

Handbook Notice No 109

April 2023

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1 Overview

Legislative changes

- 1.1 On 27 April 2023, 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
CP22/19	Financial Resilience Reporting Instrument 2023	FCA 2023/17	01/01/2024
CP23/6	Claims Management Form Guidance and Numbering Instrument 2023	FCA 2023/18	28/04/2023
CP22/12	Technical Standards (Markets in Financial Instruments Transparency) Instrument 2023	FCA 2023/19	28/04/2023; 29/04/2024
CP22/6	Fees (Payment Systems Regulator) Instrument (No 1) 2023	FCA 2023/20	28/04/2023

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

FCA Board dates for 2023

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

FCA board meetings		
May	25	2023
June	29	2023
July	27	2023
September	28	2023
October	26	2023
November	23	2023
December	14	2023

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 27 April 2023. 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>.

Financial Resilience Reporting Instrument 2023

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

SUP 16.30

- 2.3 In summary, this instrument makes changes to introduce a new financial resilience regulatory return for solo-regulated firms. The new return is referred to as 'FIN073 - Baseline Financial Resilience Report'. This replaces the FCA Financial Resilience Survey (FRS) data collection (formerly "Covid-19 Impact Survey"). The aim is to reduce the administrative and financial burden that an ad hoc survey places on firms and increase the quality and consistency of financial resilience data received from our solo-regulated firms.
- 2.4 This instrument comes into force on 1 January 2024. Feedback has been published in a separate [Policy Statement](#).

Claims Management Form Guidance and Numbering Instrument 2023

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

SUP 16 Annex 45AR, 16 Annex 45BG

- 2.6 In summary, this instrument makes changes to provide additional guidance to assist firms in completing the 'Relevant Connections' section of the Annual Claims Management Report form (CMC001). Additional minor changes to numbering and signposting guidance are to maintain consistent numbering and help firms navigate the form.
- 2.7 This instrument comes into force on 28 April 2023. Feedback has been published in Chapter 3 of this Notice.

Technical Standards (Markets in Financial Instruments Transparency) Instrument 2023

2.8 The FCA Board has made changes to our technical standards:

Commission Delegated Regulation (EU) 2017/587
Commission Delegated Regulation (EU) 2017/583
Commission Delegated Regulation (EU) 2017/588

2.9 In summary, this instrument makes changes to reduce harm by amending provisions that impose compliance and operational costs on firms but do not deliver demonstrable benefits to end users or to the functioning of equity markets. We also made amendments which aim to improve the quality of post-trade information and the efficiency of consolidating trade reports from multiple sources.

2.10 Part 1, 3 and 5 of Annex A, and Annex B of this instrument comes into force on 29 April 2024. Part 2 and 4 of Annex A, and Annex C of this instrument comes into force on 28 April 2023. Feedback has been published in a separate [Policy Statement](#).

Fees (Payment Systems Regulator) Instrument (No 1) 2023

2.11 The FCA Board has made changes to the Handbook section listed below:

FEES 9.1, 9.3

2.12 In summary, this instrument makes changes to introduce a minimum yearly fee threshold of £100 for Payment Service Providers regulated by the Payment Systems Regulator (PSR), and a special project fee for Payment System Operators (PSOs) for work specifically related to those with a for profit business model.

2.13 Having considered all responses to the consultation, we have decided to implement our proposal for a minimum yearly fee threshold of £100, using existing provisions from the FCA Handbook FEES 9.2. This will provide time and cost savings to small fee payers, reducing administration and freeing up our time for more productive activities.

2.14 This instrument also makes changes to implement a special project fee for PSOs, with a narrower scope than we originally proposed. We will charge these fees only for work we carry out relating to the designation of a new regulated payment system, new IFR card payment system, or new payment system under the Payment Services Regulations. This has been implemented by adapting the FCA Handbook FEES 9. This will provide us with a fair mechanism to charge PSOs for work specifically relating to their designation and/or for regulatory work relating to or emanating from their designation, in line with other regulators.

- 2.15 This instrument comes into force on 28 April 2023. Feedback has been published in a separate [Policy Statement](#).

