

Handbook Notice No 71

November 2019

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1 Overview

Legislative changes

- 1.1 On 24 October, 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>CP19/14</u>	Mortgages (Responsible Lending) Instrument 2019	<u>FCA 2019/92</u>	28.10.2019

- 1.2 On 24 October, the FCA Board consented to the making and amendment of the rules for the voluntary jurisdiction and fixing and variation of the standard terms by the Financial Ombudsman Service. On 30 October, the Board of the Financial Ombudsman Service made the relevant changes to the Handbook in the instrument listed below, subject to the consent and approval of the FCA.

CP	Title of instrument	Instrument No	Changes effective
<u>N/A</u>	Exiting the European Union: Dispute Resolution: Complaints (Amendments) Instrument 2019	<u>FOS 2019/5</u>	Exit day as defined in European Union (Withdrawal) Act 2018

- 1.3 On 21 November, the Board of the Financial Conduct Authority made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>CP19/27</u>	Training and Competence (Amendment No 8) Instrument 2019	<u>FCA 2019/95</u>	22.11.2019



<u>CP19/27</u>	Supervision Manual (Reporting No 12) Instrument 2019	<u>FCA 2019/96</u>	22.11.2019
<u>CP19/27</u>	Over-the-Counter Derivatives, Central Counterparties and Trade Repositories (No 3) Instrument 2019	<u>FCA 2019/97</u>	22.11.2019

Summary of changes

- 1.5 The legislative changes referred to above are listed and briefly described in Chapter 2 of this Notice.

Feedback on responses to consultations

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

FCA Board dates for 2019/20

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

December	12	2019
January	30	2020
February	27	2020
March	26	2020
April	30	2020
May	21	2020
June	25	2020
July	23	2020
September	30	2020
October	22	2020
November	26	2020
December	17	2020



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 24 October 2019 and 21 November 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>.

Mortgages (Responsible Lending) Instrument 2019

- 2.2 Following consultation in Consultation Paper CP19/14¹ the FCA Board has made changes to the FCA Handbook sections listed below:

**MCOB 11.4 and 11.9
SUP 16 Annex 21R and TP 1.10**

- 2.3 In summary, this instrument makes changes to our responsible lending rules and guidance to remove potential barriers to consumers switching to a more affordable mortgage and to reduce the time and costs of switching for certain consumers.
- 2.4 This instrument came into force on 28 October and feedback has been published in a separate Policy Statement².

Exiting the European Union: Dispute Resolution: Complaints (Amendments) Instrument 2019

- 2.5 As this is an administrative change, FOS did not consult on the proposed change to the FCA Handbook section listed below:

DISP 2.5 and 2 Annex 1G

- 2.6 In summary, this administrative instrument ensures that EU exit-related changes to FOS's Voluntary Jurisdiction only come into force when the UK leaves the EU. Changing the commencement date from a specific date to 'exit day' will also ensure that, once the date of exit is known and confirmed in the Act, only the Glossary term 'exit day' will need to be changed (rather than individual Handbook provisions).
- 2.7 This instrument came into force on 30 October.

1 [CP19/14 'Mortgage customers: proposed changes to responsible lending rules and guidance' \(March 2019\)](#)

2 Changes to mortgage responsible lending rules and guidance – feedback on CP19/14 and final rules (October 2019)



Training and Competence (Amendment No 8) Instrument 2019

2.8 Following consultation in Consultation Paper CP19/27³, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary TC App 4.1

2.9 In summary, this instrument makes changes to:

- the Glossary to reflect Pensions Management Institute's (PMI) wish to cease to be recognised as an FCA accredited body from 31 May 2019;
- the text in TC App 4.1.1AE(2) to signpost interested parties to the existing guidelines at TC App 7.1;
- update the London Institute of Banking & Finance's qualification, 'Pension Transfers plus Diploma for Financial Advisers (DipFA®) post 2010 exam standards' in TC Appendix 4.1;
- the qualification Foundation Degree Award in Financial Services listed within TC Appendix 4.1 offered by Blackburn College to specify that the syllabus was in force until October 2017;
- four Chartered Insurance Institute qualifications within TC Appendix 4.1 to reflect our policy statement PS18/20 on raising the pension transfer specialist qualification standard to include an RDR-compliant retail investment advice qualification; and
- TC Appendix 4.1 by adding three new qualifications offered by the Chartered Institute for Securities and Investment, the London Institute of Banking and Finance and the Chartered Insurance Institute.

2.10 This instrument comes into force on 22 November 2019. Feedback has been published in Chapter 3 of this Notice.

Supervision Manual (Reporting No 12) Instrument 2019

2.11 Following consultation in Consultation Paper CP19/27⁴, the FCA Board has made changes to the FCA Handbook sections listed below:

SUP 16.22 and 16 Annex 38BG

2.12 In summary, this instrument makes changes to the Handbook to clarify the submission method for payment account data and ensure the correct firms submit consumer credit data for client money and assets.

³ [CP19/27 'Quarterly Consultation Paper' \(September 2019\)](#)

⁴ [CP19/27 'Quarterly Consultation Paper' \(September 2019\)](#)



- 2.13 This instrument comes into force on 22 November 2019. Feedback has been published in Chapter 3 of this Notice.

Over-the-Counter Derivatives, Central Counterparties and Trade Repositories (No 3) Instrument 2019

- 2.14 Following consultation in Consultation Paper CP19/27⁵, the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary SUP 15A.1

- 2.15 In summary, this instrument makes changes to the Handbook to implement changes to SUP 15A.1 and the Glossary to reflect the directly applicable EMIR REFIT Regulation.
- 2.16 This instrument comes into force on 22 November 2019. Feedback has been 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.

