

Extending implementation deadlines for the Certification Regime and Conduct Rules

Consultation Paper

CP20/10***

July 2020

How to respond

We are asking for comments on this Consultation Paper (CP) by **14 August 2020**.

You can send them to us using the form on our website at: www.fca.org.uk/cp20-10-response-form

Or in writing to:

Governance & Professionalism Policy
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

Email:

cp20-10@fca.org.uk

Contents

Executive summary	3
1 Introduction	4
2 What we propose	6
Annex 1 Questions in this paper	9
Annex 2 Cost benefit analysis	10
Annex 3 Compatibility statement	11
Annex 4 Abbreviations used in this paper	12
Appendix 1 Draft Handbook text	

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Executive summary

The Treasury has agreed to delay the deadline by which FCA solo-regulated firms must have first assessed the fitness and propriety of their Certified Staff until 31 March 2021. This delay will give firms significantly affected by the coronavirus pandemic (Covid-19) time to make the changes they need.

This consultation proposes making changes to our rules to effect this change. It also proposes making a corresponding extension to the deadline for training staff in the Conduct Rules and reporting Directory Person data from 9 December 2020 to 31 March 2021. Extending these deadlines will ensure they remain consistent and will provide extra time for firms that need it to deliver effective training on the Conduct Rules.

Our focus on ensuring the Senior Managers & Certification Regime (SM&CR) delivers significant improvements in conduct and governance remains unchanged. But we want to give firms, whose business has been impacted by the coronavirus pandemic, more time to implement and fully embed the Conduct Rules within their organisation and create lasting change. We believe that most firms will be able to meet the original deadlines and we encourage them to do so.

These proposed changes recognise the exceptional stress placed on financial services firms by the coronavirus pandemic and the significant effort required for firms to fully and properly implement the Certification Regime and to train staff effectively in the Conduct Rules.

1 Introduction

- 1.1** The Senior Managers & Certification Regime (SM&CR) is designed to reduce harm to consumers and strengthen market integrity. By creating a system in which staff take responsibility for their actions, there is improved conduct at all levels and it's easy to understand who does what. The SM&CR also enables firms and regulators to hold people to account. It is a key part of our continuing focus on firm culture.
- 1.2** Alongside the Treasury and the Bank of England, the FCA has already made a series of interventions to respond to the immediate shocks of the coronavirus pandemic. In parallel, we have delayed some planned regulatory activities, so firms can focus on responding to the impact the coronavirus has had. This includes setting out guidance on key workers and Senior Manager responsibilities in March and a statement on our expectations of firms using temporary arrangements in April. The proposals included in this consultation are consistent with previous statements and interventions. They seek to reduce the burden to firms impacted by the pandemic, while ensuring that regulatory standards and consumer protection are upheld.

Why we are consulting

- 1.3** The majority of FCA solo-regulated firms (ie firms that are not also regulated by the Prudential Regulation Authority) became subject to the SM&CR from 9 December 2019. From that date, firms had to comply with the requirements of the Senior Managers Regime (SMR), and individuals performing Senior Manager Functions and Certification Functions became subject to the Conduct Rules. Benchmark administrators have a later commencement date for the SM&CR; these requirements will take effect on 7 December 2020.
- 1.4** FCA solo-regulated firms were given 12 months, until 9 December 2020, to assess the fitness and propriety of certified staff, submit information to us about certified and assessed staff (Directory Persons) for inclusion on the Financial Services Register and provide tailored training to all other employees, except ancillary staff, on the Conduct Rules.
- 1.5** This transitional period recognised the step change in systems, controls and culture many firms would need to make to meet the standards of the new regime. It acknowledged the change management required by some organisations to fully verify that their Certified Persons are fit and proper to perform their roles. It also provided firms with time to provide tailored training on the Conduct Rules, to ensure staff understand their responsibilities under the regime and the standards of behaviour we expect.
- 1.6** Although most firms will be able to implement and embed these changes by the 9 December 2020 deadline, we recognise the impact of the pandemic means some firms may need extra time. In some firms, both people and financial resources have been diverted to dealing with coronavirus-related challenges, including supporting customers and maintaining their operational and financial resilience. Some managers and key personnel have been furloughed, which could impact the availability of decision

makers and the delivery of new systems and processes to support implementation. Training providers have also postponed courses, which could make it difficult for some Certified Staff to complete the training they need to enable firms properly to assess whether they meet the standards for certification. Plans for Conduct Rules training and culture change programmes may also have been impacted.

