



No.23

Handbook Notice

July 2015

Financial Conduct Authority



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Handbook Notice 023

This Handbook Notice introduces the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative powers on 18 June and 2 July 2015, and rules also made by the Financial Ombudsman Service Ltd on 3 June 2015. It also contains information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the individual modules are listed in the relevant Consultation Papers and Policy Statements referred to in this Notice.

General comments and queries on the Handbook can be addressed to:

Melanie Purdie

Tel: 020 7066 9066

Email: mel.purdie@fca.org.uk

However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Firm Contact Centre:

Tel: 0845 606 9966

Fax: 020 7066 0991

Email: firm.queries@fca.org.uk

Post: Customer Contact Centre
Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS

1. Overview

Legislative changes

- 1.1** On 3 June 2015, the Board of the Financial Ombudsman Service (FOS) Ltd made changes to the Handbook in the instruments listed below.

CP	Title of instrument	Instrument No.	Changes effective
15/14	Fees (Consumer Buy to Let) Instrument 2015 (also made by the FCA)	2015/5	20.7.15; 1.4.16
N/A	ADR Directive Supplementary Instrument 2015 (also approved by the FCA)	2015/6	9.7.15

- 1.2** On 18 June 2015, the FCA Board made changes to the Handbook in the instruments listed below.

CP	Title of instrument	Instrument No.	Changes effective
15/14	Periodic Fees (Pensions Guidance Providers) Instrument 2015	2015/34	19.6.15
15/14	Periodic Fees (2015/2016) and Other Fees Instrument 2015	2015/35	19.6.15
15/14	Fees (Consumer Buy to Let) Instrument 2015 (also made by the FOS)	2015/36	20.7.15; 1.4.16

- 1.3** On 2 July 2015, the FCA Board made changes to the Handbook in the instruments listed below.

CP	Title of instrument	Instrument No.	Changes effective
N/A	Handbook Administration (No 38) Instrument 2015	2015/37	1.8.15; 1.10.15; 21.3.16
14/13; 14/31; 15/5	Individual Accountability Instrument 2015	2015/31	13.7.15; 7.3.16; 7.3.17

- 1.4** The FCA Board has also made the instruments numbered FCA 2015/38 and FCA 2015/39. These instruments will be published at a later date and summarised in the next Handbook Notice.

Summary of changes

- 1.5** The legislative changes referred to above are listed and briefly described in Chapter 2 of this Notice.

Feedback on responses to consultations

- 1.6** Feedback to consultations have been published in separate Policy Statements.

Notification of error in FCA 2015/16

- 1.7** FCA 2015/16 contained an amendment to GENPRU 1.2.1AR which is a PRA-only provision. As such, the amendment has no effect, nor should GENPRU 1.2.1AR appear in the FCA Handbook. We have amended the website accordingly.

FCA Board dates for 2015

- 1.8** The table below contains a list of forthcoming FCA board meetings for 2015. These dates are subject to change without prior notice.

July	30
August	No Board
September	24
October	22
November	4 and 5
December	3

2. Summary of changes

- 2.1** This chapter briefly describes FCA Handbook changes made by the Board on 18 June and 2 July 2015. It also describes changes made by the Financial Ombudsman Service Board on 3 June 2015. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see <http://www.bankofengland.co.uk/pr/Pages/publications/default.aspx>

Periodic Fees (Pension Guidance Providers) Instrument 2015 (FCA 2015/34)

- 2.2** Following consultation in CP15/14¹, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary FEES 1, 2 and 11

- 2.3** In summary, this instrument puts in place the framework for raising the pensions guidance providers levy and sets the amount payable by each designated pensions guidance provider in 2015/16.
- 2.4** This instrument comes into force on **19 June 2015**. Feedback to this consultation was published in a separate policy statement.²

Periodic Fees (2015/2016) and Other Fees Instrument 2015 (FCA 2015/35)

- 2.5** Following consultation in CP15/14, the FCA Board has made changes to the FCA Handbook sections listed below:

FEES 3, 4, 5, 7, 10 and App 1

- 2.6** In summary, this instrument sets the 2015/16 fees and levies rates for the Financial Conduct Authority (FCA), the Financial Ombudsman Service (ombudsman service), the Money Advice Service and the pensions guidance levy.
- 2.7** The instrument also reflects policy changes to the way:
- some fees are raised for the UK Listing Authority
 - fees for benchmark administrators are calculated, and
 - income is defined for the purposes of calculating some consumer credit fees.

