



No.4

Handbook Notice

July 2013

Financial Conduct Authority



Contents

1.	Overview	3
2	Summary of changes	4
3	Consultation feedback	8
4	Additional information	16

Handbook Notice 004

This Handbook Notice introduces the Handbook and other material made by the Board under its legislative powers on 25 July 2013. It also contains information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

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

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

Saira Hussain

Tel: 020 7066 0334

Email: saira.hussain@fca.org.uk

Melanie Purdie

Tel: 020 7066 9066

Email: mel.purdie@fca.org.uk

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

Tel: 0845 606 9966

Fax: 020 7066 0991

Email: fcc@fca.org.uk

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

1. Overview

Legislative changes this month

- 1.1** On 25 July 2013 the FCA Board made changes to the Handbook in six instruments which are listed in the table below.

CP	Title of instrument	Instrument No.	Changes effective
13/3 Ch 5	Training and Competence Sourcebook (Qualifications Amendments No 9) Instrument 2013	2013/53	26.7.13
NA	Alternative Investment Fund Managers Directive (No 2) Instrument 2013	2013/54	TBC ¹
13/9	Alternative Investment Fund Managers Directive (Private Placement and Registration Fees and Miscellaneous Directions) Instrument 2013	2013/55	26.7.13
13/3 Ch 6	Alternative Investment Fund Managers Regulations (Enforcement Guidance) Instrument 2013	2013/56	26.7.13
12/27 Ch 8	Collective Investment Schemes Sourcebook (Amendment No 8) Instrument 2013	2013/57	26.7.13
12/25	Listing Rules (Alternative Investment Fund Managers Directive) Instrument 2013	2013/58	1.8.13

Summary of changes

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

Feedback on responses to consultations

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

¹ This instrument comes into force on the date specified by the delegated act adopted by the European Commission pursuant to article 67(6) of the Alternative Investment Fund Managers Directive 2011/61/EU.

2. Summary of changes

- 2.1** This chapter briefly describes FCA Handbook changes and changes outside the Handbook made by the Board on 25 July 2013. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the PRA please see www.bankofengland.co.uk/pr/Pages/publications/default.aspx

Training and Competence Sourcebook (Qualifications Amendments No 9) Instrument 2013 (FCA 2013/53)

- 2.2** Following consultation in Chapter 5 of CP13/3², the Board has made changes to the following section of the FCA Handbook:

TC 4

- 2.3** These changes update the appropriate qualifications list in TC.
- 2.4** This instrument comes into force on **26 July 2013**. Feedback to this consultation is set out in Chapter 3 of this Notice.

Alternative Investment Fund Managers Directive (No 2) Instrument 2013 (FCA 2013/54)

- 2.5** The Board has made changes to the following sections of the FCA Handbook:

Glossary of definitions FUND 12

- 2.6** In PS13/5³, we set out our rules for implementing the Alternative Investment Fund Managers Directive (AIFMD). In Chapter 9 of that paper, we deferred consultation on some matters that do not have to be in place on 22 July 2013. These include the rules for implementing passporting rights for non-EEA alternative investment fund managers (AIFMs), managing EEA-based alternative investment funds (AIFs) and non-EEA AIFs being marketed in the EEA (the third country passport).
- 2.7** The passports are not immediately operative and will not become so until 2015 or 2016 at the earliest, after the Commission adopts a delegated act setting the commencement date. This will follow a review to be carried out by the European Securities and Markets Authority (ESMA) for the Commission on whether there are any obstacles to implementing the third country passport. In addition, ESMA is required to develop a large number of binding technical standards governing the operation of the passport.

² CP13/3, *Quarterly consultation (No 1)* (June 2013).

³ PS13/5, *Implementation of the Alternative Investment Fund Managers Directive* (June 2013).