- 1.7** Effective implementation of the Certification Regime and the training of staff in the Conduct Rules are essential for delivering an enduring positive impact on capabilities and culture – and therefore reducing harm in the long term. Extending the deadlines, as we propose in this consultation, means that firms will not have to choose between meeting their regulatory deadlines and realising their plans to achieve a full and effective implementation of the Certification Regime and Conduct Rules.
- 1.8** The Treasury's agreement means that, if an FCA solo regulated firm needs longer to certify their Certified Persons, they will have a further 16 weeks to do so.
- 1.9** This CP proposes reflecting the Treasury's extension in our requirements for the Conduct Rules. We want to give firms time, if they need it, to train their staff in the Conduct Rules and to maintain consistency in the deadlines for the Certification Regime and Conduct rules.
- 1.10** It also proposes providing another 16 weeks for firms to complete their Directory Persons reporting if they need it. Firms can only submit information to us about their Directory Persons once they have certified them as fit and proper. Firms that need more time to assess their Certified Persons will, as a consequence, need more time to submit that information.

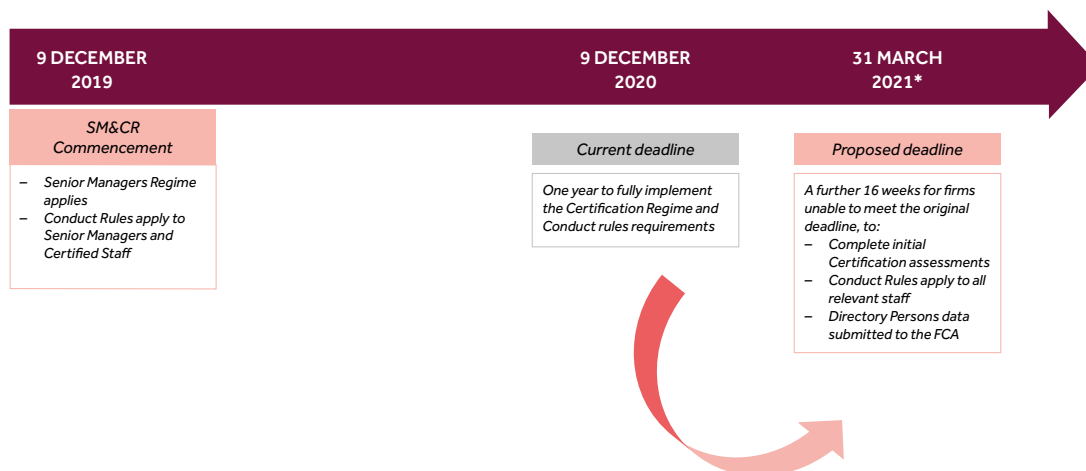
Who this applies to

- 1.11** All FCA solo-regulated firms authorised to provide financial services under Financial Services and Markets Act 2000 (FSMA) would be able to use the extension proposed. Appointed Representatives (ARs) would also be in scope of the proposed extension to the reporting deadline for Directory Persons.
- 1.12** As explained in paragraph 2.5, these proposals do not apply to benchmark administrators.

2 What we propose

- 2.1** We propose that, for solo regulated firms that are not benchmark administrators, we extend the deadline for the following requirements from 9 December 2020 to 31 March 2021:
- the date the Conduct Rules come into force, for staff who are not Senior Managers or Certification Staff
 - the date by which relevant employees must have received training on the Conduct Rules (this automatically follows from the extension in the previous bullet point)
 - the deadline for submission of information about Directory Persons to the Register
 - references in our rules to the deadline for assessing Certified Persons as fit and proper (which has been agreed by the Treasury)
- 2.2** We believe that the majority of firms will not need to use this extension. If firms are able to complete certification assessments, Conduct Rules training and Directory Persons reporting by the original deadline, we encourage them to do so, provided that they can do so without compromising the quality of their assessments or training.
- 2.3** We have added some additional guidance about how the Certification Regime applies during the transitional period, if a firm chooses to certify staff before the new 31 March 2021 deadline.
- 2.4** We also propose to extend the implementation deadlines for Claims Management Companies (CMCs) by an equivalent period. This would mean that a CMC receiving full authorisation on or after 9 December 2019 would have just over 15 months after the date of its full authorisation to fulfil the requirements set out above in paragraph 2.1.
- 2.5** The Certification Regime and reporting of Directory persons do not apply to benchmark administrators, so these aspects of this consultation are not relevant to these firms. Benchmark administrators have until December 2021 to train non-Senior Manager staff in the Conduct Rules, so we do not consider that the current crisis will prevent effective implementation of Conduct Rules training in these firms. We are not proposing to extend this deadline.
- 2.6** We do not propose changing the deadline by which firms need to complete Conduct Rule breach reporting. Firms need to make an annual notification about Conduct Rules, even if there haven't been any breaches. Most firms will submit their first annual report in October 2021, so we do not think that an extension is required. However, the reporting period would change, as firms only have to report relevant breaches following commencement. Firms would only need to report relevant breaches that occurred from 31 March 2021. Limited Permission Consumer Credit (LPCC) firms will report in line with their reporting year, alongside their annual return, but the earliest date at which any LPCC would report would be 31 May 2021.

