

# Handbook Notice No 122

September 2024

## Contents

1	<u>Overview</u>	2
2	<u>Summary of changes</u>	4
3	<u>Consultation feedback</u>	6
4	<u>Additional information</u>	13
	<u>Annex</u>	15

# 1 Overview

## Legislative changes

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- 1.1 On 18 September 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
<a href="#">CP24/15</a>	Dispute Resolution: Complaints Sourcebook (Motor Finance Discretionary Commission Arrangement Complaints) (Amendment) Instrument 2024	FCA 2024/31	26/9/2024

- 1.2 On 3 October 2024, 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
<a href="#">CP24/11</a>	Change in Control (Aggregation of Holdings) Instrument 2024	FCA 2024/32	1/11/2024
<a href="#">CP24/11</a>	EU Withdrawal (Miscellaneous Amendments) Instrument 2024	FCA 2024/33	4/10/2024
<a href="#">CP24/10</a>	Technical Standards (Markets in Financial Instruments Transparency) (Transitional Provisions) Instrument 2024	FCA 2024/34	4/10/2024

## Summary of changes

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- 1.3 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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- 1.4 Consultation feedback is published in Chapter 3 of this notice or in separate policy statements.

## FCA Board dates for 2024/2025

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

FCA board meetings		
October	31	2024
November	28	2024
December	19	2024
January	30	2025
February	27	2025
March	27	2025
May	1	2025
May	22	2025
June	26	2025
July	31	2025
October	2	2025
October	30	2025
November	27	2025
December	18	2025

## 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 18 September 2024 and 3 October 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](http://www.bankofengland.co.uk/news/publications).

### ***Dispute Resolution: Complaints Sourcebook (Motor Finance Discretionary Commission Arrangement Complaints) (Amendment) Instrument 2024***

2.2 Following consultation in [CP24/15](#) the FCA Board has made changes to the Handbook sections listed below:

#### **DISP App 5.1 and App 5.2**

2.3 In summary, this instrument extends:

- the pause on the requirement for firms to provide a final response to Discretionary Commission Arrangement (DCA) complaints within 8 weeks, giving complainants the right to go to the Financial Ombudsman;
- requirements to keep consumers informed about the pause;
- the timeframe for consumers who receive a final response on relevant complaints to decide whether to refer their complaint to the Financial Ombudsman; and
- requirements to maintain and preserve relevant records (we proposed these should remain in place until 11 April 2026).

2.4 This instrument came into force on 26 September 2024. Feedback is published in a separate [policy statement](#).

### ***Change in Control (Aggregation of Holdings) Instrument 2024***

2.5 Following consultation in [CP24/11](#) the FCA Board has made changes to the Handbook sections listed below:

#### **SUP 11.3 and 11 Annex 6G**

2.6 In summary, this instrument:

- replaces wording in SUP 11.3.1BG to refer readers to the final non-Handbook guidance in relation to the prudential assessment of acquisitions and increases in control; and
- removes duplicative text in relation to guidance on the aggregation of shares/voting power and acting in concert.

2.7 This instrument comes into force on 1 November 2024. Feedback is published in Chapter 3 of this notice.

### ***EU Withdrawal (Miscellaneous Amendments) Instrument 2024***

2.8 Following consultations in [CP24/11](#) the FCA Board has made changes to the Handbook sections listed below:

**Glossary**  
**PRIN 3.1 and 3.3**  
**SYSC 23 Annex 1**  
**GEN 2.2, 4.3, 4 Annex 1B, TP 5 and TP 6**  
**SUP 16.30**  
**PERG 13.1 and 13.2**

2.9 In summary, this instrument removes expired provisions relating to the temporary permissions regime (TPR) and the temporary marketing permissions regime (TMPR), and implements terminology changes from the Retained EU Law (Revocation and Reform) Act 2023.

