



No.30

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# Handbook Notice

February 2016

Financial Conduct Authority





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## Handbook Notice 30

This Handbook Notice introduces the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative powers on 5 and 25 February 2016. 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:

Emily How	Emma Elder
Tel: 020 7066 2184	Tel: 020 7066 0284
Email: <a href="mailto:emily.how@fca.org.uk">emily.how@fca.org.uk</a>	Email: <a href="mailto:emma.elder@fca.org.uk">emma.elder@fca.org.uk</a>

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 Contact Centre:

Tel: 0300 500 0597  
Fax: 020 7066 0991  
Email: [firm.queries@fca.org.uk](mailto:firm.queries@fca.org.uk)  
Post: Contact Centre  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

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# 1. Overview

## Legislative changes

- 1.1** On 5 February 2016, the FCA Board made changes to the Handbook in the instrument listed below.

CP	Title of instrument	Instrument No.	Changes effective
15/18	Benchmarks (Amendment No 2) Instrument 2016	2016/8	1.4.16

- 1.2** On 25 February 2016, the FCA Board made changes to the Handbook in the instruments listed below.

CP	Title of instrument	Instrument No.	Changes effective
N/A	Handbook Administration (No 40) Instrument 2016	2016/9	1.3.16; 7.3.16; 18.3.16; 21.3.16; 1.4.16; 1.9.16; 7.9.16
16/1	Accountability (Conduct Rules) (Breaches Reporting) Instrument 2016	2016/10	7.3.16
N/A	Accountability (Foreign Branches) (Amendments) Instrument 2016	2016/11	7.3.16
15/34	Fees (Handbook Separation) Instrument 2016	2016/12	1.3.16
15/34	UKLA Fees and Other Fees Instrument 2016	2016/13	1.3.16; 1.4.16
15/42	Retail Distribution Review (Miscellaneous Amendments) Instrument 2016	2016/14	7.3.16; 31.12.16
15/42	Handbook Separation (Insurance) Instrument 2016	2016/15	7.3.16

### Summary of changes

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

### Feedback on responses to consultations

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- 1.5** Consultation feedback is published in Chapter 3 of this Notice or in separate Policy Statements.

### FCA Board dates for 2016

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- 1.6** The tables below contain a list of forthcoming FCA board meetings. These dates are subject to change without prior notice.

March	17
April	21
May	26
June	23
July	21
September	22
October	20
November	2 and 3
December	8

## 2. Summary of changes

- 2.1** This chapter briefly describes FCA Handbook changes made by the Board on 5 and 25 February 2016. 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 Prudential Regulation Authority (PRA) please see <http://www.bankofengland.co.uk/pru/Pages/publications/default.aspx>

### ***Benchmarks (Amendment No 2) Instrument 2016 (FCA 2016/8)***

- 2.2** Following consultation in CP15/18<sup>1</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary**  
**MAR 8**

- 2.3** In summary, this instrument makes final rules to create a FRAND framework that is effective and robust. It also makes rules that act both as an incentive for benchmark administrators to make their pricing and charging structure fair, reasonable and non-discriminatory and as a disincentive for allowing disputes to develop. Our changes also provide greater clarity than is available under general competition law. With these revised rules, we are also intending to narrow the scope of users covered by our proposals.
- 2.4** This instrument comes into force on **1 April 2016**. Feedback to this consultation was published in a separate Policy Statement<sup>2</sup> which was published on 8 February and contains the FRAND final made rules and guidance.

### ***Handbook Administration (No 40) Instrument 2016 (FCA 2016/9)***

- 2.5** The 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**  
**SYSC 1 and 4**  
**COCON 1**  
**GEN 2**  
**IPRU (INV) 1**  
**MCOB 9 and TPs**  
**BCOBS 2A**

<sup>1</sup> CP15/18 *Fair, reasonable and non-discriminatory access to regulated benchmarks* (June 2015)

<sup>2</sup> PS16/4 *Fair, reasonable and non-discriminatory access to regulated benchmarks* (February 2016)

