



BANK OF ENGLAND
PRUDENTIAL REGULATION
AUTHORITY



Consultation Paper | FCA CP15/16**
| PRA CP13/15

FCA and PRA: Changes to the Approved
Persons Regime for Solvency II firms:
forms, consequential changes and
transitional arrangements
&
FCA only: governance proposals and
feedback to CP14/25

March 2015

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We are asking for comments on this Consultation Paper by 15 May 2015 (this is a seven-week consultation period).

You can send them to us in writing to:

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Despite this, we may be asked to disclose a confidential response under the Freedom of Information Act 2000. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the Information Commissioner and the Information Rights Tribunal.

You can download this Consultation Paper from our website: www.fca.org.uk.

The Bank of England and the Prudential Regulation Authority (PRA) reserve the right to publish any information which it may receive as part of this consultation.

Information provided in response to this consultation, including personal information, may be subject to publication or release to other parties or to disclosure, in accordance with access to information regimes under the Freedom of Information Act 2000 or the Data Protection Act 1998 or otherwise as required by law or in discharge of our statutory functions.

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This Consultation Paper proposes changes to the PRA Rulebook.

Please address responses, comments or enquiries by 15 May 2015 to: CP13_15@bankofengland.co.uk

Abbreviations used in this document

The Act	Financial Services (Banking Reform) Act 2013
APER	Statements of Principle and Code of Practice for Approved Persons (Handbook)
APR	Approved Persons Regime
CBA	Cost benefit analysis
CEO	Chief executive officer
CFO	Chief financial officer
CF	Controlled function
CP	Consultation Paper
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
FCA	Financial Conduct Authority
FIT	The Fit and Proper Test for Approved Persons (Handbook)
FSMA	Financial Services and Markets Act 2000
ISPV	Insurance Special Purpose Vehicle
NED	Non-executive director
PRA	Prudential Regulation Authority
RAP	Relevant Authorised Person
SIF	Significant Influence Function
SIMF	Senior Insurance Management Function
SUP	Supervision Manual (Handbook)
SYSC	Senior Management Arrangements, Systems and Controls (Handbook)

1. Overview

Introduction

- 1.1** This Consultation Paper (CP) is set out in two sections. The first section (Chapters 1 to 4) is joint text published by the Financial Conduct Authority (FCA) and Prudential Regulation Authority (PRA) (the regulators), setting out the consequential changes, transitional arrangements and forms required following the FCA's¹ and PRA's² previous consultations on changes that affect Solvency II firms (insurance firms subject to EU Directive 2009/138/EC). These consultations were carried out through papers issued in November 2014 (the November CPs) and in February 2015³ (the February CP). This section should be read in conjunction with these previous consultations, which proposed changes to the Approved Persons Regime (APR) for Solvency II firms.
- 1.2** The second section is an FCA-only publication. Chapter 5 sets out FCA proposals for governance arrangements for Solvency II firms, and Chapter 6 sets out initial feedback to responses to the FCA's November CP.⁴
- 1.3** The objective of the proposals contained in this CP is to support the proposed regime as set out in the November and February CPs. These proposals are intended to create a structure within Solvency II firms that will make it more likely that individuals and roles are appropriately matched and that high standards of conduct are observed.
- 1.4** This CP sets out proposals for the changes to the wider FCA Handbook and PRA Rulebook as a result of the proposals in the November CP, transitional arrangements for firms and affected individuals, and the necessary forms for the implementation of the regime. It should be considered in the context of the November and February CPs. The proposals in this CP may be subject to change as a consequence of responses to this CP or to the February CP.

Parties affected by this consultation

- 1.5** This consultation affects all firms within the scope of the Solvency II Directive (referred to in this CP as 'firms'), including Insurance Special Purpose Vehicles (ISPVs), the Society of Lloyd's, managing agents and UK branches of foreign firms (third-country firms and FCA-

1 CP14/25: Changes to the Approved Persons Regime for Solvency II firms, published on 26 November 2014 <http://www.fca.org.uk/your-fca/documents/consultation-papers/cp14-25>.

2 CP26/14: Senior insurance managers regime: a new regulatory framework for individuals, published on 26 November 2014 <http://www.bankofengland.co.uk/pr/Pages/publications/cp/2014/cp2614.aspx>.

3 FCA CP15/5 and PRA CP7/15: Approach to non-executive directors in banking and Solvency II firms & Application of the presumption of responsibility to Senior Managers in banking firms <http://www.fca.org.uk/static/documents/consultation-papers/cp15-05.pdf>.

4 CP14/25: Changes to the Approved Persons Regime for Solvency II firms, published on 26 November 2014 <http://www.fca.org.uk/your-fca/documents/consultation-papers/cp14-25>.

regulated European Economic Area (EEA) firms), and approved persons within those firms. The proposals in this CP are unlikely to be of practical relevance to approved persons or appointed representatives of these firms. They do not apply to firms outside of the scope of the Solvency II Directive. A separate substantive consultation for non-directive firms is being published to coincide with this CP.⁵

- 1.6** We are not proposing any changes to the territorial scope of the existing APR. Some of the proposals will not be relevant to incoming EEA firms.

Is this consultation of interest to consumers?

- 1.7** This consultation will primarily be of interest to firms and their approved persons. Consumers may be interested in how the staff with whom they interact will be required to comply with the proposed conduct rules.

Context of the proposals

- 1.8** In November 2014, the regulators set out their proposals on how they intend to reflect the changes brought about by the Solvency II Directive and the changes to FSMA⁶ brought about by the Financial Services (Banking Reform) Act 2013 (the Act). In February 2015, the regulators proposed changes to the definition and scope of non-executive directors (NEDs) within the approval regime. In this CP we provide the detail for implementing proposals set out in the November CP and consider this in the context of the changes proposed in the February CP (see paragraph 1.1).

Competition

- 1.9** The regulators do not consider that these proposals – which relate primarily to the arrangements for the transition to the reformed regime and the detail of the notifications and applications that firms will have to make when it is in operation – are likely to have any adverse impact on effective competition.

Equality and diversity considerations

- 1.10** We have considered the equality and diversity issues that may arise from the proposals in this CP. Overall, we do not consider that the proposals in this CP raise concerns with regards to equality and diversity issues. The FCA and the PRA do not consider that the proposals in this consultation result in direct discrimination for any of the groups with protected characteristics: that is, age, disability, gender, pregnancy and maternity, race, religion and belief, sexual orientation and transgender. We would welcome comments in this area.

⁵ CP15/15: Changes to the Approved Persons Regime for insurers not subject to Solvency II.

⁶ Financial Services and Markets Act 2000.

How to respond to this consultation

- 1.11** The FCA welcomes views on all FCA questions listed in Annex 6, including the FCA draft instrument at Appendix 1.
- 1.12** The PRA welcomes views on all PRA questions raised in the CP, including the PRA draft instrument at Appendix 2.
- 1.13** Responses should be received by 15 May 2015 (this is a seven-week consultation period).
- 1.14** Please send your responses to both regulators at the following email addresses: cp15-16@fca.org.uk and 13_15@bankofengland.co.uk. The regulators will share responses with each other and publicly, unless a specific request for confidentiality is received.

What will we do?

- 1.15** The FCA and the PRA plan to publish final rules and forms in summer 2015.

2. Transitional arrangements

Overview

- 2.1** The FCA and the PRA have developed proposals for their regulatory regimes covering the assessment of the fitness and propriety of key individuals and the conduct of those individuals in firms, taking account of:
- provisions in the Solvency II Directive;
 - Solvency II regulations;
 - European Insurance and Occupational Pensions Authority (EIOPA) guidelines⁷; and
 - relevant provisions in the Financial Services and Markets Act 2000 (FSMA).⁸
- 2.2** The November CPs set out the detailed proposals for changing the existing APR for Solvency II firms.
- 2.3** The changes will occur in two stages:
- Stage 1: 1 January 2016. Implementation of the ‘fit and proper’ requirements in Solvency II for those persons who will be performing, or will be responsible for, key functions.
 - Stage 2: 7 March 2016. Start of the new APR for Solvency II firms, consulted on by the regulators in November 2014 and February 2015. These changes take effect when relevant provisions in the Act are brought into force. The Treasury has announced that the commencement date is 7 March 2016.
- 2.4** We acknowledge the two implementation dates and have sought to manage this as proportionately as possible by introducing new forms with effect from 7 March 2016. In light of the transposition deadline in the Solvency II Directive, the regulators are required to have rules in place that meet the requirements of this directive ahead of the powers in the Act coming into effect.

Implementation

- 2.5** This CP sets out the proposed transitional arrangements for these two stages.

⁷ Final report on Public Consultation No. 14/017 on guidelines on system of governance, published on 28 January 2015: https://eiopa.europa.eu/Publications/Consultations/EIOPA_EIOPA-BoS-14-253-Final%20report_Governance.pdf.

⁸ Financial Services and Markets Act 2000.

- 2.6** The first stage of these transitional arrangements will be made through the proposed first-stage rules described in this chapter.
- 2.7** The second stage of the transitional arrangements described in this chapter will be delivered through a combination of the Transitional and Savings Provision Order (TSPO) made by Treasury under the Act,⁹ the proposed second-stage rules in this chapter, and the regulators requiring firms to submit grandfathering forms. The regulators' proposed grandfathering forms are set out in Appendix 3.
- 2.8** The Act also enables the regulators to introduce conduct rules for individuals who are pre-approved within all FSMA-authorised firms (including all firms as defined in paragraph 1.5). The conduct rules will apply to controlled functions (CFs, i.e. those individuals who are pre-approved) from 7 March 2016.

Stage 1: Commencement of provisions transposing the Solvency II Directive for FCA Significant Influence Functions (SIF) and PRA Senior Insurance Management Functions (SIMF)

- 2.9** Provisions implementing the Solvency II Directive come into full effect on 1 January 2016.
- 2.10** New applications to the PRA from 1 January 2016, and to the FCA from 7 March 2016, will also be required to include additional information as set out in the EIOPA guidelines on assessing fitness and propriety, along with information on the applicant's proposed scope of responsibilities. For applications to the PRA, this will include the information envisaged by Rule 5.1(3) in the Allocation of Responsibilities Part in the PRA's Senior Insurance Managers Regime Instrument for Solvency II firms. Further details on information required on the scope of responsibilities can be found in Chapter 3 of this CP.
- 2.11** For applications that will take effect from 7 March 2016, firms should use an updated Form A (consulted on in this paper), to be provided by the regulators. The form will take account of EIOPA guidelines. It will be available as soon as possible before this date.
- 2.12** In addition, as part of the requirements of the Solvency II Directive, all Solvency II key function holders who take up their posts after 1 January 2016, and will not be in either a PRA or an FCA CF, firms will have to complete a separate, new notification form, so that the PRA can assess the 'fit and proper' status of these key function holders. It is proposed that the form to be used should be 'Notification of the appointment of a NED or key function holder', which was presented in Appendix 5 of the February CP, and that this should be accompanied by the scope of responsibilities document described in paragraph 2.10. The PRA expects that it will normally receive this form as soon as the firm knows that the relevant individual has accepted the terms of their appointment to their post.
- 2.13** Key function holders who are in post on 1 January 2016 (and who are not in, and are not applying to be in, either a PRA or an FCA CF) will also be required to complete the above new form, and to send it to the PRA along with the scope of responsibilities document.
- 2.14** The regulators' current intention is that individuals who are in – or are applying to be in – an FCA CF will (generally) not be required to submit a key function holder notification to the PRA in addition to the CF application to the FCA. The PRA's CP26/14 contained proposals to this

⁹ The Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provision Order) 2015 (S.I. 2015/492)

effect. The regulators are considering their exact rules, and expect to make further rules on this aspect later in 2015.

- 2.15** The PRA will apply a suitably proportionate approach to the 'fit and proper' assessments of key function holders. The approach will take into account the relevant skills and experience of each individual, as well as the nature, scale and complexity of the business that is being managed.

Stage 2: Commencement of the Banking Reform Act

- 2.16** The Treasury has announced that the date of the changes to the FSMA brought about by the relevant parts of the Act is 7 March 2016. From this date (the 'commencement date'), it is proposed that the conduct rules will apply to persons performing CFs (i.e. those who are pre-approved at firms). The full list of conduct rules was set out in the November CP.

Transition of existing approved persons

- 2.17** Individuals who are currently approved to perform an FCA SIF/CF, which only map to the same SIF/CF, and who will continue to perform the same FCA SIF/CF will not need to take any action. These functions are CF10, CF10a, CF11 and CF30.¹⁰
- 2.18** The regulators propose that individuals currently approved to perform a CF, and who will be moving from a current CF to a new CF as set out in Annex 1, should be grandfathered.
- 2.19** This means that an individual who has been authorised under the current APR and who is not substantively changing their role will not need to apply for a fresh approval for the appropriate SIMF or SIF provided that a notification is submitted to the appropriate regulator by the deadline for notifications, setting out which SIMFs and/or SIFs that will be performed by the individual. The Treasury's TSPO (S.I. 2015/492) requires the regulators to determine the nature and content of the notifications.
- 2.20** The regulators intend that those persons to be grandfathered will comprise all approved persons to whom all of the following conditions apply:
- he or she is performing the corresponding role under the existing regime immediately prior to the commencement date;
 - that function, or part thereof, will become a PRA or FCA SIF under the reformed regime at the commencement date; and
 - the person has complied with the notification requirements proposed in this CP.
- 2.21** To allow for grandfathering to take place, firms will need to submit a notification to the regulators. A grandfathering notification form has been designed for this purpose (details of which can be found in Chapter 3 of this CP). Submission of this form, along with any subsequent changes to the details notified, will be through the existing Connect system. The notification should describe how the firm's existing approvals should transition to the new regime. The deadline for such notifications is 8 February 2016.¹¹ We will require all grandfathered individuals to fulfil the requirements of the reformed regime from commencement on 7 March 2016.

¹⁰ For UK-incorporated firms

¹¹ As set out in the Treasury's Statutory Instrument No. 492 – Part 2

2.22 With the exception of those individuals referred to in 2.17 above, individuals who are performing CFs that map across to the new suite of SIMF/SIF functions, but who are not notified to the regulators as grandfathering to one of these functions, there will be no grandfathering. The approval will lapse and, if necessary, a new application seeking approval will have to be submitted.

2.23 If an existing approved person moves between functions at the point of transition, this will require a fresh application and approval (as per the current regime).

PRA only: Transition of key function holders who are not in a current CF but are intended to be in a CF on the commencement date

2.24 There may be some individuals who are not in a current CF, but who it is proposed will become a key function holder on (or after) 1 January 2016, and subsequently a SIMF holder on 7 March 2016. Firms will be expected to complete a new Form A in respect of an application for the individual to be approved for the SIMF, and to submit this form to the PRA, along with a scope of responsibilities form, as soon as possible after the rule-making date. Firms will not be required to submit a key function holder notification form as well.

2.25 There will also be no requirement for firms to obtain regulatory references for such individuals. However, firms will still be expected to carry out criminal record checks for these individuals.

2.26 The PRA will assess these individuals for fitness and propriety and notify firms whether they are approved for the SIMF.

Applications made before commencement: grandfathering process

2.27 A firm may continue to apply for approval for individuals under the current APR between the date the rules are made and the point when the new regime comes into force on the commencement date.

2.28 One possible outcome of such an application is that the application is approved before the new regime begins. Where this is the case the individual will need to be grandfathered in accordance with the approach set out above. This also applies to applications made before the rule-making date and approved before the commencement date. Firms will be required to notify the regulators of any new or pending applications for approval on the grandfathering form. Such applications for approval before the commencement date will be determined in accordance with the regulators' existing 'fit and proper' requirements.

In-flight applications

2.29 Another potential outcome of a new application made in the run-up to commencement is that the application for approval is not determined until after the commencement date. Such applications are referred to here as 'in-flight applications'. The proposed approach to in-flight applications is that they will be treated as if they had been made for the equivalent CF under the new regime. The proposed mapping of old to new functions for in-flight applications is set out in Annex 1. This approach will mean that firms will be required to update the application to make clear which SIMF/SIF will be performed.

2.30 The regulators propose that, from 1 January 2016 for applications to the PRA, and from 7 March 2016 for applications to the FCA, the updated application will need to be accompanied by a scope of responsibilities document and any other new information required to align with EIOPA guidelines, as proposed in Chapter 3 of this CP. It is proposed that in-flight applications will be determined in accordance with the Handbook's Fit and Proper Test for Approved Persons (FIT) guidance and PRA Rulebook (as amended to take account of Solvency II, EIOPA fit and proper guidelines and the Level 2 Regulation).

- 2.31** It is proposed that the statutory time period for determining applications will continue to run for any in-flight applications: the clock will not restart at the commencement date. However, as with current applications for approval, the clock will stop while the PRA or the FCA is waiting to receive any additional information that either has requested to determine the application under the new regime.
- 2.32** There may be cases where the firm does not know if an application will be determined by the PRA or the FCA before the commencement date. This will mean that the firm does not know if the application will be subject to grandfathering or treated as an in-flight application. The PRA and the FCA propose that firms should make a combined application and grandfathering notification that will cover both eventualities. The application will be submitted using the relevant approved person form (typically Form A or E), with a notification included in the Connect grandfathering notification form.
- 2.33** For a period before the commencement of the new regime, the regulators propose to make the new forms available to permit a firm to apply for the new functions on the basis that any decision on those applications can take effect no earlier than the commencement date. These applications will be assessed as having been made under the new regime, and they must meet its requirements.
- 2.34** The statutory clock will not start on such an application until after the regime begins on the commencement date.
- 2.35** Firms will not be required to make applications for approval to perform the new functions between the rule-making date and the commencement date. Instead, they may make an application to perform the existing CFs right up to the day before the new regime begins. Such applications will need to be grandfathered on the commencement date or treated as in-flight applications, as described above. The grandfathering notification form will include a prompt for firms to notify grandfathering details of any pending applications for approval.

Q1: (PRA and FCA): Do you agree with the PRA and FCA's proposed approach to grandfathering existing approved persons into the new regime?

