



No.2

Handbook Notice

June 2013

Financial Conduct Authority



Contents

1.	Overview	3
2	Summary of changes	5
3	Consultation feedback	9
4	Additional information	11

Handbook Notice 002

This Handbook Notice introduces the Handbook and other material made by the Board under its legislative powers on 3 June 2013. 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:

Saira Hussain

Tel: 020 7066 0334

Email: saira.hussain@fca.org.uk

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 Customer Contact Centre:

Tel: 0845 606 9966

Fax: 020 7066 0991

Email: fcc@fca.org.uk

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

1. Overview

Changes this month

- 1.1** On 3 June 2013 the FCA Board made changes to the Handbook in three instruments which are listed in the table below.

CP	Title of instrument	Instrument No.	Changes effective
12/40	Financial Conglomerates Directive (FCA Handbook Amendments) Instrument 2013	2013/45	10.6.2013
12/19	Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013	2013/46	1.12.2013
12/14	Employers' Liability Insurance: Disclosure by Insurers (No 4) Instrument 2013	2013/47	4.12.2013

Summary of changes

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

Feedback on responses to consultations

- 1.3** Feedback to consultations are either set out in Chapter 3 of this Notice or published in separate policy statements.

2. Summary of changes

- 2.1** This chapter briefly describes Handbook changes and changes outside the Handbook made by the Board on 3 June 2013. 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 PRA please see www.bankofengland.co.uk/pr/Pages/publications/default.aspx

Financial Conglomerates Directive (FCA Handbook Amendments) Instrument 2013 (FCA 2013/45)

- 2.2** Following consultation in CP12/40¹ the Board has made the following changes to the FCA Handbook:

Glossary of definitions
GENPRU 3
BIPRU 1, 3, 4, 6, 8, 10 and 11
SUP 15 and 16

- 2.3** In summary, these changes align the Handbook with the Financial Conglomerates Directive. The key amendments to the Directive are:
- a.** the application of conglomerate supervision to ensure that it supplements but does not substitute sectoral supervision when a group is headed by a financial or insurance holding company;
 - b.** the conglomerate capital calculation methodology;
 - c.** inclusion of asset management companies and alternative investment fund managers within the conglomerate identification process;
 - d.** conglomerate identification threshold triggers; and
 - e.** requirements for conglomerate stress testing.
- 2.4** This instrument comes into force on **10 June 2013**. Feedback to this consultation was published by the FCA in a separate policy statement.

¹ CP12/40, *Financial Conglomerates Directive – Technical review amendments* (December 2012).

Unregulated Collective Investment Schemes and Close Substitutes Instrument 2013 (FCA 2013/46)

- 2.5** Following consultation in CP12/19² the Board has made the following changes to the FCA Handbook:

Glossary of definitions
COBS 4, 9 and Schedule 1
COLL8
PERG 8 and 9

- 2.6** In summary, these changes mean that firms will only be able to promote non-mainstream pooled investments (NMPIs) to certain types of client (including, in the retail market, certified sophisticated investors, self-certified sophisticated investors and high net worth individuals).
- 2.7** The aim of these changes to the Handbook is to protect ordinary retail investors from promotional communications for non-mainstream investments but, where appropriate, to allow firms to promote these products to high net worth and sophisticated investors, for whom they are more likely to be appropriate.
- 2.8** This instrument comes into force on **1 December 2013**. Feedback to this consultation was published by the FCA in a separate policy statement.

Employers' Liability Insurance: Disclosure by Insurers (No 4) Instrument 2013 (FCA 2013/47)

- 2.9** Following consultation in CP12/14³ the Board has made the following changes to the FCA Handbook:

ICOBS 8

- 2.10** In summary, these changes mean that firms which have actual or potential employers' liability insurance claims must conduct effective searches of their historical policy records when they receive a request.
- 2.11** This instrument comes into force on **4 December 2013**. Feedback to this consultation was published by the FCA in a separate policy statement.

² CP12/19, *Restrictions on the retail distribution of unregulated collective investment schemes and close substitutes* (August 2012).

³ CP12/14, *Tracing Employers' Liability Insurers – historical policies published* (February 2013).

3. Consultation feedback

- 3.1** This month all feedback to consultations was published by the FCA in separate policy statements.

4.

Additional information

Making corrections

- 4.1** 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

- 4.2** This Notice is published on the FCA website and is available in hardcopy.
- 4.3** 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.
- 4.4** The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 4.5** The consolidated text of the Handbook can be found on the FCA's website at <http://fshandbook.info>.
- 4.6** 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

- 4.7** This Notice, and the feedback to which paragraph 1.3 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 s138K(4) of the Act if a proposed altered rule applies to authorised persons which include mutual societies.

Comments

- 4.8** We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to Saira Hussain or Melanie Purdie (see contact details at the front of this Notice).

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25 The North Colonnade Canary Wharf
London E14 5HS
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