Figure 1: Change in transitional period



*CMCs would have 18 months since the date that the Senior Managers Regime applied to them (9 December 2019 or their date of full authorisation, if later)

Q1: Do you agree with our proposed approach?

Outcome we are seeking

- 2.7** We believe that better governance and accountability will lead to an improved culture within firms and one which is more focused on customer outcomes. This is the key driver for introducing the SM&CR to all FSMA-authorized firms. A robust individual accountability regime can reinforce good standards of behaviours and be a critical factor in deterring misconduct.
- 2.8** In giving extra time to firms that need it, we are reiterating the importance of the Certification Regime and Conduct Rules and supporting firms to make the lasting changes they need. In the long-term, this should ensure markets work well, because firms have been able to implement the regime effectively and create robust controls and culture for ensuring their key people are fit and proper. It should also reduce consumer harm, as individuals within firms should receive proper training in how the Conduct Rules apply to them.
- 2.9** Implementing the Certification Regime and Conduct Rules is an opportunity for firms to drive change and address issues in governance, culture, conduct and capability. We want to prevent firms rushing implementation to meet deadlines, rather than taking this opportunity to create lasting improvements.

Next steps

- 2.10** To benefit from these changes, we aim to provide certainty to firms as soon as possible. For that reason, feedback should be sent to us by 14 August 2020. You can do this using the form on our website, emailing cp20-10@fca.org.uk or by writing to the address on page 2. We expect to publish a policy statement on an expedited basis, ahead of the current implementation date of 9 December 2020.

- 2.11** Firms wishing to use the multiple-entry template to submit information on their Directory Persons for publication should look out for further communication on this matter. We are exploring how to manage high reporting volumes in the run up to submission deadlines to ensure that our systems can cope with the volume of material being submitted. We may, for example, provide 'landing slots' to firms to ensure high volumes can effectively be processed.
- 2.12** We want to give regulated firms certainty and sufficient time to consider the deadline extension. Therefore, this CP runs alongside the parliamentary process to allow us to finalise our policy as soon as possible. We may also need to adjust our draft legal instrument to accommodate changes reflected in the final Statutory Instrument (SI) to be published shortly.

Annex 1

Questions in this paper

Q1: Do you agree with our proposed approach?

Annex 2

Cost benefit analysis

1. The changes proposed here are initiated by the delay as agreed by the Treasury, as a result of the pandemic. The benefits of the proposed changes are in making sure that firms have the time and ability to achieve the long-term benefits of the SM&CR. We also want to maintain consistency in the deadlines for the Certification Regime and Conduct Rules.
2. Section 138I of the FSMA requires us to publish a cost benefit analysis (CBA) unless, in accordance with section 138L, we believe that there will be no increase in costs or that the increase will be of minimal significance. Section 138I also requires us to publish an estimate of costs and benefits unless these cannot be reasonably estimated or it is not reasonably practicable to estimate them.
3. We consider that the proposals included in this consultation do not increase costs to firms or consumers, or any increase will be minimal. Firms do not have to use the proposed extension if they do not need to.
4. Full CBAs for rules relating to the Certification Regime, Conduct Rules and Directory Persons requirements are available:
 - in [the CBA](#) published for CP17/25 and CP17/26 (for all solo regulated firms)
 - in [CP18/19](#) (on Directory Persons requirements)
 - in [CP18/26](#) for CMCs