New conduct rules

- 2.36** The regulators believe that the conduct rules, which were proposed in the November CPs, are appropriate for individuals in both the banking and insurance sectors. In Solvency II firms, FSMA gives the regulators power to apply conduct rules only to those individuals who are subject to pre-approval. The conduct rules will apply to all FCA and PRA approved persons from 7 March 2016. The PRA conduct rules will apply both to PRA approved persons and to FCA approved persons who are in a 'relevant senior management function'. FCA SIFs and PRA CFs will also be subject to the specific SIF conduct rules as set out in the November CPs.
- 2.37** The PRA proposes that the term 'relevant senior management function' will be defined in line with Section 64A(3) and the criteria in Section 59ZA of the FSMA. This term will therefore include all those individuals in an FCA CF1 or CF7, along with those individuals in an FCA CF10, CF28 or CF51 who have responsibility for activities relating directly to the sound and prudent management of the firm.
- 2.38** For more context on the conduct rules, see paragraph 3.9 of the FCA November consultation.¹²

¹² <http://www.fca.org.uk/news/cp1425-changes-to-the-approved-persons-regime-for-solvency-ii-firms>.

- 2.39** The regulators propose to require those individuals who are pre-approved to be subject to the conduct rules from the commencement date.

3. Forms

Overview

- 3.1** This chapter sets out the proposed new forms and explains how they will be used, and proposes updates to existing forms. The forms can be found in Appendix 3, and will be effective from 7 March 2016.

New forms

- 3.2** The PRA and FCA have produced a new form and template reflecting the new statutory and regulatory requirements of the new regime.

New form/template	Use
Form K	Grandfathering Notification Form – Solvency II insurance firms
Template	Scope of responsibilities

Scope of responsibilities

- 3.3** The Solvency II Directive introduces new requirements to ensure the fitness and propriety of persons performing important functions in insurers. The regulators have created a template to clarify the scope of responsibilities that firms assign to individuals. All new applicants (and in-flight applicants) will be required to submit a scope of responsibilities document with their application forms (see paragraphs 2.10 and 2.28 above).
- 3.4** The scope of responsibilities should be as clear and succinct as possible.
- 3.5** The ultimate aim of the scope of responsibilities is to list clearly all areas for which a CF/SIMF/SIF is responsible, and details of those responsibilities. The regulators may ask for further clarity where needed.

Q2: (PRA and FCA) Do you agree with the regulators' proposed scope of responsibilities template?

Updates to existing forms

- 3.6** The regulators have also drafted new versions of Forms A and E, which firms will need to submit to apply for approval for an individual to perform a CF/SIMF/SIF.

3.7 The key changes to Form A reflect the Solvency II framework, supplementing the information we request in line with EIOPA guidelines. The additional information required is as follows:

- Candidate phone number
- Proposed date of appointment
- Length of appointment (if applicable)
- Country in which candidate was previously assessed by the regulatory body (if applicable)
- Has the candidate ever participated in an arbitration board?
- Has the candidate ever been on a board of directors in an operating undertaking that has not been granted a release from liability?
- Is the candidate aware of any conflicts of interest, including:
 - qualifying ownership or any other form of substantial influence in the firm or group;
 - close relatives with ownership shares in the firm or group;
 - close relatives with any other financial relations in the firm or group; or
 - any other commitments that may give rise to a conflict of interest

The candidate should provide an explanation of the circumstances and how they intend to deal with them.

3.8 The February CP proposes to make changes to the definition and scope of the non-executive CFs that apply to Solvency II firms. Therefore, the NED (CF2) function has been deleted and replaced with the following functions:

- chairman (SIMF9);
- senior independent director (SIMF14);
- chair of the Risk Committee (SIMF10);
- chair of the Audit Committee (SIMF11);
- chair of the Remuneration Committee (SIMF12); and
- chair of the Nominations Committee (CF7).

3.9 The table below summarises the main changes to existing forms at a high level.

Current form	Current use/title	Change to form
Long Form A – insurers	Application to perform an SIF	An adapted Long Form A for insurance firms, to incorporate changes introduced by Solvency II, EIOPA guidelines and the November and February CPs.
Short Form A – insurers	Application to perform an SIF	An adapted Short Form A for insurance firms, to incorporate changes introduced by Solvency II, EIOPA guidelines and the November and February CPs.
Form E – internal transfer of an approved person	Internal transfer (application for approval)	An adapted form for use by Solvency II insurance firms.

Q3: (PRA and FCA) Do you agree with the regulators’ proposed approach to forms as set out in this chapter?

4. Consequential changes

- 4.1** The FCA has considered the additional amendments that need to be made to existing rules and guidance as a result of the Solvency II Directive, the Act and the proposals set out in the November and February CP. See Appendix 1 for the proposed FCA rules.
- 4.2** These changes are mostly minor and technical amendments that are needed to clarify the application or dis-application of certain rules and guidance.
- 4.3** The PRA expects to dis-apply the Handbook's Supervision Manual (SUP) 10B, APER and FIT for Solvency II firms with effect from 7 March 2016, but will confirm its technical consequential changes in due course in a later consultation.

5. FCA governance proposals for Solvency II firms

- 5.1** The Solvency II Directive imposes new requirements on firms with regards to their systems of governance. In particular, Articles 40 and 41 set out that ultimate responsibility for compliance with the directive must lie with the management body of the firm, and that firms' organisational structures must be transparent, with a clear allocation and appropriate segregation of responsibilities and an effective system for ensuring the transmission of information. Articles 44–48 introduce requirements around certain key functions.
- 5.2** These high-level directions are supported by more detailed instructions in the EIOPA guidelines.¹³
- 5.3** The Financial Services Authority consulted on dis-applying certain SYSC rules on the basis that it would make one set of governance rules under Solvency II. The Government's preference in implementing the directive provisions is for the PRA only to make the rules required for Solvency II transposition in this area and for the FCA not to duplicate these. The PRA has published final rules covering these requirements. There are also two related issues for the FCA to consider here:
- First, firm governance is a matter of key importance from a conduct of business perspective. The FCA therefore proposes amendments to the FCA Handbook to ensure it has appropriate powers in pursuit of its statutory objectives,¹⁴ particularly in relation to the PRA's rules on 'governance maps'.
 - Second, because the proper governance and organisation of firms is important from both prudential and conduct of business perspectives, there is some potential for overlap between the PRA's rules and the existing FCA Handbook text. The FCA proposes changes to its Handbook to help give firms clarity on its expectations where this is the case.
- 5.4** Article 40 of Solvency II also has implications for the apportionment and oversight function (CF8) in the FCA's APR, and the FCA proposes to make changes to the Handbook's Senior Management Arrangements, Systems and Controls (SYSC) 2 text in light of these.
- 5.5** In February 2015, the FCA published a paper¹⁵ setting out its position on the regulation of NEDs within the Senior Managers Regime for banks, and it is proposing to mirror this decision in its approach to NEDs in Solvency II firms. However, consideration needs to be given to the governance structures of insurers based on their specific business models, and the role of NEDs in these structures. For example, some firms offering with-profits business will have a with-profits committee chaired by a NED.

¹³ <https://eiopa.europa.eu/regulation-supervision/guidelines>.

¹⁴ <http://www.fca.org.uk/psr/what-we-do/our-objectives-and-powers>.

¹⁵ FCA CP15/5 and PRA CP7/15: Approach to non-executive directors in banking and Solvency II firms & Application of the presumption of responsibility to Senior Managers in banking firms <http://www.fca.org.uk/static/documents/consultation-papers/cp15-05.pdf>

Governance maps

- 5.6** In November 2014, the PRA consulted on firms keeping a 'governance map', and on 23 March it has published final rules on this.¹⁶ These rules reflect EIOPA requirements designed to ensure that firms have a transparent and appropriate allocation of responsibilities across senior management and other Solvency II key function holders.
- 5.7** In light of the fact that the maintenance of clear and effective allocation of responsibilities in firms is important for the pursuit of the FCA's statutory objectives, this CP consults on rules that would give the FCA powers in relation to these maps. These include rules to ensure that the maps cover all senior individuals who are persons of interest to the FCA, and that specifications for the maps that mirror the PRA's. This will enable the FCA to take enforcement action where firms do not clearly or appropriately allocate responsibilities that are of key interest to the conduct regulator.
- 5.8** Firms will be required to keep their governance maps up to date. In November 2014 the FCA proposed that firms should be required to submit information on the intended scope of an SIF applicant's responsibilities with their application for approval, reflecting EIOPA guidelines. A form for submitting this information is attached at Appendix 3. It is important to maintain continued clarity on individuals' accountabilities at this detailed level, and to have consistency across the firm's records of these accountabilities. The FCA therefore proposes that when a firm amends its governance map to reflect changes to an individual's responsibilities, it will also be required to update their scope of responsibilities document (although there will be no requirement for firms to supply these updated documents proactively to the regulator). The FCA also proposes that firms should be required to keep records for 10 years to enable the identification of historic accountabilities should problems come to light in an area of the firms' business some time after they arose.
- 5.9** While it is not the regulators' intention to require firms to send in information on the scope of responsibilities for incumbent SIF holders as part of the arrangements for transitioning the reforms to the regime in advance of commencement,¹⁷ the FCA will consider whether it would be appropriate for firms to produce these and submit them at a later date.

Q4: (FCA) Do you agree with the FCA's proposals with regards to governance maps and information on the scope of SIF holders' responsibilities?

Changes to SYSC in light of the PRA's rules transposing Solvency II governance requirements

- 5.10** As the FCA's objectives have a conduct focus that may not be covered by the directive measures or the PRA's objectives, the FCA considers that its existing rules on governance in SYSC are needed to support its objectives.
- 5.11** However, the FCA recognises that in parts of its Handbook there are overlaps with provisions made to implement Solvency II (in the PRA Rulebook) and provisions that supplement it (in the Solvency II regulations of 10 October 2014). While the FCA does not consider there to be an

¹⁶ <http://www.bankofengland.co.uk/pr/Pages/publications/ps/default.aspx>.

¹⁷ See Chapter 2, above.

inconsistency between its rules and those made under Solvency II, it will interpret its rules in a way that avoids any potential for such inconsistency.

5.12 To give greater clarity in certain cases, the FCA proposes:

- adding specific guidance to highlight areas where it considers that provisions made under the Solvency II Directive may be particularly relevant; and
- dis-applying parts of SYSC guidance to minimise overlap with the PRA's rules.

This is mainly relevant where the Solvency II-derived requirements make provisions for a chief risk officer, risk management system, internal control function and outsourcing. Detailed changes to the Handbook are set out at Appendix 1.

Q5: (FCA) Do you agree with the FCA's proposals for amending SYSC to take into account the PRA's rules transposing provisions in Solvency II in relation to firm governance?

Dis-application of CF8

5.13 For insurers, there is currently a CF8 function for the responsibility of 'apportionment of responsibilities and oversight of the establishment and maintenance of systems and controls'. This must be held by the chief executive officer (CEO) or equivalent.

5.14 The CF8 function does not exist for deposit takers. The FCA's intention is to remove the CF8 function for Solvency II firms, while ensuring that the responsibility for day-to-day management of these accountabilities is appropriately allocated.

5.15 The FCA therefore proposes making changes to existing rules for Solvency II firms so that the CF8 function is dis-applied. The new rules would state that:

- Responsibility for allocation of responsibilities must be allocated to a senior approved person.¹⁸ Removing the specific CF8 function provides some flexibility for firms in how they allocate this responsibility.¹⁹ This approach would fall within the requirements of Solvency II: according to the directive, 'ultimate' responsibility for allocation of responsibilities must be held by a firm's governing body, but this does not prevent the delegation of day-to-day responsibility to an individual.
- The responsibility for oversight of the establishment and maintenance of systems and controls must be allocated to the CEO or equivalent. This ensures that this responsibility is held by the most appropriate senior individual. This approach is also compliant with Solvency II.

Q6: (FCA) Do you agree with the FCA's proposals for allocating the responsibilities that currently make up the CF8 function?

¹⁸ Either an FCA SIF or a PRA SIMF.

¹⁹ There is an argument, for example, that it would be appropriate in many cases for this responsibility to be held by a chairman or senior independent director.

6. FCA feedback on CP14/25

- 6.1** In November we proposed three major changes to the APR for Solvency II firms:
- Amending our current approved persons assessments to reflect the Solvency II framework, supplementing the information we request in line with the EIOPA guidelines.
 - Transferring those executive and certain other CFs that the PRA is proposing not to maintain to the FCA as SIFs and therefore making them subject to our pre-approval. This will ensure that individuals who can significantly affect our objectives remain in-scope of conduct regulation.
 - Applying new FCA conduct rules to FCA- and PRA-approved persons, with content mirroring that which we have proposed for individuals in deposit takers and large investment firms. These rules build on the existing Statements of Principle and Code of Practice for Approved Persons (APER) principles.²⁰ In addition, they emphasise the importance of treating customers fairly, and of responsible delegation by holders of SIFs.
- 6.2** The feedback we have received on these proposals broadly welcomed them. A brief summary of the key points raised is set out below.
- 6.3** Respondents raised several points about the logistics of implementing the proposals. In particular, there was support for a joint approach with the PRA to transition to the reformed regime, with existing approved persons grandfathered to their new functions where appropriate. Chapter 2 of this CP sets out our plans for such transitional arrangements. Respondents also asked how the PRA's and FCA's regimes will work together to form a cohesive whole on a business-as-usual basis. We will respond to that enquiry when we publish final rules.

Regulating chairs of significant committees

- 6.4** In CP15/5²¹ we consulted on keeping only NEDs with specific roles as chairs of committees or as senior independent directors within the scope of the APR. We have not yet received feedback on the February CP, and would welcome views on whether any roles specific to insurers are missing from the reformed regime.
- 6.5** Other issues were raised around the more detailed aspects of our proposals:
- On proposed amendments to the draft guidance to support the new conduct rules, we will address this point when we publish final rules.

²⁰ <http://fshandbook.info/FS/html/FCA/APER/2/1A>

²¹ FCA CP15/5 and PRA CP7/15: Approach to non-executive directors in banking and Solvency II firms & Application of the presumption of responsibility to Senior Managers senior managers in banking firms. <http://www.fca.org.uk/your-fca/documents/consultation-papers/cp15-05>.

- On specific guidance on the 'fit and proper' standards that we will impose, the forms on which we are consulting in this CP give full details of the evidence we expect firms to take into account and subsequently submit to us when assessing the fitness and propriety of applicants for SIF roles.
- On the interaction of the Solvency II compliance function and the existing CF10 compliance function, the PRA has clarified in its Policy Statement how it expects the new Solvency II function to work.²² This does not affect the existing CF10 compliance function. However, we recognise that in some firms these functions may be held by the same individual. In that case the PRA's rules relating to the notifications it requires when a Solvency II function holder is an FCA SIF holder will apply.²³
- On interaction with the work of other EEA jurisdictions for EEA passporting UK-based branches, we will respond to this issue when we publish final rules.

²² <http://www.bankofengland.co.uk/pr/Pages/publications/ps/default.aspx>.

²³ CP12/15: Senior Insurance Managers Regime: a streamlined approach for non-Solvency II firms.

Annex 1

Tables showing changes to controlled functions under the reformed Approved Persons Regime

UK-incorporated (non- ISPV) firm

Current APR ²⁴	Reformed APR	
Current PRA / FCA controlled function	New PRA CF	FCA CFs
PRA Director (CF1)	CFO (SIMF2) CRO (SIMF4) Head of Internal Audit (SIMF5) Chief Actuary (SIMF20) Underwriting Function (General Insurance Firms) (SIMF22) Underwriting Risk Oversight Officer (Lloyd's) (SIMF23) Group Entity Senior Manager (SIMF7)	CF1s not otherwise approved by the PRA
PRA NED (CF2)	Chairman (SIMF 9) Senior Independent Director (SIMF 14) Chair of the Risk Committee (SIMF 10) Chair of the Audit Committee (SIMF 11) Chair of the Remuneration Committee (SIMF 12)	Chair of the Nomination Committee (CF 7)
PRA CEO (CF3)	CEO (SIMF1)	
FCA Apportionment and oversight (CF 8)	To be dis-applied	
FCA Compliance (CF 10)		Compliance (CF 10)
FCA CASS Operational Oversight (CF 10a)		CASS Operational Oversight (CF 10a)
FCA Money Laundering Reporting (CF 11)		Money Laundering Reporting Officer (CF 11)

²⁴ Functions CF 4 (Partner), CF 5 (Director of an unincorporated association) and CF 6 (Small friendly society) are not applicable to Solvency II firms.

Current APR²⁴	Reformed APR	
Current PRA / FCA controlled function	New PRA CF	FCA CFs
PRA Actuarial function holder (CF 12)	Chief Actuary (SIMF20)	
PRA With-profits Actuary (CF 12A)	With-profits Actuary (SIMF21)	
PRA Lloyd's Actuary (CF 12B)	Chief Actuary (SIMF20)	
PRA Systems and Controls (CF 28)	CFO (SIMF2) CRO (SIMF4) Head of Internal Audit (SIMF5)	
FCA Significant Management (CF 29)	Underwriting Function (General Insurance Firms) (SIMF22) Group Entity Senior Manager (SIMF7)	CF29s not otherwise approved by the PRA
FCA Customer function (CF 30)		Customer function (CF 30)

ISPV

Current APR	Reformed APR	
Current PRA / FCA Controlled function	New PRA CF	FCA CFs
PRA Director (CF1)	CFO (SIMF2) Chief Actuary (SIMF20) Group Entity Senior Manager (SIMF7)	All CF1s not otherwise approved by the PRA
PRA NED (CF2)	Chairman (SIMF 9) Senior Independent Director (SIMF 14) Chair of the Risk Committee (SIMF 10) Chair of the Audit Committee (SIMF 11) Chair of the Remuneration Committee (SIMF 12)	Chair of the Nomination Committee (CF 7)
PRA CEO (CF3)	CEO (SIMF1)	
FCA Apportionment and oversight (CF8)	To be dis-applied	
FCA Compliance (CF10)		Compliance (CF10)
FCA CASS Operational Oversight (CF10a)		CASS Operational Oversight (CF10a)

Current APR	Reformed APR	
Current PRA / FCA Controlled function	New PRA CF	FCA CFs
FCA Money Laundering Reporting (CF 11)		Money Laundering Reporting Officer (CF 11)
PRA Actuarial function (CF 12)	Chief Actuary (SIMF20)	
PRA Systems and Controls (CF 28)	CFO (SIMF2)	CF28s not otherwise approved by the PRA ²⁵
PRA Significant Management (CF29)	Group Entity Senior Manager (SIMF7)	All CF29s not otherwise approved by the PRA
FCA Customer function (CF 30)		Customer function (CF 30)

Third country branch

Current APR	Reformed APR	
Current PRA / FCA Controlled function	New PRA CF²⁶	FCA CFs²⁷
PRA Director (CF1)	Head of Third Country Branch function (SIMF19)	Director (CF 1)
PRA NED (CF2)		
PRA CEO (CF3)	Head of Third Country Branch function (SIMF19)	
FCA Apportionment and oversight (CF 8)	To be dis-applied	
FCA Compliance (CF 10)		Compliance (CF 10)
FCA CASS Operational Oversight (CF 10a)		CASS Operational Oversight (CF 10a)
FCA Money Laundering Reporting (CF 11)		Money Laundering Reporting Officer (CF 11)
PRA Actuary function holder (CF 12)		Actuarial conduct function holder in a third country branch (CF 51)
PRA With-profits Actuary (CF 12A)	With-profits Actuary (SIMF21)	
PRA Systems and Controls (CF 28)		Systems and Controls (CF 28)
FCA Significant Management (CF 29)		Significant Management (CF 29)

²⁵ Conduct perspective only.

