

# The Directory

## **Policy Statement**

PS19/7

March 2019

## This relates to

Consultation Paper 18/19  
which is available on our website at  
[www.fca.org.uk/publications](http://www.fca.org.uk/publications)

**Telephone:**

0800 111 6768

**Email:**

[cp18-19@fca.org.uk](mailto:cp18-19@fca.org.uk)

## Contents

<b>1</b>	Summary	3
<b>2</b>	Introducing the Directory	10
<b>3</b>	Next steps and additional information	24
<b>Annex 1</b>		
	List of non-confidential respondents	27
<b>Annex 2</b>		
	Abbreviations used in this paper	35
<b>Annex 3</b>		
	Key Information	36
<b>Appendix 1</b>		
	Made rules (legal instrument)	

# 1 Summary

## Introduction

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- 1.1** The Financial Services Register (FS Register) provides a public record of the firms we regulate and the individuals we (the FCA) and the Prudential Regulation Authority (PRA) have approved. This currently includes information on a firm's senior management, its control staff and customer-facing roles. Publishing this information meets our obligations under the Financial Services and Markets Act 2000 (FSMA).
- 1.2** The FS Register will continue following the extension of the Senior Managers and Certification Regime (SM&CR) but will contain fewer individuals. This is because only individuals for specified Senior Manager roles at FSMA firms will then be approved and so appear on the FS Register.
- 1.3** Customer functions including individuals who provide financial advice or help with pension transfers now need to be assessed as fit and proper by firms rather than being approved by us. Consequently, they do not appear on the FS Register.
- 1.4** In July 2018, we consulted on introducing the Directory – a new public register and user interface (UI) that would:
- make information public on additional individuals carrying out specific roles in UK financial services (including certain roles we do not approve such as financial advisers, traders, portfolio managers and additional directors)
  - present information on these individuals and the Senior Managers we continue to approve in a way that is more accessible and user friendly
  - enable users to find information on these individuals
- 1.5** This Policy Statement (PS) summarises the feedback we received to Consultation Paper (CP) 18/19 and our response. This PS also sets out the final rules on establishing the Directory.

## Who does this affect?

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- 1.6** These changes affect all relevant individuals who carry out work on behalf of almost every FCA-regulated financial services firm. Specifically:
- banks, building societies, credit unions and PRA designated investment firms (banking firms) including EEA and third country branches [Note – this will be adjusted ahead of publication if needed to account for Brexit]
  - insurers and reinsurers
  - all other firms authorised to provide financial services under FSMA; including limited permission consumer credit firms, such as not-for-profit debt advice bodies and credit unions
  - appointed representatives (ARs) acting as agent for FCA authorised firms

- 1.7** The final rules affect 3 broad categories of individuals, referred to collectively in this PS as Directory Persons:
- all Certified staff (those holding a certification function under the Senior Managers and Certification Regime (SM&CR))
  - directors who are not performing Senior Manager Functions (SMFs) – both executive and non-executive
  - other individuals who are sole traders or ARs(including those within ARs) where they are undertaking business with clients and require a qualification to do so
- 1.8** The information made public on the Directory will be beneficial to a range of stakeholders including consumers, firms, trade bodies, regulators and law enforcement.

## Context

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- 1.9** In July 2017, we asked for feedback on our proposals to extend the Senior Managers and Certification Regime (SM&CR) to insurers and solo-regulated FSMA authorised firms.
- 1.10** We received substantial feedback on the public value of the FCA maintaining a central public directory of certified staff and certain other individuals. So in July 2018 we consulted on introducing a new public register, the Directory.
- 1.11** The Directory will include individuals performing roles that will no longer be made public on the FS Register following the introduction of the SM&CR. It will also make public information on additional roles, such as those providing mortgage advice, for the first time.
- 1.12** This PS summarises the feedback received to CP18/19 and sets out the final rules of the Directory which are ultimately designed to reduce the potential harm arising to consumers, firms and other stakeholders.

## Outcome we are seeking

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- 1.13** Our aim is to empower customers and other stakeholders to make sure they only deal with SMFs or those who an authorised firm has assessed as fit and proper, or otherwise suitable and those who have appropriate qualifications.
- 1.14** We will do this by making public, on an ongoing basis, the information set out in Table 1.

**Table 1: Information to appear publicly on the Directory**

Information	Explanation
Employer details	FS Register data about a firm's principal place of business – its name, firm reference number (FRN), address, contact telephone, fax, email and website.
Restrictions applying to a firm's regulated activities	Details of where the FCA or PRA has applied restrictions to a firm's activities or permissions.
Individual's name	Full name, including any middle names.
Individual reference number (IRN)	A unique identifier assigned currently to each individual by the FCA and PRA on the FS Register. We propose to extend this to individuals in scope of the Directory. If a firm is notifying us of an individual without an IRN, the system will assign them one.
Relevant role(s) held	Each certification function, designation as a non-SMF Director (executive and non-executive), and sole traders or appointed representatives where they are undertaking business with clients requiring qualification.
Start and end dates of each role	The dates on which an individual began or stopped performing each relevant role. Individuals who are employed by a firm and who have not been assessed as fit and proper to carry out a relevant role would not be displayed as holding an active role.
Type of business the individual is qualified to undertake (if requiring qualification)	The specific types of business requiring qualification for each individual, where they have been assessed as suitable to carry out a relevant role. This includes mortgage advisers, retail investment advisers and pension transfer specialists. The full list is set out in our <a href="#">Training and Competence Sourcebook</a> .
Workplace location(s) (for customer-facing roles requiring qualification)	The geographical location of an individual's workplace(s) displayed at the town/city line of the address where holding a customer-facing role. This field may be left blank if a firm has reason to believe that making public a Directory person's workplace location would put them at risk.
Customer engagement method(s) (for customer-facing roles requiring qualification)	List of all the different ways the individual engages with customers (e.g., online, telephone or face to face).
Memberships of relevant accredited bodies (for customer-facing roles requiring qualification)	Enables users to check whether Directory Persons are members of a relevant Accredited Body and the body, or bodies, of which they are a member.  The relevant accredited bodies are: CFA Society of the UK; The Chartered Institute for Securities and Investment (CISI); The Chartered Institute of Bankers in Scotland (CIOBS); The Chartered Insurance Institute (CII); The London Institute of Banking and Finance (LIBF); and The Pensions Management Institute.
Regulatory sanctions and prohibitions	Public action (including and not limited to criminal action) taken. This could be through a Final Notice for a prohibition order under s.56 FSMA, withdrawal of approval under s.63 FSMA, penalty under s.63A FSMA or action under s.66 FSMA. The FCA and PRA already keep a public record of this information (in line with Section 347 of FSMA).
Date information was last updated	The date when a firm last updated any of its Directory data.

- 1.15** We already hold some of the information in the table, such as data on firms and sanctions we have applied to individuals. We will add this information to the Directory. Firms will need to submit all the other information in Table 1. We summarise this in Chapter 2 and set out how firms can submit this information in Chapter 3.
- 1.16** Separately, firms must keep the information they already submit for use on the FS Register up to date.
- 1.17** We will make all the above information public on the Directory through a newly designed user interface developed to be clear and easy to use. The information will also be accessible free of charge in aggregate form through an Application Programming Interface (API).
- 1.18** Displaying the above information on the Directory will:
- enable customers to verify the identity of those selling or providing advice on financial products to help protect themselves from scams
  - help firms to easily cross-check references, make their staff known to customers and make it more difficult for unsuitable individuals to operate in the UK market
  - support the FCA, law enforcement, professional bodies and other regulators to monitor the market, build intelligence and target interventions
- 1.19** This in turn improves standards of conduct in the market. Customers will benefit from greater knowledge to inform their decisions on who to do business with.

## Measuring success

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- 1.20** The key measures of success will be:
- users regularly access the Directory
  - users can find the information they are looking for

## Summary of feedback and our response

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- 1.21** We received 500 responses to CP18/19. Around 99% of respondents were in favour of establishing the Directory, with many suggesting ways we could further improve our proposals. So we have made some changes to our proposals, set out in table 2:

**Table 2: Changes to our proposals set out in CP18/19**

Change	Explanation
Extended the reporting deadline for banking firms and insurers	We moved the reporting deadline for banking firms and insurers to March 2020 to give firms more time to prepare their first submissions. This does not affect the deadline for other firms.
Included information on membership of relevant Accredited Bodies	We have included information on Accredited Bodies' membership for customer-facing roles requiring qualification to enable users to find more information on those individuals.
Extended reporting deadlines	Firms have 7 business days to update information on joiners, leavers and changes in circumstances. This gives firms more time to submit their ongoing notifications.
Included customer engagement methods (for customer-facing roles requiring qualification)	We included information about the different ways individuals interact with customers so those operating online, or over the phone, will get equal prominence depending on how users search for them. Those who do not offer face-to-face meetings, or where disclosure may put the individual at risk, do not have to give us their location.
Limited the circumstances in which firms need to provide us with passport numbers	Firms will only need to give us passport numbers if: <ul style="list-style-type: none"> <li>• Directory Persons do not hold a National Insurance (NI) number</li> <li>• they have previously only provided us with a passport number for Directory Persons so we need it to correctly match the records</li> </ul> We still encourage firms to provide us with both passport and NI numbers where possible.
Additional guidance on the Firm declaration	We have provided additional guidance to explain who is responsible for the accuracy of the information submitted in notifications to the FCA.

**1.22** Since consulting, we have carried on trying to make it as easy as possible for firms to make a notification, and for users to easily access and understand the information made public. So, we have made the following changes:

- Health warning  
We will include a warning in the Directory to highlight to users where information may be out of date. This would apply to firms who have not made any changes to their data within 12 months and who did not confirm whether this information is still up to date. Users will also see this warning where we have received error reports and firms have not responded to our attempts to contact them.
- Multiple entry facility  
To make it easier for firms who have many Directory Persons to report, we will allow them to submit multiple records at once in good time ahead of the submission deadline.