Annex 3

Compatibility statement

1. When consulting on new rules, we are required by section 138I(2) FSMA to explain why we believe that making the proposed rules is consistent with our strategic objective, advances one or more of our operational objectives, and has regard to the regulatory principles in section 3B FSMA. We are also required to have regard to the principles in the Legislative and Regulatory Reform Act 2006 and the Regulators' Compliance Code.
2. We are satisfied that the proposed amendment is compatible with our objectives and regulatory principles. These proposals advance our operational objectives of promoting market integrity, by ensuring firms have enough time to raise standards that should be consistent in all authorised firms. These proposals should, in the long-term, help advance consumer protection for the reasons in paragraph 2.7. We are satisfied that any burdens or restrictions are proportionate to the expected benefits.

Expected effect on mutual societies

3. The FCA does not expect the proposals in this paper to have a different impact on mutual societies.

Equality and diversity considerations

4. We have considered the equality and diversity issues that may arise from the proposals in this Consultation Paper. Overall, we do not consider that the proposals materially impact any of the groups with protected characteristics under the Equality Act 2010. It is possible that, by allowing firms more time to develop effective certification processes, assessment processes will be fairer. This could benefit members of groups who might encounter bias at work. We will continue to consider the equality and diversity implications of the proposals during the consultation period, and will revisit them when making the final rules. In the meantime, we welcome your input to this consultation on this.

Annex 4

Abbreviations used in this paper

AR	Appointed Representative
CBA	Cost Benefit Analysis
CMC	Claims Management Company
FCA	Financial Conduct Authority
FSMA	Financial Services and Markets Act 2000
LPCC	Limited Permission Consumer Credit
PRA	Prudential Regulation Authority
SI	Statutory Instrument
SM&CR	Senior Managers and Certification Regime
SMR	Senior Managers Regime



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Appendix 1

Draft Handbook text

**INDIVIDUAL ACCOUNTABILITY (FCA-AUTHORISED FIRMS) (COVID-19 AND
EXTENSION OF DEADLINES) INSTRUMENT 2020**

Powers exercised

- A. The Financial Conduct Authority (“the FCA”) 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 63E (Certification of employees by authorised persons);
 - (2) section 63F (Issuing of certificates);
 - (3) section 64A (Rules of conduct);
 - (4) section 64C (Requirements for authorised persons to notify regulator of disciplinary action);
 - (5) section 137A (The FCA’s general rules);
 - (6) section 137T (General supplementary powers);
 - (7) section 139A (Power of the FCA to give guidance);
 - (8) section 347 (The record of authorised persons etc); and
 - (9) paragraph 23 of Schedule 1ZA (Fees).
- B. The rule-making powers listed above are specified for the purpose of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on [*date*] 2020 except as follows:

Annex	Date comes into force
Part 2 of Annex B	7 December 2020
Part 2 of Annex A	31 March 2021
Part 2 of Annex C	31 March 2021

Amendments to the Handbook

- D. The FCA’s Handbook of rules and guidance is amended in accordance with paragraph E of this instrument.
- E. 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
Code of Conduct (COCON)	Annex C
Client Assets (CASS)	Annex D

Supervision manual (SUP)	Annex E
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Amendments to the Individual Accountability (FCA-Authorised Firms) Instrument 2019

- F. Part 3 of Annex B (Amendment to the Glossary definition of certification employee coming into force on 9 December 2020) and Part 3 of Annex D (Amendments to the Code of Conduct sourcebook coming into force on 9 December 2020) of the Individual Accountability (FCA-Authorised Firms) Instrument 2019 are revoked.

Citation

- G. This instrument may be cited as the Individual Accountability (FCA-Authorised Firms) (COVID-19 and Extension of Deadlines) Instrument 2020.

By order of the Board
[*date*] 2020

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 [date] 2020

Amend the following definition as shown.

certification employee ...

- (3) (in relation to an *SMCR firm* that is an *FCA-authorised person* and subject to SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies)) an employee (as defined in section 63E of the *Act*) of an *SMCR firm* who performs a *certification function* under an arrangement entered into by the *SMCR firm* in relation to the carrying on by the *SMCR firm* of a *regulated activity*, even though the obligation of the *SMCR firm* to issue a certificate under section 63F of the *Act* has not yet come into force.

[Note: Paragraph (3) of this definition applies until 9 ~~December 2020~~ 31 March 2021.]

Part 2: Comes into force 31 March 2021

Amend the following definition as shown.

certification employee ...