- 2.8** To ensure the UK has carried out its legal duty to transpose the Directive fully, HM Treasury and the FCA consider it necessary to transpose the level 1 measures for the third country passport into UK law and regulation now, rather than when they come into effect in 2015 or later. The Treasury has executed the measures for which it is responsible by making a statutory instrument. We will then need to make rules to transpose the level 1 requirements for which we are responsible.
- 2.9** As explained in PS13/5, there was insufficient time for us to consult on draft rules and then make final rules by 22 July 2013 so the FCA and the Treasury have agreed a special procedure for these rules only. The statutory instrument bringing the rules into force modifies the section 138I consultation requirements in the Financial Services and Markets Act (FSMA). Instead of consulting before making the rules, it will be sufficient for the FCA to consult on the rules and carry out the cost benefit analysis after the rules have been made, or on their proposed replacements, before they enter into force. At a later date (though well in advance of the date at which the third country passport might be implemented in practice), we will review the rules and carry out our normal procedure of publishing a consultation paper with a cost benefit analysis, inviting responses from stakeholders.
- 2.10** These third country passport provisions will permit the marketing of non-EEA AIFs by EEA AIFMs in all Member States and the management and/or marketing of EEA AIFs by non-EEA AIFMs. For this purpose, the non-EEA AIFM needs to be authorised in a Member State which has been determined as the 'Member State of reference' (see FUND 12.3.5G). A non-EEA AIFM's Member State of reference is intended to be the EEA State with which it has the closest connection. The activities can then be carried out across the EEA, provided certain procedural requirements are met, such as notifications.
- 2.11** Our rules reproduce the relevant AIFMD level 1 measures (articles 35 and 37 to 41) representing the minimum needed to transpose AIFMD correctly. Our rules also reproduce the level 1 third country measures (article 21) for depositary requirements. They appear in a new chapter in the Investment Funds sourcebook (FUND 12), which is split into the following sections:
- Application and introduction;
 - Full-scope UK AIFMs intending to market non-EEA AIFs or non-EEA feeder AIFs;
 - Authorisation of full-scope non-EEA AIFMs intending to manage and market UK and EEA AIFs and determination of their Member State of reference;
 - Authorisation of full-scope non-EEA AIFMs by the FCA: general conditions of authorisation that apply both at the point of authorisation and on a continuing basis;
 - Specific notification requirements for full-scope non-EEA AIFMs; and
 - Depositary requirements for non-EEA AIFs and non-EEA AIFMs.
- 2.12** To assist the reader's understanding of the matter we have adopted an 'intelligent' copy-out approach of the relevant Directive text, wherever possible. This means incorporating the relevant measures and principles of the level 1 requirements in a meaningful way, rather than copying them out word for word into FUND. An example of this approach is the guidance at FUND 12.1.3G.

- 2.13** To give effect to these requirements, our rules define a number of new terms in the Glossary, such as ‘full-scope non-EEA AIFM’, ‘incoming non-EEA AIFM’, ‘legal representative’ and ‘Member State of reference’.
- 2.14** This instrument comes into force on the date specified by the delegated act adopted by the European Commission pursuant to article 67(6) of the Alternative Investment Fund Managers Directive 2011/61/EU.

Alternative Investment Fund Managers Directive (Private Placement and Registration Fees and Miscellaneous Directions) Instrument 2013 (FCA 2013/55)

- 2.15** Following consultation in CP13/9⁴, the Board has made changes to the following sections of the FCA Handbook:
- FEES 1, 3 and 4**
SUP 16
FUND 3 and 10
- 2.16** In summary, these changes include new rules on regulatory fees for certain entities which will fall within our regulatory remit for the first time under the Alternative Investment Fund Managers Directive (AIFMD) – registered alternative investment fund managers (AIFMs) and AIFMs marketing alternative investment funds (AIFs) in the UK under national private placement. It also includes directions for AIFMs relating to reporting, marketing applications and notifications.
- 2.17** As the FCA’s powers to make these rules and directions had not come into force at the time PS13/5 was published, they did not form part of the legal instrument published in Appendix 1 of that policy statement. However, we provided any relevant feedback and explained our policy approach in PS13/5.
- 2.18** This instrument comes into force on **26 July 2013**.

Alternative Investment Fund Managers Regulations (Enforcement Guidance) Instrument 2013 (FCA 2013/56)

- 2.19** Following consultation in Chapter 6 of CP13/3⁵, the Board has made changes to the following sections of the FCA Handbook:
- Glossary of definitions**
DEPP 2 and Schedules 3-4
EG 14 and 19
- 2.20** In summary, these changes implement the requirement in the Alternative Investment Fund Managers Regulations to issue a number of statutory notices in various circumstances and provide relevant guidance.
- 2.21** This instrument comes into force on **26 July 2013**. Feedback to this consultation is set out in Chapter 3 of this Notice.

⁴ CP13/9, *Implementation of the Alternative Investment Fund Managers Directive Part 2* (March 2013).

⁵ CP13/3, *Quarterly consultation (No 1)* (June 2013).