**MAR 8**  
**SUP 10A, 10C, 13A, 15.5, 16 and App 3**  
**LR 4**  
**PR 2 and TPs**  
**EG**

**2.6** In summary the amendments made this month are as follows:

- a new definition of ‘employment’ which links this term to the definition of ‘employee’, and corresponding amendments to the latter term, and to GEN 2.2.8G
- an update to the definition of ‘firm’ to bring the Glossary into line with Chapter 1.1 of the PRA Rulebook
- a change to the definition of ‘member of staff’ to remove reference to an expired TP and to update it with the new cross reference
- a change to COCON 1.1.10R; this was included in the Individual Accountability (Non-Solvency II Firms) Instrument 2015 (FCA 2015/55) but was inadvertently omitted from the Accountability (Foreign Branches) Instrument 2015 (FCA 2015/67)
- corrections to the designations of two provisions in IPRU(INV) 1 and clarification of the application of IPRU(INV) 1.1.3R
- improvement to the accuracy of two headings in the template mortgage illustration in MCOB 9 Annex 1R
- corrections to the numbering of two provisions in BCOBS 2A (originally made by the Conduct of Business (Optional Additional Products) Instrument 2015 (FCA 2015/47))
- correction to a Glossary definition in MAR 8.3.19R(2) (originally made by the Benchmarks (Amendment No 2) Instrument 2016 (FCA 2016/8))
- correction of the provision numbering in SUP 10A (originally made by the Accountability (Foreign Branches) Instrument 2015 (2015/67))
- correction of references to defined terms in SUP 10C and 13A.6G (originally made by the Accountability (Foreign Branches) Instrument 2015 (2015/67))
- correction of misplaced text in the table in SUP 13A Annex 1 (originally made by the Accountability (Foreign Branches) Instrument 2015 (2015/67))
- a re-positioning of one of the data items shown in SUP 16.12.21R
- deletion of an expired transitional provision in PR
- a complete renumbering of the Enforcement Guide (EG) to facilitate its presentation in the online Handbook in a way which will make it more accessible and searchable than at present
- corrections to cross-references in SYSC 1 Annex 1, SYSC 4.8.9R, MCOB 9.4.30G, MCOB TP 1.1(49)R, SUP 15.5.3G, SUP App 3.9.8G and LR 4.2.11R



- 2.7** This instrument comes into force on **1 March 2016** except as follows:
- the changes to SYSC 4.8.9R, COCON 1.1.10R, SUP 10A.9.12G, SUP 10C, SUP 13A and SUP 13A Annex 1 and the Glossary definitions of 'employee' and 'employment' come into force on **7 March 2016**
  - the changes to SYSC 1 Annex 1 and SUP 16.12.21R come into force on **18 March 2016**
  - the changes to MCOB TP1.1(49)R comes into force on **21 March 2016**
  - the changes to BCOBS 2A and MAR 8.3.19R(2) comes into force on **1 April 2016**
  - the changes to SUP 16.12.19AR come into force on **1 September 2016**
  - the changes to the Glossary definition of "firm" comes into force on **7 September 2016**

#### ***Accountability (Conduct Rules) (Breaches Reporting) Instrument 2016 (FCA 2016/10)***

- 2.8** Following consultation in CP16/1<sup>3</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:
- SYSC 5 and TP 5**  
**COCON 2**  
**SUP 10A, 10C and 15**
- 2.9** In summary, this instrument makes consequential changes to our rules and guidance to ensure the Handbook reflects the latest statutory position when the SM&CR (Senior Managers & Certification Regime) comes into force for relevant persons on 7 March 2016.
- 2.10** This instrument comes into force on **1 March 2016**. Feedback to this consultation will be published in a separate Policy Statement.<sup>4</sup>

#### ***Accountability (Foreign Branches) (Amendments) Instrument 2016 (FCA 2016/11)***

- 2.11** The FCA Board has made changes to the FCA Handbook section listed below:
- SYSC 1**
- 2.12** In summary, this instrument makes consequential amendments to SYSC 1 Annex 1 to bring the application of the common platform requirements in SYSC for various types of firm (including common platform firms) into line with the substantive Foreign Branches rules made last year.
- 2.13** This instrument comes into force on **7 March 2016**. It will be discussed further in a separate Policy Statement.<sup>5</sup>

