

Handbook Notice No 141

May 2026

Contents

1	Overview	2
2	Summary of changes	4
3	Consultation feedback	7
4	Additional information	13
	Annex	15

1 Overview

Legislative changes

- 1.1 On 23 April 2026, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
CP25/28	Collective Investment Schemes (Use of Distributed Ledger Technology in Authorised Funds) Instrument 2026	FCA 2026/24	30 April 2026
CP25/28	Collective Investment Schemes (Direct Dealing) Instrument 2026	FCA 2026/25	30 April 2026

- 1.2 On 28 May 2026, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook and Technical Standards as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
CP26/8	Consumer Credit (Regulatory Reporting) (Amendment) Instrument 2026	FCA 2026/26	29 May 2026
CP26/3	Supervision Manual (Amendment) Instrument 2026	FCA 2026/27	1 June 2026
CP26/8	Technical Standards (European Markets Infrastructure Regulation) (Clearing Thresholds) (Amendment) Instrument 2026	FCA 2026/28	29 May 2026
N/A	Short Selling Rules Sourcebook (Administration) Instrument 2026	FCA 2026/29	13 July 2026; 1 January 2027

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 2026

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

FCA Board meetings		
June	25	2026
July	30	2026
September	24	2026
October	22	2026
November	19	2026
December	10	2026

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 their legislative and statutory powers on 23 April 2026 and 28 May 2026. 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 bankofengland.co.uk/news/publications.

Collective Investment Schemes (Use of Distributed Ledger Technology in Authorised Funds) Instrument 2026

- 2.2 Following consultation in [CP25/28](#), the FCA Board has made changes to the Handbook sections listed below:

COLL 6.4, 8.5 and 15.7

- 2.3 The FCA Board inserted the following new annex:

COLL 6 Annex 4

Collective Investment Schemes (Direct Dealing) Instrument 2026

- 2.4 Following consultation in [CP25/28](#), the FCA Board has made changes to the Handbook sections listed below:

Glossary of definitions

COLL 3.2, 4.2, 5.2, 5.5, 5.6, 5.7, 6.2, 7.2, 7.4, 7.4A, 7.6, 8.1, 8.5, 15.2, 15.3, 15.4, 15.6, 15.8 and TP 1

- 2.5 In summary, these instruments make changes to support the use of distributed ledger technology in authorised funds and to introduce an optional Direct-to-Fund (D2F) dealing model. In particular, they add Handbook guidance clarifying how authorised fund managers may maintain unitholder registers and records on DLT, including recognising on-chain records as primary records where appropriate operational safeguards are in place, and can use smart contract functionality in order to facilitate unitholder processes. These instruments also introduce new rules enabling funds to adopt the optional D2F model, permitting investors to deal directly with the fund (or its depositary) through a single-stage dealing process, whether the fund is tokenised or conventional.
- 2.6 These instruments came into force on 30 April 2026. Feedback is published in a separate [policy statement](#).

Consumer Credit (Regulatory Reporting) (Amendment) Instrument 2026

- 2.7 Following consultation in [CP26/8](#), the FCA Board has made changes to the Handbook sections listed below:

**SYSC 1.5
SUP 16 Annex 38C and 16 Annex 38D**

- 2.8 In summary, this instrument makes changes to correct an amendment made in error to SYSC 1.5.3R in [PS25/3](#) and to amend SUP 16 to address minor discrepancies in wording relating to Consumer Credit Returns.
- 2.9 This instrument came into force on 29 May 2026. Feedback is published in Chapter 3 of this notice.

