


Handbook Notice No 68

July 2019

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1 Overview

Legislative changes

- 1.1 On 11 July 2019, the Board of the Financial Conduct Authority made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>CP19/6</u>	Prospectus Regulation Rules Instrument 2019	<u>FCA 2019/80</u>	21.7.19

- 1.2 On 25 July 2019, the Board of the Financial Conduct Authority made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>CP17/26;</u> <u>CP17/41;</u> <u>CP18/26;</u> <u>CP19/4</u>	Individual Accountability (FCA-Authorised Firms) Instrument 2019	FCA 2019/81	26.7.19; 9.12.19; 9.12.20
<u>CP19/13</u>	Fees (Office for Professional Body Anti-Money Laundering Supervision) (No 2) Instrument 2019	FCA 2019/82	26.7.19
<u>CP19/5</u>	Conduct of Business Sourcebook (Investment Pathways) Instrument 2019	FCA 2019/83	26.7.19; 1.8.20
<u>N/A</u>	Handbook Administration (No 50) Instrument 2019	FCA 2019/84	26.7.19



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 separate Policy Statements and Consultation Paper.

FCA Board dates

- 1.5 The table below lists forthcoming FCA board meetings for 2019. These dates are subject to change without prior notice.

September	26
October	24
November	21
December	12

2 Summary of changes

- 2.1 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 11 July 2019 and 25 July 2019. 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 <https://www.bankofengland.co.uk/news/prudential-regulation>.



Prospectus Regulation Rules Instrument 2019

- 2.2 Following consultation in Consultation Paper (CP) 19/6¹, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary
SYSC 18
FEES 3 Annex 12
COBS 4, 11A, 14, 22
MAR 5
PROD 3
SUP 13A Annex 1
DEPP 6
FUND 3.2
RCB 1
LR 1, 2, 3, 4, 5, 6, 8, 9, 13, 13 Annex 1, 21, Appendix 1
DTR 1B, 4
EG 7, Appendix 2, Appendix 3
PERG 8

- 2.3 This instrument adds the following new sections to the Handbook: **PRR 1, 2, 3, 4, 5, Appendix 1, Appendix 2, TP 1 and Schedule 6**.
- 2.4 In summary, this instrument makes changes to the Handbook to align it with the provisions of the Prospectus Regulation, which comes into effect on 21 July 2019.
- 2.5 This instrument comes into force on 21 July 2019. Feedback has been published in a separate Policy Statement².

Individual Accountability (FCA-Authorised Firms) Instrument 2019

- 2.6 Following consultation in Consultation Papers (CP) 17/26³, 17/41⁴, 18/26⁵ and 19/4⁶, the FCA Board has made changes to the FCA Handbook sections listed below:

SYSC 1, 1 Annex 1, 4, 6, 7, 21, 22, 22 Annex 1, 23, 23 Annex 1, 24, 24 Annex 1, 25, 25 Annex 1, 26, 27, TP 7
Glossary
COCON 1, 4
APER 3, 4

1 [CP19/6: Changes to align the FCA Handbook with the EU Prospectus Regulation \(January 2019\)](#)
2 [PS19/12: Changes to align the FCA Handbook with the EU Prospectus Regulation: feedback to CP19/6 \(May 2019\)](#)
3 [CP17/26: Individual accountability - extending the Senior Managers and Certification Regime to insurers \(July 2017\)](#)
4 [CP17/41: Individual accountability: Transitioning insurers and individuals to the Senior Managers & Certification Regime \(December 2017\)](#)
5 [CP18/26: Claims management companies: how we propose to apply the Senior Managers and Certification Regime \(September 2018\)](#)
6 [CP19/4: Optimising the Senior Managers & Certification Regime and feedback to DP16/4 – Overall responsibility and the legal function \(January 2019\)](#)



FIT 1
IFPRU 4
CASS 1A, 11, 13
CMCOB 8
SUP 10A, 10A Annex 1, 10C, 10C Annex 1, 10C Annex 2, 10C Annex 3, 10C Annex 7, 10C Annex 10, 12, 15, 15 Annex 7, TP 1, TP 11
DISP 1,
CREDS 2, 8
EMPS 1
OMPS 1
SERV 1
BENCH 1