Collective Investment Schemes Sourcebook (Amendment No 8) Instrument 2013 (FCA 2013/57)

2.22 Following consultation in Chapter 8 of CP12/27⁶, the Board has made changes to the following sections of the FCA Handbook:

**SYSC 6
COLL 3, 4, 5, 7, 9 and TP 1**

2.23 In summary, these changes clarify and improve the rules on disclosure for property authorised investment funds (PAIFs) and funds using certain descriptions in their names or objectives, plus other minor amendments.

2.24 This instrument comes into force on **26 July 2013**. Feedback to this consultation is set out in Chapter 3 of this Notice.

Listing Rules (Alternative Investment Fund Managers Directive) Instrument 2013 (FCA 2013/58)

2.25 Following consultation in CP12/25⁷, the Board has made changes to the following section of the FCA Handbook:

LR 15

2.26 In summary, these changes clarify the existing approach, for premium closed ended investment companies, in the light of AIFMD and do not change the substance of the existing rules.

2.27 This instrument comes into force on **1 August 2013**. Feedback to this consultation is set out in Chapter 3 of this Notice.

⁶ CP12/27, *Quarterly consultation (No 34)* (October 2012).

⁷ CP12/25, *Enhancing the effectiveness of the Listing Regime and feedback on CP12/2 Supplementary consultation on proposed changes to the Listing Rules resulting from the implementation of the Alternative Investment Fund Managers Directive* (October 2012).

3. Consultation feedback

- 3.1** This chapter provides feedback on consultations that do not have a separate policy statement published by the FCA:

CP12/25, Enhancing the effectiveness of the Listing Regime and feedback on CP12/2 - Supplementary consultation on proposed changes to the Listing Rules resulting from the implementation of the Alternative Investment Fund Managers Directive
Chapter 8 of CP12/27, Quarterly consultation (No 34)
Chapters 5 and 6 of CP13/3, Quarterly consultation (No 1)

Listing Rules (Alternative Investment Fund Managers Directive) Instrument 2013 (FCA 2013/58)

- 3.2** In CP12/25, we proposed changes to the Listing Rules resulting from the implementation of the Alternative Investment Fund Managers Directive (AIFMD).

Background

- 3.3** The AIFMD imposes a number of obligations on the entity that it identifies as the 'alternative investment fund manager' (AIFM) and, in the light of these obligations, we wanted to ensure compatibility between the Listing Rules and AIFMD and ensure that boards continue to act as an important counterbalance to the investment manager. In particular, we were concerned that conflicts could arise where responsibilities overlap, or that boards may feel less obliged to intervene where the AIFMD imposes responsibilities on the AIFM.
- 3.4** At the same time, we wanted to maintain, as far as possible, the current model in the industry, which we believe is valued by the market, where strong boards offer a challenge to key service providers such as the manager when required, taking into account the interest of shareholders.
- 3.5** Therefore, in place of a prescriptive solution, we proposed articulating clearly in the Listing Rules our expectations of the board of a premium listed investment entity, allowing each board to find an issuer-specific solution to managing any conflict arising from the AIFMD or other provisions.
- 3.6** This took the form of a new eligibility requirement and continuing obligation, which stated that the board must be in a position to effectively monitor and manage the performance of its key service providers, including any investment manager of the applicant.
- 3.7** We will expect boards to ensure appropriate contracts are in place upon listing and to ensure they are in a position to take action if the contractual obligations are breached or the contractual arrangements are no longer in the best interest of shareholders.

Feedback and our response

- 3.8** The consultation closed on 2 January 2013 and we received 14 responses. 12 of which agreed with our proposals unreservedly.
- 3.9** Of the comments received, one respondent wanted us to change the reference to ‘the board’ in LR 15.2.19R and LR 15.4.7AR to ‘a closed ended investment fund’ or ‘applicant’, to ensure consistency with the other requirements of LR 15. However, as we wish to emphasise that it is the board (and not, for example, the investment manager) who must monitor and manage the performance of the key service providers, we do not propose to make this change.
- 3.10** Another suggestion was for the reference to ‘at all times’ in LR 15.4.7AR to be deleted, on the basis that this could be interpreted to mean more than at regular appropriate intervals (which was our policy intention), and since the board may consist entirely of non-executive directors, this would be impractical. To better capture the nature of the obligation we will replace ‘at all times’ with ‘on an ongoing basis’.
- 3.11** Finally, another respondent wanted us to extend the rules to explicitly forbid investment managers and any associates or any associate of the issuer from holding shares in the issuer or holding discretionary voting power, as they believed such arrangements would be materially detrimental to good corporate governance. We are not proposing to make this change as we believe the rules on the independence of boards and their fiduciary duties under company law adequately address this risk, and also because this would be significantly outside the scope of the original consultation.