Supervision Manual (Amendment) Instrument 2026

- 2.10 Following consultation in [CP26/3](#), the FCA Board has made changes to the Handbook sections listed below:

**Glossary of definitions
SUP 16.1 and 16.3**

- 2.11 The FCA Board inserted the following new section:

SUP 16.34

- 2.12 The FCA Board inserted the following new Annexes:

SUP 16 Annex 59 and 16 Annex 60

- 2.13 In summary, this instrument makes changes to SUP to introduce a new annual Retail Banking Business Models (R2B2) regulatory return, replacing the previous series of ad hoc data collections. It applies to banks and building societies that meet reporting thresholds. The data request includes sub-product breakdowns of financial and volume-based measures across the retail banking business model. The changes support a more proportionate, predictable and regular approach to data collection while maintaining the FCA's ability to monitor competition and risks in retail banking.
- 2.14 This instrument comes into force on 1 June 2026. Feedback is published in a separate [policy statement](#).

Technical Standards (European Markets Infrastructure Regulation) (Clearing Thresholds) (Amendment) Instrument 2026

- 2.15 Following consultation in [CP26/8](#), the FCA Board has made changes to the following Technical Standard:

Commission Delegated Regulation (EU) No 149/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on indirect clearing arrangements, the clearing obligation, the public register, access to a trading venue, non-financial counterparties, and risk mitigation techniques for OTC derivatives contracts not cleared by a CCP

- 2.16 In summary, this instrument makes changes to increase the clearing threshold for commodity derivatives under UK EMIR to €6bn to ensure it remains appropriate in a market with higher commodity prices.
- 2.17 This instrument came into force on 29 May 2026. Feedback is published in Chapter 3 of this notice.

Short Selling Rules Sourcebook (Administration) Instrument 2026

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

**Glossary of definitions
SSR 2.9 and TP 1**

- 2.19 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.
- 2.20 In summary, this instrument makes minor administrative changes to the Short Selling Rules sourcebook and associated Glossary terms.
- 2.21 This instrument comes into force on 13 July 2026, except for Part 2 of Annex A, which comes into force on 1 January 2027.

3 Consultation feedback

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

CP26/8: Consumer Credit (Regulatory Reporting) (Amendment) Instrument 2026

Background

- 3.2 In May 2025, we published Policy Statement (PS) [PS25/3](#), where we introduced a return which will collect data from consumer credit firms with permission to engage in any one, or more, of the regulated activities of:

- credit broking
- debt adjusting
- debt counselling
- providing credit information services

- 3.3 It also sets out our final rules and guidance for incorporating the new return into Supervision manual (SUP) 16.

- 3.4 The new return has 5 mandatory sections of questions for all firms in scope, followed by tailored questions specific to firms' permissions. It also replaces elements of:

- CCR002 – Consumer credit data: Volumes
- CCR007 – Consumer credit data: Key data for credit firms with limited permission

Summary of proposals

- 3.5 Following the publication, we have identified a mistake in the changes made to Senior Management Arrangements, Systems and Controls sourcebook (SYSC) 1.5.3R. Therefore, we consulted to make a correction.

- 3.6 We have also identified areas in the Handbook where minor amendments to the rules or guidance would help support firms' ability to meet the rules set out in SUP 16.

3.7 The changes in SUP 16 will not impact policy scope; instead, they focus on clarifying the language of the existing rules to improve the experience of firms when completing the return.

How this links to our objectives

3.8 We are satisfied that the proposed amendments are compatible with our objectives and other legal obligations. 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 satisfied that any burdens or restrictions are proportionate to the expected benefits. We are also satisfied that the proposed amendments are compatible with the FCA's secondary international competitiveness and growth objective.

Feedback

3.9 We received no feedback on our proposals.

Our response

3.10 As we have received no feedback on our proposals, we are proceeding with the amendments as consulted on. We have, however, made minor drafting changes to the Handbook instrument to correct typographical errors and improve readability. These changes are not significant for the purposes of section 138I(5) of the Financial Services and Markets Act 2000 (FSMA).

Cost benefit analysis

3.11 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 CP26/8, 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

3.12 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.