**1.23** We further explain these changes in Chapters 2 and 3.

## Equality and diversity considerations

- 1.24** In CP18/19, we set out our analysis of equality and diversity considerations. This concluded that the information which will be made public on the Directory could have potential equality and diversity implications.
- 1.25** We have considered the equality and diversity issues that may arise from the final rules set out in this PS. In most cases the impact of the proposals is likely to be neutral. However, including information on customer engagement methods could benefit groups of people who may find it difficult to engage in certain ways. For example, disabled consumers who may find it difficult to travel to face-to-face engagements, or who prefer to use assistive online technology.
- 1.26** Respondents agreed that our consultation proposals would not adversely impact equality and diversity and would not result in direct discrimination for any of the groups with protected characteristics.
- 1.27** We have addressed respondents' concerns over individuals who offer face-to-face services but have legitimate grounds not to disclose their location, even at the town/city level.
- 1.28** When making their notifications, firms can decide not to disclose these individuals' workplace location, or to enter the head office location instead.
- 1.29** We did not identify any additional impacts arising from the changes to the final rules in this PS.

## Next steps

**Table 3: Start date and deadlines**

Type of firm	Start date for Directory Data (when dataset begins)	Deadline for upload to the Directory
Banking firms, insurers and their appointed representatives	10 December 2018	9 March 2020
All other firms authorised to provide financial services under FSMA i.e. all those currently subject to the Approved Persons Regime including sole traders	9 December 2019	9 December 2020

- 1.30** The SM&CR was extended to insurers on 10 December 2018. To ensure consistency across dual-regulated firms, we proposed in CP18/19, to align the data start dates and upload deadlines for banking firms (where the SM&CR already applies) with insurers.

- 1.31** The deadlines for uploading information to the Directory for solo-regulated firms referred to throughout this Policy Statement are linked to the commencement of the SM&CR for solo-regulated firms set out in our near final rules. Firms will have 12 months from the dates confirmed in the final rules.
- 1.32** The Directory user interface will go live shortly after the information on Directory Persons has been uploaded in March 2020 for banking firms and insurers, and December 2020 for all other firms.
- 1.33** Further details on the data submission process and technical features are in Chapter 3.

## 2 Introducing the Directory

- 2.1** In this chapter, we summarise the feedback received on our proposals to introduce the Directory and our response.

### Our proposal

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- 2.2** In CP18/19, we set out our proposals on establishing the Directory. We developed these proposals taking into account the feedback received to our earlier consultations on extending the SM&CR to FCA solo-regulated firms and insurers. That earlier feedback was included in Chapter 5 of CP18/19 and is not included here.
- 2.3** We proposed that the Directory will be published online, centrally hosted by the FCA and freely accessible to the public. It would provide a central location for information on Directory Persons and Senior Managers at all FSMA-authorised firms across multiple sectors regulated by the FCA.
- 2.4** The information will be available in an aggregate form (through an Application Programming Interface) to use free of charge. This will support a wider range of uses, such as market monitoring and analysis tools used by trade bodies.

### Scope of the Directory

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**Q1:** *Do you agree with the proposed scope of the Directory?  
If not, which individuals should be additionally included or  
taken out?*

- 2.5** Most respondents supported the scope of the Directory; to make information public on a wider range of individuals than are included on the FS Register.
- 2.6** Many respondents agreed this would deliver benefits to a range of stakeholders. A number of respondents, however, suggested that only individuals that perform customer-facing roles should be included in the Directory. These are the roles that are most consistent with CF30 (Customer Function) under the Approved Persons Regime and who can cause harm to customers through their direct interaction.
- 2.7** A number of respondents were concerned that including Material Risk Takers (MRTs) could give away pay information where they had been identified under the Commission Delegated Regulation 604/2014.
- 2.8** Others suggested that the scope of the 'client dealing certification function' should be narrowed as it currently captures a wide range of junior staff.

## Our response

### Customer facing roles

As set out in CP18/19, we anticipate a range of users will benefit from the Directory and not just consumers.

The proposed measures will help strengthen the market by making it harder for unsuitable individuals to operate in UK financial services where they might cause financial and reputational damage to firms. Consequently, the standards and reputation of the industry will improve, making the UK market a more desirable place to do business. These benefits will accrue from roles beyond customer-facing roles.

The wider benefits of establishing the Directory for firms include:

- the ability to reassure customers of the suitability of their staff from front desk to back office non-client-facing roles
- the Directory will provide a quick and easy way to check the work history of potential new hires, which will help rule out those who provide inaccurate or incomplete work histories at an early stage
- firms can efficiently find and verify the identity of potential counterparties
- data accuracy measures we proposed for the Directory can help firms ensure they have carried out their annual fitness and propriety checks required for all their certified staff.

The wider benefits of establishing the Directory for the FCA include:

- receiving data on all those undertaking roles that can cause significant harm will enhance our ability to monitor the market, build intelligence, and target interventions
- this data combined with information we already receive, will allow us to more accurately identify and prioritise higher risk supervision cases, increasing the effectiveness of our regulation
- information on Directory Persons will help avoid the need for early intervention in investigations which may lead to tipping off, for example in market abuse cases where this may prejudice cases or result in the destruction of evidence
- creating a stronger regulatory network by sharing information with our intelligence partners which include other regulators, police and the London Stock Exchange.

### Material Risk Takers (MRTs)

We recognise the importance of keeping confidential any information on how much a Directory Person is paid. The Directory will not make public any information on remuneration or introduce a requirement for firms to explain why a member of staff has been identified as a MRT.

Commission Delegated Regulation 604/2014 applies to banking and investment firms in scope of the IFPRU and dual-regulated firms Remuneration Code (SYSC 19A/D). This requires firms to identify all staff

whose professional activities have a material impact on an institution's risk profile using qualitative or quantitative criteria. Where an individual meets one or more of the qualitative criteria, the firm must identify them as an MRT. The quantitative criteria set out total remuneration thresholds above which an individual can be assumed to be materially risk taking.

Where a firm identifies a member of staff under the quantitative criteria alone and they have assessed using objective criteria that their duties and authorities do not materially impact an institution's risk profile, they may notify or apply to the FCA or PRA to exclude these individuals from identification.

Guidance on the FCA's approach to the identification and exclusion of material risk takers is set out in [FG17/5](#).

### Client-dealing function

We understand the feedback raised in relation to the scope of this Certification Function and have consulted on changes to its scope in CP19/04, Optimising the Senior Managers & Certification Regime and feedback to DP16/4 – Overall responsibility and the legal function. We welcome feedback to this consultation.

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## Information to appear on the Directory

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### **Q2:** *Do you agree that the proposed information should be published on the Directory?*

- 2.9** Most respondents agreed with our proposals to publish certain information about their Directory Persons. These include information on the individual's role, their workplace location and the types of business they are qualified to undertake.
- 2.10** A large proportion of respondents, mostly individuals who work in financial services, suggested we also include information on memberships of Accredited Bodies and related information such as Statements of Professional Standing (SPSs), accreditation level and qualifications in the Directory.
- 2.11** They felt that including these will support professionalisation of the industry, increase public confidence in those individuals, recognise achievements and demonstrate adherence to ethical standards.
- 2.12** Some respondents, particularly firms, sought clarification on how we would ensure that the 'workplace location' field would not disadvantage advisers and distance sellers who only offer online or telephone services. They also raised some concerns around how we would capture individuals who travel to meet clients over a geographical area.
- 2.13** Others were concerned that including a 'workplace' location field on the Directory could promote unfair competition if it organised results by firms who provide face-to-face meetings. This could disadvantage firms who do not offer them.

- 2.14** While we will not publish individuals' passport numbers, some respondents argued that providing this information should not be mandatory as this is inconsistent with other FCA forms and may also be costly as these change frequently. They also suggested that passport numbers should only be required for non-UK staff where a national insurance number is not available.
- 2.15** A small number of respondents asked us to clarify how we propose to display long-term absences such as maternity or gardening leave. They argued that not having an option to highlight that an individual temporarily stopped performing their role might affect reference checks and could be mistaken for disciplinary action.
- 2.16** One respondent expressed concern over those individuals who, for safety reasons, may not want to disclose their workplace location. This respondent specifically asked us to be clear on our approach to publishing the workplace location of individuals who, for example, were victims of domestic violence, asking whether these can be exempt from disclosing their data.

## Our response

### Membership of Accredited Bodies for customer-facing roles requiring qualification

We agree there are benefits to firms giving us information on Accredited Body membership for relevant customer facing roles requiring qualification.

By including information on Accredited Body membership on the Directory, customers can get more information about an individual from the relevant Body (including their SPSs, qualification and accreditation level) where they have decided to make this public. We will signpost this on the Directory as an external resource.

We have decided not to include more detailed information on individuals' SPS, qualifications and accreditation level on the Directory as this risks confusing consumers. For example, Accredited Bodies do not currently use consistent language when describing comparable levels of accreditation (e.g. fellow, member, chartered etc.) making comparisons difficult for most consumers.

### Engagement methods for customer-facing roles requiring qualification

We decided to include information about the different customer engagement methods offered by an individual for customer-facing roles (face to face, telephone and/or online) requiring qualification on the Directory.

By asking firms to tell us how their customer-facing staff engage with consumers, the Directory would be able to allow customers to filter search results to better meet their needs. This increases choice and means the Directory will not disadvantage those offering distant services. We will ensure that this functionality will be clear and easy to

use. Firms do not need to provide us with the workplace location for staff who do not offer face-to-face meetings.

Where firms believe that making public an individual's location would put them at risk, they may leave this field blank or provide the post code for the firm's head office location.

### **Prolonged leave / long-term absences**

The Directory is intended to list all those who currently hold, or have previously held, relevant roles. It is not intended to provide a record of employment.

Where a Directory Person no longer holds a relevant role, firms will need to tell us when it ended. For example, we will need information where Directory Persons cease to be certified or otherwise considered suitable by their firm to hold their role at the beginning of or during a period of prolonged leave, so they can be removed from the Directory.

If the individual remains appropriately certified or otherwise suitable and the firm considers they are still holding a relevant role, they would not need to be removed from the Directory. We recognise that not all cases are clear cut and judgement may be required in more complex cases.

### **Passport numbers**

In response to the feedback received, firms will only be required to provide us with passport numbers in cases where Directory Persons do not hold a National Insurance (NI) number. Where a firm has previously only provided us with a passport number or NI number for Directory Persons, that firm will need to continue to provide the same information to allow the records to be correctly matched. Firms will still be able to provide both pieces of information where available. This information will not be published on the Directory.

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## **A new public user interface**

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- Q3:** *Do you agree that the Directory user interface should display information stored on the FS Register and the new Connect database? If not, how should these datasets interact?*
- Q4:** *Do you agree that the search parameters should return a broader range of results than the current FS Register?*

**2.17** Most respondents supported our proposal to display information stored on the FS Register and information on Directory Persons on the Directory. Some called for the full integration of the Directory and FS Register into one system rather than having a separate user interface for the Directory. They suggested that an integrated system would be more cost-effective and could provide a better user experience.