2.10 This instrument comes into force on 4 October 2024. Feedback is published in Chapter 3 of this notice.

### ***Technical Standards (Markets in Financial Instruments Transparency) (Transitional Provisions) Instrument 2024***

2.11 Following consultation in [CP24/10](#) the FCA Board has made changes to the following technical standards:

**Commission Delegated Regulation (EU) 2017/577**  
**Commission Delegated Regulation (EU) 2017/583**  
**Commission Delegated Regulation (EU) 2017/587**

2.12 In summary, this instrument extends the temporary regime which allowed the FCA to not have to follow the methodology prescribed in EU legislation for calibrating the regime of pre- and post-trade transparency for bonds and derivatives, pending the revision of the transparency regime which is expected to take effect towards the end of 2025.

2.13 This instrument comes into force on 4 October 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.

### **CP24/11: Change in Control (Aggregation of Holdings) Instrument 2024**

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#### Background

- 3.2 Chapter 11 of the Supervision Manual (SUP 11) sets out rules and guidance for controllers and close links. It also makes reference to the EU guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector (3L3 Guidelines).
- 3.3 In November 2023 we consulted, with the Prudential Regulation Authority (PRA), on proposals to replace the 3L3 Guidelines with non-Handbook guidance on the prudential assessment of acquisitions and increases in control (Change in Control Guidelines) and an equivalent PRA supervisory statement (Consultation Paper (CP) [23/23](#)). The consultation closed on 23 February 2024. We have now considered the feedback and intend to issue final non-Handbook guidance in Q4 2024.
- 3.4 In the July Quarterly Consultation Paper ([CP24/11](#)), we consulted on making changes to SUP 11 in readiness for the issuance of the final guidance. As well as replacing reference to the 3L3 Guidelines, we also consulted on removing duplicative text.

#### Summary of proposals

- 3.5 In [CP24/11](#) we consulted on:
- replacing the wording in SUP 11.3.1BG to refer readers to the Change in Control Guidelines instead of the 3L3 Guidelines; and
  - deleting SUP 11 Annex 6G, which contains text that is duplicated in the Change in Control Guidelines.

#### How this links to our objectives

- 3.6 The Change in Control Guidelines would advance the FCA's objectives of protecting consumers, enhancing market integrity and promoting competition by providing clarity on the factors the FCA would consider when applying the assessment criteria and deciding when a proposed acquirer is suitable to control and/or direct a UK authorised firm. The FCA's secondary objective to support the international competitiveness and growth of the UK economy in the medium to long term would also be advanced by making the FCA's expectations

and requirements clearer and more transparent to persons proposing to acquire or increase control over a UK authorised firm. The changes to SUP 11 will direct readers to the guidelines, and the removal of duplicative text will make it easier for readers to navigate through the Handbook.

#### Feedback

3.7 We received no feedback on our proposed amendments.

#### Our response

3.8 As we received no feedback on our proposed amendments, we are making the changes as consulted.

#### Cost benefit analysis

3.9 Section 138I of the Financial Services and Markets Act (FSMA) requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless we believe that there will be no increase in costs or that the increase will be of minimal significance. In [CP24/11](#), 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.

3.10 Section 138IA FSMA requires the FCA to consult the CBA panel about the preparation of a CBA. We have not consulted the CBA panel as the CBA falls under the materiality threshold in the CBA statement of policy.

#### Equality and diversity statement

3.11 We continue to believe that the changes 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

3.12 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

3.13 Due to the nature of the changes here, we are satisfied that the amendments are exempt from the requirement to be monitored under the Framework.

## CP24/11: EU Withdrawal (Miscellaneous Amendments) Instrument 2024

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### Background

- 3.14 Following the UK's departure from the European Union, the temporary permissions regime (TPR) allowed inward passporting European Economic Area (EEA) firms to continue operating in the UK. The temporary marketing permissions regime (TMPR) allowed the continued marketing of funds into the UK. Various provisions relating to the TPR and the TMPR expired on 31 December 2023.
- 3.15 In addition, the Retained EU Law (Revocation and Reform) Act 2023 renamed various terms relating to EU law which became UK law under the European Union (Withdrawal) Act 2018.