²⁶ Further individuals may be approved by the PRA under certain circumstances. See the PRA's CP26/14 www.bankofengland.co.uk/pr/Pages/publications/cp/2014/cp2614.aspx

²⁷ Functions only apply so far as is set out in SUP 10A.1.5 – SUP 10A.1.6: <http://fshandbook.info/FS/html/handbook/SUP/10A> <http://fshandbook.info/FS/html/handbook/SUP/10A>

Current APR	Reformed APR	
Current PRA / FCA Controlled function	New PRA CF²⁶	FCA CFs²⁷
FCA Customer function (CF 30)		Customer function (CF 30)

Annex 2

FCA Cost benefit analysis

1. The FCA is required to carry out and publish a cost benefit analysis (CBA) when proposing draft rules (sections 138I and 138J FSMA refer).
2. Matters to be covered in legislation in due course have not been included in this CBA.²⁸
3. The FCA carried out a CBA of the proposed amendments as a result of changing requirements of Solvency II in the November CP (see Annex 2 of that CP). In this CP, we are proposing the transitional arrangements, including relevant forms, for the regime. The FCA considers that grandfathering of existing CFs to the new CF using a dedicated grandfathering form will introduce minimal incremental costs to firms. The alternative option which would require firms to re-apply for approval would be more burdensome and introduce greater costs. A scope of responsibilities document is required for new applicants only, and should not introduce information requirements that the firm would not already hold.
4. This CP also includes consequential changes arising as a result of the new regime. This builds on the changes already made to the FCA Handbook as part of Strengthening accountability in banking: a new regulatory framework for individuals (CP14/13 and CP1/31). The FCA is proposing to make minimal changes only, which do not impose any additional obligations on firms. The only costs likely to be incurred as a result are those associated with updating compliance manuals as appropriate. The FCA considers these costs to be immeasurably small, therefore no costs estimates have been made.
5. The FCA will consider any further evidence provided, regarding the incremental costs to firms that may result from the changes set out in this CP as part of this consultation.

²⁸ The Treasury Statutory Instrument sets out the framework for transition to the new regime, including certain details of the notifications that will be required, and will specify the key dates in the transition process. http://www.legislation.gov.uk/uksi/2015/492/pdfs/uksi_20150492_en.pdf.

Annex 3

PRA Cost benefit analysis

1. The PRA carried out a cost benefit analysis (CBA) for the new accountability regimes for Solvency II firms as part of the November CP (see Chapters 1 and 2 of that CP) and the February CP (see Annex 1 of that CP). The analysis below covers only the proposals set out in this current consultation paper, including the transitional arrangements for Solvency II firms and affected individuals, and the necessary forms for the implementation of the regime.
2. In developing the proposals in this CP the PRA has sought to make changes in the least burdensome way for firms while achieving the desired objectives. The PRA has a competition objective and a duty to have regard to proportionality,²⁹ so where possible firms have been given the flexibility to implement the new regime in the way that is most appropriate for their structure and operations.

Transitional arrangements
3. The PRA and FCA propose that individuals currently approved to perform a significant influence function (SIF) in a Solvency II firm who will be performing an equivalent senior management role will be 'grandfathered' into the new regime. Grandfathering and other transitional arrangements help implement the accountability regime set out in the July CP, and the incremental costs, mainly notification costs, will be minimal as those who are 'grandfathered' into the new system will not be required to go through a fresh approval process.

Forms
4. The expected cost to the regulator and to relevant firms of updating the necessary paperwork for the new regime has been covered in the November CP. Where existing forms are being revised or updated, the regulators have sought to introduce only those changes deemed necessary to implement the new regimes.

²⁹ The PRA's competition objective is set out in s.2H of FSMA. The duty to have regard to proportionality is in s. 3B of FSMA.

Annex 4

FCA Compatibility Statement

Compatibility with the FCA's general duties

1. This Annex sets out how the proposals in this CP are compatible with the general duties and regulatory principles of the FCA.
2. The FCA is required, by section 138I of FSMA, to explain why making the proposed rules is compatible with its strategic objectives, advances its operational objectives, and has regard to the regulatory principles in section 3B of FSMA.

The FCA's strategic objective and regulatory principles

3. The proposals set out in this CP are compatible with our strategic objective of ensuring that the relevant markets function well. This CP supports our November CP proposals to clarify responsibilities at the top of Solvency II firms. This should, over time, result in improved governance within this sector of the industry.
4. In preparing the proposals set out in this consultation, we have had regard to the regulatory principles set out in s.3B FSMA. We set out below how our proposals demonstrate such regard for each of the regulatory principles.

The need to use our resources in the most efficient and economical way

5. We noted in the November CP that those proposals would have an impact on the FCA's existing authorisations, supervision and enforcement processes and systems. The proposals in this CP will not have any further impact that has not already been considered. An in-flight application process and new forms have been designed to help implement the new regime.

The principle that a burden or restriction should be proportionate to the benefits

6. The proposals set out in this CP support the enhanced individual accountability proposed in the November CP. In developing its proposals, the FCA has sought to make the process of grandfathering as efficient as possible, by providing a new form and not requiring re-submission of previously-submitted information. The submission to the FCA instead of the PRA will not have any additional costs. We have made only minor changes to existing forms (including Form A) where possible. Where new forms and templates are required, FCA has sought to ensure they are clear and effective, without being overly prescriptive.

The desirability of sustainable growth in the economy of the United Kingdom in the medium or long term

7. We noted in the November CP that the proposed changes are intended to have a positive impact on the behavior and culture of Solvency II firms, which should contribute to the advancement of this objective.

The general principle that consumers should take responsibility for their decisions

8. The proposals we have made concern the internal organisation of Solvency II firms and requirements applying to their staff. These are not matters over which consumers can have any influence.

The responsibilities of senior management

9. We noted in the November CP that the main objective of those proposals was to ensure that senior managers within Solvency II firms are clear about the responsibilities they hold and can therefore be more effectively held accountable for the performance of those responsibilities. The proposals, including new requirements to maintain up to date information on the scope of SIF holders responsibilities in this CP support the proposed new regime.

The desirability of exercising our functions in a way that recognises differences in the nature and objectives of businesses carried on by different persons

10. As we stated in the November CP, our implementation of changes to the Approved Persons Regime for Solvency II firms is designed to take into account the different statutory provisions that apply to such firms compared to RAPs.

The desirability of publishing information relating to persons on whom requirements are imposed by or under FSMA

11. We will not normally make public the fact that we are or are not investigating a particular matter or any of our findings or conclusions of an investigation public except as set out in Chapter 6 of the Enforcement Guide. The proposals contained in this CP do not change that position.

The principle that we should exercise our functions as transparently as possible

12. We are an open and transparent regulator. The FCA will engage actively with relevant stakeholders throughout the consultation process.

**The FCA's operational objectives
Consumer Protection and Market Integrity**

13. The objective of the proposals contained in this CP is to support the new regime as set out in the November CP, which are intended to create a structure within Solvency II firms that will make it more likely that individuals and roles are appropriately matched and that high standards of conduct are observed. We therefore consider that these aims and objectives support our Consumer Protection and Market Integrity objectives.

Promoting competition

14. In preparing the proposals set out in the CP, we have had regard to our duty to promote effective competition in the interests of consumer under section 1B(4) FSMA. These proposals seek to implement requirements in the Banking Reform Act, and the Solvency II Directive.
15. The FCA has given due weight to the interests of effective competition in evaluating and developing the proposals in this CP. The FCA does not consider that these proposals – which relate primarily to the arrangements for transitioning to the regime and the detail of notifications and applications that firms will have to make when it is in operation – are likely to have any adverse impact on effective competition.

Annex 5

PRA Compatibility Statement

1. This appendix sets out how the proposals in this CP are compatible with the general duties and regulatory principles of the PRA.
2. The PRA is required, by section 138J(2)(d) of FSMA to explain its reasons for believing that making the proposed rules is compatible with:
 - i. its duty to act, so far as is reasonably possible, in a way which advances its general objective (i.e. to promote the safety and soundness of PRA-authorized persons)
 - ii. its duty to act, so far as is reasonably possible, in a way which is compatible with its insurance objective (ie securing an appropriate degree of protection for those who are or may become policyholders) and its general objective, and which the PRA considers most appropriate for the purpose of advancing those objectives
 - iii. its duty to act, so far as is reasonably possible, in a way which, as a secondary objective, facilitates effective competition in the markets and services provided by PRA-authorized persons in carrying on regulated activities.
3. The November CP, along with the February CP, set out a new regime for individual accountability that aims to help promote firms' safety and soundness. The new regime improves the clarity of firms' governance arrangements and changes the incentives for senior individuals by making them more personally accountable for failures in their firm. The proposals in this CP set out the approaches for transitioning to that new regime and some of the operational details that will underpin the new regime. These proposals are compatible with the PRA's general duty in that they provide for the operation of the wider accountability regime and help to promote safety and soundness of firms.
4. The PRA has given due weight to the interests of effective competition in evaluating and developing the proposals in this CP. The PRA does not consider that these proposals – which relate to primarily to the arrangements for transitioning to the regime and the detail of the notifications and applications that firms will have to make when it is in operation – are likely to have any adverse impact on effective competition.
5. In developing the proposals in this CP, the PRA has had regard to the eight Regulatory Principles, which are set out in section 3B of FSMA.
 - a. *The need to use the resources of each regulator in the most efficient and economic way*

The PRA has used its internal and external resources in a way it believes to be both effective and commensurate with the impact and magnitude of the proposals in this CP. In particular, the PRA and FCA have collaborated in devising shared forms and systems where possible, to take advantage of synergies and promote efficient use of both regulators' resources.

- b.** *The principle that a burden or restriction which is imposed on a person, or on the carrying on of an activity, should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction*

In developing its proposals, the PRA has sought to provide for a clear and efficient transition to the new regimes, and to develop templates, forms and a wider notification framework, which will allow for effective and efficient operation of the regime consulted on in the November and February CPs. Proportionality considerations of the underlying regime were discussed in those CPs. For more information please see the PRA's cost benefit analysis in Annex 3.

- c.** *The desirability of sustainable growth in the economy of the United Kingdom in the medium or long term*

The PRA does not consider this to be directly relevant for this CP.

- d.** *The general principle that consumers should take responsibility for their decisions*

The PRA does not consider this to be relevant for this CP.

- e.** *The responsibilities of the senior management of persons subject to requirements imposed by or under this Act, including those affecting consumers, in relation to compliance with those requirements*

The key rationale of the PRA's proposal in this CP is to promote clarity on the operational and transitional mechanisms that will ensure the effective implementation of the new regime, and to provide, in accordance with the Treasury's anticipated statutory instrument, for a clear and efficient transition into the new regimes, including specifying the details of the mechanism for grandfathering existing approved persons.

- f.** *The desirability where appropriate of each regulator exercising its functions in a way that recognises differences in the nature of, and objectives of, businesses carried on by different persons subject to requirements imposed by or under this Act [FSMA]*

The PRA has given appropriate recognition to the varying nature and objectives of activities carried out by PRA-authorized persons, and has allowed for a proportionate and flexible approach to be undertaken.

- g.** *The desirability in appropriate cases of each regulator publishing information relating to persons on whom requirements are imposed by or under this Act, or requiring such persons to publish information, as a means of contributing to the advancement by each regulator of its objectives*

The PRA has the power to publish certain information relating to investigations into firms and individuals. The Statement of the PRA's Approach to Publicity of Regulatory Action (April 2013) deals with the PRA's approach to publication of disciplinary and other enforcement actions. The proposals contained in this consultation do not provide for any changes in this regard.

- h.** *The principle that the regulators should exercise their functions as transparently as possible*

In this CP, which is to be read together with the November and February CPs, the PRA sets out all the key information relevant to its proposals, and gives respondents the opportunity to comment on the proposals, the specific rules and guidance reflecting those proposals, and the proposed forms that will be used to implement the new regimes.

Mutuals

6. The PRA has a statutory requirement under section 138K(2) of FSMA to state whether the impact on mutual societies will be significantly different from the impact on other firms. The PRA considers that mutuals are not expected to be affected differently, or in a disproportionate way, from other firms by the proposals in this CP. The rules in this CP will help bring into operation the regime proposed in the November and February CPs, where proportionality considerations and the particular circumstances of mutuals were taken into account in the design of the underlying new accountability regimes.

Annex 6

List of Questions

- Q1: [PRA and FCA]:** Do you agree with the PRA and FCA's proposed approach to grandfathering existing approved persons into the new regime?
- Q2: [PRA and FCA]:** Do you agree with the regulators' proposed Scope of Responsibilities template?
- Q3: [PRA and FCA]:** Do you agree with the regulators' proposed approach to forms as set out in this chapter?
- Q4: [FCA]:** Do you agree with the FCA's proposals with regards to Governance Maps and information on the scope of SIF holders' responsibilities?
- Q5: [FCA]:** Do you agree with the FCA's proposals for amending SYSC to take into account PRA's rules transposing provisions in Solvency II in relation to firm governance?
- Q6: [FCA]:** Do you agree with the FCA's proposals for allocating the responsibilities that currently make up the CF8 function?

Appendix 1

FCA Rules

[*Editor’s note:* The text in this annex takes into account the changes suggested by CP14/25 *Changes to the Approved Persons regime for Solvency II firms* (November 2014), CP14/31 *Strengthening Accountability in banking: forms, consequential and transitional aspects* (December 2014) and CP15/5 *Approach to non-executive directors in banking and Solvency II firms* (February 2015), as if they were made.]

SOLVENCY II DIRECTIVE (FIRM ACCOUNTABILITY) INSTRUMENT 2015

Powers exercised

A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):

- (1) section 59 (Approval for particular arrangements);
- (2) section 64 (Conduct: statements and codes);
- (3) section 64A (Rules of conduct);
- (4) section 137A (The FCA’s general rules);
- (5) section 137T (General supplementary powers);
- (6) section 139A (Power of the FCA to give guidance); and
- (7) section 395 (The FCA’s and PRA’s procedures).

and also in the exercise of the following powers and related provisions in Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015: Articles 2(2), 5, 13 and 17.

B. The rule-making powers listed above are specified for the purpose of section 138G (Rule-making instruments) of the Act.

Commencement

C. This instrument comes into force as follows.

- (1) Part 1 of Annex A (Glossary), Annex C (APER) and Part 1 of Annex E (SUP) come into force on 7 March 2016;
- (2) Part 3 of Annex E (SUP) comes into force on [day after the date of this instrument]; and
- (4) the remainder of this instrument comes into force on 1 January 2016.

Amendments to the FCA 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) below:

(1)	(2)
Glossary of definitions	Annex A

Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex C
General Provisions (GEN)	Annex D
Supervision manual (SUP)	Annex E

Citation

- E. This instrument may be cited as the Solvency II Directive (Firm Accountability) Instrument 2015.

By order of the Board of the Financial Conduct Authority
[*date*]

Annex A

Amendments to the Glossary of definitions

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

Part 1: Comes into force on 7 March 2016

- chair of the nominations committee function* (1) ...
- (2) (for a *Solvency II firm*) is the *FCA controlled function* CF 7 in Part 2 of the *table of FCA controlled functions* described more fully in SUP 10A.6.15R. The chair of the nomination committee function does not apply to a *Solvency II firm* which is a third-country insurance undertaking.

Part 2: Comes into force on 1 January 2016

- material outsourcing* (1) (except in relation to a *Solvency II firm*) outsourcing services of such importance that weakness, or failure, of the services would cast serious doubt upon the *firm's* continuing satisfaction of the *threshold conditions* or compliance with the *Principles*.
- (2) (in relation to a *Solvency II firm*) outsourcing services of such importance that weakness, or failure, of the services would cast serious doubt upon the *firm's* continuing satisfaction of the *threshold conditions* or compliance with the *Principles* and includes critical or important operational functions or activities to which article 49 of the *Solvency II Directive* applies.
- significant-influence function* ... a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *authorised person's* affairs, so far as relating to the activity, and for the purposes of *SYSC 2* and *DEPP*, also means a *PRA controlled function* specified in the PRA Rulebook: Solvency II Firms: Insurance – Senior Insurance Management Functions Instrument.

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.

2 Senior management arrangements

2.1 Apportionment of Responsibilities

...

2.1.3 R A *firm* ~~that is not a Solvency II firm~~ must appropriately allocate to one or more individuals, in accordance with SYSC 2.1.4R, the functions of:

...

2.1.3A R A Solvency II firm must appropriately allocate:

- (1) to one or more approved persons performing a significant influence function, the function of dealing with the apportionment of responsibilities under SYSC 2.1.1R; and
- (2) to one or more individuals, in accordance with SYSC 2.1.4R, the function of overseeing the establishment and maintenance of systems and controls under SYSC 3.1.1R.

2.1.3B G (1) For Solvency II firms, it is the governing body that is ultimately responsible for compliance with regulatory requirements implementing or supplementing the Solvency II Directive. This does not preclude the governing body delegating to other persons within the firm the day-to-day tasks required for compliance, who then report to the governing body.

- (2) SYSC 1.1A.2G sets out the general principle that the FCA will apply provisions in SYSC to the extent of its powers and regulatory responsibilities. Where there is a direct overlap with between SYSC rules and guidance and provisions implementing or supplementing the Solvency II Directive, either in PRA rules or the Solvency II Regulation of (EU) 2015/35 of 10 October 2014 (in particular articles 258 and 268) the FCA will take the Solvency II Directive derived requirements into account and will interpret the SYSC rules and guidance in a way that avoids inconsistency.

2.1.4 R Allocation of functions

This table belongs to SYSC 2.1.3R and SYSC 2.1.3AR(2)

1: Firm type	2: (a) For a <i>firm</i> that is <u>not a Solvency II firm</u> : Allocation of both functions must be to the following individual, if any (see Note): (b) for a <i>Solvency II firm</i> , <u>allocation of the oversight function must be to the following individual, if any (see Note)</u> :	3: Allocation to one or more individuals selected from this column is compulsory if there is no allocation to an individual in column 2, but is otherwise optional and additional:
...		