- 2.18** Most respondents agreed with our proposal of introducing smarter search algorithms that return a wider range of results than the current FS Register. Some respondents suggested we include features that enable users to filter results so they can navigate the higher volume of results.
- 2.19** Some also recommended the system allow exact term searches where users know exactly what they are looking for and to display clearer content by using simple and plain English to avoid confusing users.

## Our response

### The Directory as a separate user interface

We have designed a separate user interface as part of the Directory to be more user-friendly and provide better access to much of the information currently available on the FS Register.

We will ensure that the information published on the Directory's interface is displayed in a way that is easily understood. We will do this by using plain English, filters that allow users to search for Directory Persons by choosing specific criteria (e.g. location, role, customer engagement methods) and making the Directory's interface user friendly.

Although the Directory's interface is separate to the FS Register, certain information displayed on the FS Register (e.g., Information on firms), can be accessed via links on the Directory's interface. However, we may, in time, integrate the FS Register and the Directory.

We have taken a cost-effective approach towards establishing the Directory. Although the Directory's interface will be a newly designed interface, we have used the same internal and firm-facing systems as we use for the current FS Register. These cost efficiencies have been incorporated into the cost-benefit analysis.

### The Directory – a user-friendly interface

As highlighted and as shown in the mock user interface screen shots in [CP18/19](#), one of our objectives was to establish an interface that is easy-to-use, accessible and one that has an intuitive customer friendly layout. So we will include a search engine that is better able to help users find what they are looking for. These features are expected to include functionality that supports fuzzy logic, closest match and suggested search terms (based on popularity). We have also facilitated access to popular searches.

To ensure the Directory's interface meets the needs of its users, we will be testing it with firms and consumers before March 2020. This will allow users to try out a prototype version based on the final policy set out in this PS and to leave feedback on their experience. We will then make all necessary changes to ensure it meets user needs.

## Timing of reporting

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**Q5:** *Do you agree with the proposed number of business days for reporting when an individual begins undertaking a relevant role, when their circumstances change or when they cease to perform a relevant role? If not, what timeframe do you think would be more suitable?*

- 2.20** To fulfil our aim to provide accurate and reliable data to users, in CP18/19 we proposed firms should keep the information on their staff up to date on an ongoing basis.
- 2.21** We proposed that firms update the information held for joiners and leavers within 1 business day (or 3 business days for any exceptional circumstances) or to make minor changes.
- 2.22** While most respondents did not raise objections to the proposed reporting timeframes, some firms and trade bodies felt that these timeframes would be too short. These respondents argued that attempting to comply with shorter timeframes could:
- drive errors and undermine the integrity of the data
  - lead to a high volume of regulatory breaches which need to be reported in certain jurisdictions
  - lead to the imposition of large numbers of FCA administrative fees
- 2.23** In most cases, respondents suggested extending these timeframes to 5 – 10 days to allow for internal sign-offs, data checking and entry onto the FCA's system.
- 2.24** Larger firms sought confirmation that a 'bulk upload' facility would be made available ahead of the Directory go-live date to enable them to upload information on multiple staff at once.

Some small firms expressed concern over the limited number of their compliance staff with access to Connect (sometimes one person) and asked for clarification on how to comply in the event of unplanned absences such as sick leave.

### Our response

#### Extending reporting timeframes

Based on the feedback received, we have extended the deadline for firms to update information on joiners, leavers and changes in circumstances to 7 business days.

We agree that this extension would support greater compliance as it gives firms more time to notify us. This will make the Directory a more reliable and credible dataset for users. In addition, a single longer reporting deadline would also increase simplicity and be more proportionate, particularly for smaller firms. Currently, firms must notify the FCA no later than 7 business days after an Approved Person or Senior Manager changes their personal details (see our Handbook rules SUP10A.14.8R, SUP10A.14.15R, SUP10C.14.5R and SUP10C.14.13R).

7 business days is the maximum reporting timeframe for firms to update the Directory however. We encourage firms to report sooner whenever possible.

### Multiple entry facility

We will be supporting firms to submit Directory Persons' data at their earliest convenience by the implementation of the *multiple entry* facility which is due to be introduced in September 2019. This will enable firms to provide the data for many Directory Persons in one submission using a common file format.

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## Commencement and transitional agreements

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**Q6:** *Do you agree with the proposed timing of commencement and transitional arrangements? If not, which timeframes would be more appropriate?*

- 2.25** In CP18/19, we proposed that the data submission deadline for banking firms and insurers would be December 2019 and December 2020 for solo-regulated firms.
- 2.26** For insurers and solo-regulated firms, these deadlines reflect the SM&CR transitional arrangements, where firms have 12 months from the start of the Regime to certify their staff as fit and proper. We proposed to align banking firms, where the SM&CR already applies, with insurers for simplicity and consistency. We will not backdate the data reporting for banking firms before December 2018.
- 2.27** Most respondents agreed with our proposed timing of commencement.
- 2.28** Some, in particular larger banks and insurers, raised concerns over the expected 3-month timeframe between the FCA Connect system being ready to receive notifications and the Directory going live.
- 2.29** Smaller firms asked if they could include their employees on the Directory more quickly so as to align with commencement for banking firms and insurers.
- 2.30** Others requested a test period to allow firms to get the data right and ensure that our current systems can handle data volumes as reporting errors as well as system failures may breach rules and reporting deadlines.

### Our response

#### Start dates

Having considered the feedback received, we have extended the start date when data are made public on the Directory's interface for banking firms and insurers to March 2020.

We consulted on implementing a multiple data entry facility in CP18/19. Since this facility is not expected to be ready until September 2019, we consider this extension will avoid any unnecessary regulatory burden on firms that could arise from short reporting timeframes. It will also reduce the time between the Directory's interface going live for banking firms and insurers and solo firms, better aligning the launch dates.

This will mean that Directory data submitted by banking firms and insurers will be made public around 15 months after commencement of the SM&CR for insurers, in March 2020. This will have no impact on when Directory data will be made public for the remaining FSMA firms (December 2020).

### Data system and interface testing

To ensure that our current data systems are prepared for the larger data volumes, we will be testing Connect with some firms. This will happen in summer 2019, before any data functionalities are made available to all users. Users will be able to add and review their data ahead of the Directory going live.

## Data accuracy measures

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**Q7:** *Do you agree that our proposed measures for ensuring data accuracy are appropriate? If not, please provide details of any additional measures you believe should be taken.*

- 2.31** To ensure data accuracy we proposed to require firms that have not made any changes to their data within 12 months, to confirm whether the information is still up to date. We also proposed to include details of the date the information was last updated on the Directory so other users can see how recently the firm had updated it.
- 2.32** We proposed to enable users to report any data errors that appear on the Directory. It would then be the responsibility of firms to rectify that information as soon as possible.
- 2.33** We proposed to apply FCA reporting provisions to the Directory. This means that a £250 administrative fee will apply to cover the costs of the work undertaken by our staff to resolve any missed reporting from late or inaccurate data. This fee would also apply at any time where errors or missing information are reported to us.
- 2.34** Most respondents supported our proposed measures for ensuring data accuracy.
- 2.35** Some, particularly small firms, argued that the administrative fee was too high given the short timeframes. They also sought clarity on when the administrative fee applies; specifically, whether this applies for every error or late submission.
- 2.36** In contrast, other respondents expressed concern that the administrative fee is too low to ensure data accuracy for large firms.
- 2.37** Other respondents asked us to clarify who would be responsible for providing us with accurate data given that, primarily, it is individuals that provide their details to their firm.

## Our response

### Who is responsible for providing accurate details?

As per the conduct rules for individuals working in firms, Directory Persons are responsible for providing accurate information to their employer. The employer will then be responsible for carrying out all necessary checks to verify this information and to notify the FCA.

To make clearer a firm's responsibilities under relevant rules and legislation, we will include additional guidance on the firm declaration in the notification template to ensure the staff member with authority to submit the notification to the FCA is aware of the firm's responsibilities. The declaration forms part of the instrument in Appendix 1 of this PS.

As per SM&CR Prescribed Responsibility (Responsibility for the firm's performance of its obligations under the employee certification regime), the relevant Senior Manager will be ultimately accountable for the information provided on Directory Persons.

### When does the £250 fee apply?

The £250 administrative fee will only apply where firms do not complete their confirmation of accuracy, in cases of late or inaccurate data submissions and where a data error is reported to us or otherwise comes to light.

We will be applying this fee to cover the extra costs incurred by our staff in the resolution of missed reporting and error reports. This is an administrative fee and not a fine. Where a firm promptly self-identifies and corrects their own data, we will not charge the £250 administrative fee.

For more serious cases, such as repeated breaches of our reporting requirements, we can take all necessary action to ensure compliance in line with FSMA. These include the use of disciplinary powers, imposition of penalties, public censure and the removal of permissions. We are also able to act against the accountable Senior Manager for Prescribed Responsibility (b) under the SM&CR. These powers would be exercised proportionately in the public interest.

### Data validation

To further ensure data accuracy, the Connect system will perform some automated checks at gateway, including on data format. We will also review any notifications about individuals who have partial prohibitions to check that this does not prevent them from carrying out that role before being made public. So it may take longer than normal for Directory Persons with partial prohibitions to appear on the Directory. We shall engage with firms during this process when necessary.

Although this does not limit firms' responsibility when certifying their staff, we believe that this is an essential step in ensuring that the information made public is accurate and to further support market integrity, as well as enhance consumer protection.

## Comparison of the costs and benefits

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### Q8: *Do you have any feedback on this CBA?*

- 2.38** Almost all respondents agreed with or made no comment on our cost-benefit analysis (CBA). A small number of respondents argued that the costs are too high and suggested we consider cheaper options that may be available in the private sector. In a few cases, respondents queried whether the ongoing costs were the cost per year, or for the whole 10-year period over which we calculate costs and benefits.
- 2.39** Others felt the expected costs look too low and have asked us to provide greater clarity on the methodology used to calculate this CBA.
- 2.40** The feedback we received in response to the Directory consultation paper has required us to make some changes to the final rules. The impact of these changes on the CBA are included in our response below.

