

Handbook Notice No 100

June 2022

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1 Overview

Legislative changes

- 1.1 On 1 June 2022, the Board of the FCA made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
CP21/14	Claims Management (Relevant Connections) Instrument 2022	FCA 2022/15	07/07/2022

- 1.2 On 23 June 2022, the Board of the FCA made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
CP21/20	Funeral Plans (No 4) Instrument 2022	FCA 2022/25	29/07/2022
N/A	Handbook Administration (No 60) Instrument 2022	FCA 2022/26	24/06/2022; 29/07/2022

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

FCA Board dates for 2022

- 1.5 The table below lists forthcoming FCA board meetings. These dates are subject to change without prior notice.

FCA board meetings		
July	15	2022
September	29	2022
October	20	2022
November	24	2022
December	15	2022

2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the FCA Handbook and other material made by the FCA Board under its legislative and other statutory powers on 1 June and 23 June 2022. 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 please see <https://www.bankofengland.co.uk/news/prudential-regulation>.

Claims Management (Relevant Connections) Instrument 2022

- 2.2 The FCA Board has made changes to the Handbook sections listed below:

**CMCOB 2.1, Sch 2
SUP 16 Annex 45**

- 2.3 In summary, this instrument prohibits claims management companies (CMCs) from carrying out regulated claims management activity in certain circumstances on claims and potential claims to the Financial Services Compensation Scheme (FSCS), where the CMCs have relevant connections to the claims. The rules also require CMCs to tell us of connections they have to financial services (FS) firms that could be relevant to this.
- 2.4 This instrument comes into force on 7 July 2022. Feedback has been published in a separate [Policy Statement](#).

Funeral Plans (No 4) Instrument 2022

- 2.5 The FCA Board has made changes to the Handbook sections listed below:

**Glossary
FEES 6.1
COMP 3.1, 3.3, 6.3, 7.1, 7.2, 7.3, 7.6, 7.7, 9.2**

- 2.6 In summary, this instrument sets out rules relating to the FSCS that would allow the FSCS to secure continuity of funeral plan contracts and to vary existing rights or obligations in connection with the underlying trust or insurance arrangements so that it can seek recoveries.
- 2.7 This instrument comes into force on 29 July 2022. Feedback has been published in Chapter 3 of this Handbook Notice.

Handbook Administration (No 60) Instrument 2022

- 2.8 The FCA Board has made minor changes to various modules of the FCA Handbook, as listed below.
- 2.9 These changes were not consulted on separately because they are minor amendments which correct or clarify existing provisions which have previously been consulted on. None of these changes represent any change in FCA policy.
- 2.10 In summary, the amendments this month consist of amendments to:
- the ESEF Technical Standard to amend a drafting error to reflect the policy intent by clarifying that the UKSEF 2022 taxonomy and the ESEF 2021 taxonomy are permitted taxonomies in relevant financial years
 - FPCOB to clarify when personal recommendations must be provided
 - SUP to amend drafting errors to reflect the policy intent
 - PERG to include guidance on a recent court case in the form of an editor's note
 - the PRIIPS RTS to make the provisions consistent with the policy set out in the earlier consultation and amend a cross-referencing error
- 2.11 This instrument comes into force on 24 June 2022.

3 Consultation feedback

- 3.1 This chapter provides feedback on consultations that will not have a separate policy statement published by the FCA.