CP19/27: Quarterly Consultation Paper No 25

Training and Competence (Amendment No 8) Instrument 2019

Background

- 3.2 Our training and competence 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 [Training and Competence sourcebook \(TC\)](#).
- 3.3 In September 2019, we proposed amendments to the Glossary and TC Appendix 4. We proposed to update the Glossary definition of accredited body to reflect that the PMI will cease to be recognised as an accredited

⁵ [CP19/27 'Quarterly Consultation Paper' \(September 2019\)](#)



body and also suggested updates to the appropriate qualifications tables, including the addition of three new listings.

Feedback

- 3.4 We received no comments to 'Chapter 12: Changes to the Training and Competence sourcebook' and no issues were raised. Therefore, we are not making any changes to the draft rules we consulted on.

Our response

- 3.5 We are making no alterations to our proposed changes as set out in CP19/27⁶ because we received no feedback to the consultation and continue to consider that these changes will support firms and individuals in having access to the most updated TC requirements.

Equality and diversity issues

- 3.6 In the CP, we said that we did not consider that the proposals adversely impact any of the groups with protected characteristics: ie age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment. Our analysis on these points remains valid because we have not made any changes to the proposal set out in the CP.

Supervision Manual (Reporting No 12) Instrument 2019

Background

- 3.7 We collect regulatory data to inform and support our supervision of firms. Our data reporting requirements are set out in the FCA Handbook, predominantly in the Supervision manual (SUP). We use internal feedback and feedback directly from firms to clarify and improve these requirements.
- 3.8 In September 2019, we proposed amendments to parts of Chapter 16 of SUP. It was discovered that the guidance notes contained in Annex 38B incorrectly refers to CASS large debt management firms in the guidance for question 3A in the relevant form (CCR005). The reference should be to all CASS debt management firms, and so, we proposed to alter the guidance notes to avoid any confusion for firms reporting CCR005.
- 3.9 Additionally, we proposed to alter the rules in SUP 16.22 to improve wording about how firms should submit payment account data to us to increase clarity within the Handbook.

6 [CP19/27 'Quarterly Consultation Paper' \(September 2019\)](#)



Feedback

- 3.10 No feedback was submitted by firms regarding Consultation Paper CP19/27.

Our response

- 3.11 We are making no alterations to our proposed changes as set out in CP19/27 because we received no feedback to the consultation and continue to consider that these changes will improve these reporting requirements.

Cost benefit analysis and compatibility statement

- 3.12 The cost benefit analysis and compatibility statement from the consultation paper has not changed because we have made no alterations following the consultation process.

Equality and diversity issues

- 3.13 In the CP, we said that we did not consider that the proposals adversely impact any of the groups with protected characteristics: ie age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment. Our analysis on these points remains valid because we have not made any changes to the proposal set out in the CP.

Over-the-Counter Derivatives, Central Counterparties and Trade Repositories (No 3) Instrument 2019

Background

- 3.14 The European Regulation on over-the-counter (OTC) derivatives, central counterparties (CCPs) and trade repositories, known as the European Market Infrastructure Regulation (EMIR) has been amended in the context of the European Commission's Regulatory Fitness and Performance Programme (REFIT). Collectively this is known as 'EMIR REFIT'. The amendments brought in by REFIT to EMIR came into force on 17 June 2019.
- 3.15 EMIR REFIT introduces new exemption and notification requirements to competent authorities for firms that enter into derivative contracts. HM Treasury made changes to the domestic legislation implementing EMIR to allow the FCA to specify what information is required to be included in an application or notification to them (the 2019 SI). These changes were made on 17 June 2019 and came into force on 9 July 2019.



- 3.16 The 2019 SI reflects the changes to notifications and applications in EMIR and gives us a power of direction as to their form and content. Specifically, these are in respect to the clearing obligation notifications for Financial and Non-Financial Counterparties and the new Intragroup reporting obligation exemption applications.
- 3.17 In CP19/27⁷, we consulted on consequential changes to the guidance contained in SUP 15A.1.2G to amend cross references consistently with the new powers of direction given to us.
- 3.18 Secondly, we proposed to amend the Glossary to reflect that the definition of the term EMIR should now refer to the latest version of the regulation. We also proposed to make a consequential change to the definition of the OTC derivatives, CCPs and trade repositories regulation in our Glossary to reflect the 2019 SI.

Feedback

- 3.19 We received one response to the proposals we consulted on to make the Handbook consistent with the directly applicable EMIR REFIT Regulation. The respondent (a trade body) welcomed the proposed amendments.

Our response

- 3.20 We are making no alterations to our proposed changes as set out in CP 19/27. We received a total of one response with positive feedback to the proposals and continue to consider that these changes will make the Handbook consistent with the directly applicable EMIR REFIT Regulation.

Equality and diversity issues

- 3.21 We have considered the equality and diversity impact of these proposed changes and do not consider that they give rise to any discrimination or other equality concerns.

7 [CP19/27 'Quarterly Consultation Paper' \(September 2019\)](#)



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 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 <https://www.handbook.fca.org.uk/instrument>. The definitive version of the Handbook that the FCA amends 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 <https://www.handbook.fca.org.uk/>. A print version of the Handbook is available from The Stationery Office's (TSO) shop at <https://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 1.6 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 24 October 2019 and 21 November 2019.

It also contains 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:

Ayesha Dayaji

Tel: 020 7066 0575

Email: Ayesha.Dayaji@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

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