### Our response

#### Cost effectiveness

In CP18/19, we set out that the total expected cost in the first 10 years of the policy would be £15.8 million. The costs for firms was calculated at £10.9 million and £4.9 million for the FCA respectively. We have achieved cost efficiencies by reusing the existing Register system, staff and processes for establishing the Directory.

#### Methodology for calculating costs for firms

The costs for firms were estimated using information firms gave us from 45 previous changes to our reporting requirements. When providing this information to us, we asked firms to consider all relevant costs to their firm. These could arise from activities such as locating information stored in different locations, reviewing or amending the data, logging in and entering it into FCA system, training, or devising more automated systems.

The expected volume of Directory notifications was estimated by applying the current application and notification rate for Approved Persons to the expected population of Directory Persons. This includes applications to perform a controlled function, ceasing to perform a controlled function, changes in name or other personal details and changing role within the same firm. We estimate this to be 66,000 ongoing notifications per year for a population of 210,000 Directory Persons across the firms in scope.

Our estimate of the cost of providing a specific piece of information was based on cost information collected on similar reporting requirements. We then scaled these estimates by the expected number of pieces of information that would be provided for each Directory Person. We estimate this would result in an average cost per notification (for each Directory Person) of £8.50 per notification in the first year (excluding

familiarisation costs) and £3.80 per notification in subsequent years. The average cost is lower in subsequent years as notifications will often contain less information, for example, where firms are only updating or confirming existing records.

We recognise there are many factors that can drive differences between estimated and actual costs. For example, the rate of notification or the number of Directory Persons may be higher or lower than expected. We estimated that total costs could range between £7.6m and £14.6m for firms over 10 years (£6.0-11.7m in the first year and £0.2-0.3m each year after that).

### Changes to the CBA to take account of final rules

We have made some changes in the final rules to act on the feedback received from those who responded to our public consultation.

The cost of the Directory to firms and the FCA is based on the activities required to report and make public certain information. The changes that drive a measurable increase or decrease in cost are therefore those that require a change in the amount of information that must be processed and controlled.

The main policy changes that have driven a change to the CBA are:

- including information on which accredited body an individual is a member of
- including information on the customer engagement method
- limiting the circumstances when passport numbers need to be reported

When taken together, we expect there to be a relatively small increase in the costs we previously estimated. Using the same methodology we used in the CP CBA to estimate the costs of the additional information, we estimate that there will be an increase of around 3% to the one-off and ongoing cost of the Directory to firms and the FCA to those we previously estimated.

**Table 4: Best estimate costs**

Costs	One-off (£m)	Ongoing (£m) per year	Total ongoing costs over following 9 years	Total costs over first 10 years
To FSMA firms	9.0	0.3	2.3	11.3
To the FCA	2.0	0.3	3.0	5.0
Total	11.0	0.9	5.3	16.3

We estimate that total one-off costs could range between £6.2m and £12.1m for firms. We also estimate ongoing costs of between £0.3m and £0.4m per year. Over the first 10 years, we expect firms to incur cost of between £7.9m and £15.0m.

Additionally, we estimate one-off costs to the FCA will be between £1.5m and £2.5m. We also estimate ongoing costs of between £0.3m and £0.4m each year to the FCA. Over the first 10 years, we expect the FCA to incur costs of between £4.0m and £6.5m. Most of the variation in our costs arises from uncertainty in the extent to which firms contact us or make errors and omissions in their submissions.

Over the first 10 years, we expect total costs for firms and the FCA of between £11.9m and £21.5m.

## Equality impact assessment

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**Q9:** *Do you agree that these proposals would not result in any direct discrimination against any of the protected groups? Please provide any additional feedback you believe is relevant.*

- 2.41** In CP18/19, we set out analysis which indicated that our proposals would have a positive impact, particularly for those with physical or mental disabilities. We do not believe that any of our proposals will result in direct discrimination for any of the groups with protected characteristics.
- 2.42** Almost all respondents felt that our proposals would not cause any direct discrimination against any of the protected groups. The few who disagreed argued that the publishing of Directory individuals' data could help fraudsters target vulnerable customers and staff as it may facilitate better impersonation of a Directory individual.
- 2.43** One respondent sought clarity on how our proposals do not breach human rights and General Data Protection Regulation (GDPR).
- 2.44** A small number of firms sought clarification that we were carrying out a Data Protection Impact Assessment (DPIA).

### Our response

#### Legal implications

*We consider that our approach to the Directory is consistent with GDPR and the European Convention on Human Rights (ECHR).*

GDPR permits us to process personal data (in this case, publish Directory Persons' information) if it is necessary for the performance of a task in the public interest, which includes the exercise of a public function (in this case, such as our supervisory function and publishing the information as part of the record we are required to maintain under s.347 FSMA). In addition, our proposals on data accuracy measures will help us comply with the GDPR principle of keeping information up to date (and maintaining the integrity and security of the information).

We consider that making public certain information on Directory Persons can be justified given the benefit to consumers and other users

of having access to that information. We believe our approach to the Directory is proportionate and strikes a balance between the rights of Directory persons under the ECHR and the wider public interest in having limited information about them placed on the Directory. In taking this into account, we have, for example, limited the geographic search functionality to those roles involving face to face interaction with consumers. Additionally, we have made the disclosure of workplace location optional where the firm considers that making this information public may put a Directory person at risk, to ensure that information on the Directory would not put those persons at risk of harm.

#### Data Protection Impact Assessment (DPIA)

We will continue to develop our data protection impact assessment as the systems and processes to deliver the Directory are developed.

#### Mitigating the Risk of Potential Harm to Consumers

We recognise that some of the information made public on the Directory could be used by fraudsters when attempting to impersonate a genuine Directory Person.

Some of the data specificities which we will be publishing on the Directory have already been made public by the FS Register. We will seek to mitigate the risk of these incidents by making it clear to users that they should always use the firm's contact details provided on the Directory if they have any concerns about the Directory Person they are searching for or who has approached them. We will make this clear on the Directory itself and in our other communications.

## 3 Next steps and additional information

- 3.1** This chapter provides an overview of the next steps related to establishing the Directory. It will also set out the data submission process, information on how users can access and make use of the Directory's interface as well as information about the system's features.

### Data submission process

#### Information we require

- 3.2** Firms will need to give us the following details.

**Table 5: Information that needs to be provided by firms**

Information	Further details
Directory Persons' details	<ul style="list-style-type: none"> <li>Individual's full name</li> <li>Date of birth</li> <li>IRN where the employee has one</li> </ul>
Relevant role(s) held	Eg: which Certification function the individual holds or whether the individual is a non-SMF Director.
Different customer engagement method(s) offered by an individual (for customer-facing roles requiring qualification only)	Face to face, telephone and/or online.
Membership of Professional Bodies (for customer-facing roles requiring qualification)	Information on which accredited bodies the individual is a member of.
Start and end dates of each role	Date when Directory Person started and ended their role.
Type of business the individual is qualified to undertake (if requiring qualification)	In line with FCA Training and Competence (TC) rules specifically, TC App 1.1: <a href="https://www.handbook.fca.org.uk/handbook/TC/App/1/1.html">https://www.handbook.fca.org.uk/handbook/TC/App/1/1.html</a>
Workplace location(s) (for customer-facing roles requiring qualification only)	Post code(s) - not mandatory in the case of vulnerable individuals.
Unique identifiers	<ul style="list-style-type: none"> <li>NI number – if a Directory Person is a holder of an NI number</li> </ul> <p>or</p> <ul style="list-style-type: none"> <li>Passport number - if a Directory Person is not a holder of an NI number or where only a passport number has been previously provided.</li> </ul>

## When should firms submit this information?

### At launch

- 3.3** Banking Firms and Insurers can start submitting data on Directory Individuals using the FCA's Connect system or the multi-entry facility around September 2019. All other firms can start submitting data as of 9 December 2019 following commencement of the SM&CR for solo-regulated firms.
- 3.4** Under the SM&CR, firms have 12 months from when the regime commences to certify relevant employees. In line with this, we propose that firms update the Directory after having certified those employees as fit and proper, or for other individuals, having otherwise assessed their suitability as applicable.
- 3.5** Firms will need to submit information on all those who perform, or performed, a role that meets the definition of Directory Person from the start date for Directory Data. Since the SM&CR was extended to insurers on 10 December 2018 and will be extended to solo-regulated firms on 9 December 2019, the Directory data for individuals at these firms will commence on different dates. For banking firms and insurers, this is 10 December 2018. For solo-regulated firms, this is 9 December 2019.
- 3.6** Banking firms and insurers will only need to provide relevant information about any individual who would have been a Directory Person before 9 September 2019 where the relevant information is already held by the firm.
- 3.7** Firms will need to take all necessary action to gather the required information and ensure its accuracy prior to submission.
- 3.8** Banking firms and insurers are required to submit data on Directory Persons by 9 March 2020.
- 3.9** Solo Regulated firms have until 9 December 2020 to upload all data on Directory persons to the Directory. Information that is entered earlier will not appear until after this date.

### Ongoing

- 3.10** Firms would need to update the information held when an individual begins performing a relevant role, when their circumstances change or when they cease to perform a relevant role; no later than 7 business days after the change occurred.
- 3.11** If there are no changes to a firm's population of Directory Persons, firms will need to notify us that their information is still correct no later than 12 months after their last notification. Firms will be able to make these more frequently if they wish. Automated reminder emails will be sent to a firm's dedicated Connect user ahead of the notification due date.

## What data submission systems should firms use?

- 3.12** Firms will be able to submit the necessary data on Directory Persons by filling out the relevant electronic forms which will be available on the FCA's Connect system.

- 3.13** Connect is already used by firms as a mechanism to submit information to the FCA. Firms should make sure that access to Connect is only given to staff that have authority to access and amend information.
- 3.14** Firms should ensure that a sufficient number of individuals have access so that notifications can be made in line with the required reporting timeframes.
- 3.15** The FCA will not edit or amend the information that firms submit for inclusion on the Directory before publication. Firms need to ensure the information they report about individuals is accurate.
- 3.16** Firms may opt to upload Directory Persons' data by using the **multiple entry** functionality which will enable them to submit multiple Directory Persons' records as well as make updates for a large number of Directory persons at once.
- 3.17** Where a firm is notifying us of an individual who does not have an IRN, the system will assign them one.

