

# Handbook Notice No 77

May 2020

## Contents

1.	<u>Overview</u>	2
2.	<u>Summary of changes</u>	3
3.	<u>Consultation feedback</u>	4
4.	<u>Additional information</u>	7

### How to navigate this document onscreen



returns you to the contents list



# 1 Overview

## Legislative changes

- 1.1 On 13 May, 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>N/A</u>	COVID-19 Premium Finance Instrument 2020	FCA 2020/20	18/05/2020

- 1.2 On 21 May, 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>CP19/33</u>	Payment Services Regulations 2017 (Payment Account) Instrument 2020	FCA 2020/24	22/05/2020
<u>CP20/4</u>	Supervision Manual (Reporting No 14) Instrument 2020	FCA 2020/22	22/05/2020

## 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 2020

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

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 13 May and 21 May 2020. 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>.

### ***COVID-19 Premium Finance Instrument 2020***

- 2.2 The FCA Board has made changes to the FCA Handbook section listed below:

#### **CONC 6.7**

- 2.3 This instrument came into force on 18 May 2020. Further information has been published on our [website](#).

### ***Payment Services Regulations 2017 (Payment Account) Instrument 2020***

- 2.4 Following consultation in [CP19/33](#), the FCA Board has made changes to the FCA Handbook section listed below:

#### **PERG 15.3**



- 2.5 In summary, this instrument makes changes to ensure that our PERG guidance on payment accounts is consistent with the CJEU judgement on the concept of a payment account under PSD2.
- 2.6 This instrument came into force on 22 May 2020. Feedback has been published in Chapter 3 of this Notice.

### ***Supervision Manual (Reporting No 14) Instrument 2020***

- 2.7 Following consultation in [CP20/4](#), the FCA Board has made changes to the FCA Handbook section listed below:

#### **SUP 15 Annex 3R**

- 2.8 In summary, this instrument makes changes to amend the firm details form in SUP 15 Annex 3R to bring this into alignment with the form used by firms available within Connect.
- 2.9 This instrument came into force on 22 May 2020. 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.

### **Payment Services Regulations 2017 (Payment Account) Instrument 2020**

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#### Background

- 3.2 In chapter 6 of CP19/33, we consulted on changes to guidance in Chapter 15.3 of the Perimeter Guidance Manual (PERG). The guidance, under Question 16 (“What is a payment account?”), exists to help businesses in the UK consider whether they are operating ‘payment accounts’ as defined in Regulation 2 of the Payment Services Regulations 2017 (PSRs 2017).
- 3.3 The proposed changes were intended to ensure that our PERG guidance is consistent with the CJEU’s judgement on the concept of a payment account.



## Feedback

- 3.4 We received 8 responses to our consultation. This included from regulated firms, representative trade bodies and compliance consultancies.
- 3.5 Some respondents supported the proposal. However, most were concerned that the changes could be interpreted as extending the definition of a payment account.

## Our response

- 3.6 In response to consultation feedback, we have amended the final guidance to make clear that the possibility of making payments to or from a third party is just one of the defining features of a payment account, it is not in itself definitive. We have made a further amendment to emphasise that it remains our view that it is also appropriate to consider the purpose of an account.

## Cost benefit analysis and compatibility statement

- 3.7 The PSRs do not require us to publish a cost benefit analysis when giving guidance under regulation 120. However, regulation 106(3) of the PSRs 2017 requires us to have regard to the principle that a burden or restriction imposed on any person should be proportionate to the benefits. We maintain the view set out in CP19/33 that it is unlikely that firms would incur costs because of these changes.
- 3.8 The compatibility statement published in CP19/33 is unchanged.

## Equality and diversity issues

- 3.9 In CP19/33, we said we do not consider that our proposal adversely impacts any of the groups with protected characteristics specified in legislation, i.e. age, disability, sex, marriage or civil partnership, pregnancy and maternity, race, religion and belief, sexual orientation and gender reassignment. Our CP19/33 analysis of equality and diversity issues remains unchanged.
- 3.10 The changes made by this instrument are listed in Chapter 2 of this Notice.

## **Supervision Manual (Reporting No 14) Instrument 2020**

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### Background

- 3.11 We collect regulatory data to inform and support our supervision of firms. Our data reporting requirements are set out in the Handbook,



predominantly in the Supervision Manual (SUP). We use feedback from internal sources and directly from firms to clarify and improve these requirements.

- 3.12 In March 2020, we proposed to amend the form in SUP 15 Annex 3R to bring this into alignment with the form used by firms available within Connect.
- 3.13 Due to ongoing development to improve the forms, there are some minor wording differences between the form as set out on the Connect system and the form contained within the Handbook. The Handbook form cannot present information fields in the same way as the Connect system due to the online form's ability to dynamically complete certain sections.
- 3.14 Therefore, there are cosmetic differences between the presentation of the form in the Handbook and the way it appears on Connect. We therefore proposed to make these amendments to provide clarity and consistency to firms on the reporting requirements.

#### Feedback

- 3.15 No feedback was submitted by firms regarding chapter 6 of CP20/4.

#### Our response

- 3.16 We are making no alterations to our proposed changes as set out in CP20/4 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

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

#### Equality and diversity issues

- 3.18 In the CP, we said that we did not consider that the proposals adversely impact any of the groups with protected characteristics: i.e. 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.
- 3.19 The changes made by this instrument are listed in Chapter 2 of this Notice.



## 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 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 <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

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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 [handbookproduction@fca.org.uk](mailto:handbookproduction@fca.org.uk) (or see contact details at the front of this Notice).



## Handbook Notice 77

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 13 May and 21 May 2020.

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](mailto: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](mailto:firm.queries@fca.org.uk)

Post: Contact Centre

Financial Conduct Authority

12 Endeavour Square

London E20 1JN

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