...

2.1.5 G *SYSC 2.1.3R, SYSC 2.1.3AR* and *SYSC 2.1.4R* give a *firm* some flexibility in the individuals to whom the functions may be allocated. ~~It~~ In a *firm* that is not a *Solvency II firm*, it will be common for both the functions to be allocated solely to the *firm's chief executive*. *SYSC 2.1.6G* contains further guidance on the requirements of *SYSC 2.1.3R, SYSC 2.1.3AR(2)* and *SYSC 2.1.4R* in a question and answer form.

2.1.6 G Frequently asked questions about allocation of functions in *SYSC 2.1.3R* and *SYSC 2.1.3AR(2)*.

...

	Question	Answer
1	Does an individual to whom a function is allocated under <i>SYSC 2.1.3R</i> and <u><i>SYSC 2.1.3AR(2)</i></u> need to be an <i>approved person</i> ?	An individual to whom a function is allocated under <i>SYSC 2.1.3R</i> will be performing the <i>apportionment and oversight function</i> (CF 8, see <i>SUP 10A.7.1R</i>) and an application must be made under section 59 of the <i>Act</i> for approval of the individual before the function is performed. There are exceptions from this in <i>SUP 10A.1</i> (Approved persons - Application). <u>An individual to whom a function is allocated under <i>SYSC 2.1.3AR(2)</i> will not be performing the <i>apportionment and oversight function</i>, as that function is disapplied for <i>Solvency II firms</i>. But that person will be performing a <i>PRA controlled function</i> by virtue of the allocation to a CEO or equivalent under <i>SYSC 2.1.4R</i>.</u>
...		
11	How does the requirement to allocate the functions in <i>SYSC 2.1.3R</i> or <u><i>SYSC</i></u>	The <i>firm</i> must appropriately allocate those functions to one or more individuals, in accordance with <i>SYSC 2.1.4R</i> , but:

	<u>2.1.3AR(2)</u> apply to an <i>overseas firm</i> which is not an <i>incoming EEA firm</i> , <i>incoming Treaty firm</i> or <i>UCITS qualifier</i> ?	<p>(1) The responsibilities that must be apportioned and the systems and controls that must be overseen are those relating to activities carried on from a <i>UK</i> establishment with certain exceptions (see <i>SYSC 1 Annex 1.1.7R</i>). Note that <i>SYSC 1 Annex 1.1.10R</i> does not extend the territorial scope of <i>SYSC 2</i> for an <i>overseas firm</i>.</p> <p>(2) The <i>chief executive</i> of an <i>overseas firm</i> is the person responsible for the conduct of the <i>firm's</i> business within the <i>United Kingdom</i> (see the definition of "<i>chief executive</i>"). This might, for example, be the manager of the <i>firm's UK</i> establishment, or it might be the <i>chief executive</i> of the <i>firm</i> as a whole, if he has that responsibility. The <i>apportionment and oversight function</i> applies to such a <i>firm</i>, unless it is a <i>Solvency II firm</i> or falls within a particular exception from the <i>approved persons</i> regime (see Question 1).</p>
12	How does the requirement to allocate the functions in <i>SYSC 2.1.3R</i> or <i>SYSC 2.1.3AR(2)</i> apply to an <i>incoming EEA firm</i> or <i>incoming Treaty firm</i> ?	...
...		

2.2 Recording the apportionment

2.2.1 R (1) A *firm* that is not a *Solvency II firm* must make a record of the arrangements it has made to satisfy *SYSC 2.1.1R* (apportionment) and *SYSC 2.1.3R* (allocation) and take reasonable care to keep this up to date.

...

...

2.2.4 R (1) A *Solvency II firm* must have and maintain a governance map which satisfies the following conditions:

(a) it complies with PRA Rulebook: Solvency II firms: Insurance – Allocation of Responsibilities, 5.1 and 5.2, as if those rules had been made by the *FCA*;

(b) it includes details relating to all *persons* carrying out a *significant influence function* within the *firm* not already

included under (a);

- (c) the details in (b) must give as much information as required by the PRA Rulebook: Solvency II firms: Insurance – Allocation of Responsibilities, 5.1 as if that rule applied in relation to the *persons* in (b) and as if that rule had been made by the *FCA*;
- (d) where the *FCA* requires responsibilities to be allocated to a *person* carrying out a *significant influence function*, the governance map must clearly show the *person* allocated responsibilities; and
- (e) the details in (b) and (d) must be updated in the same way as required by PRA Rulebook: Solvency II firms: Insurance – Allocation of Responsibilities, 5.2 as if that rule applied in relation to the *persons* in (b) and as if that rule had been made by the *FCA*.

(2) Where a *firm* amends its governance map to show changes in a *person's* responsibilities it must also ensure that:

- (a) the person concerned is informed in writing of the changes; and
- (b) the document recording the *person's* scope of responsibilities is amended to show the changes.

(3) Each version of the governance map and, separately, the document recording a *person's* scope of responsibilities, must be retained for ten years from the date on which it was superseded by a more up-to-date record, and must be provided to the *FCA* on request.

...

3.2 Areas covered by systems and controls

...

- 3.2.10 G (1) Depending on the nature scale and complexity of its business, it may be appropriate for a *firm* to have a separate risk assessment function....
- (2) The organisation and responsibilities of a risk assessment function should be documented. The function should be adequately resourced and staffed by an appropriate number of competent staff who are sufficiently independent to perform their duties objectively.

- (3) The term ‘risk assessment function’ refers to the generally understood concept of risk assessment within a *firm*, that is the function of setting and controlling risk exposure ...
- (4) (1) and (3) do not apply to a *Solvency II firm* and (2) only applies as if the term ‘risk assessment function’ was replaced by ‘risk management function’. *Solvency II firms* are subject to requirements for an effective risk management system in PRA Rulebook: Solvency II firms: Conditions Governing Business 3. Also, PRA Rulebook: Solvency II firms: Insurance Senior Management Functions makes the chief risk function a *PRA controlled function*. The chief risk function is the function of having responsibility for overall management of the risk management system specified in PRA Rulebook: Solvency II firms: Conditions Governing Business 3. The *FCA* will take these requirements into account.

...

- 3.2.16 G (1) Depending on the nature, scale and complexity of its business, it may be appropriate for a *firm* to delegate much of the task of monitoring ...
- (1A) (1) does not apply to *Solvency II firms*. *Solvency II firms* are subject to a requirement in PRA Rulebook: Solvency II firms: Conditions Governing Business, rule 5 to have an effective internal audit function. Also, the PRA Rulebook: Solvency II firms: Insurance Senior Management Functions makes the chief internal audit function a *PRA controlled function*. The chief internal audit function is the function of having responsibility for management of the internal audit function specified in PRA Rulebook: Solvency II firms: Conditions Governing Business, rule 5. The *FCA* will take those requirements into account.

...

- 3.2.18 G ... Where tensions exist, these should be appropriately managed. See also *Solvency II Regulation* (EU) 2015/35 of 10 October 2014 (Article 275) and *EIOPA Guidelines* on system of governance dated 28 January 2015 (Guidelines 9 and 10).
- 3.2.19 G A *firm*, other than a *Solvency II firm*, should have in place appropriate arrangements, having regard to the nature, scale and complexity of its business, to ensure that it can continue to function and meet its regulatory obligations in the event of unforeseen interruption. These arrangements should be regularly updated and tested to ensure their effectiveness. *Solvency II firms* are subject to the business continuity requirements in PRA Rulebook: Solvency II firms: Conditions Governing Business, 2.6, and the *FCA* will take those requirements into account.

...

...

13 Operational risk: systems and controls for insurers

...

13.9 Outsourcing

...

13.9.9 G Parts of the guidance in SYSC 13.9 do not apply to a Solvency II firm. They are 13.8.3G, 13.9.4G(1), (2), (4) and (5) and 13.9.5G (6). A Solvency II firm is subject to the outsourcing requirements in PRA Rulebook: Solvency II firms: Conditions Governing Business 7. The Solvency II Regulation (EU) 2015/35 of 10 October 2014 (article 274) also imposes specific requirements on firms which outsource, or propose to outsource, functions or insurance activities. The FCA will take these requirements into account when considering a firm's outsourcing arrangements.

...

14 Risk management and associated systems and controls for insurers

...

14.1.29A ...

14.1.29B G SYSC 14.1.29G(6) does not apply to a Solvency II firm. SYSC 14.1.29G(7) does not apply to a Solvency II firm but only in relation to references to the internal audit function. It does apply to a Solvency II firm in relation to references to the internal audit committee. For Solvency II firms, the PRA has made rules implementing the governance provisions of the Solvency II Directive relating to internal controls (article 46) and the Solvency II Regulation (EU) 2015/35 of 10 October 2014 also imposes specific requirements (see articles 266, 267 and 270). The FCA will take these rules and requirements into account when considering a Solvency II firm's internal controls.

...

21 Risk control: additional guidance

21.1 Risk control: guidance on governance arrangements

Additional guidance on governance arrangements

21.1.1 G ...

- (3) The *appropriate regulator* considers that *banks* and *insurers* that are included in the FTSE 100 Index are examples of the types of *firm* that should structure their risk control arrangements in this way. However, this *guidance* will also be relevant to some similar sized *firms* (whether or not *listed*) and some smaller *firms*, by virtue of their risk profile or complexity. For *Solvency II firms*, the PRA Rulebook: Solvency II firms: Senior Insurance Management Functions makes the chief risk function a PRA controlled function. The chief risk function is having responsibility for overall management of the risk management system specified in PRA Rulebook: Solvency II firms: Conditions Governing Business, rule 3. *Solvency II firms* may read references to Chief Risk Officer in SYSC 21 as if it were a reference to the risk management function in the PRA Rulebook.

Transitional Provisions and Schedules (SYSC transchedule)

...

After SYSC TP 4 insert the following new section. The text is all new and is not underlined.

SYSC TP 5 Transitional Provision 5

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provisions: coming into force
1.	SYSC 2.2.4	R	Where this <i>rule</i> imposes requirements relating to a document recording a <i>person's</i> scope of responsibilities, a <i>firm</i> is only required to comply with these requirements to the extent that such a document already exists.	From 1 January 2016 until the date on which any such scope of responsibilities document is produced or <i>firms</i> are required to produce one.	1 January 2016

Annex C

Amendments to the Code of Practice for Approved Persons

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

1.1A Application

Who?

- 1.1A.1 R *APER* applies to *FCA-approved persons* and *PRA-approved persons* who fall under (1) or (2):
- (1) *approved persons* of *firms* that are not *relevant authorised persons* or *Solvency II firms*; or
 - (2) *approved persons* approved to perform a *controlled function* in *SUP 10A.1.16BR* (*appointed representatives of relevant authorised persons*).
- 1.1A.1A G *APER* does not apply to *FCA-approved persons* and *PRA-approved persons* of *relevant authorised persons* or *Solvency II firms*. ~~*COCON*~~ *COCON* applies instead.

Annex D

Amendments to General Provisions (GEN)

In this Annex, underlining indicates new text.

2.2 Interpreting the Handbook

...

- 2.2.13 R A reference in the *Handbook* to another provision in the *Handbook* is a reference to that provision as amended from time to time. Unless a contrary intention appears, a reference in the *Handbook* to a provision in the PRA Rulebook is a reference to that provision as amended from time to time.

Annex E

Amendments to the Supervision manual (SUP)

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

Part 1: Comes into force on 7 March 2016

10A.6.15A R For a *Solvency II firm* only, if the *firm* has a nomination committee, the *chair of the nomination committee function* is the function of acting in the capacity as the chairman of that committee. The *chair of the nomination committee function* does not apply to a *Solvency II firm* that is a third-country insurance undertaking.

...

Part 2: Comes into force on 1 January 2016**10A.7 FCA required functions**

Apportionment and oversight function (CF 8)

10A.7.1 R The *apportionment and oversight function* is the function of acting in the capacity of a *director* or *senior manager* responsible for either or both of the apportionment function and the oversight function set out in SYSC 2.1.3R or SYSC 4.4.5R. The *apportionment and oversight function* does not apply in relation to a *Solvency II firm*.

10A.7.2 G In requiring someone to apportion responsibility, neither a *common platform firm* or a *Solvency II firm* should not apply for that *person* or *persons* to be FCA-approved to perform the *apportionment and oversight function* (see SUP 10A.7.1R, SYSC 2.1.3R and SYSC 1 Annex 1).

...

13A Annex 1G Application of the Handbook to Incoming EEA Firms

...		
(1) Module of the Handbook	(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of the firm (or its appointed representative) in the United Kingdom	(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom)

...	
<i>SYSC</i>	<p>...</p> <p>(2) <i>SYSC</i> 2.1.3R to <i>SYSC</i> 2.2.3G apply, but only in relation to allocation of the function in <i>SYSC</i> 2.1.3R(2) and <u><i>SYSC</i> 2.1.3AR(2)</u> and only in so far as responsibility for the matter in question is not reserved by an <i>EU</i> instrument to the <i>firm's Home State regulator</i>; and</p> <p>...</p>

...

Part 3: Comes into force on [day after the date of this instrument]

After SUP TP 5 insert the following new section. The text is all new and is not underlined.

TP 6 Financial Services (Banking Reform) Act 2013: Approved persons in Solvency II firms

Purpose of SUP TP 6

- 6.1.1 G *SUP* TP 6 has transitional and grandfathering provisions relating to the changes to the *approved persons* regime made by Part Four of the Financial Services (Banking Reform) Act 2013. The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015:
- (1) requires all *Solvency II firms* before 8 February 2016 to give a notice to the *appropriate regulator* in respect of each *person* for whom that regulator has granted a pre-implementation approval in relation to the *firm*. The notice must specify the post-implementation functions that the *person* will perform on and after 7 March 2016, and each of these notified functions must be an equivalent function to a pre-implementation function which the person has approval to perform;
 - (2) allows the *FCA* to specify classes of persons in respect of whom a notice is not required and in *SUP* TP 6.2.1R the *FCA* specifies that class of persons;
 - (3) allows the *FCA* to make rules specifying the post-implementation *controlled functions* which are to be treated as equivalent to a pre-implementation *controlled function* for the purposes of that Order. In *SUP* TP 6.2.2R the *FCA* specifies the equivalent functions; and
 - (4) provides that the pre-implementation approval has effect after 7 March 2016, without the need for re-application, if the notice referred to in (1) is given before 7 March 2016 (whether or not that notice was given before 8 February 2016) and certain conditions in

article 3 of the Order are met.

- 6.1.2 R *SUP* TP 6 applies to:
- (1) *Solvency II firms*; and
 - (2) *approved persons of Solvency II firms*.
- 6.1.3 G There is a glossary of terms in *SUP* TP 6.3.8. Those terms are not defined in the *Glossary*.

Grandfathering of approved persons: requirement to give notice and equivalence of old and new functions

- 6.2.1 R (1) A *Solvency II firm* is not required to give notice to the *FCA* for the purposes of article 2(1) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 in relation to any *approved person* for whom the *FCA* granted a pre-implementation approval in relation to that *firm*.
- (2) The exception to (1) is *approved persons*:
- (a) for whom the *FCA* granted a pre-implementation approval to perform the *significant management function* (CF29); and
 - (b) who are proposing to perform one of the *PRA* “senior insurance management functions” in column 2 of any of the rows relating to senior management functions (CF29) in the Table of Functions for Grandfathering in *PRA* Rulebook: *Solvency II firms: Senior Insurance Managers Regime Transitional Provisions*, rule 6,
- in relation to whom a *Solvency II firm* is required to give notice to the *FCA* for the purposes of article 2(1).

[**Note:** See article 2(2) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015]

- 6.2.2 R Each pre-implementation controlled function in the first column of the table in *SUP* TP 6.2.3R is specified as an equivalent function to the *FCA controlled functions* listed in column two of the same row of that table.

[**Note:** See article 17(1)(a) of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015]

- 6.2.3 R Table: Old controlled functions mapped onto new *FCA* ones

Part 1: Solvency II firms other than insurance special purpose vehicles and third-country insurance undertakings

Current controlled function	New <i>FCA</i> controlled function
PRA Director function (CF1)	<i>FCA</i> Director function (CF1) where not

	otherwise approved by the PRA
PRA Non-Executive Director function (CF2)	Chair of the Nomination Committee function (CF 7)

Part 2: Insurance special purpose vehicles

Current controlled function	New FCA controlled function
PRA Director function (CF1)	FCA Director function (CF1) where not otherwise approved by the PRA
PRA Non-Executive Director function (CF2)	Chair of the Nomination Committee function (CF 7)
PRA Systems and Controls function (CF 28)	FCA systems and controls function (CF 28) not otherwise approved by the PRA ¹

Part 3: Third-country insurance undertakings

Current controlled function	New FCA controlled function
PRA Director function (CF1)	FCA Director function (CF1) where not otherwise approved by the PRA
PRA Actuary function holder (CF 12)	Actuarial conduct function holder in a third country branch (CF 51) ²
PRA Systems and Controls function (CF 28)	FCA systems and controls function (CF 28) where not otherwise approved by the PRA ³

Grandfathering of approved persons: forms

- 6.3.1 D This section (*SUP* TP 6.3) applies to a notification by a *firm* to the *FCA* under the articles of the Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 listed in the table in *SUP* TP 6.3.2D.
- 6.3.2 D Table: Grandfathering notifications

Purpose of notification	Article of Order
(1) Notification of pre-implementation approval satisfying conditions in <i>SUP</i> TP 6.2.1R(2).	Article 2(1)
(2) Amendments to grandfathering notification in (1)	Article 6
(3) Notification of applications for approval	Article 11
(4) Amendment to grandfathering notification in (1)	Article 14

¹ Conduct perspective only

² Conduct perspective only

³ Conduct perspective only

to add a new <i>candidate</i>	
(5) Any other amendment to grandfathering notification in (1)	Article 14

- 6.3.3 D (1) A *firm* must make any notification in row (1) and (3) of the table in SUP TP 6.3.2D in accordance with SUP 10A.16 (How to apply for approval and give notifications) as applicable to *insurers*.
- (2) A *firm* must use the version of the notification form made available online at fca.org.uk on the FCA and PRA's ONA electronic system (known as Connect) and which is based on the version found in SUP TP 6.6.1.
- (3) A *firm* must make any notification in rows (2), (4) and (5) by updating the notification form online at fca.org.uk on the FCA and PRA's ONA electronic system (known as Connect).
- 6.3.4 G If a *firm* notifies an application for approval and that application is granted or refused before the commencement date, the *firm* should update the notification under row (5) of the table in SUP TP 6.3.2D.