### **System and consumer interface testing**

- 3.18** We will be performing a series of system tests and will continue to improve the Directory's interface until it is fully populated by December 2020.
- 3.19** We are planning to seek feedback from a small number of firms on the notification submission process in summer 2019, before notification submission functionalities are made available to all firms.
- 3.20** We will also be testing the functionality of the public-facing Directory user interface with consumers before its launch. The final design of the Public Facing Interface will depend on the feedback received from this testing.

### **When will the system go live?**

- 3.21** The Directory's interface (public-facing interface) will go live in March 2020 with information on banking and insurance firms. Information reported to us by solo firms will be made public on the Directory in December 2020.

## Annex 1

# List of non-confidential respondents

The following respondents provided nonconfidential feedback to our consultation:

Adam and Company

Adam Joy

Aegon

AFME and UK Finance

Age Partnership

Agile Life UK

AIMA

Alan Swankie

Alexander Gardiner

Alistair Macnab

Al-Marruna Ltd

AMI

Andrew Zazzi

Association of British Credit Unions Limited

Association of British Insurers

Association of Investment Companies

Association of Professional Compliance Consultants

Aviva

Ball MacLeod LLP

Beaufort Group

Belbury Financial Planning

Bloomsbury Wealth

Blue Wealth

Brett Investment Ltd  
Brewin Dolphin  
Brian Griffiths  
Building Societies Association  
BVCA  
Callum McPherson  
Calum Graham  
Capita  
CFA Society UK  
Chapters Financial Limited  
Charles MacKinnon  
Charles Stanley  
Charles Stanley & Co Limited  
Charles Stanley & Co Ltd  
Charles Wilkinson Financial Planning Ltd  
Chartered Body Alliance  
Chartered Institute for Securities and Investment  
CISI  
Clark McGinn  
Clerkenwell Capital  
Colin Aitken  
Compliance Consultant  
Consumer Finance Association  
Credit Services Association  
Daniel Shea  
Darren Thornton  
David Finan

Declan McCullagh

Declan Mckeown

Deloitte

Derek B S McAllister

Desmond Chin

Deutsche Bank

Duff & Phelps Ltd

Edward Hagger

Edwin Whittingham

Ella Clark

Employment Lawyers Association

European Venues and Intermediaries Association

Ewelina Niziolek-Wilson

Factotum Partners

Finance and Leasing Association

Financial Services Consumer Panel

Frank Moxon

FSCS

Geoffrey Gorham

Gordon Alan Harvey

Graham Frost

Graham Ross Russell

Grainger Financial Planning Ltd

Helen Bansept

HSBC

HSBC

Iain Saville

Ian Starkey

IG Group

Intermediaries Mortgage Lenders Association

International Organization for Standardization

International Underwriting Association

Invesco

Investment & Life Assurance Group

Investment Association

Irene Grant

Irish League of Credit Unions

Jack Lear

James Carr

James Hamilton

James Harvey Associates

James Kyle

JM Finn & Co

Jo Douglas

Joe Lannelli

John Townsend

Julius Baer

Justin Armet

Kate Rogers

Katerina Williams

Kemp Little LLP

Ken Stewart

Keyte Chartered Financial Planners

Kieron May

Killik & Co

Kusal Ariyawansa

Legal and General

Lindsay Reid

Lloyds Banking Group

Lloyds Banking Group

London Stock Exchange

M&G Prudential

Marc Ruse

Mark Seddon

Master Adviser Cfp Ltd

MFP Wealth Management

Michael Berry Savory

Michael Read

Money Advice Service

Music Media IFA Ltd

Nanette Strover

Nationwide

Neil Evans

Neligan Financial

Nicholas Thorpe

Nicolas Chaitow

North Capital

Openwork Limited

Paul Ingram

Personal Finance Society

Peter Bucks

Peter James Leatherdale

Peter O'Donnell

Peter Randall

Philip Ellick

Philip Woolliscroft

PIMFA

Private Capital

Private Capital Limited

Private Capital Limited

Provest Financial Management

Rathbone IM

Raymond James

Redmayne Bentley

Retired

Richard Andrews

Richard Harper

Richard Veal

Robson Laidler Wealth

Roger Michael Stanley Parsons

Royal Bank of Scotland

Sam Thomas

Santander

Scott Ballantyne

Scott Dobbie

Simmons & Simmons

Simon Foster

SimplyBiz Group plc

Sir David Brewer

Sir Iain McMillan

Slater Investments Limited

Smaller Business Practitioner Panel

Smith Hobbs Wealth Management Ltd

Society of Pensions Professionals

St. James's Place

Standard Chartered

Standard Life Aberdeen Plc

Standards International

Stephen Cannons

Stonebridge Financial Management Ltd

Sturgeon Ventures LLP

SVS Securities

Swallow Financial Planning

Tenet

The Cattellyst Consultancy

The City of London Law Society

The GI Consultant

The Manor Partners Ltd

The Pensions Advisory Service

The Vulnerability Registration Service Ltd

Tim Elliott

Tisa

TISA

Unbiased Financial Group LLP

VouchedFor

Walker Crips

Wealth Planning Limited

Wellian Investment Solutions

WH Ireland

William John Kennett

Work Life Wealth

Worksmart

Yorkshire Building Society

Zurich

## Annex 2

### Abbreviations used in this paper

<b>API</b>	Application Programming Interface
<b>AR</b>	Appointed Representative
<b>CBA</b>	Cost Benefit Analysis
<b>CF30</b>	Customer Function
<b>CP</b>	Consultation Paper
<b>DPIA</b>	Data Protection Impact Assessment
<b>ECHR</b>	European Convention on Human Rights
<b>FSMA</b>	Financial Services and Markets Act 2000
<b>FS Register</b>	Financial Services Register
<b>FCA</b>	Financial Conduct Authority
<b>GDPR</b>	General Data Protection Regulation
<b>IRN</b>	Individual Reference Number
<b>MRT</b>	Material Risk Taker
<b>NI</b>	National Insurance Number
<b>PR</b>	Prescribed Responsibility
<b>PS</b>	Policy Statement
<b>PRA</b>	Prudential Regulation Authority
<b>SM&amp;CR</b>	Senior Managers and Certification Regime
<b>TC</b>	Training and Competence
<b>SMF</b>	Senior Management Function
<b>UI</b>	User Interface

## Annex 3 Key Information

Information	Explanation
<b>Firms and individuals included in the Directory</b>	<p><b>FSMA firms (SM&amp;CR firms):</b></p> <ul style="list-style-type: none"> <li>• all certified staff</li> <li>• directors who are not Senior Managers</li> <li>• relevant sole traders or appointed representatives</li> </ul>
<b>Accountable individual</b>	<p><b>Senior Manager</b> with assigned Prescribed Responsibility (b) is accountable for performance by the firm of its obligations under the Certification Regime including submission of timely and accurate data.</p>
<b>Information that firms need to report</b>	<p><b>Published on the Directory</b></p> <ul style="list-style-type: none"> <li>• individual's full name and IRN where the employee has one</li> <li>• relevant role(s) held</li> <li>• different customer engagement methods offered by an individual</li> <li>• information on which relevant accredited bodies the individual is a member of</li> <li>• employment dates</li> <li>• type of business the individual is qualified to undertake</li> <li>• workplace location(s) (if engaging with customers face to face) (optional in the case of vulnerable individuals)</li> </ul> <p><b>Reported but not published</b></p> <ul style="list-style-type: none"> <li>• confirmation of accuracy</li> <li>• date of birth</li> <li>• national insurance number or passport number (if not a holder of an NI number)</li> <li>• post code(s) of workplace location(s)</li> </ul>
<b>Data reporting method</b>	Via FCA Connect system or <i>multiple entry</i> facility.
<b>Reporting Timeframes</b>	Firms have <b>up to 7 business days</b> to notify us of joiners, leavers or for any other change to their Directory data.
<b>FCA publication process</b>	Information will appear on the Directory as submitted by firms, usually no later than next business day.

<b>Data Accuracy Measures</b>	<p><b>£250 FCA admin fee</b> <i>applied for</i></p> <ul style="list-style-type: none"><li>• missed confirmation of accuracy</li><li>• reports of late/inaccurate data submissions</li></ul> <p><b>Confirmation of accuracy</b></p> <ul style="list-style-type: none"><li>• firms have up to 12 months to notify us that their data are still correct from date of last change.</li></ul> <p><b>System Features</b></p> <ul style="list-style-type: none"><li>• <b>data validations</b>- includes data format and prohibitions.</li><li>• <b>error resolution</b> – FCA will contact relevant firms for resubmission or to edit data records directly when an error(s) is reported by users.</li><li>• <b>field limitations</b> – Connect system has a limited number of pre-defined data fields that firms must complete.</li></ul> <p><b>Enforcement</b></p> <ul style="list-style-type: none"><li>• Further disciplinary action<sup>1</sup> may be taken when: anticipated for material or repeated breaches of reporting requirements.</li></ul>
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<sup>1</sup> These include the use of disciplinary powers, imposition of penalties, public censure and the removal of permissions. We are also able to take action against the accountable Senior Manager for Prescribed Responsibility under the SM&CR.

# Appendix 1

## Made rules (legal instrument)

**REPORTING OF INFORMATION ABOUT DIRECTORY PERSONS (DUAL-REGULATED FIRMS) INSTRUMENT 2019**

**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 39 (Exemption of appointed representatives);
    - (b) section 59 (Approval for particular arrangements);
    - (c) section 60 (Applications for approval);
    - (d) section 62A (Changes in responsibilities of senior managers);
    - (e) section 63E (Certification of employees by authorised persons);
    - (f) section 63F (Issuing of Certificates);
    - (g) section 137A (The FCA’s general rules);
    - (h) section 137T (General supplementary powers);
    - (i) section 139A (Power of the FCA to give guidance); and
    - (j) section 347 (The record of authorised persons etc);
    - (k) paragraph 23 (Fees) of Schedule 1ZA (The Financial Conduct Authority); and
  - (2) the other rule and guidance-making powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions sourcebook (GEN) of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force on 9 September 2019.

**Amendments to the Handbook**

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

(1)	(2)
Glossary of definitions	Annex A
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Supervision manual (SUP)	Annex C

**Citation**

- E. This instrument may be cited as the Reporting of Information about Directory Persons (Dual-Regulated Firms) Instrument 2019.

