


Handbook Notice No 82

November 2020

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1 Overview

Legislative changes

- 1.1 On 22 October, the Board of the Financial Conduct Authority made the relevant changes to the FCA Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>CP20/10</u>	Individual Accountability (FCA-Authorised Firms) (COVID-19 and Extension of Deadlines) Instrument 2020	FCA 2020/64	23/10/2020; 07/12/2020; 31/03/2021;
<u>CP20/12</u>	Disclosure Guidance and Transparency Rules Sourcebook (Electronic Reporting Format) Instrument 2020	FCA 2020/65	IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020
<u>CP20/12</u>	Technical Standards (Electronic Reporting Format) Instrument 2020	FCA 2020/66	IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020

- 1.2 On 12 November, the Board of the Financial Conduct Authority made the relevant changes to the FCA Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>N/A</u>	COVID-19 Consumer Credit Instrument 2020	FCA 2020/68	25/11/2020



1.3 On 26 November, the Board of the Financial Conduct Authority made the relevant changes to the FCA Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
<u>CP20/16</u>	Debt Advice Levy (Additional Sum 2020/2021) Instrument 2020	FCA 2020/69	27/11/2020
<u>CP18/44</u>	Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication Instrument 2020	FCA 2020/70	IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020
<u>CP18/44</u>	Payment Services (Amendment No 2) Instrument 2020	FCA 2020/71	IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020
<u>CP20/18</u>	Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication (Amendment of eIDAS Certificate) Instrument 2020	FCA 2020/72	IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020
<u>N/A</u>	Prospectus Regulation Rules (Amendment) Instrument 2020	FCA 2020/73	IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020

Summary of changes

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



Feedback on responses to consultations

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

FCA Board dates for 2020 and 2021

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

November	26	2020
December	10	2020
January	28	2021
February	25	2021
March	25	2021
April	29	2021
May	27	2021
June	24	2021
July	22	2021
September	30	2021
October	21	2021
November	25	2021
December	16	2021



2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the FCA Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative and other statutory powers on 22 October 2020, 12 November 2020 and 26 November 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>.

Individual Accountability (FCA-Authorised Firms) (COVID-19 and Extension of Deadlines) Instrument 2020

- 2.2 Following consultation in Consultation Paper [CP20/10](#), the FCA Board has made changes to the FCA Handbook sections listed below:

Glossary

SYSC TP 7.1, 7.2, 7.4, 8.1 and 8.3

COCON 1.1 and TP 1

CASS 1A.3, 11.3 and 13.2

SUP TP1.13, 11A.1, 11A.21 and 11A.24

- 2.3 In summary, this instrument makes changes to the FCA Handbook to extend the in-force date for the Conduct Rules for staff who are not Senior Managers, Certification Staff or board directors, and extends the date by which relevant employees must have received training on the Conduct Rules.
- 2.4 This instrument also extends the deadline for submission of information about Directory Persons to the Register, and references in the rules to the deadline for assessing Certified Persons as fit and proper following agreement with the Treasury. It also extends the implementation deadlines for Claims Management Companies (CMCs) by an equivalent period.
- 2.5 This instrument came into force on 23 October 2020. Further information has been published in a separate [Policy Statement](#).

Disclosure Guidance and Transparency Rules Sourcebook (Electronic Reporting Format) Instrument 2020

Technical Standards (Electronic Reporting Format) Instrument 2020

- 2.6 Following consultation in Consultation Paper [CP20/12](#), the FCA Board has made changes to the FCA Handbook sections listed below:



Glossary DTR TP 1

- 2.7 In summary, these instruments make changes to the FCA Handbook to push back by 1 year mandatory requirements related to the European Single Electronic Format. These changes help issuers focus their resources on their immediate and urgent needs in the exceptional circumstances caused by the coronavirus crisis, without damaging the present transparency and effectiveness of the UK's capital markets.
- 2.8 These instruments will come into force on IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020. Further information has been published in a separate [Policy Statement](#).

