



No.14

Handbook Notice

July 2014

Financial Conduct Authority



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Handbook Notice 014

This Handbook Notice introduces the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative powers on 26 June 2014 and 24 July 2014. It also contains information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

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

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

Nick Walker

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Email: nick.walker@fca.org.uk

Melanie Purdie

Tel: 020 7066 9066

Email: mel.purdie@fca.org.uk

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

Tel: 0845 606 9966

Fax: 020 7066 0991

Email: fcc@fca.org.uk

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

1. Overview

Legislative changes

- 1.1** On 26 June 2014, in addition to the instruments listed in the last Handbook Notice, the FCA Board made changes to the Handbook in the instrument below.

CP	Title of instrument	Instrument No.	Changes effective
14/6	Periodic Fees (2014/2015) and Other Fees Instrument 2014	2014/38	4.7.2014

- 1.2** On 24 July 2014, the FCA Board made changes to the Handbook in three instruments.

CP	Title of instrument	Instrument No.	Changes effective
NA	Crowdfunding (Amendment) Instrument 2014	2014/45	4.8.2014
12/33	Personal Pension Scheme Operators (Capital Requirements) Instrument 2014	2014/46	4.8.2014
NA	Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014	2014/47	1.10.2014

Summary of changes

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

Feedback on responses to consultations

- 1.4** Feedback to consultations are either set out in Chapter 3 of this Notice or published in separate Policy Statements.

Forthcoming FCA board meetings

- 1.5** The table below contains a list of forthcoming FCA board meetings for 2014. These dates are subject to change without prior notice.

September	Thursday 25 September
November	Wednesday 5 or Thursday 6 November (date TBC)
December	Thursday 11 December

2. Summary of changes

- 2.1** This chapter briefly describes FCA Handbook changes and changes outside the Handbook made by the FCA Board on 26 June 2014 and 24 July 2014. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the PRA please see www.bankofengland.co.uk/pr/Pages/publications/default.aspx.

Periodic Fees (2014/2015) and Other Fees Instrument 2014 (FCA 2014/38)

- 2.2** Following consultation in CP14/6¹, the FCA Board has made changes to the FCA Handbook sections listed below:
FEES 4, 5, 7, App 1
- 2.3** In summary, this instrument sets out the fees rates and levies rates for 2014/15 for the following.
- FCA annual funding requirement (AFR) for 2014/15.
 - Financial Ombudsman Service (the ombudsman service) general levy to recover the costs of operating the ombudsman service which are not funded by individual complaint case fees.
 - Money Advice Service (MAS) money advice and debt advice levies to recover the costs of MAS in meeting its statutory function as the consumer financial education body.
- 2.4** This instrument came into force on **4 July 2014**. Feedback to this consultation was set out in a separate policy statement.²

Crowdfunding (Amendment) Instrument 2014 (FCA 2014/45)

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

Glossary of definitions

SYSC 1

COBS 9, 14

SUP 12

DISP 1, TP 1

CONC 1, 12

PERG 2

¹ CP14/6 *FCA Regulated fees and levies: Rates proposals 2014/15* (March 2014)

² PS14/11 *FCA regulated fees and levies 2014/15* (July 2014)

- 2.6** In summary, these changes aim to clarify the application of existing crowdfunding rules and bring them in line with the original policy intention.
- 2.7** This instrument comes into force on **4 August 2014**.

Personal Pension Scheme Operators (Capital Requirements) Instrument 2014 (FCA 2014/46)

- 2.8** Following consultation in CP12/33³, the FCA Board has made changes to the FCA Handbook sections listed below:
IPRU(INV) 3, 5, 13
SUP 16
- 2.9** In summary, we have updated the prudential framework for self-invested personal pension (SIPP) operators by changing the minimum level of capital that we expect an industry participant to have invested in its business. This is primarily to ensure that firms use a higher proportion of their own resources to fund their exit from the market before costs are borne on individuals' pension savings.
- 2.10** This instrument comes into force on **1 September 2016**. Feedback to this consultation will be published in a separate policy statement.

Temporary Marketing Restriction (Contingent Convertible Securities) Instrument 2014 (FCA 2014/47)

- 2.11** The FCA Board has made minor administrative changes to various modules of the FCA Handbook, as listed below. These correct or clarify existing provisions. They were not consulted on because they are regarded either as falling within the scope of previous consultations or as being so minor that they do not warrant consultation. None of these changes represents any alteration in FCA policy.
Glossary of definitions
COBS 4
- 2.12** In summary, these changes introduce a temporary product intervention restricting marketing of Contingent Convertible Securities (CoCos) in relation to ordinary retail investors for a duration of 12 months, starting on 1 October 2014. These temporary rules aim to provide appropriate consumer protection, certainty for the market and transparency in our approach to these instruments while we develop and consult on permanent rules. Temporary product intervention rules are made without consultation, using a new power introduced by the Financial Services Act 2012 and in accordance with the statement of policy published by the FSA in March 2013.⁴
- 2.13** This instrument comes into force on **1 October 2014**.

³ CP12/33 *A new capital regime for Self-Invested Personal Pension (SIPP) operators* (November 2012)

⁴ FSA PS13/3 *Making temporary product intervention rules* (March 2013)

3. Consultation feedback

3.1 There is no consultation feedback this month.

4. Additional information

Making corrections

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

Publication of Handbook material

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

Obligation to publish feedback

- 4.7** This Notice, and the feedback to which paragraph 1.4 refers, fulfil for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 (FSMA). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost benefit analysis and a statement under s138K(4) of FSMA if a proposed altered rule applies to authorised persons which include mutual societies.

Comments

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

Financial Conduct Authority



PUB REF: 004926

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