3 Consultation feedback

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

Claims Management Form Guidance and Numbering Instrument 2023

Background

- 3.2 Claims management companies (CMCs) are required to submit an Annual Claims Management Report form (CMC001) as set out in the Supervision manual (SUP). This is part of CMCs' regulatory reporting requirements and provides us with regulatory data to inform and support the supervision of the sector. Following the publication of our Policy Statement (PS) [22/6](#) in June 2022, some additional reporting requirements for CMCs came into force in July 2022. Additional fields were added to CMC001 to reflect this, although no corresponding guidance was added.
- 3.3 In [CP23/6](#), we proposed guidance to assist firms with completing these fields. We also proposed some minor changes to the guidance and numbering of fields in CMC001, following on from some minor administrative changes to the form made in December 2022. These proposed changes to the Handbook text, summarised below, were set out in Appendix 2 of the Quarterly Consultation Paper [CP23/6](#).

Summary of proposals

- 3.4 In July 2022, new rules came into force prohibiting CMCs from carrying out regulated claims management activity on claims and potential claims to the Financial Services Compensation Scheme (FSCS), where the CMCs have relevant connections to the claims (as set out in [PS22/6](#)). As part of these rules, we require CMCs to routinely notify us of connections they have to financial services (FS) firms that could be relevant to this, as set out in CMCOB 2.1.21R. As such, additions were made to CMC001, requiring firms to notify us annually of any such 'relevant connections'.
- 3.5 To assist with signposting which CMCs need to complete these additional fields in CMC001, we proposed additional guidance in the 'General notes' section in SUP 16 Annex 45B and under the heading 'Relevant Connections' before field 35.
- 3.6 We also proposed adding guidance to assist firms in answering questions 35 to 37, in line with the requirements on relevant connections. In summary, the proposed additional guidance provides clarification on which individuals at the firm we would need to be notified of, and what information needs to be provided

on them, in relation to any FSCS-eligible activity they, or their relation, have carried on, or been responsible for, at another firm.

- 3.7 Separately, we also proposed minor additions to the guidance notes to help with signposting firms to other questions elsewhere in CMC001 as well as a minor change to guidance and numbering of some of the fields at the end of the form.

Feedback

- 3.8 We received 1 response to the consultation. The respondent made the following 2 suggestions:

- We should make it clearer that the relevant connections notification questions do not apply to firms that only carry on 'seeking out, referrals and identification of claims or potential claims' activity unless that activity relates to 'financial services or financial product claims' which the respondent claims would otherwise cause an unnecessary burden for the large number of CMCs which do not pursue financial services claims
- We should make it clearer that 'FSCS-eligible activity' relates to 'an activity performed at a regulated firm that has now gone out of business' as this would assist firms

Our response

- 3.9 On the first point, it should be noted that the relevant connections notification rule applies to all firms carrying on 'seeking out, referrals and identification of claims or potential claims' activity, whether or not they currently carry on these regulated activities in respect of financial services or financial product claims. This is set out in CMCOB 2.1.21R. The purpose of the rule is to provide us with information that allows us to monitor in advance where potential instances of claims management phoenixing could occur in the future. Our information would not be complete if the reporting was limited in this way, recognising that any firm with this permission can pursue or start to pursue financial services or financial products claims at any point.
- 3.10 On the second point, it should be noted that 'FSCS-eligible activity' as set out in CMCOB 2.1.17R(6) and CMCOB 2.1.18G, relates to all financial services activity that could be eligible for an FSCS claim if that firm goes into default in the future. We agree that this could be made clearer and have added further clarification (underlined below) to the guidance, 'In summary FSCS-eligible activity is an activity in connection with which a claim could be made to the FSCS now or in the future: it is defined in CMCOB 2.1.17R(6) and CMCOB 2.1.18G'.
- 3.11 Given the above, we have proceeded with the changes as proposed, with this addition to the FSCS-eligible activity guidance.

Cost benefit analysis

3.12 Section 138I of the Financial Services and Markets Act 2000 (FSMA) requires us to publish a cost benefit analysis (CBA) unless, in accordance with section 138L, we consider that there will be no increase in costs from the proposed amendments or that the increase will be of minimal significance.

3.13 We continue to be satisfied that the proposed amendments do not increase costs to firms or consumers, or any increase will be of minimal significance, as they do not create any new obligations. It will have the general benefit of providing additional guidance and signposting to firms.

Equality and diversity statement

3.14 We continue to believe 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 27 April 2023.

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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