- ~~(3) (in relation to an *SMCR firm* that is an *FCA-authorised person* and subject to SYSC TP 8 (Bank of England and Financial Services Act 2016: Application to claims management companies)) an employee (as defined in section 63E of the *Act*) of an *SMCR firm* who performs a *certification function* under an arrangement entered into by the *SMCR firm* in relation to the carrying on by the *SMCR firm* of a *regulated activity*, even though the obligation of the *SMCR firm* to issue a certificate under section 63F of the *Act* has not yet come into force.~~

~~[Note: Paragraph (3) of this definition applies until 31 March 2021.]~~

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.

Part 1: Comes into force [date] 2020

TP 7 **Bank of England and Financial Services Act 2016: Certification and regulatory references**

7.1 **Application, purpose and definitions**

...

7.1.2 R Table: Application of SYSC TP 7

Type of firm	Parts of SYSC TP 7 that apply
...	...
A <i>firm</i> in SYSC TP 7.4.8R	<p>Does not apply, except as follows.</p> <p><i>SYSC TP 7.4.6R, SYSC TP 7.4.7G, SYSC TP 7.4.8R and SYSC TP 7.6</i> apply.</p> <p><u>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled “SYSC 22” about providing references applies to an SMCR firm.</u></p>
All other <i>firms</i>	<p>Does not apply, except as follows.</p> <p><u>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled “SYSC 22” about providing references applies to an SMCR firm.</u></p> <p>...</p>

...

7.1.4 G (1) The main time period for which SYSC TP 7 operates is 2018 to ~~2020~~ 2021.

(2) ...

...

7.1.6 R Table: glossary of bespoke terms used in SYSC TP 7

Part One: General	
Defined term	Meaning
...	...
solo firms commencement SI	The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (SI 1136/2019) <u>as amended by the [] (SI []/2020)</u>
...	...

Part Two: Dates		
(1) Defined term	(2) Meaning: Insurers	(3) Meaning: Others
certification transitional period	...	the one-year period beginning on the general commencement date and ending on 9 December 2020 <u>31 March 2021</u> (as referred to in regulation 2(6) of the solo firms commencement SI)
...		

7.2 Certification: The certification transitional period

...

7.2.4 G Table: How the certification regime applies in the certification transitional period

Provision in the Act or the Handbook	What that provision is about	How it applies in the certification transitional period
...		...
<p><i>SYSC 27.2 and the parts of the Act on which it gives guidance</i></p>	<p>Issuing certificates and fitness</p>	<p>Does not apply <u>except as follows.</u></p> <p><u>A firm may issue a certificate during the certification transitional period. The reason it may wish to do this is so that when the requirement in the Act to issue certificates comes into force, the firm will have issued all the certificates that it needs to have issued to allow its certification employees to carry on their jobs after the certification transitional period.</u></p> <p><u>If it does issue a certificate during the certification transitional period, that certificate is valid after the end of the certification transitional period for the twelve-month period provided for in section 63F of the Act (Issuing of certificates). That twelve-month period runs from the date of issue, even though it was issued during the certification transitional period.</u></p> <p><u>This means that a certificate issued before 31 March 2020 will not be effective.</u></p> <p><u>All the provisions of the Act and the FCA Handbook apply to a certificate issued in the certification transitional period.</u></p>
...

SYSC 22	Regulatory references	<p>Obligation <u>Except as explained later in this row about SYSC 22, the obligation to obtain a reference does not apply because the obligation to get a reference is triggered by issuing a certificate.</u></p> <p>SYSC TP 7.4 has exemptions that apply after the certification transitional period.</p> <p><u>If a firm wishes to issue a certificate during the certification transitional period as described in the row of this table column 1 of which is titled “SYSC 27.2 and the parts of the Act on which it gives guidance” the obligation on the firm to ask for a reference and the obligation of other firms to give one apply.</u></p>
...

...

7.4 Transitional provisions about regulatory references

7.4.1 R (1) If on the **general commencement date** an *employee* (P) is already performing an *FCA certification function* for an *SMCR firm* (A), the obligation under SYSC 22 (Regulatory references) for A to obtain a reference when issuing a certificate (including reissuing a certificate) for P for that *FCA certification function* does not apply ~~either on~~ during, at the end of or after the end of the **certification transitional period**.

(2) ...

...