### Summary of proposals

- 3.16 In [CP24/11](#), we proposed to make some minor amendments to the Handbook to remove expired provisions relating to the TPR and the TMPR and to reflect the terminology changes mentioned above.
- 3.17 The proposed changes are included in the following areas of the FCA Handbook:
- Glossary of definitions
  - Principles for Businesses (PRIN)
  - Senior Management Arrangements, Systems and Controls sourcebook (SYSC)
  - General Provisions sourcebook (GEN)
  - Supervision manual (SUP)
  - Perimeter Guidance manual (PERG)

### How this links to our objectives

- 3.18 The proposed amendments will ensure that the Handbook is suitably updated to reflect the relevant changes in legislation.
- 3.19 We are satisfied that the proposed amendments are compatible with our objectives, including our secondary competitiveness and growth objective, and regulatory principles and that the amendments advance our operational objectives of securing an appropriate degree of consumer protection and promoting effective competition in the interests of consumers. We are also satisfied that any burdens or restrictions are proportionate to the expected benefits.



### Feedback

3.20 No feedback was received in response to the consultation.

### Our response

3.21 We plan to proceed with the changes to the Handbook as consulted on.

### Cost benefit analysis

3.22 In [CP24/11](#), we set out our view that that there will be no increase in costs arising from the proposals or that the increase will be of minimal significance and we were therefore not required to produce a cost benefit analysis. In the absence of any consultation responses on this point, we remain of the same view. The rules have not changed from the version we consulted on.

3.23 Section 138IA FSMA requires the FCA to consult the CBA panel about the preparation of a CBA. We have not consulted the CBA panel as the CBA falls under the materiality threshold in the CBA statement of policy.

### Equality and diversity statement

3.24 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

3.25 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(1)(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

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

## **CP24/10: Technical Standards (Markets in Financial Instruments Transparency) (Transitional Provisions) Instrument 2024**

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### Background

3.27 We are in the process of updating the UK's wholesale markets regulatory regime to improve the functioning of those markets and to strengthen the UK's position in wholesale markets. As part of this we are revising the regime of pre- and post-trade transparency for the

secondary trading of financial instruments, including those that apply to bonds and derivatives. We published Consultation Paper [CP23/32](#) on bonds and derivatives transparency in December 2023 and will publish the related Policy Statement in the final quarter of 2024. A new regime is expected to take full effect by the end of 2025.

### Summary of proposals

#### *Transitional regime for transparency calculations*

- 3.28 The UK Markets in Financial Instruments Regulation (UK MiFIR) establishes pre- and post-trade transparency requirements for the trading of financial instruments. Exemptions are available for instruments that are not liquid and for transactions that are large. To determine whether an instrument is not liquid, or a transaction is large, we perform regular calculations based on data submitted to us. As part of onshoring work prior to EU withdrawal, UK MiFIR and the associated technical standards were amended so that for a transitional period we were not required to follow the methodology inherited from the EU for making liquidity determinations and setting thresholds.
- 3.29 The transitional regime recognised that the transparency framework was designed for an EU market of 28 member states and that issues could arise in applying it to the UK market alone. We have used the transitional regime in operating the transparency regime since 2020, particularly in relation to bonds and derivatives.
- 3.30 The transitional transparency regime expires at the end of this year. In respect of equities, we believe that no issues will arise following the methodology for liquidity determinations and threshold calculations in the [UK version of Commission Delegated Regulation \(EU\) 2017/587 \(MiFID RTS 1\)](#). We are making few modifications for individual financial instruments to what would occur if we just followed the methodology in [MiFID RTS 1](#).
- 3.31 In respect of bonds and derivatives, we have consulted through [CP23/32](#) on the creation of a new transparency regime. That regime, which we expect to fully implement by the end of 2025 subject to assessment of consultation responses, will remove the existing methodology for liquidity determinations and threshold calculations in the [UK version of Commission Delegated Regulation \(EU\) No 2017/583 \(MiFID RTS 2\)](#).
- 3.32 Between the end 2024 and the implementation of the changes to the bond and derivatives transparency regime in the second half of 2025 there are several points at which an unmodified UK MiFIR transparency regime would require us to undertake liquidity determinations and threshold calculations.