<sup>3</sup> CP16/1 *Consequential changes to the Senior Managers Regime* (January 2016)

<sup>4</sup> PS16/6 *Consequential changes to the Senior Managers Regime* (March 2016)

<sup>5</sup> PS16/6 *Consequential changes to the Senior Managers Regime* (March 2016)

### ***Fees (Handbook Separation) Instrument 2016 (FCA 2016/12)***

- 2.14** Following consultation in CP15/34<sup>6</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary  
FEES 1 to 4**

- 2.15** In summary, this instrument makes rules to create a free-standing FCA fees manual with no unnecessary references to the PRA or rules shared between the PRA and FCA.
- 2.16** This instrument comes into force on **1 March 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

### ***UKLA Fees and Other Fees Instrument 2016 (FCA 2016/13)***

- 2.17** Following consultation in CP15/34<sup>7</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary  
FEES 3, 4, and 7**

- 2.18** In summary, this instrument makes rules to clarify the FEES manual by restructuring UKLA fees; meet our treaty obligations by introducing a fees discount for mortgage intermediaries 'passporting' into the UK from other EEA states; and improve management of FCA cash flow at the start of the financial year by bringing forward the date when large fee-payers make their first 'on-account' payment.
- 2.19** Part of the instrument comes into force on **1 March 2016** and the remainder on **1 April 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

### ***Retail Distribution Review (Miscellaneous Amendments) Instrument 2016 (FCA 2016/14)***

- 2.20** Following consultation in CP15/42<sup>8</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**TC 2, App 8.1, Sch 2  
SUP 15 and 16  
DISP 1**

- 2.21** In summary, this instrument makes rule changes to ensure we can continue to meet our obligations under the Retail Distribution Review (RDR) and uniquely identify individuals no longer subject to regulatory pre-approval.
- 2.22** Part of the instrument comes into force on **7 March 2016** and the remainder on **31 December 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

<sup>6</sup> CP15/34 *Regulatory fees and levies: policy proposals for 2016/17* (October 2015)

<sup>7</sup> CP15/34 *Regulatory fees and levies: policy proposals for 2016/17* (October 2015)

<sup>8</sup> CP15/42 *Quarterly Consultation Paper No. 11* (December 2016)

***Handbook Separation (Insurance) Instrument 2016 (FCA 2016/15)***

- 2.23** Following consultation in CP15/42<sup>9</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:
- Glossary**
  - SYSC 1, 3, 12, 13, 21**
  - GEN 2**
  - GENPRU 1 and 2**
  - INSPRU 1, 3, 7**
  - IPRU(FSOC)**
  - IPRU(INS)**
  - COBS 20 and 21**
  - SUP 2, 4, 10A, 13 to 16, App 2**
- 2.24** In summary, this instrument amends existing FCA Handbook rules to accommodate the PRA re-write of shared PRA and FCA rules. This is partly due to the PRA reworking the PRA Handbook into the PRA Rulebook and the movement of PRA-only rules into the PRA Rulebook. The instrument also makes consequential changes to clarify our rules for insurers and other firms.
- 2.25** This instrument comes into force on **1 March 2016**. Feedback to this consultation is published in Chapter 3 of this Notice.

<sup>9</sup> CP15/42 Quarterly Consultation Paper No. 11 (December 2016)

## 3. Consultation feedback

- 3.1** This chapter provides feedback on consultations that will not have a separate Policy Statement published by the FCA.