TP 8 Bank of England and Financial Services Act 2016: Application to claims management companies

8.1 Application, purpose and definitions

...

8.1.5 R Table: glossary of bespoke terms used in SYSC TP 8

Part One: General	
Defined term	Meaning
...	...
individual transitional period	<p>the one-year period of <u>fifteen months</u> and the <u>specified number of days</u> referred to in regulation 3(2) of the solo-regulated firms' commencement SI.</p> <p>If a <i>firm's permission</i> is varied to include <i>regulated activities</i> in addition to <i>regulated claims management activities</i>, it means the shorter period (if any) provided for by regulations 3(2) and 3(3) of the solo-regulated firms' commencement SI.</p>
solo-regulated firms' commencement SI	<p>The Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (SI 1136/2019) <u>as amended by the [] (SI []/2020)</u></p>

...

8.3 Transitional period for certification for claims management firms

...

8.3.2 G (1) A *firm's individual transitional period* is the period that:

- (a) begins on (and includes) the date on which the *firm's claims management temporary permission* comes to an end under the *Claims Management Order* and the *firm's full authorisation for regulated claims management activities* comes into effect; and
 - (b) ends on (and excludes) the day falling ~~one-year~~ fifteen months and [23] days later.
- (2) If other activities are included in a *firm's permission* part of the way through the ~~one-year~~ period in (1), its **individual transitional period** ends at once.

- (3) If other activities are included in a *firm's permission* before it receives full authorisation for its *regulated claims management activities*, the transitional arrangements described in SYSC TP 8 do not apply and the *firm* will have no **individual transitional period**. However, the transitional arrangements in SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) will still apply if it is authorised before 9 ~~December 2020~~ 31 March 2021.

...

Part 2: Comes into force 7 December 2020

TP 7 Bank of England and Financial Services Act 2016: Certification and regulatory references

7.1 Application, purpose and definitions

...

7.1.2 R Table: Application of SYSC TP 7

Type of firm	Parts of SYSC TP 7 that apply
...	...
<i>A pure benchmark SMCR firm</i>	<p>All applies, except that SYSC TP 7.2 (<u>except as explained in the following paragraph</u>), SYSC TP 7.3, SYSC TP 7.4.1R and SYSC TP 7.7.3G to SYSC TP 7.7.6G do not apply.</p> <p><u>The material in the row of SYSC TP 7.2.4G (Table: How the certification regime applies in the certification transitional period) whose first column is labelled "SYSC 22" about providing references applies to an SMCR firm.</u></p>
...	...

...

Annex C

Amendments to the Code of Conduct sourcebook (COCON)

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

Part 1: Comes into force [date] 2020

1 Application and purpose

1.1 Application

...

To whom does it apply?

...

1.1.2 R Table: To whom does COCON apply?

Persons to whom COCON applies		Comments
...
(6) (C) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is an <i>FCA-authorized person</i> until 9 December 2020 <u>31 March 2021</u> .
...

...

TP 1 Transitional provisions: Miscellaneous

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
...

2	Row (6) of the table in <i>COCON</i> 1.1.2R (Table: To whom does COCON apply?)	G	<p>The effect of <i>COCON</i> TP 1.1R is that an <i>employee</i> described in column (1) of row (6) of the table in that <i>rule</i> is not subject to <i>COCON</i> during the <i>firm's</i> individual transitional period. If the <i>firm</i> does not have an individual transitional period (see <i>SYSC</i> TP 8.3.2G(3)), <i>COCON</i> TP 1.1R does not apply.</p> <p><u>The definition of individual transitional period for the purposes of <i>COCON</i> TP 1.1R takes into account the extension of the period referred to in <i>SYSC</i> TP 8.1.5R made by the [statutory instrument that puts back the commencement date for certification] (SI []/2020).</u></p>
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Part 2: Comes into force 31 March 2021

1 Application and purpose

1.1 Application

...

To whom does it apply?

...

1.1.2 R Table: To whom does COCON apply?

Persons to whom COCON Applies	Comments
...	
(6) Any <i>employee</i> of an <i>SMCR firm</i> not coming within another row of this table, except one listed in column (2) of this row (6) of this table.	<p>...</p> <p>(C) This row (6) also does not apply to an <i>employee</i> of an <i>SMCR firm</i> that is an <i>FCA authorised person</i> until 31 March 2021.</p>
...	

...

Annex D

Amendments to the Client Assets sourcebook (CASS)

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

1A CASS firm classification and operational oversight

...