By order of the Board  
28 February 2019

## Annex A

## Amendments to the Glossary of definitions

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

- appointed representative*  
*Directory person*
- (1) An individual who falls within paragraph (2) but is not a *certification employee*.
- (2) An individual falls within this paragraph if they:
- (a) are:
- (i) (subject to paragraph (4)) an *appointed representative* or *tied agent* of an *SMCR firm*; or
- (ii) employed or appointed by a *person* falling within sub-paragraph (i);
- (b) perform the function specified in paragraph (3); and
- (c) require a qualification under *TC App 1.1* (Activities and Products/Sectors to which *TC* applies subject to Appendices 2 and 3) to do so.
- (3) The function is one that will involve the *person* dealing with:
- (a) *customers* of:
- (i) the *firm* (A); or
- (ii) the *appointed representative* (B); or
- (b) property of *customers* of A or B,
- in relation to the carrying on of a *regulated activity* by A or B from an establishment maintained by A or B in the *United Kingdom*.
- For these purposes, “dealing with” includes having contact with *customers* and extends beyond “dealing” as used in the phrase “dealing in investments” which is used in Schedule 2 of the *Regulated Activities Order* (see also *SUP 10A.10.6G*).
- (4) A *person* does not fall within paragraph (2)(a)(i) if they are an *EEA registered tied agent*.

- Directory* the record of *Directory persons* which the *FCA* is (amongst other things) required to:
- (1) maintain under section 347(1) of the *Act*; and
  - (2) make available for public inspection in accordance with section 347(5) of the *Act*.
- Directory person* an individual who is:
- (1) an *appointed representative Directory person*;
  - (2) a *certification employee*;
  - (3) a *non-SMF director Directory person*; or
  - (4) a *sole trader Directory person*.
- non-SMF director Directory person* an individual who is a *director* of an *SMCR firm* but is not:
- (1) an *SMF manager*; or
  - (2) a *certification employee*.
- sole trader Directory person*
- (1) An individual who:
    - (a) is a *sole trader* who is an *SMCR firm*;
    - (b) performs the function specified in paragraph (2); and
    - (c) requires a qualification under *TC App 1.1* (Activities and Products/Sectors to which *TC* applies subject to Appendices 2 and 3) to do so.
  - (2) The function is one that will involve the *person* dealing with:
    - (a) *customers* of the firm (A); or
    - (b) property of *customers* of A,

in relation to the carrying on of a *regulated activity* by A from an establishment maintained by it in the *United Kingdom*.

For these purposes, “dealing with” includes having contact with *customers* and extends beyond “dealing” as used in the phrase “dealing in investments” which is used in Schedule 2 of the *Regulated Activities Order* (see also *SUP 10A.10.6G*).

## 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.

### 23 Senior managers and certification regime: Introduction and classification

...

#### 23.3 Overview of the senior managers and certification regime

...

##### 23.3.3 G Table: Summary of the senior managers and certification regime

Description of component of the regime	Handbook provisions
...	
The certification regime	
...	
<i>A firm should ask for a regulatory reference before appointing someone to perform an <i>FCA certification function</i> (or a <i>PRA</i> equivalent) and give one if asked to by another <i>firm</i> doing so</i>	<i>SYSC 22 (Regulatory references)</i>
<u><i>A firm must report information to the FCA about its <i>Directory persons</i>, including its <i>certification employees</i>.</i></u>	<u><i>SUP 16.26 (Reporting of information about <i>Directory persons</i>)</i></u>
Conduct rules (applies to all firms)	
...	

...

### 24 Senior managers and certification regime: Allocation of prescribed responsibilities

...

**24.2 Allocation of FCA-prescribed senior management responsibilities: Main allocation rules**

...

What the FCA-prescribed senior management responsibilities are

...

24.2.6 R Table: FCA-prescribed senior management responsibilities

<b>FCA-prescribed senior management responsibility</b>	<b>Explanation</b>	<b>Reference letter</b>
...		
(2) Responsibility for the <i>firm's</i> performance of its obligations under the employee certification regime	<p>The employee certification regime means the requirements of sections 63E and 63F of the <i>Act</i> (Certification of employees) and all other requirements of the <i>regulatory system</i> about the matters dealt with in <u>or relating to</u> those sections, including:</p> <p>...</p> <p>(2) the requirements in SYSC 22 (Regulatory references) so far as they relate to the employee certification regime, including the giving of references to another <i>firm</i> about a <i>certification employee</i> or former <i>certification employee</i>; <del>and</del></p> <p>(3) the corresponding <i>PRA</i> requirements; <u>and</u></p>	(b)

	(4) the requirements in <u>SUP 16.26 (Reporting of information about Directory persons)</u> , which require a <i>firm</i> to report information to the <u>FCA about its <i>Directory persons</i></u> .	
...		

...

**27 Senior managers and certification regime: Certification regime**

...

**27.2 Requirements of the certification regime**

...

Issuing and renewing certificates

...

27.2.14 G (1) ...

...

(6) Although a *firm* does not need to issue multiple certificates for an *employee* who performs several different *certification functions*, under the requirements in SUP 16.26 (Reporting of Directory persons) the *firm* will need to specify each of the *certification functions* which the *employee* has been assessed as fit and proper to perform and for which the *employee* has a certificate at the time of the report.

...

## Annex C

## Amendments to the Supervision manual (SUP)

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

## 12 Appointed representatives

...

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

...

MiFID optional exemption appointed representatives and structured deposit appointed representatives

#### 12.4.13 G ...

Reporting of information about Directory persons

- 12.4.14 G (1) SUP 16.26 (Reporting of information about Directory persons) requires an SMCR firm that has appointed an appointed representative to report information to the FCA in respect of any individual who is an appointed representative Directory person.
- (2) The SMCR firm should ensure that appropriate arrangements are in place so that the SMCR firm is able to report all relevant information about each such appointed representative Directory person to the FCA within the specified timeframes, in accordance with the requirements of SUP 16.26 (Reporting of information about Directory persons).

...

## 16 Reporting requirements

### 16.1 Application

...

16.1.1F R The rules and guidance in SUP 16.26 (Reporting of information about Directory persons) apply to an SMCR firm.

16.1.2 G (1) ~~The~~ Subject to (2), the only categories of firm to which no section of this chapter applies are:

- ~~(1)~~ (a) an *ICVC*;
- ~~(2)~~ (b) an *incoming EEA firm* or *incoming Treaty firm*, unless it is:
  - ~~(a)~~ (i) a *firm* of a type listed in *SUP 16.1.3R* as a type of *firm* to which *SUP 16.6*, *SUP 16.7A*, *SUP 16.9*, *SUP 16.12*, or *SUP 16.14* applies; or
  - ~~(b)~~ (ii) an *insurer* with *permission* to effect or carry out *life policies*; or
  - ~~(c)~~ (iii) a *firm* with *permission* to *establish, operate or wind up a personal pension scheme* or a *stakeholder pension scheme*; or
  - ~~(d)~~ (iv) a *payment service provider* to which *SUP 16.22* applies; and
- ~~(3)~~ (c) a *UCITS qualifier*.

(2) SUP 16.26 (Reporting of information about Directory persons) applies to a firm which is an SMCR firm (see SUP 16.1.1FR).

16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13, SUP 16.15, SUP 16.16, SUP 16.17, and SUP 16.22 and SUP 16.26)

(1) Section(s)	(2) Categories of firm to which section applies	(3) Applicable rules and guidance
...		
Note 2: = The application of <i>SUP 16.13</i> is set out under <i>SUP 16.13.1G</i> ; the application of <i>SUP 16.15</i> is set out under <i>SUP 16.15.1G</i> ; the application of <i>SUP 16.16</i> is set out <i>SUP 16.16.1R</i> and <i>SUP 16.16.2R</i> and the application of <i>SUP 16.17</i> is set out in <i>SUP 16.17.3R</i> and <i>SUP 16.17.4R</i> ; and the application of <i>SUP 16.26</i> is set out in <i>SUP 16.26.1R</i> .		
Note 3: = ...		

...

### 16.3 General provisions on reporting

...

## Structure of the chapter

16.3.2 G This chapter has been split into the following sections, covering:

...

(19) retirement income data reporting (*SUP 16.24*); ~~and~~

(20) claims management reporting (*SUP 16.25*); and

(21) *Directory persons* information reporting (*SUP 16.26*).

After SUP 16.25 (Claims management reporting) insert the following new section, SUP 16.26. The text is not underlined.

## 16.26 Reporting of information about Directory persons

### Application

16.26.1 R This section of the *FCA Handbook* applies to an *SMCR firm*.

- 16.26.2 G
- (1) This section requires an *SMCR firm* to report information about its *Directory persons* to the *FCA*.
  - (2) An *SMCR firm* will need to report information about all of its *Directory persons*. A *firm* may also need to report information if it is a *sole trader* or if it has appointed an *appointed representative*.
  - (3) This section is also relevant to a *Directory person* whose name is or will be included in the *Directory*.

### Purpose

- 16.26.3 G
- (1) Section 347(1) of the *Act* requires the *FCA* to maintain a record of various categories of *person*, such as *authorised persons* and *approved persons* as well as every *person* falling within such other classes as the *FCA* may determine (see section 347(1)(i)).
  - (2) The *FCA* has determined that individuals who are *Directory persons* should be included on the record required by section 347(1) of the *Act* (see section 347(1)(i) of the *Act*).
  - (3) The *FCA* is required to make the record available for inspection by members of the public in legible form at such times or

places as the *FCA* may determine (see section 347(5) of the *Act*).

- 16.26.4 G The *FCA* expects there to be a number of benefits from the *Directory* being available for public inspection. For example, a *client* will be able to verify information about a *Directory person* who it is proposed will be involved in the provision of a service to them. Or a *firm* might cross-check information about a *Directory person* before that individual is hired by the *firm*.
- 16.26.5 G (1) This section contains *rules* which require an *SMCR firm* to report specified information to the *FCA* about its *Directory persons* for the purposes of that information being included in the *Directory*.
- (2) This section also contains *rules* which require reporting of additional information to the *FCA* about *Directory persons*. This includes a *Directory person's* date of birth, and, as the case may be, National Insurance number or passport number. The *FCA* needs this to ensure that information which is reported by a *firm* about a particular individual is as accurate as possible, for example, to prevent confusion between individuals with similar names. The information will also help the *FCA* in carrying out of its functions, for example, in its arrangements for supervising and enforcing compliance with relevant *rules* or requirements. However, this additional information will not be made available to the public through the *Directory*.