Applications of approved persons to take effect from the commencement date

- 6.4.1 D (1) A *firm* may apply for the FCA's approval under section 59 of the Act (Approval for particular arrangements) for the performance of a *controlled function* which comes into force on 7 March 2016.
- (2) Any application must be made between the [*date upon which the new versions of Forms A or E referred to in (4) below are available for use on the PRA and FCA ONA electronic system (known as Connect), to be confirmed*] and the day before March 7 2016.
- (3) Any such application is made on the basis that it is treated as being made on the 7 March 2016.
- (4) The application must be made using the version of Form A or Form E applicable from 7 March 2016 and in accordance with the other requirements to be in effect on that date.
- 6.4.2 G The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 will not apply to an application under SUP TP 6.4.1D.
- 6.4.3 G A *firm* does not have to make an application under SUP TP 6.4.1D. It can make an application between the rule-making date and the 7 March 2016 under the *rules* and directions in force at the time of the application. The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 will apply to such applications.

6.5.1 Glossary of terms used in SUP TP 6

pre-implementation controlled functions	an <i>FCA controlled function</i> or a <i>PRA controlled function</i> in force immediately before the 7 March 2016
rule-making date	in accordance with The Financial Services (Banking Reform) Act 2013 Transitional and Savings Provisions Order 2015 the date both regulators make rules under article 17 of the Order or if made on different days, the last day on which the rules are made.
[Note: References to <i>rules</i> in <i>SYSC</i> and <i>SUP</i> 10A are to those <i>rules</i> as they will be in force on the commencement date.	

6.6.1 D Form K: Grandfathering notification

Appendix 2

PRA Rules

**PRA RULEBOOK: SOLVENCY II FIRMS: SENIOR INSURANCE MANAGERS REGIME
TRANSITIONAL PROVISIONS INSTRUMENT [DATE]**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 59 (Approval for particular arrangements);
 - (2) section 60 (Applications for approval);
 - (3) section 137G (The PRA’s general rules); and
 - (4) section 137T (General supplementary powers).

The PRA also makes this instrument pursuant to the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015.

- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Senior Insurance Managers Regime Transitional Provisions Instrument [DATE]

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

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Senior Insurance Managers Regime Transitional Provisions Instrument [DATE].

By order of the Board of the Prudential Regulation Authority

[DATE]

Annex

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

Part

SENIOR INSURANCE MANAGERS REGIME - TRANSITIONAL PROVISIONS

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. GENERAL**
- 3. GRANDFATHERING NOTIFICATION REQUIREMENTS**
- 4. PROCEDURE FOR MAKING GRANDFATHERING NOTIFICATIONS**
- 5. WITHDRAWING OR UPDATING A GRANDFATHERING NOTIFICATION**
- 6. TABLE OF FUNCTIONS FOR GRANDFATHERING**
- 7. FORMS**
- 8. TRANSITIONAL ARRANGEMENTS FOR NEW SENIOR INSURANCE MANAGEMENT
FUNCTIONS**
- 9. LLOYD'S**

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) a *firm* that, on the *effective date*, has a *Part 4A permission* to effect contracts of insurance or carry out contracts of insurance and which will on 1 January 2016 be:
 - (a) a *UK Solvency II firm*; or
 - (b) a *third country branch undertaking* (other than a *Swiss general insurer*);
- (2) an *ISPV*;
- (3) the *Society*, in accordance with 9; and
- (4) *managing agents*, in accordance with 9.

1.2 In this Part, the following definitions shall apply:

candidate

means a *person*, in respect of whom an application has been made by the *firm* to the *FCA* or *PRA* for a *current approved person approval*.

commencement date

means 7 March 2016.

current approved person approval

means an approval granted, before the *commencement date*, by the *PRA* or the *FCA* under section 59 of *FSMA*, to a *person* for the performance of a *controlled function* specified by the *FCA* or *PRA*.

effective date

means [the date on which this instrument comes into force].

FCA function

means any of the functions specified in column 3 (FCA controlled functions) of the table set out in 6.

grandfathering Form

means the form to be completed by each *firm* in respect of grandfathering *approved persons*, being Form K.

grandfathering function

means any of the *controlled functions* listed in column 1 of the table set out in 6.

grandfathering notification

means a notification on a *grandfathering Form* submitted to the *PRA*, on or before the *notification period end date*, pursuant to 2.1.

notification period end date

means 8 February 2016, being the date set out in article 2 of the *Treasury Order 2015*.

scope of responsibilities form

means the form to be completed by each *firm* containing the information referred to in Insurance – Allocation of Responsibilities 5.1(3), being Form [x].

Treasury Order 2015

means the Financial Services (Banking Reform) Act 2013 (Transitional and Savings Provisions) Order 2015.

2 GENERAL

- 2.1 The *PRA* directs that the *grandfathering notification* must be made using Form K in respect of all *approved persons* performing, and *candidates* for, any *controlled function* which is listed in column 1 of the table set out in 6.
- 2.2 A *firm* must submit, with each *grandfathering notification*, a *scope of responsibilities form* for each *approved person* and *candidate*.

3 GRANDFATHERING NOTIFICATION REQUIREMENTS

- 3.1 A *firm* must ensure that the *grandfathering notification* sets out, in respect of each *approved person*:
- (1) each of the *grandfathering functions* in respect of which each *approved person* has a *current approved person approval*;
 - (2) each of the *senior insurance management functions* to be performed by each *approved person* on and from the *commencement date*;
 - (3) each *FCA function* (if any) which is to be performed by an *approved person* on and from the *commencement date*; and
 - (4) a statement of reasons if the *grandfathering notification* is not applying for the *approved person* to be grandfathered in respect of any of the *grandfathering functions* which the *approved person* is performing.
- 3.2 Where a *firm* is applying for approval for a *candidate* to perform a *grandfathering function*, the *firm* must ensure that the *grandfathering notification* sets out, in respect of each such *candidate*:
- (1) each of the *grandfathering functions* which the relevant *candidate* has applied to perform;
 - (2) each of the *senior insurance management functions* to be performed by the *candidate*, if approved, on and from the *commencement date* (or the date of approval of the *candidate*);
 - (3) each *FCA function* (if any) which, if the *candidate* is approved, is to be performed by the *candidate* on and from the *commencement date* (or the date of approval of the *candidate*); and

(4) a statement of reasons if the *grandfathering notification* is not applying for the *candidate* to be grandfathered in respect of any of the *grandfathering functions* for which approval is sought.

3.3 The *PRA* directs that the *grandfathering notification* must not specify a *senior insurance management function* or *FCA function* in respect of a *person* unless the *senior insurance management function* or *FCA function* is specified in column 2 or 3 of the table in 6 in relation to a *controlled function* performed by the relevant *person* pursuant to a *current approved person approval*.

4 PROCEDURE FOR MAKING GRANDFATHERING NOTIFICATIONS

4.1 The *PRA* directs that, save as required by 4.2, 5.2 and 8.2, a *firm* must make any applications, notifications or submissions required by this Part using the *ONA system*.

4.2 If, under any direction or rule in this Part:

- (1) a *firm* is required to make an application, notification or submission online; and
- (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,

until such time as facilities for online submission are restored a *firm* may submit the specified form in accordance with Notifications 7.

5 WITHDRAWING OR UPDATING A GRANDFATHERING NOTIFICATION

5.1 This Chapter applies only before the *commencement date*.

5.2 The *PRA* directs that, after the *notification period end date*, a *firm* must make any update to:

- (1) the *grandfathering notification*; and
- (2) the *scope of responsibilities form*,

in the manner set out in Notifications 7.

5.3 The *PRA* directs that if, before the *commencement date*, there has been a significant change to the matters covered by the *grandfathering notification* or the *scope of responsibilities form*, the *firm* must provide a revised version to the *PRA*.

6 TABLE OF FUNCTIONS FOR GRANDFATHERING

6.1 The *senior insurance management functions* set out in column 2 of the table are specified, for the purpose of the *Treasury Order 2015*, as equivalent in each case to the *grandfathering functions* set out in the same row in column 1 of the table below.

6.2 The *FCA functions* set out in column 3 of the table are specified, for the purpose of the *Treasury Order 2015*, as equivalent in each case to the *grandfathering functions* set out in the same row of column 1 of the table below.

Column 1	Column 2	Column 3
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Column 1	Column 2	Column 3
PRA or FCA Controlled Function	PRA Senior Insurance Management Function	FCA Function
All firms apart from third country branches and ISPVs		
Director (CF1)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Insurance Manager function (SIMF7) Chief Actuary function (SIMF20) Chief Underwriting Officer function (SIMF22) Underwriting Risk Oversight function (SIMF23)	FCA Director function (CF1) where not otherwise approved by the PRA
Non-executive director (CF2)	Group Entity Senior Insurance Manager function (SIMF7) [Chairman function (SIMF9) ¹] [Chair of the Risk Committee function (SIMF10)] [Chair of the Audit Committee function (SIMF11)] [Chair of the Remuneration Committee function (SIMF12)] [Senior Independent Director function (SIMF14)]	[Chair of the Nomination Committee function (CF7)]
Chief executive (CF3)	Chief Executive function (SIMF1)	
Actuary (CF12)	Chief Actuary function (SIMF20)	
With-Profits Actuary (CF12A)	With-Profits Actuary function (SIMF21)	
Lloyd's Actuary (CF12B)	Chief Actuary function (SIMF20) Underwriting Risk Oversight function (SIMF23)	
Systems and Controls (CF28)	Chief Finance function (SIMF2)	

¹ PRA and FCA oversight functions are currently subject to consultation in consultation paper PRA CP7/15 FCA 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'. Therefore these references in square brackets are subject to change.

Column 1	Column 2	Column 3
	Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5)	
Significant management (CF29)	Group Entity Senior Insurance function Manager (SIMF7) Chief Actuary function (SIMF20) (general insurance firms only) Chief Underwriting Officer function (SIMF22) (general insurance firms only) Underwriting Risk Oversight function (SIMF23)	
ISPVs		
PRA or FCA Controlled Function	PRA Senior Insurance Management Function	FCA Function
Director (CF1)	Chief Finance function (SIMF2) Chief Actuary function (SIMF20) Group Entity Senior Insurance Manager function (SIMF7)	FCA Director function (CF1) where not otherwise approved by the PRA
Non-executive director (CF2)	[Chairman function (SIMF 9)]	[Chair of the Nomination Committee function (CF7)]
Chief executive (CF3)	Chief Executive function (SIMF1)	
Actuary (CF12)	Chief Actuary function (SIMF20)	
Systems and Controls (CF28)	Chief Finance function (SIMF2)	FCA systems and Controls function (CF28) where not otherwise approved by the PRA
Significant management (CF29)	Group Entity Senior Insurance Manager (SIMF7) Chief Actuary function (SIMF20)	
Third country branches		
<u>PRA or FCA Controlled Function</u>	<u>PRA Senior Insurance Management Function</u>	<u>FCA Function</u>

Column 1	Column 2	Column 3
Director (CF1)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5) Group Entity Senior Manager (SIMF7) Head of Third Country Branch function (SIMF19) Chief Actuary function (SIMF20) Chief Underwriting Officer function (SIMF22)	FCA Director function (CF1) where not otherwise approved by the PRA
Non-executive director (CF2)	[Chairman function (SIMF 9)] [Senior Independent Director function (SIMF 14)] [Chair of the Risk Committee function (SIMF 10)] [Chair of the Audit Committee function (SIMF 11)] [Chair of the Remuneration Committee function (SIMF 12)]	
Chief executive (CF3)	Head of Third Country Branch function (SIMF19)	
Actuarial (CF 12)	Chief Actuary function (SIMF20)	Actuarial conduct function holder in a third country branch (CF 51)
With-profits actuary (CF12A)	With-Profits Actuary function (SIMF21)	
Systems and controls (CF28)	Chief Finance function (SIMF2) Chief Risk function (SIMF4) Head of Internal Audit function (SIMF5)	FCA systems and Controls (CF28) where not otherwise approved by the PRA
FCA Significant management (CF 29)	Chief Underwriting Officer function (SIMF22) Group Entity Senior Insurance Manager (SIMF7)	

- 6.3 The PRA directs that the *grandfathering notification* must not specify that any *person* shall perform any combination of *senior insurance management functions* which is prohibited by any other provision of the *PRA Rulebook* or the *FCA Handbook*.

7 FORMS

- 7.1 (1) the *grandfathering Form*, Form K, may be found [here](#).
(2) the *scope of responsibilities form* may be found [here](#).

8 TRANSITIONAL ARRANGEMENTS FOR NEW SENIOR INSURANCE MANAGEMENT FUNCTIONS

- 8.1 This Chapter applies only before the *commencement date*.
- 8.2 Where an *approved person* or a *candidate* is intended to perform a *senior insurance management function* with effect from the *commencement date* but:
- (1) in the case of an *approved person*, is not prior to the *commencement date* approved;
or
- (2) in the case of a *candidate*, is not to be approved

to perform a *controlled function* that is equivalent to the proposed *senior insurance management function* in accordance with 6, the *firm* must not submit a *grandfathering notification* in respect of that *approved person* or *candidate* (as the case may be) but must instead submit a *senior insurance management function application* for the proposed *senior insurance management function* using [a paper version of Form A], which must include the information required by Insurance – Fitness and Propriety 4.1 and be accompanied by a *scope of responsibilities form*.

9 LLOYD'S

- 9.1 This Part applies to the *Society* and *managing agents* separately.

PRA RULEBOOK: SOLVENCY II FIRMS: SENIOR INSURANCE MANAGERS REGIME – APPLICATIONS AND NOTIFICATIONS INSTRUMENT [DATE]

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 60 (Applications for approvals);
 - (2) section 137G (The PRA’s general rules); and
 - (3) section 137T (General supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

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

PRA Rulebook Solvency II Firms: Senior Insurance Managers Regime – Applications and Notifications Instrument [DATE]

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

Commencement

- E. This instrument comes into force on [DATE]¹.

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Senior Insurance Managers Regime – Applications and Notifications Instrument [DATE].

By order of the Board of the Prudential Regulation Authority

[DATE]

¹ This instrument is intended to be commenced from 7 March 2016.

Annex

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

Part

SENIOR INSURANCE MANAGERS REGIME – APPLICATIONS AND NOTIFICATIONS

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. APPLICATION TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION**
- 3. WITHDRAWAL OF A SENIOR INSURANCE MANAGEMENT APPROVAL FUNCTION APPLICATION**
- 4. CEASING TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION**
- 5. CHANGE IN DETAILS OR RESPONSIBILITIES RELATING TO SENIOR INSURANCE MANAGEMENT FUNCTION HOLDERS**
- 6. PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS**
- 7. FORMS**
- 8. LLOYD'S**

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to every *firm* that is:

- (1) a *UK Solvency II firm*;
- (2) in accordance with Insurance General Application 3, the *Society*, as modified by 9;
- (3) in accordance with Insurance General Application 3, a *managing agent*, as modified by 9;
- (4) a *third country branch undertaking* (other than a *Swiss general insurer*); and
- (5) an *ISPV*.

1.2 In this Part, the following definitions shall apply:

commencement date

means 7 March 2016

existing approval

means

- (1) an approval granted to that *person* under section 59 of *FSMA*:
 - (a) by the *PRA* for the performance of a *senior insurance management function*; or
 - (b) by the *FCA* for the performance of a *relevant senior management function* or a *significant influence function*;
- (2) a deemed approval given by either the *PRA* following the submission of a *grandfathering notification* under Senior Insurance Managers Regime Transitional Provisions or by the *FCA* under any equivalent rules in the *FCA Handbook*; or
- (3) for the purposes of 2.2(2) and 2.3(2), an approval granted to that *person* under section 59 of *FSMA* by either the *PRA* or the *FCA* to perform a *controlled function* as defined in section 59 of *FSMA* prior to the *commencement date* but which ceased on or before the *commencement date*.

grandfathering notification

has the meaning given in Senior Insurance Managers Regime Transitional Provisions.

interested parties

means in relation to a *senior insurance management approval application* or withdrawal of an application:

- (1) the *firm* making that application;

- (2) the *person* in respect of whom that application is being made ("A"); and
- (3) the *person* by whom A's services are to be retained, if not the *firm* making the application.

regulatory body

means any authority, body or *person* having, or who has had, responsibility for the supervision or regulation of any *regulated activities* or other financial services, whether within the *United Kingdom* or overseas.

significant influence function

has the meaning given in the *FCA Handbook*.

2 APPLICATION TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION

- 2.1 The *PRA* directs that a *firm* must make a *senior insurance management approval application* in any of the circumstances specified in 2.2, 2.3 or 2.4, by submitting Form A or Form E before the activities requiring approval commence.
- 2.2 The *PRA* directs that a *firm* must use Form A (long form) for a *senior insurance management approval application* if:
- (1) the *person* to whom the application relates has never before been approved:
 - (a) by the *PRA* to perform a *senior insurance management function*; or
 - (b) by the *FCA* to perform a *relevant senior management function* or a *significant influence function*
 for any *firm*; or
 - (2) the *person* to whom the application relates has not been the subject of an *existing approval* in relation to any *firm* for more than six *months* prior to the date of application.
- 2.3 The *PRA* directs that a *firm* must use Form A (short form) for a *senior insurance management approval application* if the *person* to whom the application relates:
- (1) has at the time of application an *existing approval*; or
 - (2) has had such an *existing approval* within the previous six months.
- 2.4 The *PRA* directs that a *firm* must use Form E for a *senior insurance management approval application* if the *senior insurance management approval application* is in respect of a *person* who has an *existing approval* and is either:
- (1) ceasing to perform a *senior insurance management function* and taking up a new *senior insurance management function* for the same *firm* or *group*; or
 - (2) ceasing to perform an *FCA controlled function* and taking up a new *senior insurance management function* for the same *firm* or *group*.

- 2.5 The *PRA* directs that a *firm* must not use Form E for a *senior insurance management approval application* if:
- (1) a notification has been made or should be made to the *PRA* under any of the rules in Notifications 11 or to the *FCA* under any equivalent provisions of the *FCA Handbook*;
 - (2) any of the circumstances in 4.2(2)(a)-(d) apply in relation to:
 - (a) any *senior insurance management function* or *FCA controlled function* that that *person* is ceasing to perform; or
 - (b) any *senior insurance management function* or *FCA controlled function* that that *person* is continuing to perform in relation to that *firm* or a *firm* in the same *group*; or
 - (3) if any of the circumstances in 2.2 or 2.3 apply.