### **CP15/34 Regulatory fees and levies: policy proposals for 2016/17**

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#### ***Handbook Separation (Fees) Instrument 2016 UKLA Fees and Other Fees Instrument 2016***

##### ***Background***

- 3.2** These instruments implement the following policy proposals from CP15/34:
- **Separation of FCA and PRA (Prudential Regulation Authority) fees manuals:** when our predecessor body, the Financial Services Authority (FSA), was replaced by the FCA and PRA on 1 April 2013, its Handbook was used as the basis for the handbooks of the two new regulators, with many of its provisions designated between them and some 'shared rules' common to both. We and the PRA consulted on separating our fees manuals into fully free-standing documents with no shared rules. We proposed no policy changes in the FCA manual. Our main focus was to remove redundant references and check consistency. In addition, we made some drafting amendments to clarify our charges for applications and minimum fees.
  - **Restructuring UKLA (UK Listing Authority) fees:** our proposals simplified the UKLA fees structure:
    - *Transaction fees:* instead of about 30 individual fees, all transactions were allocated into six categories, with fees ranging from £0 (Category A1) to £50,000 (Category A6). Some current fees were removed, reduced or raised, but the overall impact is cost neutral.
    - *Periodic fees:* we defined the UKLA's 'E' fee-blocks more clearly and introduced some changes:
 

Discontinue fee-block E4 (issuers of securitised derivatives) and instead charge higher rates of £2,000 to £15,000 for applications for approval of prospectuses.

Merge fee-blocks E3 (standard listed issuers) and E5 (issuers of global depository receipts – GDRs) and replace the variable rates with a standard rate of £19,500. Using 2015/16 data, about 160 issuers would see increases and about 110 a fall in fees. The largest increases would be from the minimum fee of £4,120 to £19,500 and the largest reductions would be up to £25,000.

Fee-block E6 (non-listed issuers under the Disclosure and Transparency Rules – DTR) is not needed at present but we proposed retaining it without fee rates so that it can be reactivated if necessary when MiFID II (Markets in Financial Instruments Directive) extends the DTRs to additional issuers.

- **Passporting discount for incoming branches from other states in the EEA (European Economic Area) offering mortgage broking under the Mortgage Credit Directive:** we proposed a discount of 10%. This reflected our assessment of the supervisory responsibility we would undertake as host regulator under the Directive.
- **Bring forward date of ‘on-account’ payment by larger firms from 30 April to 1 April:** firms whose fees are £50,000 or more pay in two instalments the following year. On 30 April, they pay on account the equivalent of 50% of the previous year’s fees. On 1 September, they pay the balance of the current year’s fees. Bringing the first payment forward would help our management of cash flow at the start of the financial year when there are no fee income receipts. We proposed a corresponding change to the Money Advice Service levy. The PRA consulted on the same change.

### **Summary of proposals**

**3.3** CP15/34 also consulted on proposals to recover the costs of setting up and maintaining systems to receive market data submitted under MiFID II (Markets in Financial Instruments Directive) and MiFIR (Markets in Financial Instruments Regulation). We are deferring these proposals until later in the year, when we expect to consult on a wider range of fees issues arising out of MiFID II/MiFIR. Accordingly, the implementation dates set out in the CP no longer apply. We will present new dates in the wider consultation. Two consultation responses commented on these proposals, so we are taking the opportunity to review their feedback. Our consultation covered two areas:

- *Regulatory fees for Direct Reporting Service Providers (DRSPs):* MiFID II will create a new regulatory regime for DRSPs, bodies that will submit the data required under MiFID II to competent authorities – i.e. approved reporting mechanisms (ARMs), approved publication arrangements (APAs) and consolidated tape providers (CTPs). We proposed application fees of £5,000. We quoted indicative periodic fee rates to help prospective DRSPs with their business planning and said we would consult on the final rates later. ‘Incoming’ DRSPs authorised in other EEA states would not be required to pay application or periodic fees.
- *Recovery of costs of maintaining IT system:* we quoted indicative ‘onboarding’ fees to recover the costs of establishing connectivity with entities wishing to submit data to us. We will consult on the final rates when we have more accurate information on costs following the appointment our Market Data Processor (MDP) supplier.

**3.4** We also suggested that, going forward, we might allocate the annual costs of maintaining the MDP from the relevant firms that benefit from effective market reporting. At present, we recover the costs of transaction reporting from the entities directly submitting the reports to us.

### **Feedback**

**3.5** We received four consultation responses. One was confidential, and the others were from the Association of Mortgage Intermediaries, Xtracter Ltd and the Bank of New York Mellon.

