

# Handbook Notice No 85

February 2021

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# 1 Overview

## Legislative changes

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- 1.1 On 25 February 2021, 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>CP20/21</u> | Consumer Credit (Debt Respite Moratorium) Instrument 2021 | FCA 2021/4    | 04/05/2021        |
| <u>N/A</u>     | Handbook Administration (No 55) Instrument 2021           | FCA 2021/5    | 26/02/2021        |
| <u>CP20/23</u> | Supervision Manual (Reporting No 15) Instrument 2021      | FCA 2021/6    | 04/03/2021        |

## Summary of changes

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

## Feedback on responses to consultations

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

## FCA Board dates for 2020 and 2021

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



|           |    |      |
|-----------|----|------|
| 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 Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative and other statutory powers on 25 February 2021. 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>.

### ***Consumer Credit (Debt Respite Moratorium) Instrument 2021 (FCA 2021/4)***

- 2.2 Following consultation in Consultation Paper (CP) [CP20/21](#), the FCA Board has made changes to the FCA Handbook sections listed below:

#### **Glossary CONC 5D.3, 6.7 and 7.3**

- 2.3 In summary, this instrument makes changes to the Handbook to ensure there is clarity for firms about how our rules interact with the Breathing Space Moratorium and Mental Health Crisis Moratorium (England and Wales) Regulations 2020; and for consumers to benefit from the protections of both the Regulations and rules.
- 2.4 This instrument comes into force on 4 May 2021. Feedback has been published in a separate [Policy Statement](#).

### ***Handbook Administration (No 55) Instrument 2021 (FCA 2021/5)***

- 2.5 The FCA Board has made minor changes to various modules of the FCA Handbook, as listed below. 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 represents any alteration in FCA policy.

#### **COBS TP 2 CASS 14.3 SUP 16 Annex 42BG RCB 3.2 and 3 Annex 6D**

- 2.6 In summary, the amendments this month are as follows:
- Changes to COBS TP 2 to put right an obvious oversight mistake, in that the in-force date of the main provisions in COBS 19.10 were delayed by six months via instrument FCA 2020/15 but the in-force



dates of the transitional provisions were mistakenly left unchanged. The changes to COBS TP2 in this instrument align with the policy intention as expressed in the corresponding CP and PS – that the cash warning rules apply also to non-advised consumers who were already in drawdown when the COBS 19.10 rules came into effect and that providers have 6 months from that date to a) assess which consumers require a warning, and b) to provide it.

- Changes to CASS 14.3 to fix a minor typographical error introduced in FCA 2019/36, amending references in CASS 14.3.4R of 'CASS 14.3.3R(3)' to 'CASS 14.3.3R(1)(b)' and 'CASS 14.3.3R(2)' respectively.
- Changes to SUP 16 Annex 42BG to remove a sentence from existing guidance notes which is deemed superfluous and which makes potentially confusing reference to service and establishment passports, which are no longer relevant following the end of the transition period.
- Changes to RCB 3.2.5 to clarify an existing direction that is currently on the FCA's website and which amends a direction that is currently contained in the FCA Handbook; changes to RCB 3 Annex 6D Bond Cancellation Form to amend an error in the spreadsheet.

2.7 This instrument comes into force on 26 February 2021.

### ***Supervision Manual (Reporting No 15) Instrument 2021 (FCA 2021/6)***

2.8 Following consultation in Consultation Paper (CP) CP20/23, the FCA Board has made changes to the FCA Handbook section listed below:

#### **SUP 6 Annex 6**

2.9 The form at SUP 6 Annex 6 will be replaced in its entirety.

2.10 In summary, the proposed form amendments include the following:

- a. Re-formatting of the form;
- b. Re-ordering of the form to align it to the Connect form where possible;
- c. Additional questions that are captured in the Connect online form but not the paper form;
- d. Additional questions that will be added to the Handbook version and the Connect online form;
- e. Removal of the Pensions and FSAVC pension questions; and



f. Updated Declaration to align it to the Connect online form.

- 2.11 Points a., b., c. and f. above will improve the usability of the form and will align the handbook and Connect versions of the forms.
- 2.12 The new additional questions mentioned in point d. will reduce the need to go back to the applicant (as long as complete answers are given) and will speed up the cancellation process and lead to operational efficiencies.
- 2.13 Point e. above will align the Handbook form to the Connect form as the questions are no longer needed.
- 2.14 This instrument comes into force on 4 March. Feedback has been published in Chapter 3 of this Notice.



## 3 Consultation feedback

### CP 20/23 Quarterly Consultation Paper No 30

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#### Background

- 3.1 We consulted in Consultation Paper [CP20/23](#) on amendments to the SUP 6 Annex 6 Cancellation of permission application form. The changes ensure the Handbook form aligns to the Connect online version, and include additional questions to minimise the need to go back to the applicant for further information.
- 3.2 These changes allow us to consider applications more efficiently and help us understand from the outset, amongst other things, how the cancelling firm has considered consumers and how their business will be closed and, if applicable, transferred appropriately. The changes will also allow us greater insight into the reasons that firms cancel, highlighting trends and issues to inform proactive work with regulated firms at different stages of their lifecycle. The changes align the Connect form and Handbook form.

#### Feedback

- 3.3 We received no responses to our consultation.

#### Our response

- 3.4 We are making no alterations to our proposal.

#### Cost benefit analysis and compatibility statement

- 3.5 The Financial Services and Markets Act 2000 (FSMA) requires us to publish a cost benefit analysis (CBA) of our proposed rules. Specifically, section 138I requires us to publish a CBA of proposed rules, defined as 'an analysis of the costs, together with an analysis of the benefits that will arise if the proposed rules are made'.
- 3.6 As we have made no alterations to our proposals, the cost benefit analysis and compatibility statement from Chapter 6 of CP20/23 has not changed.

#### Equality and diversity issues

- 3.7 We continue to believe that the changes do not give rise to discrimination as stated in the CP.



## 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 FCA 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 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/instrument>. 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 [Handbook.Feedback@fca.org.uk](mailto:Handbook.Feedback@fca.org.uk) (or see contact details at the front of this Notice).

## Handbook Notice 85

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 25 February 2021.

It also contains information about other publications relating to the FCA Handbook and, if appropriate, lists minor corrections made to previous instruments made by the FCA 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 FCA 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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