COVID-19 Consumer Credit Instrument 2020

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

CONC 6.7 and 7.3

- 2.10 In summary, this instrument makes changes to the FCA Handbook to disapply a number of requirements in the Consumer Credit sourcebook (CONC) to allow for the guidance related to consumer credit payment deferrals that [we published on 19 November 2020](#) to take effect. Without the disapplications in the instrument, FCA guidance to firms would be inconsistent with the relevant CONC provisions. The instrument serves to avoid confusion and legal risk for firms, and helps to make clear FCA's expectations of firms during the extraordinary period of the coronavirus crisis.
- 2.11 This instrument came into force on 25 November 2020.

Debt Advice Levy (Additional Sum 2020/2021) Instrument 2020

- 2.12 Following consultation in [CP20/16](#), the FCA Board agreed to the changes as notified by the Treasury and the Department for Work and Pensions (DWP) to the FCA Handbook sections listed below:

FEES 7A and 7B

- 2.13 In summary, this instrument makes changes to the FCA Handbook to charge levies for the additional amount of funding for debt advice notified to us by the Treasury and the DWP in order to respond to the coronavirus crisis. The additional debt advice levies will be used in 2020/21 to fund the Money and Pensions Service referred to in our FEES manual as the Single Financial Guidance Body and the Devolved Authorities.
- 2.14 This instrument comes into force in 27 November 2020. Feedback has been provided in Chapter 3 of this Handbook Notice.



Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication Instrument 2020

Payment Services (Amendment No 2) Instrument 2020

Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication (Amendment of eIDAS Certificate) Instrument 2020

- 2.15 Following consultation in [CP18/44](#), the FCA Board has agreed to make the technical standards on strong customer authentication and common and secure methods of communication (SCA-RTS). Feedback has been published in a separate [Policy Statement](#).
- 2.16 Following consultation in [CP19/27](#), the FCA Board has agreed to revoke the Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communications (the EU SCA-RTS).
- 2.17 Following consultation in [CP20/18](#), the FCA Board has agreed to make changes to Article 34 of the SCA-RTS relating to eIDAS certificates. In summary, the amended rules allow for the use of an alternative form of identification to limit the risk of disruption to open banking services and its users. Feedback has been published in a separate [Policy Statement](#).
- 2.18 As a result of the contactless limit increasing to £45 during the coronavirus pandemic, we have also made changes to Article 11, increasing the single threshold for contactless payments from £40 to £45 after the implementation period completion date (IPCD).
- 2.19 These instruments will come into force, and the EU SCA-RTS will be revoked, on IPCD immediately after Regulation 106A of the Payment Services Regulations 2017 comes into force.

Prospectus Regulation Rules (Amendments) Instrument 2020

- 2.20 The FCA Board has made changes to the FCA Handbook section listed below:
- PRR 2.2, 2.3, 2.5, 2.6, 3.1 and 3.4**
- 2.21 In summary, this instrument makes changes to the FCA Handbook to ensure the copy-out of EU legislation in the PRR sourcebook accurately reflects the underlying EU legislative framework it is based on.
- 2.22 This instrument will come into force on IP completion day as defined in the European Union (Withdrawal Agreement) Act 2020.



3 Consultation feedback

CP20/16: Debt Advice levy rates for 2020/21 – Additional Funding

Debt Advice Levy (Additional Sum 2020/2021) Instrument 2020

Background

- 3.1 In [CP20/16](#), the FCA consulted on the rates at which we propose to charge our levies for the Money and Pension Services (MaPS) and Devolved Authorities (DA) for 2020/2021 for the additional amount of funding for debt advice notified to us by Her Majesty's Treasury (the Treasury) and the Department for Work and Pensions (DWP) in 2020/21. We announced our intention to undertake this consultation in [PS20/7](#).
- 3.2 CP20/16 (August 2020) explained that the DWP had informed us that the additional levy is essential to enable MaPS to respond to the coronavirus (Covid-19) crisis and the expected increase in requirements for debt advice and to ensure the debt advice sector is able to maintain its ability to provide advice where needed. The Treasury also notified us that we must also collect an additional levy for the provision of debt advice in the Devolved Authorities, to maintain capacity in light of coronavirus within Scotland, Wales and Northern Ireland.
- 3.3 The FCA has no role in approving the MaPS or Devolved Authority operating budgets, but we are responsible for collecting funding each year notified to us by DWP and the Treasury. We proposed to allocate the MaPS levies in the same proportions as set out in the rules made in [PS20/7](#).