Reporting requirements: complete and accurate information

- 16.26.6 R (1) An *SMCR firm* must submit a duly completed and accurate report to the *FCA* for each *Directory person* in accordance with the provisions of this section.
- (2) The report for each *Directory person* must contain the information set out in *SUP 16 Annex 47AR*, and be:
- (a) submitted online through the appropriate system which is accessible from the *FCA* website; and
- (b) in the appropriate format.
- 16.26.7 R (1) When submitting a report to the *FCA* in respect of a *Directory person* an *SMCR firm* must confirm that all the information being reported to the *FCA* in respect of that *Directory person* is complete and accurate.
- (2) That confirmation must be given online through the appropriate system which is accessible from the *FCA* website.

- 16.26.8 G (1) The information reported by the *firm* in respect of a *Directory person* which is to be included in the *Directory* will be uploaded onto the *Directory* shortly after the report is submitted.
- (2) It is the responsibility of a *firm* to ensure that any information that it reports about relevant *Directory persons* is accurate and complete.
- (3) The *FCA* will not verify the information about *Directory persons* which is reported by a *firm*.
- (4) If a *firm* becomes aware of any inaccuracies or errors in the information reported about a *Directory person* it must rectify that information in accordance with applicable *data protection legislation*.

16.26.9 G There are notes which accompany *SUP 16 Annex 47AR* (*Directory persons report*) which are intended to help *firms* report the required information. The notes are in *SUP 16 Annex 47BG* (*Guidance notes for Directory persons report in SUP 16 Annex 47AR*).

16.26.10 R *SUP 16.3.11R* (*Complete reporting*) applies to the submission of *Directory persons reports* by an *SMCR firm*.

Reporting requirements: exceptional circumstances

16.26.11 R A *firm* may not report the information required in *SUP 16 Annex 47AR* (15) where that *firm* has reason to believe that making public a *Directory person's* workplace location would put them at risk.

Frequency and timing of reports: general

- 16.26.12 R (1) A *firm* must submit a report required by this section in the frequency, and so as to be received by the *FCA* no later than the due date, specified for such a report.
- (2) If a *firm* becomes aware of any inaccuracies or errors in the information reported about a *Directory person* it must rectify that information as soon as possible in accordance with applicable *data protection legislation* (see also *SUP 16.26.6R* and *SUP 16.26.8G*).

Frequency and timing of reports: certification employees

16.26.13 R In respect of a *certification employee*, an *SMCR firm* must submit a report within seven *business days* of:

- (1) the *certification employee* commencing performance of a

*certification function;*

- (2) the *certification employee* ceasing performance of a *certification function*; or
- (3) the *firm* becoming aware of any other change to the information last reported to the *FCA* in respect of that *certification employee*.

- 16.26.14 G An example of when an *SMCR firm* would need to submit a report to the *FCA* under *SUP* 16.26.13R(3) is where the individual changes their name.

Seven business days is intended to be the maximum length of time for making a notification. By reporting more quickly, firms can improve the accuracy of the information included in the Directory.

Frequency and timing of reports: non-SMF director Directory person

- 16.26.15 R In respect of a *non-SMF director Directory person*, an *SMCR firm* must submit a report within seven *business days* of:
- (1) that *person* becoming a *non-SMF director Directory person* at the *firm*; or
  - (2) that *person* ceasing to be a *non-SMF director Directory person* at the *firm*; or
  - (3) the *firm* becoming aware of any other change to the information last reported to the *FCA* in respect of that individual.

Frequency and timing of reports: sole trader Directory person or appointed representative Directory person

- 16.26.16 R In respect of an *appointed representative Directory person* or a *sole trader Directory person*, an *SMCR firm* must submit a report within seven *business days* of:
- (1) that *person* commencing performance of a function which requires a qualification under *TC* App 1.1 (Activities and Products/Sectors to which *TC* applies subject to Appendices 2 and 3);
  - (2) that *person* ceasing to perform a function which requires a qualification under *TC* App 1.1 (Activities and Products/Sectors to which *TC* applies subject to Appendices 2 and 3); or
  - (3) the *firm* becoming aware of any other change to the information

last reported to the *FCA* in respect of that individual.

- 16.26.17 R (1) If the *FCA*'s information technology systems fail and online submission of the reports required under this section is not possible on the reporting day (see paragraph (3)), the time period for submission of reports is extended in accordance with paragraph (2).
- (2) If on the reporting day, the online submission of reports is not possible for more than one hour, the *firm* must submit the relevant report on the first *business day* on which the online submission of reports is next possible.
- (3) In this *rule*, the "reporting day" is the day on which the *firm* must submit a report under this section as determined in accordance with *SUP* 16.26.13R to *SUP* 16.26.16R.

Frequency and timing of reports: reporting to the *FCA* at least once every twelve months

- 16.26.18 R (1) Paragraph (2) applies where an *SMCR firm* has not submitted any reports to the *FCA* in respect of a *Directory person* in accordance with the provisions of this section within the relevant period (see *SUP* 16.26.20R).
- (2) An *SMCR firm* must submit a report to the *FCA* confirming that the information previously reported by the *firm* in respect of its *Directory persons* remains accurate and up-to-date.
- (3) The confirmation to be submitted to the *FCA* under paragraph (2) must be submitted no later than the first *business day* following the end of the relevant period (see *SUP* 16.26.20R).
- 16.26.19 R An *SMCR firm* may submit a confirmation of accuracy at any time.
- 16.26.20 R (1) For the purposes of *SUP* 16.26.18R, the "relevant period" is the period which:
- (a) starts on the day on which the *SMCR firm* last:
- (i) submitted a report to the *FCA* in respect of any of its *Directory persons*; or
- (ii) submitted a confirmation in accordance with *SUP* 16.26.18R;
- (iii) submitted a confirmation in accordance with *SUP* 16.26.19R; and

- (b) subject to (2), ends 364 days after the day specified in (a).
- (2) If the relevant period includes the 29 February of a given year, the period ends 365 days after the day specified in paragraph (1)(a).

#### Failure to submit a report

- 16.26.21 R *SUP* 16.3.14R (Failure to submit reports) applies to the failure by an *SMCR firm* to submit a complete report about its *Directory persons* in accordance with the *rules* set out in this section by the date on which it is due.
- 16.26.22 G Failure to submit a report in accordance with the *rules* in, or referred to in, this chapter or the provisions of relevant legislation may also lead to the imposition of a financial penalty and other disciplinary sanctions.
- 16.26.23 G The *firm* is responsible for ensuring delivery of the required report by the relevant due date. If a report is received by the *FCA* after the due date and the *firm* believes its delivery arrangements were adequate, it may be required to provide proof of those arrangements.

After SUP 16 Annex 46BG (Notes on completing REP020 Statistics on the availability and performance of a dedicated interface) insert the following new annexes SUP 16 Annex 47AR and 47BG. The text is not underlined.

**SUP 16 Annex 47AR – Directory persons report**

(1)	(2)
Date information reported:	Confirm information being reported is accurate and complete

(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Individual Reference Number (IRN)	Passport number, for any Directory person who does not have an NI Number or for whom a passport number, and not an NI number, has previously been provided	National insurance (NI) number	Date of birth	First name	Middle names (if known)	Last name	Date started role	Date role ended	Relevant roles currently held	Activities which the Directory person carries on and for which they hold the relevant qualifications	Customer engagement method(s) (online, telephone, face to face) offered by any Directory person who deals with customers and requires a qualification to do so	Workplace location(s) (post code(s)) for any Directory person who deals with customers face to face and requires a qualification to do so	Relevant accredited body membership for any Directory person who deals with customers and requires a qualification to do so
									[FCA CF] (1) CASS oversight function	2. Giving personal recommendations on securities which are not stakeholder pension			



	[FCA CF] (5) Functions requiring qualifications		7. Giving personal recommendations on long-term care insurance contracts		
	[FCA CF] (6) Manager of certification employee		8. Giving personal recommendations on investments in the course of corporate finance business		
	[FCA CF] (7) Material risk taker		9. Advising on syndicate participation at Lloyd's		
	[FCA CF] (8) Client dealing		9A. Advising on P2P agreements		
	[FCA CF] (9) Algorithmic trading		10. Broker fund adviser		
	[PRA CF] Material risk taker		11. Pension transfer specialist		
	[PRA CF] Key function holder		12 Giving personal recommendations on and dealing		

		in securities which are not stakeholder pension schemes, personal pension schemes or broker funds			
	[PRA CF] Managing a material risk taker	13. Giving personal recommendations on and dealing in derivatives			
	Director of firm who is not a certification employee or a SMF manager	14 Managing investments			
	Sole trader dealing with clients for which they require a qualification	15. Operating a collective investment scheme or undertaking the activities of a trustee or depositary of a collective investment scheme			
	Appointed representati	16 Safeguardin			

	<p>ve dealing with clients for which they require a qualification</p>	<p>g and administerin g investments or holding client money</p>			
		<p>17. Administrati ve functions in relation to managing investments</p>			
		<p>18 Administrati ve functions in relation to effecting or carrying out contracts of insurance which are life policies</p>			
		<p>19. Administrati ve functions in relation to the operation of stakeholder pension schemes</p>			
		<p>20. Advising or arranging (bringing about) regulated mortgage contracts for a non-business</p>			



	<p>23. Overseeing execution- only sales on a day-to- day basis in relation to equity release transactions</p>			
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**16 Annex 47BG      Guidance notes for Directory persons report in SUP 16 Annex 47AR**

1. In (1), the *firm* must specify the date on which the information being submitted about the particular *Directory person* is reported to the *FCA*.
2. In (2), the *firm* must confirm that the information being reported in respect of the particular *Directory person* is accurate and complete. Each *firm* is responsible for ensuring that any information reported about a *Directory person* is accurate and complete.

Even if the *firm* believes or knows that information has been provided to the *FCA* before (whether as part of another notification or otherwise) or is in the public domain, it should be disclosed clearly and fully as part of this report.

It is a criminal offence, knowingly or recklessly, to give the *FCA* and/or *PRA* information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act).

The *FCA* will not verify the information about *Directory persons* which is reported by the *firm*. If a *firm* becomes aware of any inaccuracies or errors in the information reported about a *Directory person* it must rectify that information as soon as possible in accordance with applicable *data protection legislation*.

The *firm* should be aware that, while advice may be sought from a third party (e.g. legal advice), the *firm* has responsibility for the accuracy of information, as well as the disclosure of relevant information in the report. For *certification employees*, the Senior Manager with responsibility for certification (PRb) is accountable for the accuracy of the information submitted in this report.