- 2.6 A *firm* must (as part of its assessment of whether a *person* is a fit and proper *person* to perform a *senior insurance management function* and in order to verify the information contained in the application to carry out the *senior insurance management function*) obtain the fullest information that it is lawfully able to obtain about the *person* under Part V of the Police Act 1997 and related subordinated legislation of the *UK* or any part of the *UK* before making the application.

3 WITHDRAWAL OF A SENIOR INSURANCE MANAGEMENT FUNCTION APPROVAL APPLICATION

- 3.1 The *PRA* directs that a *firm* withdrawing an outstanding *senior insurance management approval application* must do so using Form B, signed by all *interested parties*.

4 CEASING TO PERFORM A SENIOR INSURANCE MANAGEMENT FUNCTION

- 4.1 (1) A *firm* must notify the *PRA* no later than seven *business days* after a *person* ceases to perform a *senior insurance management function*, using:
- (a) Form E if a *person* ceases to perform a *senior insurance management function* and the *firm* is also making an application for the same *person* to perform a new *senior insurance management function*; and
 - (b) in all other cases, Form C.
- 4.2 (1) A *firm* must notify the *PRA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C in respect of a *senior insurance management function holder*.
- (2) Form C is qualified if the information it contains:
- (a) relates to the fact that the *firm* has dismissed, or suspended, the *senior insurance management function holder* from its employment;
 - (b) relates to the resignation by the *senior insurance management function holder* while under investigation by the *firm*, the *PRA* or any other *regulatory body*;
 - (c) includes a notification under any of the provisions set out in 2.5(1); or

- (d) otherwise reasonably suggests that it may affect the *PRA's* assessment of the *senior insurance management function holder's* fitness and propriety.

5 CHANGE IN DETAILS OR RESPONSIBILITIES RELATING TO SENIOR INSURANCE MANAGEMENT FUNCTION HOLDERS

- 5.1 If a *senior insurance management function holder's* title, name or national insurance number changes, the *firm* for which the *person* performs a *senior insurance management function* must notify the *PRA* of that change within seven *business days* of the *firm* becoming aware of the matter, using Form D.
- 5.2 (1) If, in relation to a *firm* which has submitted an application on either Form A or Form E, as required by 2.1, any of the details relating to grandfathering arrangements and *senior insurance management functions* are to change, the *firm* must notify the *PRA* using Form D as soon as reasonably practicable after the *firm* becomes aware of the proposed change.
- (2) (1) also applies to a *firm* for whom the grandfathering arrangements relating to the coming into force of *FSMA* or the coming into force of Part 4 of the Financial Services (Banking Reform) Act 2013 applied as if the *firm* had completed the relevant form for that *person*.

6 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

- 6.1 The *PRA* directs that a *firm* must make any applications, notifications or submissions required by this Part by submitting the form specified using the *ONA system*.
- 6.2 If, under any direction or rule in this Part:
- (1) a *firm* is required to make an application, notification or submission online; and
- (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,
- until such time as facilities for online submission are restored, a *firm* must submit the specified form in the way set out in Notifications 7.

7 FORMS

- 7.1 (1) Form A may be found [here](#).
- (2) Form B may be found [here](#).
- (3) Form C may be found [here](#).
- (4) Form D may be found [here](#).
- (5) Form E may be found [here](#).

8 LLOYD'S

- 8.1 This Part applies to the *Society* and *managing agents* separately.

PRA RULEBOOK: SOLVENCY II FIRMS: KEY FUNCTION HOLDER – NOTIFICATIONS [DATE]

Powers exercised

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

Pre-conditions to making

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

PRA Rulebook: Solvency II Firms: Key Function Holder – Notifications Instrument [2015]

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

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Key Function Holder – Notifications Instrument [DATE].

By order of the Board of the Prudential Regulation Authority

[DATE]

Annex

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

Part

KEY FUNCTION HOLDER – NOTIFICATIONS

Chapter content

- 1. APPLICATION AND DEFINITIONS**
- 2. KEY FUNCTION HOLDER NOTIFICATION**
- 3. PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS**
- 4. FORMS**
- 5. LLOYD'S**
- 6. TRANSITIONAL ARRANGEMENTS FOR KEY FUNCTION HOLDERS INTENDED TO PERFORM SENIOR INSURANCE MANAGEMENT FUNCTIONS**

1 APPLICATION AND DEFINITIONS

1.1 Unless otherwise stated, this Part applies to:

- (1) a *firm* that, on the *effective date*, has a *Part 4A permission* to effect contracts of insurance or carry out contracts of insurance and which will on 1 January 2016 be:
 - (a) a *UK Solvency II firm*; or
 - (b) a *third country branch undertaking* (other than a *Swiss general insurer*);
- (2) an *ISPV*;
- (3) the *Society*, in accordance with 5; and
- (4) *managing agents*, in accordance with 5.

1.2 In this Part, the following definitions shall apply:

key function holder notification form

means Form [x]¹.

grandfathering notification

means a notification on a *grandfathering Form* submitted to the *PRA*, on or before the *notification period end date*, pursuant to Senior Insurance Managers Regime - Transitional Provisions 2.1.

scope of responsibilities form

means the form to be completed by each *firm* containing the information referred to in Insurance – Allocation of Responsibilities 5.1(3), being Form [x].

2 KEY FUNCTION HOLDER NOTIFICATION

- 2.1 A *firm* must provide the information required by Insurance – Fitness and Propriety 4.1 for each *key function holder* as soon as reasonably practicable after the later of 1 January 2016 and the appointment of the *key function holder*.
- 2.2 The *PRA* directs that, subject to 2.3, the information referred to in 2.1 must be provided to the *PRA* in the *key function holder notification form*, which must be accompanied by a *scope of responsibilities form*.
- 2.3 The *PRA* directs that:
 - (1) where the *key function holder* is to be approved by the *PRA* to perform a *senior insurance management function*, the *firm* must provide the information referred to in 2.1 to the *PRA* in whichever Form is required for the *senior insurance management function application*, pursuant to Senior Insurance Managers Regime - Applications and Notifications 2, which must be accompanied by a *scope of responsibilities form*; and
 - (2) where the *key function holder* is to be approved by the *FCA* to perform an *FCA controlled function*, the *firm* must provide this information to the *PRA* in accordance

¹ See Appendix 5 to PRA CP7/15.

with 2.2 [or, if required to do so by the *FCA*, to the *FCA* in accordance with the *FCA Handbook*].

3 PROCEDURE FOR MAKING APPLICATIONS AND NOTIFICATIONS

3.1 The *PRA* directs that, save as required by 3.2, a *firm* must make any applications, notifications or submissions required by this Part by submitting the form specified using the *ONA system*.

3.2 If, under any direction or rule in this Part:

- (1) a *firm* is required to make an application, notification or submission online; and
- (2) the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more,

until such time as facilities for online submission are restored, a *firm* must submit the specified form in the way set out in Notifications 7.

4 FORMS

4.1 (1) The *key function holder notification form* may be found [here](#).

(2) The *scope of responsibilities form* may be found [here](#).

5 LLOYD'S

5.1 This Part applies to the *Society* and *managing agents* separately.

6 TRANSITIONAL ARRANGEMENTS FOR KEY FUNCTION HOLDERS INTENDED TO PERFORM SENIOR INSURANCE MANAGEMENT FUNCTIONS

6.1 This Chapter applies only before the *commencement date*.

6.2 The *PRA* directs that where:

- (1) a *grandfathering notification* is submitted to the *PRA* in accordance with Senior Insurance Managers Regime Transitional Provisions 2.1; or
- (2) an update to a *grandfathering notification* is submitted to the *PRA* in accordance with Senior Insurance Managers Regime Transitional Provisions 5,

in respect of a *person* who is also (or is intended to be) a *key function holder*, the *firm* will be deemed to have provided the information referred to in 2.1 through submission of the *grandfathering notification* and the *scope of responsibilities form*, or the update to the *grandfathering notification* or *scope of responsibilities form*, as the case may be.

**PRA RULEBOOK: INSURANCE – SENIOR INSURANCE MANAGEMENT REGIME –
GLOSSARY AMENDMENTS INSTRUMENT [YEAR]**

Powers exercised

- A. The Prudential Regulation Authority (“PRA”) makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 64A (rules of conduct);
 - (2) section 137G (the PRA’s general rules); and
 - (3) section 137T (general supplementary powers).
- B. The rule-making powers referred to above are specified for the purpose of section 138G(2) (Rule-making instrument) of the Act.

Pre-conditions to making

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

**PRA Rulebook: Solvency II Firms: Insurance – Senior Insurance Management Regime –
Glossary Amendments Instrument [YEAR]**

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

Commencement

- E. This instrument comes into force on [DATE].

Citation

- F. This instrument may be cited as the PRA Rulebook: Solvency II Firms: Insurance – Senior Insurance Management Regime – Glossary Amendments Instrument [YEAR].

By order of the Board of the Prudential Regulation Authority
[DATE]

Annex

Amendments to the PRA Rulebook - Glossary

Insert the following new definitions (in the appropriate alphabetical position) into the Glossary Part of the PRA Rulebook:

relevant senior management function

means, for the purposes of section 64A of *FSMA*, any of the following *FCA controlled functions* to the extent applicable, pursuant to the *FCA Handbook*, to a *UK Solvency II firm*, the *Society*, a *managing agent*, a *third country branch undertaking* (other than a *Swiss general insurer*), an *ISPV* or a *small non directive insurer*:

- (1) CF1 Director function;
- (2) CF3 Chief executive function;
- (3) CF5 Director of unincorporated association function;
- (4) CF6 Small friendly society function;
- (5) CF7 Chair of the nomination committee function;
- (6) CF7A Chairman function;
- (7) CF7B Senior independent director function;
- (8) CF7C Chair of the remuneration committee function;
- (9) CF7D Chair of the risk committee function;
- (10) CF7E Chair of the audit committee function;
- (11) CF10 Compliance oversight function;
- (12) CF28 Systems and control function; and
- (13) CF51 Actuarial conduct function holder in Solvency II third country insurance undertakings.

senior insurance management approval application

means an application for approval to perform a *senior insurance management function* under section 59 of *FSMA*.

Appendix 3

FCA and PRA forms



Application number
(for FCA/PRA use only)

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

http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the *candidate* will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Long Form A – Solvency II insurance firms

Application to perform controlled functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Senior Insurance Managers Regime - Applications and Notifications

7 March 2016

Name of *candidate*[†]
(to be completed by applicant firm)

Name of *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

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Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the PRA Rulebook
Long Form A – Solvency II insurance firms
Application to perform controlled functions

Personal identification details

1.01 a	Candidate Individual Reference Number (IRN) †	
b	OR name of previous regulatory body †	
c	AND previous reference number (if applicable) †	
1.02	Title (e.g. Mr, Mrs, Ms, etc) †	
1.03	Surname †	
1.04	ALL forenames †	
1.05	Name commonly known by †	
1.06	Date of birth (dd/mm/yyyy) †	/ /
1.07	National Insurance number †	
1.08	Previous name †	
1.09	Date of name change †	/ /
1.10 a	Nationality †	
b	Passport number (if National Insurance number not available) †	
1.11	Place of birth †	
1.12	Phone number	



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

YES

NO

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1.12 a Private address[†]

[Redacted address field]

b Postcode[†]

[Redacted postcode field]

c Dates resident at this address (mm/yyyy)[†]

From / [Redacted]

To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1[†]

[Redacted address field]

b Postcode

[Redacted postcode field]

c Dates resident at this address (mm/yyyy)[†]

From / [Redacted]

To / [Redacted]

1.14 a Previous address 2[†]

[Redacted address field]

¹ b Postcode[†]

[Redacted postcode field]

c Dates resident at this address (mm/yyyy)[†]

From / [Redacted]

To / [Redacted]



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

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the PRA Rulebook
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2.01	Name of <i>firm</i> making the application	<input type="text"/>
2.02	Firm Reference Number (FRN)	<input type="text"/>
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	<input type="text"/>
b	Position	<input type="text"/>
c	Telephone	<input type="text"/>
d	Fax	<input type="text"/>
e	E-mail	<input type="text"/>



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YES

NO

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3.01

Nature of the arrangement between the candidate and the applicant.

a *Employee*

b *Group employee*

Name of group

c *Contract for services*

d *Partner*

e *Other*

Give details

Proposed date of appointment

Length of appointment (if applicable)

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3.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer		
SIMF 2	Chief Finance function		
SIMF 4	Chief Risk officer		
SIMF 5	Head of Internal Audit		
SIMF 7	Group Entity Senior Manager		
SIMF 9	Chairman		
SIMF 10	Chair of the Risk Committee		
SIMF 11	Chair of the Audit Committee		
SIMF 12	Chair of the Remuneration Committee		
SIMF 14	Senior Independent Director		
SIMF 19	Head of Third Country Branch function		
SIMF 20	Chief Actuary		
SIMF21	With-profits Actuary		
SIMF22	Underwriting function		
SIMF23	Underwriting Risk Oversight Officer (Lloyd's)		
CF 1	Director		
CF 7	Chair of the Nominations Committee		
CF 10	Compliance Oversight		
CF 10a	CASS Operational Oversight		
CF 11	Money Laundering Reporting		
CF 28	Systems and Controls		
CF 29	Significant Management		
CF 30	Customer Function		
CF 51	Actuarial conduct function holder in a third country branch		

3.03 Job title

Insurance mediation

Will the *candidate* be responsible for Insurance mediation at the firm?

YES NO

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((Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function) (MiPRU 2.2.2)



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YES

NO

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3.04

Complete this section only if the application is on behalf of more than one *firm*.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.[†]

	Firm Reference Number	Name of <i>firm</i>	<i>Controlled function</i>	Job title	Effective date
a					/ /
b					/ /
c					/ /
d					/ /
e					/ /



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YES

NO

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N.B.: ALL gaps must be accounted for

4.01 Employment details (1) †

a	Period (mm/yyyy)	From	<input type="text"/>	/	<input type="text"/>	To	<input type="text"/>	
b	Nature of employment	a	Employed			<input type="checkbox"/>		
		b	Self-employed			<input type="checkbox"/>		
		c	Not employed			<input type="checkbox"/>		
		d	Full-time education			<input type="checkbox"/>		
			If c or d is ticked, please give details					<input type="text"/>
c	Name of employer	<input type="text"/>						
d	Nature of business	<input type="text"/>						
e	Previous / other names of employer	<input type="text"/>						
f	Last known address of employer	<input type="text"/>						
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body and country				
				<input type="text"/>				
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?				
				<input type="text"/>				
i	Position held	<input type="text"/>						
j	Responsibilities	<input type="text"/>						
k	Reason for leaving:	a	Resignation			<input type="checkbox"/>		
		b	Redundancy			<input type="checkbox"/>		
		c	Retirement			<input type="checkbox"/>		
		d	Termination/dismissal			<input type="checkbox"/>		
		e	End of contract			<input type="checkbox"/>		
		f	Other			<input type="checkbox"/>		
			Specify					<input type="text"/>

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4.02 Employment details (2) †

a	Period (mm/yyyy)	From		/		To		/																			
b	Nature of employment	<table border="0" style="width: 100%;"> <tr> <td style="width: 20px;"><i>a</i></td> <td>Employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>								<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																									
<i>b</i>	Self-employed	<input type="checkbox"/>																									
<i>c</i>	Not employed	<input type="checkbox"/>																									
<i>d</i>	Full-time education	<input type="checkbox"/>																									
	If c or d is ticked, please give details																										
c	Name of employer																										
d	Nature of business																										
e	Previous / other names of employer																										
f	Last known address of employer																										
g	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body and country																							
h	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?																							
i	Position held																										
j	Responsibilities																										
k	Reason for leaving:	<table border="0" style="width: 100%;"> <tr> <td style="width: 20px;"><i>a</i></td> <td>Resignation</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>								<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																									
<i>b</i>	Redundancy	<input type="checkbox"/>																									
<i>c</i>	Retirement	<input type="checkbox"/>																									
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																									
<i>e</i>	End of contract	<input type="checkbox"/>																									
<i>f</i>	Other	<input type="checkbox"/>																									
	Specify																										

I have supplied further information related to this page in Section 6† YES NO

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Disclosure Note:

We require firms to disclose all relevant information relating to a *candidate's* fitness and propriety. If there is any doubt about the relevance of the information, the information should be disclosed. The FCA/PRA takes non-disclosure very seriously and may consider it to be evidence of dishonesty and/or lack of integrity. In all circumstances, disclosures should be full, frank and unambiguous; if in doubt, disclose. In the event that a *candidate* discloses adverse information to applicant firm (or the applicant firm knows of adverse information by some other means) the applicant firm has a duty to disclose that information candidly to the FCA/PRA and explain why the applicant firm considers this does not affect the *candidate's* fitness and propriety (this paragraph should be read in conjunction with the information on disclosure in the guidance notes corresponding to this form).

5.01 Criminal Proceedings

When answering the questions in this section *candidate* should include matters whether in the UK or overseas. By virtue of the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975, if the *candidate* is subject to the law of England and Wales, *candidate* must disclose spent convictions and cautions (other than a protected conviction or caution). (In the following questions, *candidate* should include all matters even when the arrest, charge, prosecution or investigation did not result in a conviction, and, in respect of 5.01 even where the *candidate* them self was not the subject of the investigation.)

5.01.1a	Has the <i>candidate</i> ever been convicted of any criminal offence (whether spent or not and whether or not in the <i>United Kingdom</i>): i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</i>	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	Is the <i>candidate</i> , or has the <i>candidate</i> ever been, the subject of any criminal proceedings, whether in the UK or elsewhere?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	Has the <i>candidate</i> ever been given a caution in relation to any criminal offence?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.2	Has the <i>candidate</i> any convictions for any offences other than those in 5.01.1 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.3	Has the <i>candidate</i> ever been arrested or charged with any criminal offence or been the subject of any criminal investigation? (<i>Candidate</i> should include all matters even if the arrest, charge or investigation did not result in a conviction.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.01.4	Has the <i>candidate</i> ever been ordered to produce documents pursuant to any criminal investigation or been the subject of a search (with or without a warrant) pursuant to any criminal investigation?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.01.5 Has any firm at which the *candidate* holds or has held a position of influence ever:
(Please check the guidance notes for the meaning of 'position of influence' in the context of the questions in this part of the form.)

YES NO

a Been convicted of any criminal offence?

YES NO

b Been summonsed, charged with or otherwise investigated or prosecuted for any criminal offence?

YES NO

c Been the subject of any criminal proceeding which has not resulted in a conviction?