**3.6** No responses referred to the separation of the fees manuals. One supported the 10% discount for passporting mortgage intermediaries. All were broadly supportive of the other proposals they commented on, but made the following suggestions:

- **UKLA:** the flat fee we proposed for fee-block E3 was fairer for standard listed issuers and issuers of GDRs because the present fee was based on the underlying company's total market capitalisation, which might not reflect an issuer's presence in the UK markets. We should, however, consider phasing it in for the smaller issuers who would see a significant uplift in fees.
- **On-account payments:** the proposal should be deferred for a year to allow firms time to manage their cash flow requirements.

**3.7** The main comments we received on recovering the costs associated with the market data reporting elements of MiFID II/MiFIR were:

- The charging structure should allow fees to be discounted in circumstances where one would expect the demands on the FCA's resources to be reduced – for example, applications by firms taking advantage of 'derogated' provisions in article 59(2) of MiFID II which envisage a more streamlined approval process for DRSPs; where firms are already supplying transaction reports to us so may be partially compliant with the new regime; for existing market operators; and where separate data reporting services are established within the same group structure.
- There were concerns about the indicative levels of onboarding charges we had quoted, and a suggestion that a single entity should only be charged once for onboarding if it makes more than one connection to the FCA system.
- There was support for the proposal to recover the costs of maintaining the MDP on a proportionate basis from all of the firms that benefit from effective market reporting.

#### ***Our response***

**3.8** We will not comment at this stage on the responses received about recovering the costs of market data reporting but will take them into account when preparing our wider consultation on fees relating to MiFID II later in the year.

- We set out below our response to the other comments received:
- **UKLA:** we are not phasing in the flat fee for standard listed issuers and issuers of GDRs as we do not believe issuers will in practice have difficulty paying the fee. We recognise that the largest increase from £4,120 to £19,500 is a high percentage uplift, but the sum is small in relation to the amounts the issuers trade.
- We were concerned when we published the CP that overseas issuers might not be aware of the consultation so might miss the opportunity to voice any objections they had regarding the increase. We accordingly alerted them to the exercise by emailing them all with a link to the CP, but none responded.

**3.9** **On-account payments:** we are not deferring implementation of the on-account rule so the first payment will be due by 1 April 2016. We do not believe that large firms paying £50,000 or more in fees will experience practical difficulties with cash flow when payment is brought forward by four weeks, and they were given notice through the consultation.

**3.10** Since we received no comments on the separation of the fees manual and the responses on all the other proposals were positive subject to the comments above, we have implemented our proposals as consulted on, though with some minor textual improvements to clarify the

separated handbook and the UKLA fees framework. None of these affect policy or fee rates. The main drafting amendments in the separated fees manual are:

- We have updated references to PRA regulatory returns submitted by insurers in the separated PRA rulebook.
- We have adjusted the definitions on which credit union application fees are based to reflect changes in the PRA rulebook. We intend to consult in April on the basis of the new definition.

#### ***Cost benefit analysis (CBA) and compatibility statement***

**3.11** Under section 138I of the Financial Services and Markets Act (FSMA), the FCA and Money Advice Service (MAS) are exempt from the requirement to carry out and publish a cost benefit analysis regarding proposals for fees and levies.

**3.12** Since we are making no material changes to our proposals, we believe the compatibility statement in CP15/34 remains valid.

#### ***Equality and diversity issues***

**3.13** The equality impact assessment (EIA) we conducted before publishing CP15/34 concluded that none of the proposals presented issues of equality or diversity and none were raised during consultation. Since we have made no material changes, we believe the findings of the EIA remain valid.

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

### **CP15/42 Solvency II – consequential changes to the Handbook for non-Directive firms**

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#### ***Handbook Separation (Insurance) Instrument 2016***

##### ***Background***

**3.15** In CP15/42 we consulted on consequential changes across our Handbook arising from the restructuring of the PRA's Handbook and the transposition of the PRA's rules into the PRA Rulebook. We also consulted on some minor changes to parts of the FCA Handbook for Solvency II firms, mainly to further align our rules with the PRA Rulebook.