3. It is only necessary to report a *Directory person's* individual reference number (IRN) in (3) if the *person* has one.
4. The information in (4), (5) and (6) will be used to cross-check the identity of the *Directory person* against other information held by the *FCA*. It will not be published on the *Directory*. It is only necessary to report a *Directory person's* passport number in (4) where:
  - (a) the *Directory person* does not hold an NI number; or
  - (b) the *firm* has previously provided us with a passport number, and not an NI number, for a *Directory Person*. This is to enable the *Directory person's* records to be correctly matched.
5. In (10) and (11), for each role which the *Directory person* performs, specify the dates when the individual starts and stops performing the role.
6. In (12), the *firm* should specify every role performed by the *Directory person*:
  - (a) For a *certification employee* this will be the particular *certification*

*function* or functions which the individual has been assessed as being fit and proper to perform and performing for which the employee has a certificate at the time of the report.

- (b) For a *non-SMF director Directory person* this will be “Director of firm who is not a certification employee or a SMF manager”.
  - (c) For a *sole trader Directory person*, this will be “Sole trader dealing with clients for which they require a qualification”.
  - (d) In respect of an *appointed representative Directory person*, this will be “Appointed representative dealing with clients for which they require a qualification”.
7. Although a *firm* does not need to issue multiple certificates for any employee who performs several different *certification functions* (see SYSC 27.2.14G(6)), in (12) the *firm* must select all relevant *certification functions* which are performed by the individual (both *FCA certification functions* and *PRA certification functions*).
  8. In (13) select all the relevant qualifications (see TC App 1.1 (Activities and Products/Sectors to which TC applies subject to Appendices 2 and 3)) which the *Directory person* requires and holds so as to carry on the role that they perform.
  9. For example, if the *Directory person* is an *appointed representative* who holds the necessary qualifications to be able to *advise on investments* and advise on *regulated mortgage contracts* but has been appointed by the *firm* only to advise on *regulated mortgage contracts*, the *firm* should select only “20. Advising or arranging (bringing about) regulated mortgage contracts for a non-business purpose”.
  10. In relation to (14), the engagement methods (online, telephone, face to face) offered by a *Directory person* only need to be reported where the *Directory person* deals with customers and requires a qualification under TC App 1.1 to do so.
  11. In relation to (15), workplace location (post code) only needs to be reported where the *Directory person* offers face to face engagement and requires a qualification under TC App 1.1 to do so. The *FCA* will use the post code provided to publish a *Directory person*’s workplace location at town or city level, the post code itself will not be published on the Directory.  
  
Where a *firm* has reason to believe that making public a *Directory person*’s workplace location would put them at risk, that *firm* may not report the information required in (15) or may provide the post code for its head office.
  12. In relation to (16), “relevant accredited body membership” is membership of any of the following professional bodies: CFA Society of the UK; The Chartered Institute for Securities and Investment (CISI); The Chartered

Institute of Bankers in Scotland (CIOBS); The Chartered Insurance Institute (CII); The London Institute of Banking and Finance (LIBF); and The Pensions Management Institute. Relevant accredited body membership only needs to be reported where the *Directory person* deals with customers and requires a qualification under *TC App 1.1* to do so.

Amend the following as shown.

**TP 1 Transitional provisions**

...

**TP 1.13 Reporting of information about Directory persons**

<u>(1)</u>	<u>(2)</u> <u>Material to which the transitional provision applies</u>	<u>(3)</u>	<u>(4) Transitional provisions</u>	<u>(5)</u> <u>Transitional provision: dates in force</u>	<u>(6)</u> <u>Handbook provision coming into force</u>
1	<u>SUP 16.26</u>	R	<p><u>(1) This rule applies to an SMCR firm.</u></p> <p><u>(2) The reporting and timing requirements in SUP 16.26 are modified in accordance with paragraphs (3) to (6) for a firm to which this rule applies.</u></p> <p><u>(3) The firm must submit a report about each individual who is or becomes a Directory person on or after 9 September 2019.</u></p> <p><u>(4) Where the relevant information is held by the firm, the firm must submit a report about each individual who does not fall within (3), but who would have been a Directory person on or after 10 December 2018.</u></p> <p><u>(5) The firm must submit to the FCA all reports about the Directory persons specified in (3) and (4) by 9 March 2020, which is set out in Part</u></p>	From <u>9 September 2019 to 9 March 2020</u>	<u>9 September 2019</u>

		<p><u>1, SUP 16 Annex 47AR (Directory persons report), submitted online through the appropriate system which is accessible from the FCA website and in the appropriate format.</u></p> <p><u>(6) SUP 16.26.12R to SUP 16.26.19R apply only on and from 9 March 2020.</u></p>	
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**REPORTING OF INFORMATION ABOUT DIRECTORY PERSONS (FCA-AUTHORISED FIRMS) INSTRUMENT 2019**

**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of:
- (1) the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
    - (a) section 39 (Exemption of appointed representatives);
    - (b) section 59 (Approval for particular arrangements);
    - (c) section 60 (Applications for approval);
    - (d) section 62A (Changes in responsibilities of senior managers);
    - (e) section 63E (Certification of employees by authorised persons);
    - (f) section 63F (Issuing of Certificates);
    - (g) section 137A (The FCA’s general rules);
    - (h) section 137T (General supplementary powers);
    - (i) section 139A (Power of the FCA to give guidance); and
    - (j) section 347 (The record of authorised persons etc);
    - (k) paragraph 23 (Fees) of Schedule 1ZA (The Financial Conduct Authority); and
  - (2) the other rule and guidance-making powers and related provisions listed in Schedule 4 (Powers exercised) to the General Provisions sourcebook (GEN) of the FCA’s Handbook.
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

**Commencement**

- C. This instrument comes into force [immediately after the main commencement date for solo-regulated firms in the Individual Accountability (FCA-Authorised Firms) Instrument 2018.]

**Amendments to the Handbook**

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

(1)	(2)
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex A
Supervision manual (SUP)	Annex B

**Citation**

- E. This instrument may be cited as the Reporting of Information about Directory Persons (FCA-Authorised Firms) Instrument 2019.

By order of the Board

[*date*]

[*Editor's note:*

- (1) The amendments in this draft instrument are prepared as if the Reporting of Information about Directory Persons (Dual-Regulated Firms) Instrument 2019 is made and in force.
- (2) The amendments in this draft instrument are prepared as if the near-final version of the Individual Accountability (FCA-Authorised Firms) Instrument 2018 (the solo regulated firms instrument) included in Policy Statement PS18/14 (Extending the Senior Managers & Certification Regime to FCA firms - Feedback to CP17/25 and CP17/40, and near-final rules) were made and in force.]

**Annex A**

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

In this Annex, underlining indicates new text.

**23 Senior managers and certification regime: Introduction and classification**

...

**23.3 Overview of the senior managers and certification regime**

...

**23.3.3 G Table: Summary of the senior managers and certification regime**

<b>(1) Description of component of the regime</b>	<b>(2) Handbook provisions</b>	<b>(3) Application to solo-regulated firms</b>
...		
<b>The certification regime</b>		
...		
<i>A firm must report information to the FCA about its Directory persons, including its certification employees.</i>	<i>SUP 16.26</i>	<u><i>Applies to all SMCR firms</i></u>
<b>Conduct rules (applies to all firms)</b>		
...		

...

## Annex B

## Amendments to the Supervision manual (SUP)

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

Amend the following as shown.

**TP 1 Transitional provisions**

...

**TP 1.13 Reporting of information about Directory persons**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provisions	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1	SUP 16.26	R	<p>(1) This <i>rule</i> applies to <del>an SMCR firm</del>:</p> <p>(a) <u>an SMCR banking firm</u>; and</p> <p>(b) <u>an SMCR insurance firm</u>.</p> <p>(2) The reporting and timing requirements in SUP 16.26 are modified in accordance with paragraphs (3) to (6) for a <i>firm</i> to which this <i>rule</i> applies.</p> <p>(3) The <i>firm</i> must submit a report about each individual who is or becomes a <i>Directory person</i> on or after 9 September 2019.</p> <p>(4) Where the relevant information is held by the <i>firm</i>, the <i>firm</i> must submit a report about each individual who does not fall within (3), but who would have been a <i>Directory person</i> on or after 10 December 2018.</p>	From 9 September 2019 to 9 March 2020	9 September 2019

			<p>(5) The <i>firm</i> must submit to the <i>FCA</i> all reports about the <i>Directory persons</i> specified in (3) and (4) by 9 March 2020, which is set out in Part 1, <i>SUP</i> 16 Annex 47AR (Directory persons report), submitted online through the appropriate system which is accessible from the <i>FCA</i> website and in the appropriate format.</p> <p>(6) <i>SUP</i> 16.26.13R to <i>SUP</i> 16.26.19R apply only on and from 9 March 2020.</p>		
<u>2</u>	<u><i>SUP</i> 16.26</u>	<u>R</u>	<p><u>(1) This <i>rule</i> applies to an <i>SMCR firm</i> which is not:</u></p> <p>(a) <u>an <i>SMCR banking firm</i>; or</u></p> <p>(b) <u>an <i>SMCR insurance firm</i>.</u></p> <p><u>(2) The reporting and timing requirements in <i>SUP</i> 16.26 are modified in accordance with paragraphs (3) to (5) for a <i>firm</i> to which this <i>rule</i> applies.</u></p>	<p><u>From [main commencement of the Individual Accountability (FCA-Authorised Firms) Instrument 2018] to [12 months after main commencement of the Individual Accountability (FCA-Authorised Firms) Instrument 2018]</u></p>	<p><u>[Main commencement of the Individual Accountability (FCA-Authorised Firms) Instrument 2018]</u></p>

(3) The *firm* must submit a report about each individual who is or becomes a *Directory person* on or after [main commencement of the Individual Accountability (FCA-Authorised Firms) Instrument 2018].

(4) The *firm* must submit to the *FCA* all reports about the *Directory persons* specified in (3) by [12 months after main commencement of the Individual Accountability (FCA-Authorised Firms) Instrument 2018] , which is set out in Part 1, *SUP 16 Annex 47AR (Directory persons report)*, submitted online through the appropriate system which is accessible from the *FCA* website and in the appropriate format.

(5) *SUP 16.26.13R* to *SUP 16.26.19R* apply only on and from [12 months after main commencement of the Individual Accountability (FCA-Authorised Firms) Instrument 2018].