Rule Review Framework

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

CP26/8: Technical Standards (European Markets Infrastructure Regulation) (Clearing Thresholds) (Amendment) Instrument 2026

Background

- 3.14 Under UK EMIR, in-scope over-the-counter (OTC) derivatives may be subject to mandatory clearing (the clearing obligation). All OTC derivatives that are not subject to mandatory clearing may be subject to bilateral margin requirements. The application of the clearing obligation and margin requirements depends on how counterparties are classified under UK EMIR.
- 3.15 The clearing obligation applies to in-scope contracts between any combination of financial counterparties (FCs) and non-financial counterparties (NFCs) who exceed prescribed clearing thresholds set by the FCA. The bilateral margin requirements apply to uncleared contracts between NFCs who exceed the clearing thresholds and FCs. UK EMIR provides certain exemptions from these requirements.
- 3.16 HM Treasury (HMT) has communicated its intention to review Title II of UK EMIR. This contains the clearing and bilateral margin requirements. We are supporting HMT with this work and are considering the most effective way to implement changes making requirements more proportionate. As we have progressed this work, stakeholders have raised concerns that the combination of thresholds being fixed in nominal terms and rising commodity prices are pushing firms close to exceeding the commodity clearing threshold, even if they are not actively increasing the volume of business they conduct. This could create disproportionate costs for those firms who may be subject to excessive margin requirements.

Summary of proposals

- 3.17 To ensure the regulatory framework reflects rising commodity prices, and to avoid UK counterparties being competitively disadvantaged, in Consultation Paper (CP) [CP26/8: QCP No. 51 Chapter 7](#), we proposed recalibrating the clearing threshold for commodity derivatives. We proposed increasing the clearing threshold for commodities from €3bn to €5bn by amending the UK version of [Commission Delegated Regulation \(EU\) No. 149/2013](#) (BTS 2013/149).
- 3.18 We proposed making this change now to address the immediate concerns raised to us by industry and the ongoing fluctuations in commodity prices. However, this should be viewed as a transitional measure to provide firms with an appropriate threshold in a market with higher commodity prices as we consider wider changes to the clearing regime under UK EMIR. This may lead to the clearing threshold for commodity derivatives being amended again, at a later stage, as we consider this alongside changes to the associated calculation methodology.

- 3.19 The threshold was originally set in 2016, but feedback has suggested that the inflation of commodity prices has effectively lowered the threshold, which has remained numerically unchanged since originally set. Feedback also indicated this may be influencing firms' behaviour as they seek to remain below the thresholds, which has the potential to constrain economically beneficial activity. In the absence of appropriate changes, we believe the margin requirements could be inappropriately applied to activity in non-financial firms which are unlikely to pose systemic risk and UK firms may be competitively disadvantaged relative to competitors in other jurisdictions.
- 3.20 In [CP26/8](#), we proposed a €2bn increase in the threshold to ensure that the threshold is closer, in real terms, to the original level. We have considered that there may be an increase in counterparty credit risk due to our proposal, but we considered this change to be proportionate given the increase in commodity prices.

How this links to our objectives

- 3.21 Our proposal aims to support our market integrity objective by ensuring the regulatory framework reflects market dynamics to remain both effective and proportionate. In doing so, our proposals also aim to advance our secondary international competitiveness and growth objective by helping to avoid firms incurring disproportionate costs due to exceeding the clearing thresholds for commodities, and support liquidity in times of volatility. It will also better maintain the status quo while we conduct fuller reforms to the regulatory framework to further advance our objectives.

Feedback

- 3.22 We received two responses to our consultation: one joint response from multiple trade associations representing a wide range of firms and another from an energy company. Feedback across both responses supported raising the threshold. However, respondents strongly recommended a threshold of at least €6bn as more appropriate, presenting the following arguments:
- Commodity prices have increased significantly since the threshold was originally set at €3bn, meaning that, in real terms, the threshold has effectively fallen substantially. This effectively reduces the volume of commodities that can be traded before reaching the threshold and risks creating procyclical effects in commodity markets. A threshold of at least €6bn better reflects inflation and structural growth in commodity markets.
 - Commodity price volatility is structurally higher. This means firms require a larger buffer between their internal group-wide limit, set below the clearing threshold to factor in sharp price movements, and the UK EMIR clearing thresholds to allow time to respond to market movements. This means the practical impact of increasing the threshold is more limited. It also heightens the risk that the threshold weighs on market liquidity and participation in UK commodity derivative markets.