Cost benefit analysis and compatibility statement

- 3.12** Section 155 of FSMA requires us to publish a cost benefit analysis of the implications of the proposed amendments. The requirement, under section 155 of FSMA, does not apply if there will be no increase in costs or if any increase in costs will be of minimal significance. We received no comments in respect of the cost benefit analysis or the compatibility statement. In addition, since we are only making one minor change to our proposed changes we believe the cost benefit analysis and compatibility statement remain valid.
- 3.13** The changes to the Listing Rules set out above do not change the substance of the existing rules. They clarify an existing approach in the light of new regulation.

Equality and Diversity

- 3.14** We received no comments in relation to our statement set out in CP12/25 and continue to believe that these proposals have little impact on the equality agenda and do not give rise to discrimination.
- 3.15** The changes made by this instrument are listed in Chapter 2 of this Notice.

Collective Investment Schemes Sourcebook (Amendment No. 8) Instrument (FCA2013/57)

Introduction

In Chapter 8 of CP12/27, we proposed a number of changes to the Collective Investment Schemes sourcebook (COLL). We provide feedback and our response to six of these changes.

Background

Removal of reference to the former Collective Investment Schemes sourcebook (CIS) and Collective Investment Scheme Information Guide (COLLG)

- 3.16** We proposed deletion of a reference to the CIS sourcebook contained in SYSC 6.1.4AR(2)(b) and a reference to COLLG contained in COLL 7.7.6G(3) as both these references were out of date.

Disclosure requirements for property authorised investment funds

- 3.17** We consulted on amendments to the rules in relation to disclosures in scheme instrument contents and prospectuses for property authorised investment funds (PAIFs). We proposed removing disclosure by a fund that it is a PAIF from the instrument of incorporation by deleting COLL 3.2.6R(7B), while adding relevant PAIF disclosures to the prospectus by amending COLL 4.2.5R(2)(h), 4.2.5R(2B) and 4.2.5R(22A).

Disclosures to clarify certain descriptions in fund objectives or fund names

- 3.18** Our consultation proposed additional disclosures to be added to the required prospectus contents for those authorised funds using descriptions that imply a guarantee of capital protection or positive returns where no such guarantee exists.
- 3.19** The additional requirements included advising customers that there may be a risk to their capital, providing information on the anticipated timescale for a positive return, and advising that this timescale is not necessarily guaranteed. We proposed a six-month transitional period for firms to update their prospectuses accordingly.

Updated reference to European Securities and Markets Authority (ESMA) guidelines

- 3.20** We proposed an amendment to COLL to include the final ESMA guidelines⁸ on risk measurement for certain types of structured undertakings in collective investment in transferable securities (UCITS) in COLL 5.3.11G.

Clarification on information to be given to unitholders of a merging or receiving UCITS

- 3.21** We consulted on an addition to COLL 7.7.10R(3)(c)(ii), to clarify that the report referred to in that section is the report required by article 42 of the UCITS Directive, as implemented by regulation 11 of the UCITS Regulations 2011.

⁸ 'Guidelines to competent authorities and UCITS management companies on risk measurement and the calculation of global exposure for certain types of structured UCITS'

Requirement for recognised schemes to provide annual and half-yearly reports free of charge

- 3.22** Our consultation proposed extending the requirements for operators of section 264 recognised schemes to provide annual and half-yearly reports free of charge to operators of section 270 and 272 recognised schemes, through an amendment to COLL 9.4.2R.

Feedback

Removal of reference to the former Collective Investment Schemes sourcebook (CIS) and Collective Investment Scheme Information Guide (COLLG)

Disclosure requirements for property authorised investment funds

- 3.23** We received five responses to these proposals, three from regulated firms and two from trade associations. All respondents agreed with our proposal.