¹ CP15/14 *FCA Regulated fees and levies: Rates proposals 2015/16* (March 2015)

² PS15/15 *FCA Regulated fees and levies 2015/16* (June 2015)

- 2.8** This instrument comes into force on **19 June 2015**. Feedback to this consultation was published in a separate policy statement.

Fees (Consumer Buy to Let) Instrument 2015 (FCA 2015/36; FOS 2015/5)

- 2.9** Following consultation in CP15/14, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary
FEES 1, 2, 3, 4 and 5**

- 2.10** In summary, this instrument sets the application fees for applicants to undertake 'consumer buy-to-let' related activities in 2015/16 and puts in place a framework for FCA and ombudsman service periodic fees and levies for 2016/17.

- 2.11** This instrument comes into force on **19 June 2015**. Feedback to this consultation was published in a separate policy statement.

Handbook Administration (No 38) Instrument 2015 (FCA 2015/37)

- 2.12** The Board has made minor administrative changes to various modules of the FCA Handbook, as listed below. These correct or clarify existing provisions. They were not consulted on because they are regarded either as falling within the scope of previous consultations or as being so minor that they do not warrant consultation. None of these changes represents any alteration in FCA policy.

**Glossary of definitions
PRIN 3
SYSC 3, 10 and TP 2
FEES 4
IPRU(FSOC)
MCOB 1, 4 and 11
SUP 10A, 12 and 16
DISP 1
COLL 2
LR Appendix 1 and TR 6
PR 2**

- 2.13** In summary the amendments made this month are as follows:
- removal of a reference to CASS 5 in the definition of 'commercial customer'
 - in the definition of 'regulatory information service or RIS' removal of the cross-reference to DTR TP 1.22 as this transitional provision has expired; the same change is made to the same definition within LR Appendix 1
 - changes to PRIN 3.1.1R and PRIN 3.1.3R as a result of legislative changes
 - change in SYSC 3.1.10R to bring the text into line with corresponding text in TC
 - amendment to a statutory reference in SYSC 10.2.3G
 - removal of an expired transitional provision in SYSC TP 6

- correction to the name of a recognised body in FEES 4 Annex 6R
- transfer of text within the Introductory Guidance of IPRU(FSOC) out of a passage made only by the PRA as this applies to FCA-regulated firms
- correction of a defined term referred to in MCOB 1.2.20R
- the addition of MCOB 4.4A.3AG – this new provision had been included in the Mortgage Credit Directive Instrument 2015 (FCA 2015/18), but had inadvertently not been underlined, therefore the inclusion of this provision in this instrument confirms the change
- the change to MCOB 11.6.16R was intended to be included in the Mortgage Credit Directive Instrument 2015 (FCA 2015/18) but was inadvertently omitted – the effect of this correction is to ensure that MCOB 11.6.16R does not apply for 2C mortgages, i.e., the rules on debt consolidation should apply to 2C mortgages even if the customer is not a ‘credit impaired customer’
- correction, in SUP 10A.4.4R, to the name of one of the controlled functions
- correction of a cross-reference in SUP 12.5.3AR
- changes to SUP 16.12.5R (Regulatory Activity Group 1) as a result of corresponding changes made by the PRA
- addition of title to SUP 16 Annex 19AAR, this confirms a change which has already been made administratively
- correction of ‘eligible complaint’ to ‘eligible complainant’ in DISP 1.1.10G, following an error in the Mortgage Credit Directive (Consumer Buy-to-Let) Instrument 2015 (FCA 2015/33)
- correction of a cross-reference in COLL 2.1.3G
- a change to the definition of ‘regulatory information service or RIS’ in LR Appendix 1 to correspond to the change made to the same definition in the Glossary (see above)
- removal of two expired transitional provisions in LR, and
- change to text copied out from the Act, in PR 2.1.1UK, following recent legislative changes.