- Market developments have altered the scope of transactions which count towards the threshold. This includes emission allowances (European Union Allowances (EUAs) and United Kingdom Allowances (UKAs)), which are relatively new asset classes and now represent a significant level of activity. It also includes virtual power purchase agreements (vPPAs), which now have a greater role in facilitating renewable energy investment.
- The current €3bn threshold doesn't support the FCA's secondary international competitiveness and growth objective as it overly constrains firms' activities. A threshold of at least €6bn would support growth and international competitiveness relative to other jurisdictions, including the EU. Greater divergence following the recent changes to EU EMIR may affect competitiveness for firms conducting business in the UK. One response suggested EU energy companies may otherwise reconsider the value in maintaining UK legal entities.

3.23 Responses also highlighted the importance of implementing any increase to the clearing threshold for commodity derivatives by June, when most firms begin their next annual calculation period.

3.24 Finally, respondents emphasised the need for wider reform to the clearing threshold regime, including a review of the threshold calculation methodology.

Our response

3.25 In the consultation, we proposed increasing the threshold from €3bn to €5bn. This was to ensure the regulatory framework reflects rising commodity prices and avoids UK counterparties being competitively disadvantaged. However, on the basis of evidence and arguments put forward in consultation responses, we are increasing the threshold to €6bn. This follows sustained increases in commodity prices, particularly energy markets, with Brent crude oil up over 150% since 2016. We have made this change in response to consultation feedback, but we do not consider it to be 'significant' for the purposes of section 138I(5) of FSMA and it does not have an impact on the compatibility statement set out in the CP.

3.26 In addition, higher market volatility in recent years means firms require a larger buffer to ensure they remain under the threshold. Practically, this reduces the benefits of an increased threshold. We therefore consider that a €6bn level most accurately achieves our original objectives.

3.27 We have not increased the threshold beyond €6bn because we consider that a more substantial increase risks exceeding, in real terms, the tradable amounts under the original threshold. Exceeding this level may present additional counterparty credit risk disproportionate to our objective of preserving the status quo while we conduct fuller reforms to the regulatory framework.

3.28 However, as discussed in our consultation, this should be viewed as a transitional measure as we continue to consider wider changes to the clearing regime as part of our review of Title II of UK EMIR. This may lead to the clearing threshold for commodity derivatives being amended again, at a later stage. As an interim measure, we believe the €6bn level provides firms with an appropriate threshold in a market with higher commodity prices.

3.29 We are publishing these rules in advance of June as recommended in the consultation responses.

Cost benefit analysis

3.30 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 [CP26/8](#), 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. We consider that this remains the case for increasing the threshold to €6bn. The measure continues to be proportionate, with minimal cost implications.

Equality and diversity statement

3.31 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.

Rule Review Framework

3.32 We have taken into account our duties under the Rule Review Framework and consider that these changes do not require ongoing monitoring. However, we plan to revisit the clearing regime as part of our wider review of UK EMIR.

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 handbook.fca.org.uk/instruments. 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 at handbook.fca.org.uk/home. A print version of the Handbook is available at finreg-e.com/fca-handbook-print-and-subscription-service.
- 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 fulfils 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.

Technical Standards (European Markets Infrastructure Regulation) (Clearing Thresholds) (Amendment) Instrument 2026

RWE

Commodity Markets Council Europe (CMCE)

Energy Traders Europe

Futures Industry Association (FIA)

International Swaps and Derivatives Association (ISDA)

Handbook Notice 141

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 23 April 2026 and 28 May 2026.

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:

Martin Hemmings

Tel: 01135412227

Email: martin.hemmings1@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

All our publications are available to download from fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 7066 0790 or email publications_graphics@fca.org.uk or write to Editorial and Digital Department, Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.