Senior Managers and Certification Regime (SM&CR)

Form K - Step-by-Step User Guide for Enhanced Firms

You must have access to the ‘Approved Persons’ forms within Connect to be able to access and edit Form K. If you do not have access to these forms, please speak to your Principal User.

If you are the Principal User and need help using Connect, see our Help section.

Accessing Form K

1. Log into Connect. Once you have logged in, click ‘Start an Application’.
2. Click ‘Approved Persons’.

<table>
<thead>
<tr>
<th>Applications for:</th>
<th>Change Firm</th>
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</thead>
<tbody>
<tr>
<td>APPPOINTED REPRESENTATIVES</td>
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<tr>
<td>APPROVED PERSONS</td>
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<tr>
<td>DIRECTORY PERSONS</td>
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<tr>
<td>CANCEL YOUR FIRM AUTHORIZATION OR REGISTRATION</td>
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<tr>
<td>BENCHMARKS</td>
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<tr>
<td>E-MONEY (ELECTRONIC MONEY) FIRMS</td>
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<tr>
<td>FIRM NOTIFICATIONS</td>
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<tr>
<td>PASSPORTING</td>
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<td>PAYMENT SERVICES FIRMS</td>
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<tr>
<td>UPDATE OR ATTEST TO YOUR FIRM DETAILS</td>
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</tbody>
</table>

3. Click ‘Show more’.

<table>
<thead>
<tr>
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<tr>
<td>APPROVED PERSONS</td>
<td></td>
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</tbody>
</table>
| APPROVED PERSONS (including CFAs/SFMAs/SMFs)
  These firms are to be used by an authorised firm if they wish to add or remove controlled functions, as well as notify the FCA and/or FCA of any changes to an approved person’s details orfitness and propriety information. Approved Person is an individual who holds a controlled function under any of the following regimes: Approved Persons Regime, Senior Manager Regime, Senior Insurance Manager Regime. |
| PSD Individuals
  These applications are to be used to update the Person Responsible for Payment Services records for your Firm. You will be able to Add new Individuals, Amend existing individual’s details, or Remove Individuals from your Firm record. This section contains the following forms: Add PSD Individual, Amend PSD Individual, Remove PSD Individual. |
| EMD Individuals
  These applications are to be used to update the Person Responsible for E-Money. You will be able to Add new Individuals, Amend existing individual’s details, or Remove Individuals from your Firm record. This section contains the following forms: Add EMD Individual, Amend EMD Individual, Remove EMD Individual. |
| MLD Individuals
  These applications are to be used to update the Person Responsible for Money Laundering Records. This section contains the following forms: Add ML Individual, Amend ML Individual, Remove ML Individual. |

Show more
4. Next, click 'Approved Persons, Controlled and Senior Management Functions'.

5. Select ‘Conversion Notification Form (Form K)’. 
6. Connect will then generate your Form K. All sections will show as ‘Not started’.

Application Contact Details

1. Select ‘Application Contact Details’ and fill in the relevant information. Once you have provided all relevant information, the form status for the section will change to ‘Complete’.

Firm Details

1. Click ‘Firm Details’ and fill in the relevant information. Once you have provided all relevant information, the form status for the section will change to ‘Complete’.

2. Once ‘Application Contact Details’ and ‘Firm Details’ have been completed, you will then be able to access the ‘Conversion Notification’ section.
Conversion Notification

1. Next, you will be asked to upload your Management Responsibilities Map. You cannot submit your Form K without this.

2. You will then be presented with a list of Senior Managements Functions (SMFs) that apply to Enhanced firms. You will need to click ‘select’ against each SMF that is required for your firm, and if you have any currently approved individuals who can map across to that particular SMF you will be able to select ‘convert’.
3. If you do not have any currently approved individuals who can map to a particular SMF, the system will flag this.
Page 66 of our SM&CR Regime Guide outlines which Controlled Functions can be mapped across to the various SMFs.

If you have any individuals pending approval for a Controlled Function, they will appear within your Form K in an ‘applied for’ status. You must ensure you select the SMF they require. If you do not, they will not hold the SMF once approved.

4. Once you have specified the SMFs that will be held by individuals at your firm, a conversion summary will appear. This shows all the individuals who you have selected to convert from a CF to an SMF.

If you have not selected someone to hold an SMF, they will show on this summary page as ‘individuals who will not be converted’.

You must ensure this summary page is correct.

If you are not converting an individual to SM&CR due to issues with their fitness and propriety, you must submit a Form C via Connect.

You must also ensure anyone for whom you have applied for regulatory approval under the Approved Persons Regime appears on your Form K in an ‘applied for’ status.

If you submit an Approved Person Form A, C and/or E after starting Form K, you must select the ‘recalculate’ button after 24 hours. This will ensure your Form K includes all relevant individuals.
5. Once you have completed the Conversion Notification section, you will go back to the main page.

**Statement of Responsibilities**

1. Once you have completed the Conversion Notification section of Form K by selecting the SMFs that should be held by currently approved individuals, the system will generate out a Statement of Responsibilities (SoR) for each individual who you have indicated will hold an SMF.
2. You will need to click ‘Edit’ for each SoR.

3. Next, click ‘Senior Management Function Details’.

4. You will then need to complete the SoR, including by allocating in the SoR any Prescribed Responsibilities (PRs) that will be held by the SMF holder (where applicable).

To allocate a PR to a Senior Manager, you will need to click ‘select’ next to the relevant PR in their SoR.

