

Handbook Notice No 119

May 2024

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1 Overview

Legislative changes

- 1.1 On 25 April 2024, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
CP23/17	Securitisation (Smarter Regulatory Framework and Consequential Amendments) Instrument 2024	FCA 2024/18	01/11/2024

- 1.2 On 23 May 2024, 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
CP23/25 , CP24/3	Training and Competence Sourcebook (Amendment) Instrument 2024	FCA 2024/20	24/05/2024

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.

FCA Board dates for 2024

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

FCA board meetings		
June	27	2024
July	25	2024
October	3	2024
October	31	2024
November	28	2024
December	19	2024

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 25 April 2024 and 23 May 2024. 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 www.bankofengland.co.uk/news/publications.

Securitisation (Smarter Regulatory Framework and Consequential Amendments) Instrument 2024

Following consultation in [CP23/17](#), the FCA Board has made changes to the Handbook sections listed below:

Glossary
SYSC 25 Annex 1
GEN Sch 4
FEES 3.2, 3 Annex 14
MIFIDPRU 7.7
DEPP 2.5, 2 Annex 1, 2 Annex 2, 6.1, 6A.1, Sch 3, Sch 4
COLL 5.2
FUND 3.5

- 2.2 The FCA Board has made changes to introduce a new specialist sourcebook:

Securitisation sourcebook (SECN)

- 2.3 In summary, this instrument makes changes to the FCA Handbook to transfer the largely preserved firm facing requirements of the UK Securitisation Regulation (UK SR) to the FCA Handbook and bring clarity to a targeted number of provisions of the UK SR. At a later stage we intend that our second consultation will have a broader remit for policy change, including a review of the reporting regime.

- 2.4 This instrument comes into force on 1 November 2024. Feedback is published in a separate [policy statement](#).

Training and Competence Sourcebook (Amendment) Instrument 2024

Following consultations in [CP23/25](#) and [CP24/3](#) the FCA Board has made changes to the Handbook sections listed below:

TC App 4.1

- 2.5 In summary, this instrument makes changes to the FCA Handbook to implement an annual consultation cycle on changes for updates to the

qualification related elements of the Training and Competence (TC) sourcebook from 2025. To account for any urgent changes, we have included the option to consult outside of the annual schedule where there are exceptional circumstances.

- 2.6 Further changes alter the format of the TC qualification table in TC App 4.1 to place qualifications which are no longer provided into a separate table.
- 2.7 This instrument comes into force on 24 May 2024. Feedback is published in Chapter 3 of this notice.

3 Consultation feedback

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

CP23/25 and CP24/3: Training and Competence Sourcebook (Amendment) Instrument 2024

Background

- 3.2 Our Training and Competence (TC) regime supports consumers by making sure the financial services workforce is appropriately qualified and well regulated. The regime includes detailed requirements for individuals carrying on certain retail activities and qualification requirements which are set out in the TC sourcebook of our FCA Handbook.
- 3.3 We currently consult on changes to the TC sourcebook whenever a qualification provider reaches out to us. This might be to add a new qualification to an existing provider in the Handbook, or when a potential Accredited Body is seeking approval from us.

Summary of proposals

Annual consultation

- 3.4 We consulted on implementing an annual consultation cycle for updates to the qualification related elements of the TC sourcebook.
- 3.5 To account for any urgent changes, we included the option to consult outside of the annual schedule under certain circumstances. These exceptional circumstances will be determined by the FCA on a case-by-case basis. This will help to ensure flexibility within our approach to making changes, whilst providing the opportunity to maintain the accuracy of the Rules.
- 3.6 Before moving to the proposed annual consultation cycle, we proposed to consult on any further changes to qualifications later this year. This offers qualification providers and Accredited Bodies an opportunity to submit any necessary changes to our TC sourcebook.
- 3.7 We proposed to move to consulting annually from 2025.

Changes to the qualification table

- 3.8 The appropriate qualifications table at TC App 4.1 lists which qualifications are deemed appropriate for the purposes of the evidential rule at TC 2.1.10E.

- 3.9 In December 2023, in [Consultation Paper \(CP\) 23/25](#), we proposed to add the International Capital Market Association (ICMA) as a sole qualification provider and update the qualifications table in relation to providers of the Operations Certificate Programme (OCP) and the qualifications provided by the Chartered Institute for Securities and Investment (CISI).
- 3.10 Following feedback that suggested the qualifications table was complicated to follow, in March 2024 we consulted in [CP24/3](#) to alter the format of the table to place qualifications which are no longer provided into a separate table. This table will remain within TC App 4.1 but will constitute its own list (to be referred to as Part 2B).
- 3.11 To ensure the table under Part 2B remains user friendly, we have sought to apply end dates to the qualifications contained within this part of the table.