YES NO

d Been ordered to produce documents in relation to any criminal investigation or been the subject of a search (with or without a warrant) in relation to any criminal investigation?

YES NO



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

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the PRA Rulebook
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5.02 Civil Proceedings

5.02.1	<p>Has the <i>candidate</i>, ever been the subject of a judgement debt or award against the <i>candidate</i>?</p> <p>Please give a full explanation of the events in questions, ensuring that it adheres to the Disclosure Note at the beginning of this form.</p> <p><i>Candidate</i> should include all Count Court Judgement(s) (CCJs) made against the <i>candidate</i>, whether satisfied or not); and</p> <p>i) the sum and date of all judgements debts, awards or CCJs (whether satisfied or not); and</p> <p>ii) the total number of all judgment debts, awards or CCJs ordered.</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
5.02.2	<p>Has the <i>candidate</i> ever been party to any civil proceedings which resulted in any order against the <i>candidate</i> (other than a judgement debt or award referred to in 5.02.1 above)? (<i>candidate</i> should include, for example, injunctions and employment tribunal proceedings.)</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
5.02.3	<p>Is the <i>candidate</i> aware of:</p>	
a	<p>Any proceedings that have begun, or anyone's intention to begin proceedings against the <i>candidate</i>, for a CCJ or another judgement debt?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
b	<p>More than one set of proceedings, or anyone's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
c	<p>Anybody's intention to claim more than £1,000 of CCJs or judgement debts in total from the <i>candidate</i>?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
5.02.4	<p>Does the <i>candidate</i> have any current judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
5.02.5	<p>Has the <i>candidate</i> ever failed to satisfy any such judgment debts (including CCJs) made under a court order still outstanding, whether in full or part, within one year of the order being made?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>



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5.02.6	Has the <i>candidate</i> ever:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
a	Filed for the <i>candidate's</i> own bankruptcy or had a bankruptcy petition served on the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Been adjudged bankrupt?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Been the subject of a bankruptcy restrictions order (including an interim bankruptcy restrictions order) or offered a bankruptcy restrictions undertaking?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
d	Made any arrangements with the <i>candidate's</i> creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
e	Had assets sequestrated?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
f	Been involved in any proceedings relating to the above matters even if such proceedings did not result in the making of any kind of order against the <i>candidate</i> or result in any kind of agreement with the <i>candidate</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.7	Does the <i>candidate</i> , or any undertaking under their management, have any outstanding financial obligations arising from <i>regulated activities</i> , which have been carried out in the past? (whether or not in the UK or overseas)?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.8	Has the <i>candidate</i> ever been adjudged by a court or tribunal (whether criminal, civil or administrative) for any fraud, misfeasance, negligence, wrongful trading or other misconduct?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.9	Is the <i>candidate</i> currently:		
a	Party to any civil proceedings? (including those covered in 5.02.7 above)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	Aware of anybody's intention to begin civil proceedings against the <i>candidate</i> ? (<i>candidate</i> should include any ongoing disputes whether or not such dispute is likely to result in any order against the <i>candidate</i> .)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
5.02.10	Has any firm at which the <i>candidate</i> holds or has held a position of influence ever been:	YES <input type="checkbox"/>	NO <input type="checkbox"/>
a	Adjudged by a court civilly liable for any fraud, misfeasance, wrongful trading or other misconduct?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
b	The subject of a judgement debt or award against the firm? (<i>candidate</i> should include all CCJs) made against the firm, whether satisfied or not.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
c	Party to any other civil proceedings which resulted in an order against the firm other than in relation to matters covered in 5.02.10a and 5.02.10b above?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.02.11 Is any firm at which the *candidate* currently holds or has held, within the last 12 months from the date of the submission of this form, a position of influence currently:

a a party to civil proceedings?

YES NO

b aware of anyone's intention to begin civil proceedings against them?

YES NO

5.02.12 Has any company, partnership or unincorporated association of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, in the United Kingdom or elsewhere, at any time during their involvement, or within one year of such an involvement, been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

YES NO



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YES NO

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Application to perform controlled functions

5.03 Business and Employment Matters

5.03.1	Has the <i>candidate</i> ever been:	
a	Disqualified from acting as a director or similar position (one where the <i>candidate</i> acts in a management capacity or conducts the affairs of any company, partnership or unincorporated association)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
b	The subject of any proceedings of a disciplinary nature (whether or not the proceedings resulted in any finding against the <i>candidate</i>)?	YES <input type="checkbox"/> NO <input type="checkbox"/>
c	The subject of any investigation which has led or might lead to disciplinary proceedings?	YES <input type="checkbox"/> NO <input type="checkbox"/>
d	Notified of any potential proceedings of a disciplinary nature against the <i>candidate</i> ?	YES <input type="checkbox"/> NO <input type="checkbox"/>
e	The subject of an investigation into allegations of misconduct or malpractice in connection with any business activity? (this question covers internal investigation by an authorised firm, as well as investigation by a regulatory body, at any time.)	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.03.2	Has the <i>candidate</i> ever been refused entry to , or been dismissed, suspended or requested to resign from, any professional, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.03.3	Does the <i>candidate</i> have any material written complaints made against the <i>candidate</i> by the <i>candidate</i> 's clients or former clients in the last five years which the <i>candidate</i> has accepted, or which are awaiting determination, or have been upheld – by an ombudsman or complaints scheme?	YES <input type="checkbox"/> NO <input type="checkbox"/>
5.03.4	Has the candidate ever participated in an arbitration board?	YES <input type="checkbox"/> NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6[†] YES NO

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5.04 Regulatory Matters

- 5.04.1** In relation to activities regulated by the *FCA* and/or *PRA* or any other regulatory body (see note section 5), has:
- The *candidate*, or
 - Any company, partnership or unincorporated associate of which the *candidate* is or has been a controller, director, senior manager, partner or company secretary, during the *candidate's* association with the entity and for a period of three years after the *candidate* ceased to be associated with it, ever –
- a** Been refused, had revoked, restricted, been suspended from or terminated, any licence, authorisations, registration, notification, membership or any other permission granted by any such body?
- b** Been criticised, censured, disciplined, suspended, expelled, fined or been the subject of any other disciplinary or interventional action by any such body?
- c** Received a warning (whether public or private) that such disciplinary or interventional action may be taken against the *candidate* or the firm?
- d** Been the subject of an investigation by any regulatory body, whether or not such an investigation resulted in a finding against the *candidate* or the firm?
- e** Been required or requested to produce documents or any other information to any regulatory body in connection with such an investigation (whether against the firm or otherwise)?
- f** Been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?
- g** Ceased operating or resigned whilst under investigation by any such body or been required to cease operating or resign by any regulatory body?
- h** Decided, after making an application for any licence, authorisation, registration, notification, membership or any permission granted by any such body, not to proceed with it?
- i** Been the subject of any civil action related to any regulated activity which has resulted in a finding by a court?
- j** Provided payment services or distributed or redeemed e-money on behalf of a regulated firm or itself under any contractual agreement where that agreement was terminated by the regulated firm?
- k** Been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as indicated in this group of questions).
- l** Been on a board of directors in an operating undertaking that has not been granted a release from liability?

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO

YES NO



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

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the *PRA* Rulebook
Long Form A – Solvency II insurance firms
Application to perform controlled functions

5.04.2 In relation to activities regulated by the *FCA/PRA* or any other regulatory body, has the *candidate* or any firm at which the *candidate* holds or has held a position of influence at any time during and within one year of the *candidate*'s association with the firm ever:

a Been found to have carried on activities for which authorisation or registration by the *FCA/PRA* or any other regulatory body is required without the requisite authorisations?

YES NO

b Been investigated for the possible carrying on of activities requiring authorisation or registration by the *FCA/PRA* or any other regulatory body without the requisite authorisation whether or not such investigation resulted in a finding against the *candidate*?

YES NO

c Been found to have performed a controlled function or other controlled function (or an equivalent function requiring approval by the *FCA/PRA* or any other regulatory body) without the requisite approval?

YES NO

d Been investigated for the possible performance of a controlled function or other controlled function (or an equivalent function requiring approval by the *FCA/PRA* or any other regulatory body) without the requisite approval, whether or not such investigation resulted in a finding against the *candidate*?

YES NO

e Been found to have failed to comply with an obligation under the Electronic Money Regulations 2011 or Payment Services Regulations 2009 to notify the *FCA/PRA* of the identity of a person acting in a position of influence over its electronic money or payment services business?

YES NO

f Been the subject of disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order under section 56 FSMA, or received a warning notice proposing that such a direction or order be made, or received a private warning?

YES NO



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

YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the *PRA* Rulebook
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5.05 Other Matters

5.05.1 Is the *candidate*, in the role to which the application relates, aware of:

a any business interests, employment obligations, or any other circumstance which may conflict with the performance of the controlled functions for which approval is now being sought?
this

YES NO

Does the candidate have, or know of, any:

b Qualifying ownership or any other form of substantial influence in the firm or group, or any other companies

YES NO

c Close relatives with ownership shares in the firm or group

YES NO

d Close relatives with any other financial relations in the firm or group

YES NO

e Any other commitments that may give rise to a conflict of interest

YES NO

If 'yes' to any of the above, please provide explanations of the circumstances and how the individual intends to mitigate this

5.05.2 Are the *candidate or the firm* aware of any other information relevant to this notification that we might reasonably expect from the *candidate*?

YES NO

5.05.3 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *FCA* or *PRA*?

Please note that a *firm* is required to *obtain* the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (SUP 10C.10.16R and Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook])

YES NO

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 6.

5.05.4 Has / Have a reference or references been obtained from previous employer(s) in accordance with the requirements of the *FCA* or *PRA*?

If No, please provide details why the reference or references has/have not been obtained.

YES NO

Please note that a firm is required to use reasonable efforts to obtain a reference from any previous employer of the candidate during the last 5 years (see SYSC 5.3.8R and Fitness and Propriety 2 in the PRA Rulebook. However, reference(s) may not be necessary if the individual is applying for an additional senior management function within the same firm.

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

YES

NO



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6.00

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the *candidate* is competent and capable to carry out the controlled function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
- Provide a copy of the *candidate*'s:-
 - *Scope of Responsibilities* with this form
 - Roles description
 - Curriculum Vitae (C.V)
 - Organisational chart

- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the *PRA* Rulebook
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Declaration of *Candidate*

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 2000). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

The candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The *candidate* will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The candidate authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The *candidate* acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The *candidate* agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The *candidate* agrees that the *FCA* and/or *PRA* may use the address specified for the *candidate* in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

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

The *candidate* confirms that he or she understands the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s C-CON and/or *PRA* Conduct Rules (as applicable).

The *candidate* confirms that the Scope of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the *candidate* will be responsible for managing.

The *candidate* is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

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

7.01 *Candidates* full name†

7.02 Signature

Date

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the *PRA* Rulebook
Long Form A –Solvency II insurance firms
Application to perform controlled functions

Declaration of Firm

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). Even if you believe or know that information has been provided to the *FCA* and/or *PRA* before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the *FCA* and/or *PRA* will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the *FCA* and/or *PRA* exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA*, matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the *FCA* and/or *PRA* immediately if there is a material change to the information provided.

The Applicant authorises the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the *candidate* is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the Individual aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA*'s C-CON and/or *PRA* Conduct Rules (as applicable).

The Applicant confirms that the Scope of Responsibilities submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the *candidate* will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:

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

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application†

7.04 Name of *person* signing on behalf of the *firm* †

7.05 Job title †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the *PRA* Rulebook
Long Form A –Solvency II insurance firms
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7.06 Signature*
Date †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in 'Senior Insurance Managers Regime - Applications and Notifications' in the *PRA* Rulebook
Long Form A – Solvency II insurance firms
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Application number
(for FCA/PRA use only)

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

http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Short Form A – Solvency II insurance firms

Application to perform controlled functions

FCA Handbook Reference: SUP 10A Annex 4D

PRA Rulebook Reference: Senior Insurance Managers Regime - Applications and Notifications

[DATE TBC]

Name of *candidate*[†]
(to be completed by applicant firm)

Name of *firm*[†]
(as entered in 2.01)

Firm reference number[†]
(as entered in 2.02)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No
1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
E-mail PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road, London,
EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – Solvency II insurance firms Application to perform controlled functions

1.01 a	<i>Candidate</i> Individual Reference Number (IRN) †	
b	OR name of previous regulatory body †	
c	AND previous reference number (if applicable) †	
1.02	Title (e.g. Mr, Mrs, Ms, etc) †	
1.03	Surname †	
1.04	ALL forenames †	
1.05	Name commonly known by †	
1.06	Date of birth (dd/mm/yyyy) †	/ /
1.07	National Insurance number †	
1.08	Previous name †	
1.09	Date of name change †	/ /
1.10 a	Nationality †	
b	Passport number (if National Insurance number not available) †	
1.11	Place of birth †	


I have supplied further information related to this page in Section 6 †
 YES NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
 Short Form A – Solvency II insurance firms Application to perform controlled functions

1.12 a Private address[†]

[Redacted address field]

b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1[†]

[Redacted address field]

b Postcode

c Dates resident at this address (mm/yyyy)[†] From / To /

1.14 a Previous address 2[†]

[Redacted address field]

¹ b Postcode[†]

c Dates resident at this address (mm/yyyy)[†] From / To /



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

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook Short Form A – Solvency II insurance firms Application to perform controlled functions



2.01	Name of <i>firm</i> making the application	<input type="text"/>
2.02	Firm Reference Number (FRN)	<input type="text"/>
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	<input type="text"/>
b	Position	<input type="text"/>
c	Telephone	<input type="text"/>
d	Fax	<input type="text"/>
e	E-mail	<input type="text"/>



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

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – Solvency II insurance firms Application to perform controlled functions



3.01 Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	<input type="text"/>
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	<i>Partner</i>	<input type="checkbox"/>
<i>e</i>	Other	<input type="checkbox"/>
	Give details	<input type="text"/>

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Short Form A – Solvency II insurance firms Application to perform controlled functions

3.02

For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed. If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer		
SIMF 2	Chief Finance function		
SIMF 4	Chief Risk officer		
SIMF 5	Head of Internal Audit		
SIMF 7	Group Entity Senior Manager		
SIMF 9	Chairman		
SIMF 10	Chair of the Risk Committee		
SIMF 11	Chair of the Audit Committee		
SIMF 12	Chair of the Remuneration Committee		
SIMF 14	Senior Independent Director		
SIMF 19	Head of Third Country Branch function		
SIMF 20	Chief Actuary		
SIMF21	With-profits Actuary		
SIMF22	Underwriting function		
SIMF23	Underwriting Risk Oversight Officer (Lloyd's)		
CF 1	Director		
CF 7	Chair of the Nominations Committee		
CF 10	Compliance Oversight		
CF 10a	CASS Operational Oversight		
CF 11	Money Laundering Reporting		
CF 28	Systems and Controls		
CF 29	Significant Management		
CF 30	Customer Function		
CF 51	Actuarial conduct function holder in a third country branch		

3.03 Job title

Insurance mediation

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – Solvency II insurance firms Application to perform controlled functions

Will the candidate be responsible for Insurance mediation at the firm? YES NO

((Note: Yes can only be selected if the individual is applying for a governing function (other than a non-executive director function) (MiPRU 2.2.2))

➔ I have supplied further information related to this page in Section 6[†] YES NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
Short Form A – Solvency II insurance firms Application to perform controlled functions

3.04

Complete this section only if the application is on behalf of more than one firm.

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.[†]

	Firm Reference Number	Name of firm	Controlled function	Job title	Effective date
a					/ /
b					/ /
c					/ /
d					/ /
e					/ /



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

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
 Short Form A – Solvency II insurance firms Application to perform controlled functions

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the *FCA* and/or *PRA* of the revised detail.

6.00

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- Please provide full details of
 - why the candidate is competent and capable to carry out the controlled function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
- Provide a copy of the candidate's:-
 - *Scope of responsibilities* with this form
 - Roles description
 - Curriculum vitae (C.V)
 - Organisational chart

- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the PRA Rulebook
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Declaration of Candidate

It is a criminal offence, knowingly or recklessly, to give the appropriate regulator information that is materially false, misleading or deceptive (see sections 398 and 400 Financial Services and Markets Act 2000). Even if you believe or know that information has been provided to the appropriate regulator before (whether as part of another application or otherwise) or is in the public domain, you must nonetheless disclose it clearly and fully in this form and as part of this application – you should not assume that the appropriate regulator will itself identify such information during the assessment of this application. If there is any doubt about the relevance of information, it should be included.

There will be a delay in processing the application if information is inaccurate or incomplete, and it may call into question the suitability of the applicant and/or lead to the appropriate regulator exercising its powers (including but not limited to taking disciplinary/ Enforcement action). You must notify the appropriate regulator immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the appropriate regulator is reasonably likely to consider the information material).

The Candidate confirms that the information provided in this application is accurate and complete to the best of his/her knowledge and that he or she has read the notes to this form. The Candidate will notify the appropriate regulator immediately if there is a material change to the information provided.

The Candidate authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Candidate acknowledges and agrees that these checks may include credit reference checks or information pertaining to fitness and propriety, and is aware that the results of these enquiries may be disclosed to the employer/Applicant.

The Candidate agrees that he or she may be required to apply for a search to be made as to whether any criminal records are held in relation to him or her and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the firm submitting this application.

The Candidate agrees that the *FCA* and/or *PRA* may use the address specified for the Candidate in this Form as the proper address for service in the United Kingdom as defined in Financial Services and Markets Act 2000 (Service of Notice) Regulations (SI 2001/1420) to serve any notices on that signatory.

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

The Candidate confirms that he or she understands the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s C-CON and/or *PRA* Conduct Rules (as applicable).

The Candidate confirms that the Scope of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the Candidate will be responsible for managing.

The Candidate is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

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

7.01 Candidate's full name†

7.02 Signature

Date

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the *PRA* Rulebook Short Form A – Solvency II insurance firms Application to perform controlled functions

Declaration of Firm

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In addition to other regulatory responsibilities, firms, and approved persons have a responsibility to disclose to the appropriate regulator, matters of which it would reasonably expect to be notified. Failure to notify the appropriate regulator of such information may lead to the appropriate regulator taking disciplinary or other action against the firm and/or individuals.

The Applicant confirms that the information provided in this application is accurate and complete to the best of its knowledge and that it has read the notes to this form. The Applicant will notify the appropriate regulator immediately if there is a material change to the information provided.

The Applicant authorises the appropriate regulator to make such enquiries and seek such further information as it thinks appropriate to identify and verify information that it considers relevant to the assessment of this application.