##### ***Summary of proposals***

**3.16** Our proposals were broadly categorised as follows:

- Amendments to FCA rules that currently cross-refer to rules in the PRA Handbook. Until these references to individual rules are updated, our General Provisions (GEN) require firms to read cross-references in our Handbook to the PRA Handbook as references to the relevant provision in the new PRA Rulebook.
- Updates to the General Prudential sourcebook (GENPRU), Prudential sourcebook for Investment Firms (INSPRU), Interim Prudential sourcebook for Insurers (IPRU-INS) and Interim Prudential sourcebook for Friendly Societies (IPRU-FSOC) to reflect the PRA's reworking of shared FCA and PRA rules in their old Handbook into the PRA Rulebook.

- Generic changes to reflect the transition away from shared FCA and PRA rules. For example, in places we proposed changing 'appropriate regulator' just to 'the FCA'.
- General updates to reflect consequential changes resulting from the creation of the PRA Rulebook. For example, we proposed to update INSPRU references to US insurance regulators, to align with the PRA updating them.
- Changes to align our Handbook with the PRA's approach to Solvency II firms in their Rulebook, and remove references to a difference in approach. For example, in SUP 13 and 13A, removing guidance which refers to the PRA approach (even if the PRA has not published material about its approach).
- Amendments to our Senior Management Arrangements, Systems and Controls sourcebook (SYSC) to clarify that our Solvency II consequential changes made in March 2015 do not have the effect of bringing pure reinsurers into scope of the money laundering requirements in SYSC, as no change in the current scope of those provisions was intended. We also proposed to return the territorial scope provisions of SYSC 2 and 3 to the position under FSA rules so that they apply 'in a prudential context' to activities wherever they are carried out.

#### ***Feedback***

**3.17** We received no responses to our proposals.

#### ***Our response***

**3.18** We will go ahead and make the proposed amendments to the Handbook.

#### ***Cost benefit analysis and compatibility statement***

**3.19** The cost benefit analysis, statement on the impact on mutual societies, and compatibility statement from CP15/42 remain unchanged.

#### ***Equality and diversity issues***

**3.20** We continue to believe that these changes do not give rise to any equality and diversity issues or to unfair discrimination against protected groups as set out in CP15/42.

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

### **CP15/42 Changes to RDR forms**

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#### ***Retail Distribution Review (Miscellaneous Amendments) Instrument 2016***

##### ***Background***

**3.22** The FCA introduced the Retail Distribution Review (RDR) in December 2012 with the aims of:

- raising professional standards in the industry
- providing greater clarity to consumers about different types of services available, and
- clarifying charges associated with advice and services



- 3.23** The RDR regime requires firms and professional accredited bodies to submit data to the FCA on the training and competency of Retail Investment Advisers (Advisers), as well as any complaints upheld against Advisers. This data uses a system of Individual Reference Numbers (IRNs) to identify individual Advisers. We mainly use this information to supervise the professionalism requirements under the RDR regime.
- 3.24** From 7 March 2016, the new Accountability regime will replace the current Approved Persons Regime in banks, building societies, credit unions and PRA-designated investment firms (together, relevant authorised persons, or RAPs), and individuals who fall within the new Certification Regime will be approved by the firm rather than the regulator. This impacts the existing customer function (CF30), which includes Advisers. As we will no longer pre-approve these individuals, new RAP Advisers will not be issued with an IRN.
- 3.25** In CP15/42<sup>10</sup> we put forward proposals for a new system to uniquely identify new RAP Advisers, whilst also allowing existing Advisers to continue using their IRN.