How this links to our objectives

- 3.12 These amendments advance our operational objectives of securing an appropriate degree of consumer protection and promoting effective competition in the interests of consumers by providing a clearer picture of the requirements for advisers to be appropriately qualified. We believe that these proposed changes will significantly improve the layout and understanding of the qualifications table, allowing more informed decisions by financial services firms to ensure that their advisers have suitable TC qualifications to meet the needs of consumers.
- 3.13 We are satisfied that any burdens or restrictions are proportionate to the expected benefits. In meeting our operational objectives in this way, these proposals are also compatible with our secondary international competitiveness and growth objective. By seeking to set out our requirements on firms in a clear and more accessible way, for both industry participants and consumers, we will promote trust and confidence in our markets, and help facilitate a wide and suitably qualified talent pool, bringing more potential choice for consumers, which aligns with sustained growth and international competitiveness.

Feedback

- 3.14 We have included a summary of responses to both consultations below and provided our response in the "our response" section.

CP23/25

- 3.15 In Chapter 2 of [CP23/25](#), we proposed changes to the appropriate qualifications within that table at TC App 4.1 of the TC sourcebook. We received a response from one provider who suggested the following changes:
- One qualification (that was to be listed as no longer be provided) would continue to be provided in certain circumstances.

- One qualification was proposed as being amended, but the provider stated this would no longer be the case and as such it should remain as it was prior to consultation.

CP24/3

Dates for consultation

- 3.16 In Chapter 4 of [CP24/3](#), we proposed to move to an annual consultation cycle for matters affecting qualification-related elements of the TC sourcebook and also proposed changes to the qualification table.
- 3.17 One respondent asked us to provide clarity on the timing of our proposed annual consultation cycle.

Specific circumstances in which changes could be made

- 3.18 We were asked to provide clarity on the specific circumstances in which we would consider changes could be made outside of the schedule. Noting that we referred to these as “exceptional circumstances” in the CP.

Changes to the qualification table

- 3.19 A respondent asked for more clarity on how the format changes to the qualification table in TC App 4.1 will work, including:
- whether advisers will only be allowed to hold exams in Part 2A to meet the TC requirements, or whether advisers may continue to use qualifications no longer provided and exams to meet the TC requirements.
 - stakeholder communications around any changes to the Appropriate Qualifications Tables, and the information that appears in the TC sourcebook.

Our response

Responses to CP23/25

- 3.20 We have made the changes to the specific qualifications based on feedback from the qualification provider.

Responses to CP24/3

Dates for consultation

- 3.21 We will communicate the timings of the consultation in the second half of this year.

Specific circumstances in which changes could be made

- 3.22 To account for any urgent changes, we have included the option to consult outside of the annual schedule where there are exceptional circumstances. These circumstances will be determined exceptional by the FCA on a case-by-case basis, but this could include where a qualification needs to be removed with urgency. This will ensure flexibility and maintain accuracy, supporting our proposals.

Changes to the qualification table

- 3.23 In Part 2A of the table, we intend to include qualifications with activities that meet FCA requirements. If an adviser has one of the qualifications listed in Part 2A, the firm can rely on the rule to show that the TC requirements are met.
- 3.24 Qualifications in Part 2B will have an end date, but (in line with our existing policy) if the qualification was obtained before that end date the qualification can still be relied upon, unless it is listed as no longer meeting our requirements. This change in the layout is designed to help readers navigate the information on qualifications and how it is set out in our Handbook.
- 3.25 Qualifications that are no longer offered by providers are moved to Part 2B. Providers should notify us if qualifications are no longer provided or no longer meet FCA requirements so that we can ensure it is contained in the relevant part of the qualifications table and that the qualification description is updated to reflect this.

Cost benefit analysis

- 3.26 Section 138I(2)(a) of FSMA requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In [CP23/25](#) and [CP24/3](#), we explained our view that no CBA was required for our proposals because the amendments would not lead to an increase in costs, or the increase would be of minimal significance. Our position remains unchanged.

Equality and diversity statement

- 3.27 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.

Environmental, social and governance considerations

- 3.28 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and

3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the proposals are relevant to contributing to those targets.

Rule Review Framework

3.29 We have taken into account our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring.

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 1.4 refers, fulfil for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('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 handbook.feedback@fca.org.uk (or see contact details at the end of this notice).

Annex

List of non-confidential respondents

We are required by section 138I(4A) of the Act to include a list of the names of respondents to rules consultations where the respondent has consented to the publication of their name. This annex lists the names of consenting respondents for consultations where those names are not otherwise listed in a separate consultation response document.

CP23/25 and CP24/3: Training and Competence Sourcebook (Amendment) Instrument 2024

Chartered Institute for Securities and Investments

Handbook Notice 119

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 25 April 2024 and 23 May 2024.

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:

Michelle Scott-Ashcroft

Tel: 020 7066 1038

Email: michelle.scott-ashcroft@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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