). The reports required under these rules help the appropriate regulator to monitor firms' compliance with Principles governing relationships between firms and their customers, with Principle 4, which requires firms to maintain adequate financial resources, and with other requirements and standards under the regulatory system.~~

[deleted]

- 16.2.1A G (1) In order to discharge its functions under the Act, the PRA needs timely and accurate information about firms. The provision of this information on a regular basis enables the PRA to build up over time a picture of firms' circumstances and behaviour.
- (2) A firm is required to deal with the PRA in an open, cooperative and timely way, and to appropriately disclose to the PRA anything relating to the firm of which the PRA would reasonably expect notice. The reporting requirements are part of the PRA's approach to amplifying these requirements by setting out in more detail the information that the PRA requires. They supplement the rules relating to information gathering and notifications to the PRA. The reports required under these rules help the PRA to monitor firms' compliance with the requirement to maintain adequate financial resources, and with other requirements and standards under the regulatory system.

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### 16.3 General provisions on reporting

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- 16.3.23 G ~~When the appropriate regulator receives a report which contains confidential information and whose submission is required under this chapter, it is obliged under Part 23 of the Act (Public Record, Disclosure of Information and Co-operation) to treat that information as confidential. (See SUP 2.2.4G for the FCA and SUP 2.2.4AG for the PRA) [deleted]~~
- 16.3.24 G ~~SUP 2.3.12AG and SUP 2.3.12BG state that the appropriate regulator may pass to other regulators information which it has in its possession. Such information includes information contained in reports submitted under this chapter. The appropriate regulator's disclosure of information to other regulators is subject to SUP 2.2.4G or SUP 2.2.4AG (Confidentiality of information). [deleted]~~

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- 16.10.4-A R The form referred to in SUP 16.10.4R is the Standing Data Form referred to in Notifications 10.2 of the PRA Rulebook.

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### App 2 Insurers: Regulatory intervention points and run-off plans

- 2.3.9 G ~~These rules are in addition to the other rules and guidance in SUP and in the PRA Rulebook, in particular SUP 2 (Information gathering by the appropriate regulator on its own initiative), SUP 15 (Notifications to the FCA or PRA), SUP 16 (Reporting requirements) and the Principles for~~

~~Businesses (PRIN):~~

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- 2.13.1 R A *firm* which has submitted a *scheme of operations* to the *PRA*, whether required by *SUP* App 2.4, *SUP* App 2.5 or *SUP* App 2.8, or as part of an application under ~~*SUP* 6.3 (see *SUP* 6.3.25G), *SUP* 6.4 (see *SUP* 6 Annex 4), Permissions and Waivers 2 of the *PRA* Rulebook or *SUP* 11.5 (see *SUP* 11.5.5G)~~, or an amended *scheme of operations*, must during the period covered by that *scheme of operations*:

- (1) ...

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