#### ***Summary of proposals***

- 3.26** From 7 March 2016 firms will be asked to submit in relation to an Adviser:
- an IRN; or, if the individual has not been issued with an IRN
  - date of birth and national insurance (NI) number; or, if the Adviser has no NI number
  - date of birth, current passport number and nationality
- 3.27** The changes apply to the following forms:
- SUP 10 Annex 9 – The Retail Investment Adviser Complaints Alerts Form (this will move to SUP 15 Annex 8)
  - TC 2.1.33 – Retail Investment Adviser Competence Notification Submission Form
  - TC App 8.1 – Professional Standards Data Submission Form
  - DISP 1 Annex 1C – Complaints by Retail Investment Advisers
- 3.28** The changes will also impact Handbook provision TC 2.2B.4.
- 3.29** In addition to these changes, we are amending DISP 1.10.2A to allow firms to report RIA complaints without an IRN where other unique identifying information is provided.
- 3.30** We are also taking this opportunity to make some minor amendments to TC 8.1: we are introducing an additional column for competency to better clarify our policy intention.
- 3.31** Finally, we are also amending the Training and Competence Data Retail Mediation Activities Return (RMA-G) (SUP 16 Annex 18A) (and associated notes for completion) and merging it with the Professional Standards Data Submission Form (TC App 8.1), as consulted on in CP15/42. This will reduce duplication for firms and maximise our use of resources.

#### ***Feedback***

- 3.32** We received two formal responses to the consultation.

<sup>10</sup> CP15/42 *Quarterly Consultation Paper No. 11* (December 2016)

**3.33** The first response related to the fact that Advisers would no longer be pre-approved by the FCA. The respondent also highlighted concerns that the FCA register is being removed.

**3.34** The second respondent expressed concerns that the FCA is asking for firms to submit data which we potentially already hold.

***Our response***

**3.35** The changes to our register are the result of the new Accountability regime, rather than the rules we consulted on in CP15/42. We will retain a register for pre-approved roles, but the total number of such individuals will fall as many pre-approved roles will transition into the Certification Regime and become subject to firm approval, rather than remaining an FCA pre-approved role (Senior Managers only).

**3.36** For the individual to be uniquely identified, the required data fields must be provided every time information is submitted to allow us to correctly map this information internally. The data is just for identification purposes so practically speaking we are not 'collecting' it twice.

**3.37** We have made some additional formatting changes to the forms to improve their usability and to better align them with the online forms. These changes do not materially impact the information requested.

***Cost benefit analysis and compatibility statement***

**3.38** We have made some minor changes to the rules and guidance on which we consulted to clarify our policy intent, as well as some minor changes to the forms. These changes are primarily to the formatting of the forms to ensure the electronic forms provide the full range of functionality when we process the data internally. These changes do not substantively impact the rules or significantly change the data which is being requested. As such, our cost benefit analysis in CP15/42 remains valid.

***Equality and diversity issues***

**3.39** As detailed in CP15/42, we are satisfied that these requirements are compatible with our general duties under section 1B of FSMA, having regard to the matters set out in section 1C(2) of FSMA and the regulatory principles in section 3B.

**3.40** In preparing the final rules as described in this chapter, we have considered the FCA's duty to promote effective competition in the interests of consumers. It is our opinion that making changes to the data requested from firms and accredited bodies has no negative impact on competition, as it ensures ongoing unique identification of Advisers.

## 4. Additional information

### Making corrections

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**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.

**4.2** Please note the following correction to SYSC 18.4.6G. This provision currently reads:

The role of a whistleblowers' champion, before the introduction of his responsibilities under those provisions of SYSC 18 which are to come into force on 2 October 2016, includes oversight of the firm's transition to its new arrangements for whistleblowing.

The date '2 October 2016' should read '7 September 2016'. This error will be corrected in the next Administration Instrument, currently expected to appear in the May Handbook Notice due to publish on 27 May 2016.

### Publication of Handbook material

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**4.3** This Notice is published on the FCA website.

**4.4** The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at <https://www.handbook.fca.org.uk/>. The definitive version of the Handbook at any time is the version contained in the legal instruments.

**4.5** 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.

**4.6** The consolidated text of the Handbook can be found on the FCA's website at <https://www.handbook.fca.org.uk>.

**4.7** Copies of the FCA's consultation papers are available on the FCA's website.

### Obligation to publish feedback

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**4.8** This Notice, and the feedback to which paragraph 1.6 refers, fulfil the FCA Board's obligations under 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 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 section 138K(4) of the Act if a proposed rule applies to authorised persons, including mutual societies.

### Comments

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- 4.9** We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, please use the contact details at the front of this Notice.



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25 The North Colonnade Canary Wharf  
London E14 5HS  
Telephone: +44 (0)20 7066 1000  
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