CP 21/20: Funeral Plans (No 4) Instrument 2022

Background

- 3.2 On 5 July 2021, we published the final rules for the regulation of the pre-paid funeral plans market, [PS21/8: Feedback to CP21/4 and final rules](#), which will take effect when we become the statutory regulator for the market from 29 July 2022. In that publication we confirmed that Financial Services Compensation Scheme (FSCS) protection for funeral plan business would begin upon regulation of funeral plan firms, where both an authorised firm is declared 'in default' by the FSCS and claims relate to acts or omissions occurring on or after 29 July 2022.
- 3.3 On 5 November 2021, following consultation, we published further rules, [PS21/15: Regulation of funeral plans: Feedback to CP21/20 and final rules](#), on the regulation of the funeral plans market. We also confirmed that, once the Government had introduced associated legislative changes to the Financial Services and Markets Act 2000 (FSMA), we would introduce further rules in connection with the ability of the FSCS to secure continuity of funeral plans and to vary existing rights and obligations in connection with the underlying trust or insurance arrangements so that it can seek recoveries.
- 3.4 The Government [announced](#) on 21 April 2022 that it would lay the relevant legislation that would give the FCA the powers for these rules to be made. The legislation was subsequently made and brought into force from 16 May 2022 for the purpose of FCA making rules. Accordingly, the FCA has now made the rules that were confirmed in PS21/15.

Summary of proposals

- 3.5 We have made the following rules:
- Rules to provide the option for the FSCS to arrange continuity of funeral plan contracts rather than pay compensation, where the FSCS has declared the regulated funeral plan provider 'in default'. This means that if the failed firm's insolvency practitioner does not have enough funds available for a transfer, the FSCS would be able to arrange continuity either by:
 - securing or supporting the transfer of existing funeral plan contracts to a new regulated funeral plan provider; or

- arranging for a new regulated funeral plan provider to issue new funeral plan contracts as an alternative to paying compensation.
- Rules to give the FSCS the right to vary existing rights and obligations in connection with trust and insurance arrangements relating to funeral plan contracts to enable it to seek recoveries where appropriate. This would give the FSCS additional recovery rights and thereby help reduce the impact of firm failures on FSCS levy-payers.

- 3.6 The rules aim to ensure that the FSCS can respond efficiently and effectively to the failure of an authorised funeral plan provider (that is declared in default by the FSCS), and to help the FSCS to seek to recover the cost of arranging continuity or paying compensation even in cases where the funeral plan customer does not have direct rights over the underlying trust or insurance arrangements, to mitigate the impact on FSCS levy payers.
- 3.7 The rules in relation to the continuity of funeral plan contracts (to be added to our Compensation (COMP) sourcebook as COMP 3.3) include enabling the FSCS to secure the provision of a funeral if a covered individual dies while the FSCS is seeking to arrange continuity. We have made a small amendment to COMP 3.3.7R(3) (from the version confirmed in PS21/15) to ensure that the rules work effectively in line with our policy intention of allowing the FSCS to have a number of options open to it when responding to the failure of a regulated funeral plan provider, including securing a funeral.
- 3.8 We have also linked references to “trust arrangement” and “contract of insurance” to our Glossary definition of these terms.

Feedback

- 3.9 We received 15 responses to our consultation, CP21/20. Chapter 3 of PS21/15 included a summary of feedback received that related to the FSCS related proposals.

Our response

- 3.10 As explained in PS21/15, we modified our continuity rules in light of feedback received and no changes were made to our recovery rules.

Cost benefit analysis

- 3.11 CP21/20 included a full cost benefit analysis for the proposals consulted on, including the FSCS rules. PS21/15 included a summary of feedback received in relation to that cost benefit analysis.

Equality and diversity statement

- 3.12 We continue to consider that the rules we have made will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

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, reference number or module at www.handbook.fca.org.uk/instrument. 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 www.handbook.fca.org.uk/. A print version of the Handbook is available from The Stationery Office's shop at www.tsoshop.co.uk/Financial-Conduct-Authority-FCA/.
- 4.6 Copies of the FCA's consultation papers referred to in this Notice are available on the FCA's website.

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 section 138K(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 handbookproduction@fca.org.uk (or see contact details at the front of this Notice).

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This Handbook Notice describes the changes to the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative and other statutory powers on 1 June 2022 and 23 June 2022.

It also may contain 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:

Lisa Oceró

Tel: 020 7066 0198

Email: Lisa.Ocero@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 Contact Centre:

Tel: 0300 500 0597

Fax: 0207 066 0991

Email: firm.queries@fca.org.uk

Post: Contact Centre
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

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