The Applicant confirms that it has obtained the fullest information that it is lawfully able to obtain about the Individual under Part V of the Police Act 1997 and any related subordinated legislation of the UK or any part of the UK, and has given due consideration to that information in determining that Individual to be fit and proper.

In making this application the *firm* believes on the basis of due and diligent enquiry and, where applicable, by reference to the criteria in FIT that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).

The Applicant confirms that it has complied with its obligations under Equality and Diversity legislation when selecting the Individual to perform the function(s) applied for.

The Applicant confirms that it has made the Individual aware of their regulatory responsibilities as set out in the rules of conduct in the *FCA's C-CON* and/or *PRA Conduct Rules* (as applicable).

The Applicant confirms that the Scope of Responsibility submitted with this form accurately reflects the aspects of the affairs of the Firm which it is intended that the Candidate will be responsible for managing.

The Applicant is aware that, while advice may be sought from a third party (e.g. legal advice), responsibility for the accuracy of information, as well as the disclosure of relevant information, on the Form is ultimately the responsibility of those who sign the application.

In signing this form on behalf of the firm:

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

I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

7.03 Name of the *firm* submitting the application†

7.04 Name of *person* signing on behalf of the *firm* †

7.05 Job title †

7.06 Signature*

Date †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 or in Senior Insurance Managers Regime - Applications and Notifications in the *PRA Rulebook Short Form A – Solvency II insurance firms Application to perform controlled functions*



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AUTHORITY



Application number
(for FCA/PRA use only)

Grandfathering Notification Form – Solvency II insurance firms (Form K)

FCA Handbook Reference: SUP TP6
PRA Rulebook Reference: Transitional Rules
[Date: TBC]

Name of *firm*

Firm Reference Number (FRN)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and
Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales
No 07854923. Registered Office: 8 Lothbury Road,
London, EC2R 7HH

Contact for this notification

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

2.01 Provide details of each approved person and of which controlled functions are to be carried out by each such approved person. **If this is an update to a previous grandfathering notification please complete section 3.**

IRN	Name of individual
Current Controlled Function	Proposed Controlled Function(s)

IRN	Name of individual
Current Controlled Function	Proposed Controlled Function(s)

IRN	Name of individual
Current Controlled Function	Proposed Controlled Function(s)

2.02 If you have submitted any applications for approval of individuals to perform one or more *controlled functions* under the approved persons regime that are currently subject to determination by the *FCA* and/or *PRA*, please, provide details below of which controlled functions are to be carried out by each such approved person. **For the purpose of this section, you should assume that the FCA and/or PRA will approve the application that is subject to determination before the commencement date, and that the individual will therefore be eligible for grandfathering.**

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Controlled Function(s)

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Controlled Function(s)

IRN [or application ref]	Name of individual
Controlled Function applied for	Proposed Controlled Function(s)

2.03 If there are one or more individuals currently approved to perform one or more Significant Influence Functions (excluding CF8) and such individuals are not listed above in section 2.01, please provide for each such individual the reasons why the relevant Significant Influence Function is not being grandfathered.

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

2.04 If you have submitted any applications for approval of individuals to perform one or more Significant Influence Functions (excluding CF8) under the approved persons regime that are currently subject to determination by the *FCA* and/or *PRA*, and such individuals are not listed above in 2.02, please provide for each such individual the reasons why the relevant significant influence function is not being grandfathered. **For the purpose of this section, you should assume that the FCA and/or PRA will approve the application that is subject to determination before the commencement date, and that the individual will therefore be eligible for grandfathering.**

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

IRN	Name of individual
Significant Influence Function	Reason for Significant Influence Function not grandfathering

3.00 If you need to update a previous grandfathering notification, please provide details of updates to the firm's Grandfathering Notification Form below.

IRN	Name of individual
Controlled Function	Proposed Controlled Function(s)
Details of change and reasons for such change.	

IRN	Name of individual
Controlled Function	Proposed Controlled Function(s)
Details of change and reasons for such change.	

4.01 **How many additional sheets are being submitted?**

Declaration

In this declaration, the *firm* making the notification in relation to each individual is referred to as the “**applicant**”.

The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for grandfathering to a *controlled function* to cause the information contained in this Form relating to such individual to be submitted, and that it has made each such individual aware of his/her prospective regulatory responsibilities as set out in the *FCA*'s Code of Conduct (C-CON) and/or the *PRA* Conduct Rules (as applicable).

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 2000).

The applicant must notify the *FCA* and/or *PRA* immediately if there is a change to the information in this form and/or if inaccurate information has been provided (insofar as the *FCA* and/or *PRA* is reasonably likely to consider the information material).

For the purpose of complying with the data protection legislation, personal data may be used by the *FCA* and/or *PRA* to discharge its statutory functions and in accordance with the Data Protection Act, and otherwise will not be disclosed for other purposes without the permission of the applicant.

In addition to other regulatory responsibilities, *firms* and *approved persons* have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the *firm* and/or individuals.

The person signing on behalf of the applicant confirms that:

- he or she has read this declaration in full;
- he or she has confirmed that the information supplied is accurate and complete to the best of the his/her knowledge.

Name of the *applicant*

Name of *person* signing on behalf of the *applicant*

Position

Signature

Date //



Application number
(for FCA/PRA use only)

The FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FCA and PRA's websites at http://media.fshandbook.info/Forms/notes/imap_forme_notes.doc and www.bankofengland.co.uk/PRA.

Both the applicant and the candidate will be treated by the FCA and PRA as having taken these notes into consideration when completing this form.

Form E

Internal transfer of an approved person (for Solvency II insurance firms)

FCA Handbook Reference: SUP 10A Annex 8D

PRA Rulebook Reference: [Senior Insurance Managers Regime - Applications and Notifications]

DATE TBC

Name of *candidate*[†]
(to be completed by applicant *firm*)

Name of *firm*[†]
(as entered in 2.01)

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London E14 5HS
United Kingdom
Telephone +44 (0) 845 606 9966
Facsimile +44 (0) 207 066 0017
E-mail iva@fca.org.uk
Website <http://www.fca.org.uk>
Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA
Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the FCA Handbook and/or Senior Insurance Managers Regime - Applications and Notifications of the PRA Rulebook as applicable

1.01 Individual Reference Number (IRN)[†]

1.02 Title
(e.g. Mr, Mrs, Ms, etc)[†]

1.03 Surname[†]

1.04 ALL forenames[†]

1.05 Date of birth[†]

1.06 National Insurance number[†]

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this application?

b Position

c Telephone

d Fax

e E-mail



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

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or Senior Insurance Managers Regime - Applications and Notifications of the *PRA Rulebook* as applicable

3.01 List all *controlled functions* which the approved person is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	FRN [†]	Name of firm [†]	Controlled function [†]	Effective date [†]
a				//
b				//
c				//
d				//
e				//



I have supplied further information related to this page in Section 7

YES

NO

Section 4

4.01 Nature of the arrangement between the candidate and the applicant.

a Employee

b Group employee

Name of group

c Contract for services

d Partner

e Other

Give details

4.02 For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.

If the *controlled functions* are to be performed for more than one *firm*, please go to question 4.04

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer		
SIMF 2	Chief Finance function		
SIMF 4	Chief Risk officer		
SIMF 5	Head of Internal Audit		
SIMF 7	Group Entity Senior Manager		
SIMF 9	Chairman		
SIMF 10	Chair of the Risk Committee		
SIMF 11	Chair of the Audit Committee		
SIMF 12	Chair of the Remuneration Committee		
SIMF 14	Senior Independent Director		
SIMF 19	Head of Third Country Branch function		
SIMF 20	Chief Actuary		
SIMF21	With-profits Actuary		
SIMF22	Underwriting function		
SIMF23	Underwriting Risk Oversight Officer (Lloyd's)		
CF 1	Director		
CF 7	Chair of the Nominations Committee		
CF 10	Compliance Oversight		
CF 10a	CASS Operational Oversight		
CF 11	Money Laundering Reporting		
CF 28	Systems and Controls		
CF 29	Significant Management		
CF 30	Customer Function		
CF 51	Actuarial conduct function holder in a third country branch		

4.03 Has the *firm* undertaken a criminal records check in accordance with the requirements of the *PRA*?

Please note that a *firm is required to obtain* the fullest information that it is lawfully able to obtain about the *candidate* under Part V of the Police Act 1997 (Certificates of Criminal records, etc) and related subordinated legislation of the *UK* or any part of the *UK* before making the application. (Senior Managers Regime - Applications and Notifications in the *PRA* Rulebook)

If yes, please enter date the check was undertaken

Date (dd/mm/yy):

Note: if date is more than 3 months prior to current date or 3 months prior to date of application submission or the check has not been undertaken, please provide details why in section 5.



I have supplied further information related to this page in Section 5

YES

NO

4.04

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the applicant requires approval and the requested *controlled function* for that *firm*.[†]

	Firm Reference Number	Name of firm	Controlled function	Job title (mandatory)	Effective date
a					//
b					//
c					//
d					//
e					//



I have supplied further information related to this page in Section 5

YES

NO

[†] The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA Handbook* and/or *Senior Insurance Managers Regime - Applications and Notifications of the PRA Rulebook* as applicable
 Form E – Internal transfer of an approved person (for Solvency II insurance firms)

Supplementary information for Controlled Functions Section 5

- 5.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
 - Please provide full details of
 - why the candidate is competent and capable to carry out the controlled function(s) applied for.
 - why the appointment complements the firm's business strategy, activity and market in which it operates.
 - how the appointment was agreed including details of any discussions at governing body level (where applicable).
 - Provide a copy of the candidate's:-
 - Roles description
 - Curriculum Vitae (C.V)
 - Organisational chart

Question	Information

Declaration of Candidate

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the *FCA* and/or *PRA* merely because it is in the public domain or has previously been disclosed to the *FCA* and/or *PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

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

With reference to the above, the *FCA* and/or *PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check. In signing the form below:

a) I authorise the *FCA* and/or *PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. *Candidates* may be required to apply for a criminal records search to be made as to whether any criminal records are held in relation to them and to obtain a certificate (where such certificate can be obtained) and to disclose the result of that search to the *firm* submitting this application.

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

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (C-CON) and/or *PRA* Conduct Rules (as applicable).

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

6.01 Candidate's full name†

6.02 Signature

Date

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or Senior Insurance Managers Regime - Applications and Notifications of the *PRA* Rulebook as applicable

Declaration of Firm

Knowingly or recklessly giving the *FCA* and/or *PRA* information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R of the *FCA* Handbook and Notification 6 of the *PRA* Rulebook require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the *FCA* and/or *PRA* and to notify the *FCA* and/or *PRA* immediately if materially inaccurate information has been provided.

In addition to other regulatory responsibilities, firms, senior managers and other approved persons have a responsibility to disclose to the *FCA* and/or *PRA* matters of which it would reasonably expect to be notified. Failure to notify the *FCA* and/or *PRA* of such information may lead to the *FCA* and/or *PRA* taking disciplinary or other action against the firm and/or individuals.

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

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

IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH THE FIRM HAS NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES NO

If the *firm* confirms that it has had sight of a criminal records certificate prepared within the past 3 months in relation to the Individual and has given due consideration to the information contained in that certificate in determining that Individual to be fit and proper. Alternatively, where a certificate is not obtained the firm has provided an explanation in section 5.

In signing this form on behalf of the firm:

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

b) I confirm that I have authority to make this application and provide the declarations given by the firm, and sign this Form, on behalf of the firm identified in section 2.01 and/or each *firm* identified in section 3.04. I also confirm that a copy of this Form, as submitted to the *FCA* and/or *PRA*, will be sent to each of those *firms* at the same time as submitting the Form to the *FCA* and/or *PRA*.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the rules of conduct in the *FCA*'s Conduct Rules (C-CON) and/or *PRA* Conduct Rules (as applicable).

[[hyperlink to FCA C-CON and PRA Conduct Rules to follow](#)]

6.03 Name of the *firm* submitting the application †

6.04 Name of *person* signing on behalf of the *firm* †

6.05 Job title †

6.06 Signature

Date †

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP15.7 of the *FCA* Handbook and/or Senior Insurance Managers Regime - Applications and Notifications of the *PRA* Rulebook as applicable
Form E – Internal transfer of an approved person (for insurance firms)



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Application number or IRN
(for FCA/PRA use only)

Insurance firms subject to Solvency II: Scope of Responsibilities

For candidates for approval, this form **must** be submitted as an attachment to a Form A: application or a Form E application

PRA Rulebook Reference: Senior Insurance Managers Regime - Applications and Notifications
[Date TBC]

Name of *individual*[†]
(to be completed by *firm*)

Name of *firm*[†]
(as entered in 2.01)

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

Prudential Regulation Authority
20 Moorgate
London
EC2R 6DA
United Kingdom
Telephone +44 (0) 203 461 7000
Email PRA.firmenquiries@bankofengland.co.uk
Website www.bankofengland.co.uk/PRA

Personal identifications details

Section 1

1.01 Individual Reference Number (IRN) †

1.02 Title
(e.g. Mr, Mrs, Ms, etc) †

1.03 Surname †

1.04 ALL forenames †

1.05 Date of birth †

1.06 National Insurance number †

Firm identification details

Section 2

2.01 Name of *firm*

2.02 *Firm* Reference Number (FRN)

2.03 a Who should the *FCA/PRA* contact at the *firm* in relation to this *scope of responsibilities*?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information related to this page in Section 4

YES NO

A *scope of responsibilities* should be drafted to clearly show the responsibilities that the *candidate* is to perform as part of their *controlled function* and how they fit in with the *firm's* overall governance and management arrangements.

A *scope of responsibilities* should be drafted in such a way as to be practical and useable by regulators.

If the appropriate regulator considers that the *scope of responsibilities* is not sufficiently clear to be practical and usable, it could be challenged as part of a candidate's application for approval, or in ongoing supervision.

Details of the individual's responsibilities should be set out in sections 3.2 and 3.3, as appropriate:

- Section 3.2 covers those responsibilities required by regulators to be allocated to one or more controlled functions.
- Section 3.3 covers anything else, not otherwise included, for which a candidate is to be responsible as part of their *FCA* and/or *PRA* key function(s) role.

3.1 Effective date and relevant Controlled Functions

3.1.1 Please state the effective date of this *scope of responsibilities*: / /

Please note that where this is a revised *scope of responsibilities*, e.g. it requires an update as a result of a change in allocation of responsibilities within the firm, or the CF/SIMF is applying for a new or additional controlled function, then this *scope of responsibilities* supersedes any previous versions.

3.1.2 List all *controlled functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions. Please include those *FCA* functions that are included in a *PRA controlled function under SUP 10A.11.11A R* (Minimising overlap with the *PRA* approved persons regime).

Function	Description of a controlled function	Tick (if applicable)	Effective Date
SIMF 1	Chief Executive officer*		
SIMF 2	Chief Finance function*		
SIMF 4	Chief Risk officer*		
SIMF 5	Head of Internal Audit*		
SIMF 7	Group Entity Senior Manager		
SIMF 9	Chairman*		
SIMF 10	Chair of the Risk Committee*		

SIMF 11	Chair of the Audit Committee*		
SIMF 12	Chair of the Remuneration Committee*		
SIMF 14	Senior Independent Director*		
SIMF 19	Head of Third Country Branch function		
SIMF 20	Chief Actuary*		
SIMF21	With-profits Actuary*		
SIMF22	Underwriting function		
SIMF23	Underwriting Risk Oversight Officer (Lloyd's)		
CF 1	Director		
CF 7	Chair of the Nominations Committee*		
CF 10	Compliance Oversight*		
CF 10a	CASS Operational Oversight		
CF 11	Money Laundering Reporting*		
CF 28	Systems and Controls		
CF 29	Significant Management		
CF 30	Customer Function		
CF 51	Actuarial conduct function holder in a third country branch		

Please note that for those roles asterisked above, this *scope of responsibilities* is considered to automatically include the existing legal and regulatory obligations for these roles. For example, certain specific responsibilities of a director are set out in company law. Such responsibilities do not need to be recorded in this statement, but any additional responsibilities should be recorded in the sections below.

3.2 PRA Prescribed Responsibilities

This section deals with those responsibilities required by *PRA* rules to be allocated to one or more controlled functions.

If the responsibilities that the *candidate* or *controlled function* is to carry out as described in the *scope of responsibilities* go beyond those set out in this section, those additional responsibilities should not reduce or alter the scope of the prescribed requirements set out in this section.

(/PRA: Allocation of Responsibilities)

3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual. Where responsibilities are shared (for example, a responsibility may be shared as part of a job share or where departing and incoming controlled functions work together temporarily as part of a handover), please provide details.

Ref	Prescribed Responsibilities	Tick if applicable
1	Ensuring that the firm has complied with the obligation to satisfy itself that persons performing a key function are fit and proper	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
2	Leading the development of the firm's culture	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
3	Overseeing the adoption of the firm's culture in its day-to-day management	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
4	Production and integrity of the firm's financial information and regulatory reporting	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
5	Management of the allocation and maintenance of the firm's capital and liquidity	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
6	Development and maintenance of the firm's business model	
	Is this responsibility shared with another SIMF?	

	If 'yes' please provide further details in section 4:	
7	Performance of the firm's Own Risk and Solvency Assessment (ORSA))	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
8	Policies and procedures for the induction, training and professional development for all members of the firm's governing body	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
9	Policies and procedures for the induction, training and professional development for all the firm's key function holders (other than members of the firm's governing body)	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
10	Maintenance of the independence, autonomy and effectiveness of the whistleblowing policies and procedures, including those for the protection of staff raising concerns	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	
11	Development and oversight of the firm's remuneration policies and practices	
	Is this responsibility shared with another SIMF? If 'yes' please provide further details in section 4:	



I have supplied further information related to this page in Section 4

YES

NO

3.3 Other Responsibilities

3.3.1 Please set out below anything else, not otherwise included in this statement, for which a candidate or senior manager is to be responsible as part of their *FCA* and/or *PRA* controlled function(s) or key function(s) role.

	Is this responsibility shared with another senior manager? If 'yes' please provide further details in section 4:	
	Is this responsibility divided with another senior manager i.e. are you responsible for part of this responsibility rather than all of it? If 'yes' please provide further details in section 4:	
	Please provide a description of your responsibilities:	

→ I have supplied further information related to this page in Section 4 YES NO

4.1 Is there any other information the *individual* or the *firm* considers to be relevant?

YES NO

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

4.2 How many additional sheets are being submitted?



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PRUDENTIAL REGULATION
AUTHORITY



PUB REF: 005038

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London E14 5HS
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Website: www.fca.org.uk
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