1A.3 Responsibility for CASS operational oversight

...

The senior managers regime and the certification regime

...

1A.3.1B G ...

(1A) (1A) There are three elements of the regime for *SMCR firms* that are particularly relevant to CASS 1A, although they do not all apply to all *SMCR firms*:

...

(c) the certification regime (see the certification regime is explained in SYSC 27 (Senior managers and certification regime: Certification regime) and SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) explains that the certification regime comes into force some time after other parts of the senior managers and certification regime).

...

...

11 Debt management client money chapter

...

11.3 Responsibility for CASS operational oversight

...

CASS large debt management firms

11.3.3 G ...

- (4B) There are three elements of the regime for *SMCR firms* that are particularly relevant to *CASS 11.3*, although they do not all apply to all *SMCR firms*:

...

- (c) the certification regime (see the certification regime is explained in SYSC 27 (Senior managers and certification regime: Certification regime) and SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) explains that the certification regime comes into force some time after other parts of the senior managers and certification regime).

...

...

13 Claims management: client money

...

13.2 Organisational requirements and responsibility for CASS operational oversight

...

13.2.5 G ...

- (4) There are three elements of the senior managers and certification regime that are particularly relevant to *CASS 13.2.3R*, although they do not all apply to all *SMCR firms*:

...

- (c) the certification regime (see the certification regime is explained in SYSC 27 (Senior managers and certification regime: Certification regime) and SYSC TP 7 (Bank of England and Financial Services Act 2016: Certification and regulatory references) explains that the certification regime comes into force some time after other parts of the senior managers and certification regime).

...

...

Annex E

Amendments to the Supervision manual (SUP)

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

TP 1 Transitional provisions

...

TP 1.13 Reporting of information about Directory persons

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
...
2	SUP 16.26	R	<p>...</p> <p>(4) The <i>firm</i> must submit to the FCA all reports about the <i>Directory persons</i> specified in (3) by 9 December 2020 <u>31 March 2021</u>, which is set out in Part 1, SUP 16 Annex 47AR (<i>Directory persons report</i>), submitted online through the appropriate system which is accessible from the FCA website and in the appropriate format.</p> <p>(5) SUP 16.26.13R to SUP 16.26.19R apply only on and from 9 December 2020 <u>31 March 2021</u>.</p> <p>(6) ...</p>	From 9 December 2019 to 9 December 2020 <u>31 March 2021</u>	9 December 2019
3	SUP 16.26	R	<p>...</p> <p>(2) SUP TP 1.13.2R is adjusted so that a reference to:</p> <p>(a) 9 December 2019 is a reference to the start of a</p>

			<p><i>firm's</i> individual transitional period; and</p> <p>(b) 9 December 2020 <u>31 March 2021</u> is a reference to the end of a <i>firm's</i> individual transitional period.</p> <p>...</p>		
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TP 11A Bank of England and Financial Services Act 2016: Approved persons in solo-regulated firms

11A.1 Application, purpose and definitions

...

- 11A.1.5 R (1) The terms in the first column of the table in *SUP* TP 11A.1.5R, where they appear in bold in *SUP* TP 11A, have the meanings in the corresponding entry in column 2 for the purposes of *SUP* TP 11A.
- (2) For a **pure benchmark SMCR firm** the table is modified by *SUP* 11A.25A.3R.

Part One: General	
Defined term	Meaning
...	
solo-regulated firms commencement SI	the Bank of England and Financial Services Act 2016 (Commencement No. 6 and Transitional Provisions) Regulations 2019 (SI 1136/2019) <u>as amended by the [] (SI []/2020)</u> .
...	

...

11A.21 Reporting under SUP 15.11

...

- 11A.21.2 G *SUP* TP 11A.21.1R(2)(a) applies however short the resulting reporting period may be. It applies notwithstanding the postponement of the commencement of part of *COCON* by the Individual Accountability (FCA-

Authorised Firms) (COVID-19 and Extension of Deadlines) Instrument
2020.

...

11A.24 Claims management firms

...

Reporting under SUP 15.11

...

11A.24. 9 G *SUP* TP 11A.24.8G applies however short the resulting reporting period may be. It applies notwithstanding the postponement of the commencement of part of *COCON* by the Individual Accountability (FCA-Authorised Firms) (COVID-19 and Extension of Deadlines) Instrument 2020.

...