Feedback

- 3.4 We received 5 responses. The Financial Services Consumer Panel supported our proposals, stating it is essential that organisations receive the necessary funding for the provision of debt advice in the light of the crisis. Four respondents (3 trade bodies and 1 bank) raised concerns about the way the MaPS levy is allocated on a 50:50 basis between the home finance fee-block and the consumer credit fee-block. They also felt other firms and entities outside the financial services sector should contribute to funding debt advice and urged that work with MaPS to establish a more sustainable debt advice funding approach for the future be progressed as a priority. Two of these respondents, however, also agreed with our proposals and the need to properly fund debt advice at this time.



Our response

- 3.5 We are making no changes to our proposals as set out in CP20/16.
- 3.6 For this consultation, we did not consult on which firms should contribute to the levy or what tariff base should be used to calculate a firm's contribution.
- 3.7 The majority of the additional £37.8 million in debt advice funding for 2020/21 consisted of a government contribution and a repurposing from MaPS' existing budget allocation.
- 3.8 In reference to the levy methodology, all the views received will be considered as part of wider ongoing work on debt advice funding in the future. MaPS continues to work with the FCA and government to review the current debt advice funding model. We acknowledge that financial services firms are keen for this work to progress and understand its importance to the sector.
- 3.9 Any proposed changes to levies for financial services firms arising from this work will be subject to the usual FCA process of public consultation and will require the consent of the Secretary of State and the Treasury.

Cost benefit analysis and compatibility statement

- 3.10 Under section 138I of FSMA, the FCA is exempt from the requirement to carry out and publish a cost benefit analysis regarding proposals for rules regarding the Money and Pensions Service (MaPS) and the Devolved Authorities levy (DA).

Equality and diversity issues

- 3.11 In CP20/16, 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 CP20/16 analysis of equality and diversity issues remains unchanged.
- 3.12 The changes made by this instrument are listed in Chapter 2 of this Notice.



CP19/27: Quarterly Consultation No 25

Payment Services Directive 2

Technical Standards on Strong Customer Authentication and Common and Secure Methods of Communication Instrument 2020

Background

- 3.13 In Chapter 7 ('Further Brexit-related changes to Handbook & BTS following extension of Article 50') of Quarterly Consultation No 25 (CP19/27), we set out our proposal to revoke the EU SCA-RTS and make the SCA-RTS. We asked at Q7.2 "Do you have any comments on the proposed BTS amendments?".

Feedback and our response

- 3.14 We received no responses to Q7.2 of CP19/27 in respect of our proposal to revoke the EU SCA-RTS and make the SCA-RTS.

Cost benefit analysis and compatibility statement

- 3.15 Under the powers to address deficiencies in our rules and BTS in the Financial Regulators' Powers (Technical Standards) (Amendment etc.) (EU Exit) Regulations 2018 there is no obligation to conduct a cost benefit analysis (CBA). We have therefore not produced a CBA for the proposed revocation of the EU SCA-RTS (a BTS for which we are responsible) where we have used those powers.

Equality and diversity issues

- 3.16 We assessed whether the proposals in this chapter would give rise to equality and diversity matters, or would adversely impact anyone with a protected characteristic under the Equality Act 2010. We consider that they do not.



4 Additional Information

Making corrections

- 4.1 The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the FCA 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 FCA 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 1.5 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 FCA Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative and other statutory powers on 22 October 2020, 12 November 2020, and 26 November 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

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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