2.14 These changes come into force on 1 August 2015 except as follows:

1. the changes to PRIN and to SUP 16.12.5R come into force on 1 October 2015, and
2. the changes to MCOB, SUP 12.5.3AG and SUP 16 Ann 19AAR, and DISP 1.1.10G which come into force on 21 March 2016 to correspond to the commencement dates of the related instruments.

Individual Accountability Instrument 2015 (FCA 2015/31)

- 2.15** Following consultation in CP14/13³, CP14/31⁴ and CP15/5⁵, the FCA Board has made changes to the FCA Handbook sections listed below, as well as making the Code of Conduct sourcebook (COCON):
- Glossary of definitions**
SYSC 1, 4, 5, 6, 7, 21, TP 5
FIT 1, 2
SUP 10, 10C, 15, TP 6
- 2.16** In summary, this instrument implements the new Senior Managers Regime, the Certification Regime and the Conduct Rules following recommendations from the Parliamentary Commission on Banking Standards (PCBS) and the Financial Services (Banking Reform) Act 2013. More information about these changes can be found in a separate policy statement (contained as part of a consultation paper) published on 7 July.⁶
- 2.17** Part of this instrument comes into force on **13 July 2015**, part on **7 March 2016** and the remainder on **7 March 2017**.

ADR Directive Supplementary Instrument 2015 (FOS 2015/6)

- 2.18** The FOS have made changes to their sections in the FCA Handbook, as listed below, and approved by the FCA:
- Glossary of definitions**
DISP 3
- 2.19** In summary, this instrument makes minor consequential changes to the Handbook that were consulted on by the Financial Ombudsman Service to ensure consistency with other rule changes made to implement the Alternative Dispute Resolution (ADR) Directive.⁷
- 2.20** This instrument comes into force on **9 July 2015**.

³ CP14/13 *Strengthening accountability in banking: a new regulatory framework for individuals* (August 2014)

⁴ CP14/31 *Strengthening accountability in banking: forms, consequential and transitional aspects* (December 2014)

⁵ CP15/5 *Approach to non-executive directors in banking and Solvency II firms & Application of the presumption of responsibility to Senior Managers in banking firms* (February 2015)

⁶ CP15/22 *Strengthening accountability in banking: Final rules (including feedback on CP14/31 and CP15/5) and consultation on extending the Certification Regime to wholesale market activities* (July 2015), <http://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-22>

⁷ <http://www.fca.org.uk/static/documents/consultation-papers/cp14-30.pdf>

3. Additional information

Making corrections

- 3.1** The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

Publication of Handbook material

- 3.2** This Notice is published on the FCA website and is available in hardcopy.
- 3.3** The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date and reference number at <http://fshandbook.info/FS/InstrumentsByDate.jsp> or listed by module at <http://fshandbook.info/FS/InstrumentsByModule.jsp>. The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 3.4** The changes to the Handbook are incorporated into the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 3.5** The consolidated text of the Handbook can be found on the FCA's website at <http://fshandbook.info>.
- 3.6** Copies of the FCA's consultation papers referred to in this Notice are available on the FCA's website or on request in hardcopy form.

Obligation to publish feedback

- 3.7** This Notice, and the feedback to which paragraph 1.5 refers, fulfil for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost-benefit analysis and a statement under section 138K(4) of the Act if a proposed altered rule applies to authorised persons which include mutual societies.

Comments

- 3.8** We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to handbookproduction@fca.org.uk (or see contact details at the front of this Notice).



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