3.33 To smooth the path to the new transparency regime, we proposed in [CP24/11](#) (see Chapter 9) extending the existing transitional regime to cover that period. That will enable us to continue to depart from the methodology set out elsewhere in [MiFID RTS 2](#), as appropriate. Therefore we proposed amending Article 13A of [MiFID RTS 2](#) to extend the transitional regime for bonds and derivatives transparency to the point in time when [MiFID RTS 2](#) is revoked and the new transparency regime takes effect.

#### How this links to our objectives

3.34 The proposal to extend the transitional regime for bonds and derivatives transparency aligns with the FCA's statutory objectives of consumer protection and market integrity by ensuring that the regulatory framework remains fit for purpose during the interim period before the new transparency regime is implemented. By allowing continued flexibility in liquidity determinations and threshold calculations, the FCA can better protect consumers from potential market disruptions and maintain a fair, orderly, and transparent market.

3.35 The proposal supports our secondary objective of international competitiveness and growth by avoiding a rigid application of EU-designed rules that may not be appropriate for the UK market. This approach ensures that the UK remains an attractive and competitive financial market, while also facilitating smooth adjustments to the upcoming regulatory changes.

#### Feedback

3.36 We received a total of 5 responses to our consultation. All respondents agreed with our proposals to extend the current regime pending the introduction of a new transparency framework in 2025. One respondent noted a concern raised by its members regarding the potential impact of the EU's direction towards more detailed International Securities Identification Numbers (ISINs) for OTC derivatives, suggesting that the UK considers transitioning to UPI (Unique Product Identifier) instead of ISINs for OTC derivatives in the future.

#### Our response

3.37 We have proceeded with the implementation of our proposal as consulted on, without any amendments, in line with the support received for the changes. The issue of identifiers for OTC derivatives was covered in [CP23/32](#). Our proposals on this issue will be finalised in our forthcoming Policy Statement.

#### Cost benefit analysis

3.38 Section 138S of the Financial Services and Markets Act 2000 (FSMA) requires us to publish a cost benefit analysis (CBA) when proposing draft technical standards. However, our proposals do not introduce significant changes to existing standards. Section 138L(3) of FSMA

provides that the obligation to publish such an analysis does not apply where we consider that there will be no increase in costs, or the increases will be of minimal significance.

- 3.39 Section 138IA FSMA requires the FCA to consult the CBA panel about the preparation of a CBA. We have not consulted the CBA panel as the CBA falls under the materiality threshold in the CBA statement of policy.

#### Equality and diversity statement

- 3.40 We have considered the equality and diversity issues that may arise from the proposed amendments. We have not identified any adverse impact that the proposals in this chapter would have on any of the groups with protected characteristics under the Equality Act 2010 (ie, age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment). In Northern Ireland, the Equality Act is not enacted but other anti-discrimination legislation applies.

#### Environmental, social and governance considerations

- 3.41 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(1)(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

- 3.42 The FCA's Rule Review Framework states that while we will generally monitor key metrics of new rules, this is not a requirement where it would be disproportionate or where the new rule relates to a minor policy or rule change with minimal impact. Due to the nature of the changes proposed here, we are satisfied that the proposed amendments are exempt from the requirement to be monitored under the Framework.

## 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.

### Publication of Handbook material

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- 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](http://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/](http://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/](http://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

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- 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

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- 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](mailto:handbook.feedback@fca.org.uk) (or see contact details at the end of this notice).

# Annex

## List of non-confidential respondents

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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.

### ***CP24/10: Technical Standards (Markets in Financial Instruments Transparency) (Transitional Provisions) Instrument 2024***

Association for Financial Markets for Europe (AFME)

European Venues and Intermediaries Association (EVIA)

International Swaps and derivatives Association (ISDA)

Invesco

UK Finance

## Handbook Notice 122

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 18 September 2024 and 3 October 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](mailto: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](mailto:firm.queries@fca.org.uk)

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

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