- 2.7 This instrument adds the following new sections to the Handbook: **SYSC 23 Annex 2, SYSC TP 8, COCON TP 1, SUP TP 11A and SUP 15.15.**
- 2.8 In summary, this instrument makes changes to the Handbook to enhance and embed a culture of individual accountability and personal responsibility within firms, and raise standards of conducts at all levels. It should reinforce governance requirements and encourage clear articulation of allocation of responsibilities, and fitness and propriety as a responsibility of the firm.
- 2.9 This instrument comes into force on 9 December 2019, except for Part 1 of Annex B, C, D, J and Q which all come in to force on the 26 July 2019. And Part 3 of Annexes B and D comes into force on the 9 December 2020. Feedback has been published in a separate Policy Statement.

Fees (Office for Professional Body Anti-Money Laundering Supervision) (No 2) Instrument 2019

- 2.10 Following consultation in Consultation Paper (CP) 19/13⁷, the FCA Board has made changes to the FCA Handbook section listed below:
- FEES Appendix 2 Annex 2**
- 2.11 This instrument comes into force on 26 July 2019. The feedback will publish in a Consultation Paper by the end of July.

Conduct of Business Sourcebook (Investment Pathways) Instrument 2019

⁷ [CP19/13: Recovering the costs of the Office for Professional Body Anti-Money-laundering Supervision \(OPBAS\): further consultation on fees structure \(March 2013\)](#)



- 2.12 Following consultation in Consultation Paper (CP) 19/5⁸, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary
COBS 9, 14, 16, TP 2
PROD 1, 4
PERG 8 Annex 1

- 2.13 This instrument adds the following new sections to the Handbook:
COBS 19.10, PROD 1.6 and PROD 6.
- 2.14 In summary, this instrument makes changes to the Handbook primarily to help non-advised drawdown consumers who struggle to make investment decisions. For example, our rules require pension providers offering drawdown to offer their non-advised consumers 'investment pathways' (a range of 4 ready-made, investment solutions) when they enter drawdown or transfer-in assets already in drawdown.
- 2.15 This instrument comes into force on 1 August 2020, except for Part 1 of Annex 1, which comes into force on 26 July 2019. Feedback will be published by the end of July 2019, in a separate Policy Statement.

Handbook Administration (No 50) Instrument 2019

- 2.16 The FCA Board has made a change to the FCA Handbook section listed below. This change was not consulted on because it corrects an unintended change that came into force on 3 January 2018, which introduced ambiguity as to the application of some of the provisions in COBS 4.7. This change does not represent any alteration in FCA policy and it was important to clarify the application of those provisions as soon as possible.
- COBS 4**
- 2.17 In summary, this instrument clarifies the application of some of the rules and guidance in COBS 4.7 to communications which relate to firms' MiFID, equivalent third country or optional exemption business, ensuring that their application remains the same as it was before 3 January 2018.
- 2.18 This instrument comes into force on 26 July 2019

8 [CP19/5: Retirement Outcomes Review: Investment pathways and other proposed changes to our rules and guidance \(January 2019\)](#)

3 Additional information

Making corrections

- 3.1 The FCA reserves the right to make corrective or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

Publication of Handbook material

- 3.2 This Notice is published on the FCA website and is available in hardcopy.
- 3.3 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. The definitive version of the Binding Technical Standards is the EU version as in force at Exit Day, as amended by the published FCA legal instrument.
- 3.4 The changes to the Handbook and to the Technical Standards are incorporated in the consolidated Handbook and Binding Technical Standards text on the website as soon as practicable after the legal instruments are published.
- 3.5 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/.
- 3.6 Copies of the FCA's consultation papers referred to in this Notice are available on the FCA's website.

Obligation to publish feedback

- 3.7 This Notice, and the feedback to which paragraph 1.4 refers, fulfil for the relevant text made by the Board the obligations in section 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

- 3.8 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 on the back cover).

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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 11 July 2019 and 25 July 2019.

It also contains information about other publications relating to the Handbook and Technical Standards 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 and Technical Standards can be addressed to:

Jainisha Kanzaria

Tel: 020 70669644

Email: jainisha.kanzaria@fca.org.uk

However, queries on specific requirements in the Handbook and Technical Standards 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

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12 Endeavour Square

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