Disclosures to clarify certain descriptions in fund objectives or fund names

- 3.24** We received eight responses to this proposal, three from trade associations, four from regulated firms, and one from a consumer body.
- 3.25** Several of the responses focused on our proposal to require these disclosures in the prospectus, highlighting that many investors may choose not to read this document in full before investing. Other responses focused on the key investor information document (KIID) and recommended that a better outcome could be achieved by attempting to influence the contents of the KIID at a European level, given the KIID's role as the principal disclosure document for UCITS funds.
- 3.26** One response suggested that names such as 'absolute return' should be banned altogether if we felt that they were misleading.
- 3.27** On the issue of the transitional period, one response suggested our proposed six months should be extended to twelve months, while another response suggested implementation as soon as possible and called for a three-month transition.
- 3.28** One response requested clarification of how we would consider a change of this type under the COLL 4.3 requirements for notification of changes to unitholders in a fund.

Updated reference to European Securities and Markets Authority (ESMA) guidelines

Clarification on information to be given to unitholders of a merging or receiving UCITS

Requirement for recognised schemes to provide annual and half-yearly reports free of charge

- 3.29** We received four responses to these proposals, two from regulated firms and two from trade associations. All respondents agreed with our proposals.

Our response

Removal of reference to the former Collective Investment Schemes sourcebook (CIS) and Collective Investment Scheme Information Guide (COLLG)

3.30 We will proceed with the proposed deletion of these two references.

Disclosure requirements for property authorised investment funds

3.31 We will proceed with the proposed amendments. This will allow relevant disclosures for PAIFs to be made in the prospectus, and will also require umbrella schemes to disclose if any of their specific sub-funds are PAIFs.

Disclosures to clarify certain descriptions in fund objectives or fund names

3.32 It has always been our intention that these additional disclosures in the prospectus would flow through to the KIID as part of the objectives and investment policy section of this document. The form and layout of the KIID is determined at a European level but, as noted in the KII Regulations, the objectives and investment policy section should contain those essential features of the scheme about which an investor should be informed. We believe the lack of a guaranteed return in a fund whose name may imply a guarantee of a return to be one such essential feature.

3.33 We chose not to ban the name 'absolute return', as some respondents have suggested, because we recognise that funds frequently use aspirational titles in their names. There is nothing wrong with this as long as there is no risk of customers being misled. In this case, we did feel that there was a risk of customers believing that a guarantee of a positive return was being provided. We believe our proposals represent a proportionate response to this risk.

3.34 We believe that the six-month transitional provision contained in our original proposal to be a fair amount of time for these changes to be made. While the arguments for both longer and shorter transition periods are understood, we feel it is important to address the issue in a timely manner while also being reasonable for the affected funds. It should be noted that our transitional provision requires the additional disclosures to be added in a shorter period if another change is made to the prospectus – a twelve-month period increases potential uncertainty if customers are comparing two funds, one of which has the additional disclosures in place while the other does not.

3.35 When determining the appropriate notification to an investor of this change to the prospectus, consideration should be given to whether investors will reconsider their position in the fund as a result. If the fund manager considers that existing investors have been made appropriately aware that no guarantee of a positive return exists, then pre-notification of this change should not be required.

3.36 Therefore, we will be proceeding with the amendments as they were proposed in the consultation paper.

Updated reference to European Securities and Markets Authority (ESMA) guidelines**Clarification on information to be given to unitholders of a merging or receiving UCITS****Requirement for recognised schemes to provide annual and half-yearly reports free of charge**

3.37 We will proceed with the proposed amendments.

Cost benefit analysis and compatibility statement

3.38 The CP contained a cost benefit analysis setting out the costs and benefits of the proposals. No changes have been made to the rules as consulted on. Therefore, the costs and benefits involved have not changed.

3.39 We received no comments on the compatibility statement for these rules as published in CP12/27. That compatibility statement did not explicitly take into account the FCA's objectives and duties. However, these rules do achieve our strategic objective of ensuring that the relevant markets function well by clarifying and correcting certain points in the COLL – an example of this being the revised requirements for of sub-fund status in the prospectus through the amendment to PAIF disclosures.

3.40 The new disclosures for funds that have names that imply the guarantee of a return also support our objective of ensuring an appropriate degree of protection for consumers by requiring these funds to disclose that investor's money is in fact at risk in these funds.

Equality and diversity issues

3.41 We continue to believe that these changes do not give rise to discrimination and are of low relevance on the equality agenda. We received no comments during consultation on any equality issues that respondents could foresee.

3.42 The changes made by this instrument are listed in Chapter 2 of this Notice.

Training and Competence Sourcebook (Qualifications Amendments No 9) Instrument 2013 (FCA 2013/53)**Background**

3.43 In Chapter 5 of CP13/3 we proposed to add a new appropriate qualifications list to the appropriate qualification tables in TC Appendix 4E of the Handbook and amend the details for some existing qualifications.