5. Once you have clicked ‘Select’ you are able to provide additional information about that PR if you wish.

<table>
<thead>
<tr>
<th>FCA/PRA/Dual PR</th>
<th>Ref</th>
<th>Prescribed Responsibility (PR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>c</td>
<td></td>
<td>Compliance with the rules relating to the firm’s management responsibilities map</td>
</tr>
<tr>
<td>d</td>
<td></td>
<td>Over-all responsibility for the firm’s policies and procedures for countering the risk that the firm might be used to further criminal ends</td>
</tr>
<tr>
<td>i</td>
<td></td>
<td>Responsibility for (a) safeguarding the independence of and (b) oversight of the performance of the internal audit function, in accordance with the internal audit requirements for SMCR firms</td>
</tr>
<tr>
<td>j</td>
<td></td>
<td>Responsibility for taking reasonable steps to ensure that every person involved in the performance of the firm’s internal audit function is independent from the persons who perform external audit, including (a) supervision and management of the work of outsourced external auditors; and (b) management of potential conflicts of interest between the provision of external audit and internal audit services</td>
</tr>
<tr>
<td>k</td>
<td></td>
<td>Responsibility for (a) safeguarding the independence of and (b) oversight of the performance of the compliance function in accordance with the compliance requirements for SMCR firms</td>
</tr>
<tr>
<td>l</td>
<td></td>
<td>Responsibility for (a) safeguarding the independence of and (b) oversight of the performance of the risk function, in accordance with the risk control requirements for SMCR firms</td>
</tr>
<tr>
<td>s</td>
<td></td>
<td>Responsibility for (a) managing the firm’s internal stress tests and (b) ensuring the accuracy and timeliness of information provided to the FCA, and other regulatory bodies for the purposes of stress testing</td>
</tr>
<tr>
<td>t</td>
<td></td>
<td>Responsibility for the development and maintenance of the firm’s business model by the governing body</td>
</tr>
<tr>
<td>z</td>
<td></td>
<td>Responsibility for the firm’s compliance with CAISS</td>
</tr>
</tbody>
</table>

If necessary, please provide additional information about each prescribed responsibility, including:

- a breakdown of the different components and tasks which the responsibility encompasses; and
- if applicable, details of any sharing arrangements including, if known, the name(s), FRN(s) and/or job title(s) of the individual(s) with whom the candidate or senior manager is or will be sharing this prescribed responsibility. The responsibility should be recorded in the same way in the statements of responsibilities for each individual. Additional information must be relevant, succinct and not dilute or undermine the prescribed responsibility.
We would normally expect each PR to be held by a single individual but in certain circumstances, we recognise that it may be justifiable to share a PR. The Form contains an option to share PRs. You must select this if this reflects your firm’s approach to allocating the PR, and provide the justification for this.

![Image of Form]

If an SMF holder has an ‘Overall Responsibility’, you must specify this within their SoR. See pages 5-7 of our Guidance on SoRs and Maps.

Similarly if an SMF holder has an ‘Other Responsibility’, you must include this within their SoR. See pages 5-7 of our Guidance on SoRs and Maps.

6. Once a SoR has been completed, you will need to click on ‘Back to My Applications’ button. This will take you back to the main application page and you can complete any further SoRs if required.

**Firm Declaration**

1. Once all SoRs have been completed, you will be able to access the ‘Firm Declaration’.

2. Once you have ensured that all sections are correct and you are ready to submit your notification form, you can click on ‘Firm Declaration’.  

3. You will need to review the declaration and tick the relevant boxes in order to proceed.
Declaration

In this declaration, the firm making the notification in relation to each individual is referred to as the “applicant”.

The applicant must ensure that it has the authority of each individual in relation to whom it is making a notification for conversion to a senior management function to cause the information contained in this form relating to such individual to be submitted, and that it has made each such individual aware of their prospective regulatory responsibilities as set out in the FCA’s Code of Conduct (COCON).

It is a criminal offence, knowingly or recklessly, to give the FCA information that is materially false, misleading or deceptive (see sections 398 and 400 of the Financial Services and Markets Act 2000 - FSMA).

The applicant must notify the FCA immediately if there is a change to the information in this form and/or if inaccurate information has been provided.

In addition to other regulatory responsibilities, firms and approved persons have a responsibility to disclose to the FCA matters of which it would reasonably expect to be notified. Failure to notify the FCA of such information may lead to the FCA taking disciplinary or other action against the firm and/or individuals.

For the purposes of complying with data protection legislation, please read the FCA’s privacy notice at https://www.fca.org.uk/data-protection. This notice will tell you what to expect when the FCA collects personal information, including how and why we use your personal information and who to contact if you have any queries or wish to exercise your rights.

The person signing on behalf of the applicant confirms that:

• they have read this declaration in full;
• they have confirmed that the information supplied is accurate and complete to the best of their knowledge, and that each statement of responsibilities submitted with this form accurately reflects the aspects of the affairs of the applicant which it is intended that the relevant individual will be responsible for managing in performing their proposed senior management functions.

Review and Submission

The ability to submit this form is given to an appropriate user or users by the firm’s principal compliance contact.

☐ Tick here to confirm that the person submitting this Form on behalf of the Firm and (if applicable) the individual named below - have read and understood the declaration.

Signature

☐ I confirm that a permanent copy of this application, signed by myself and the signatories, will be retained for an appropriate period, for inspection at the FCA/PRA’s request.

Individual’s full name

Individual’s signature

Name of firm submitting the application

Name of authorised signatory

Signature (to be signed on the printed version only)

Date 01/08/2019
4. You will then need to select ‘Ready for Submission’ and then click ‘Submit’.