Feedback

3.44 We did not receive any responses to this consultation.

Our response

- 3.45** As we did not receive any responses to this consultation, we will go ahead with the proposed changes.
- 3.46** In April 2013, we made administrative changes to the names of a number of qualifications, following a request from CFA Institute and the CFA Society of the UK. One of the changes we were asked to make was to amend 'Investment Management Asset Allocation Qualification' to the 'Investment Management Certificate (Level 3 or 4)'. We have now been informed this amendment was made in error and so we will change this back to the original name.
- 3.47** In addition, the Chartered Institute of Securities and Investment (CISI) have asked us to make some administrative changes to the names of three of their qualifications. This does not affect the content of the qualifications and does not require consultation.

Cost benefit analysis and compatibility statement

- 3.48** CP13/3 contained a cost benefit analysis explaining that the proposal does not incur any costs as it simply updates the appropriate qualifications list. The effect of these changes on the cost benefit analysis and the compatibility statement remain as published in the CP. We did not receive any comments in relation to this.

Equality and diversity issues

- 3.49** We continue to believe that these changes do not give rise to discrimination and are of low relevance on the equality agenda. We received no comments during consultation on any equality issues that respondents could foresee.
- 3.50** The changes made by this instrument are listed in Chapter 2 of this Notice.

**Alternative Investment Fund Managers Regulations (Enforcement Guidance)
Instrument 2013 (FCA 2013/56)****Background**

- 3.51** In Chapter 6 of CP13/3, we consulted on policy changes which are required as a result of the Alternative Investment Fund Managers Regulations 2013 (AIFMD UK regulation).
- 3.52** The new and updated powers apply to both existing and new alternative investment fund managers (AIFMs), whether authorised or registered, and apply in an authorisation, registration, supervisory and enforcement context.
- Among the existing powers which have been extended are powers of discipline, injunction and restitution which will apply to breaches of directly applicable EU regulations, including regulations made under AIFMD, Regulation (EU) No 346/2013 of the European Parliament and the Council of 17 April 2013 on European social entrepreneurship funds (EuSEF regulation) and Regulation (EU) No 345/2013 of the European Parliament and the Council of 17 April 2013 on European Venture capital funds (EuVECA regulation).
 - New powers include powers of direction over small registered UK AIFMs, UK managers of EuSEF and EuVECA; and, in limited instances, EEA managers of EuSEF and EuVECA, as well as powers of suspension and revocation of UK managers.
 - Powers under AIFMD UK regulation also include powers to disqualify external valuers appointed by AIFMs and powers in connection with the delegation of functions of portfolio or risk management.

- 3.53** The new powers require new processes including new types of warning and decision notice.
- 3.54** The amendments required as a result of AIFMD UK regulation to the Decision Procedure and Penalties manual (DEPP) and the Enforcement Guide (EG) are consequential and non-controversial.
- 3.55** DEPP has been amended to cover procedures required for the issue of new statutory notices under the AIFMD UK regulation. We have aligned these procedures with the existing FCA split between the Regulatory Decisions Committee (RDC) and FCA executive decision making for similar statutory notices under the Financial Services and Markets Act 2000.
- 3.56** EG has been amended to reflect the application of the AIFMD UK regulation on enforcement practice and case procedure.

Feedback and our response

- 3.57** No responses were received in relation to our consultation. Therefore, we will proceed with the proposed amendments, which have undergone minor amendments but are not of particular significance.

Cost benefit analysis and compatibility statement

- 3.58** The cost benefit analysis and compatibility statement in Chapter 6 of CP13/3 remain valid and do not require amendment.

Equality and diversity issues

- 3.59** The equality and diversity statement in Chapter 6 of CP13/3 remains valid and does not require amendment.
- 3.60** The changes made by this instrument are listed in Chapter 2 of this Notice.

4. Additional information

Making corrections

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

Publication of Handbook material

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

Obligation to publish feedback

- 4.7** This Notice, and the feedback to which paragraph 1.3 refers, fulfil for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost-benefit analysis and a statement under s138K(4) of the Act if a proposed altered rule applies to authorised persons which include mutual societies.

Comments

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

Financial Conduct Authority



PUB REF: 004772

© Financial Conduct Authority 2013
25 The North Colonnade Canary Wharf
London E14 5HS
Telephone: +44 (0)20 7066 1000
Website: www.fca.org.uk
All rights reserved