



No.22

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# Handbook Notice

June 2015

Financial Conduct Authority





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## Handbook Notice 022

This Handbook Notice introduces the Handbook and other material made by the Financial Conduct Authority (FCA) Board under its legislative powers on 4 June 2015. 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:

**Melanie Purdie**

**Tel:** 020 7066 9066

**Email:** [mel.purdie@fca.org.uk](mailto:mel.purdie@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 Customer Contact Centre:

**Tel:** 0845 606 9966

**Fax:** 020 7066 0991

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

**Post:** Customer Contact Centre  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

# 1. Overview

## Legislative changes

- 1.1** On 4 June 2015, the FCA Board made changes to the Handbook in the instrument listed below.

CP	Title of instrument	Instrument No.	Changes effective
15/7	Pension Transfer and Conversions Instrument	2015/28	8.6.15
14/23	Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015	2015/29	1.7.15; 1.10.15
14/29	Insurance: Conduct of Business Sourcebook (Guaranteed Asset Protection Contracts) Instrument 2015	2015/30	1.9.15
15/8	Supervision Manual (Remuneration Reporting No 3) Instrument 2015	2015/32	30.6.15
15/3	Mortgage Credit Directive (Consumer Buy-to-Let) Instrument 2015	2015/33	21.3.16

## Summary of changes

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

## Feedback on responses to consultations

- 1.3** Feedback to consultations are either set out in Chapter 3 of this Notice or published in separate Policy Statements.

**FCA Board dates for 2015**

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- 1.4** The table below contains a list of forthcoming FCA board meetings for 2015. These dates are subject to change without prior notice.

June	18
July	2 and 30
August	No Board
September	24
October	22
November	4 and 5
December	3

## 2. Summary of changes

- 2.1** This chapter briefly describes FCA Handbook changes made by the Board on 4 June 2015. 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 <http://www.bankofengland.co.uk/pr/Pages/publications/default.aspx>

### ***Pension Transfer and Conversions Instrument 2015 (FCA 2015/28)(FOS 2015/4)***

- 2.2** Following consultation in CP15/7<sup>1</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary of definitions**  
**COBS 3, 4, 8, 9, 19, Sch 1**  
**DISP 2**  
**SUP 10A**

- 2.3** In summary, this instrument aligns FCA Handbook Rules with legislative requirements.
- 2.4** This instrument came into force on **8 June 2015**. Feedback to this consultation was published in a separate policy statement.

### ***Product Intervention (Contingent Convertible Instruments and Mutual Society Shares) Instrument 2015 (FCA 2015/29)***

- 2.5** Following consultation in CP14/23<sup>2</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary of definitions**  
**COBS 4, 9, 22, Sch 1**

- 2.6** In summary, this instrument implements permanent rules regarding the retail distribution of contingent convertible instruments. These rules come into force on **1 October 2015** and are amended from (and replace) temporary product intervention rules introduced in October 2014. The temporary rules will lapse on 1 October 2015. This instrument also implements rules regarding the sale of mutual society shares to retail investors. The part of this instrument relating to mutual society shares comes into force on **1 July 2015**.
- 2.7** Feedback to this consultation was published in a separate policy statement.

<sup>1</sup> CP15/7 *Proposed changes to our pension transfer rules* (March 2015)

<sup>2</sup> CP14/23 *Restrictions on the retail distribution of regulatory capital instruments* (May 2015)

***Insurance: Conduct of Business Sourcebook (Guaranteed Asset Protection Contracts) Instrument 2015 (FCA 2015/30)***

- 2.8** Following consultation in CP14/29<sup>3</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary of definitions  
ICOBS 1, 6A**

- 2.9** In summary, this instrument makes changes intended to improve customer decision-making when purchasing GAP insurance and promote effective competition in the market.
- 2.10** This instrument comes into force on **1 September 2015**. Feedback to this consultation was published in a separate policy statement.

***Supervision Manual (Remuneration Reporting No 3) Instrument 2015 (FCA 2015/32)***

- 2.11** Following consultation in CP15/8<sup>4</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**SUP 16**

- 2.12** In summary, this instrument improves process to make collection of integrated data more efficient and accessible for firms and the FCA.
- 2.13** This instrument comes into force on **30 June 2015**. Feedback to this consultation is provided in Chapter 3 of this Notice.

***Mortgage Credit Directive (Consumer Buy-to-Let) Instrument 2015 (FCA 2015/33) (FOS 2015/3)***

- 2.14** Following consultation in CP15/3<sup>5</sup>, the FCA Board has made changes to the FCA Handbook sections listed below:

**Glossary of definitions  
SUP 2, 5, 10A, 12, 15, 16  
DEPP 2, Sch 3, Sch 4  
DISP Intro, 1, 2  
EG 19  
PERG 2, 4, 8**

- 2.15** In summary, this instrument implements the legislative regulatory regime for consumer buy-to-let mortgages (CBTL).
- 2.16** This instrument comes into force on **21 March 2016**. Feedback to this consultation was published in a separate policy statement.

<sup>3</sup> CP14/29 *Guaranteed Asset Protection insurance: a competition remedy* (December 2014)

<sup>4</sup> CP15/8 *Changes to remuneration report submission method* (March 2015)

<sup>5</sup> CP15/3 *Buy-to-let mortgages: Implementing the Mortgage Credit Directive Order 2015* (February 2015)

## 3. Consultation feedback

- 3.1** This chapter provides feedback on consultations that do not have a separate Policy Statement published by the FCA.

### **Chapter 3 of CP15/8 Quarterly Consultation (No8)**

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#### ***Supervision Manual (Remuneration Reporting No 3) Instrument 2015***

##### ***Background***

- 3.2** In March 2015 we consulted, in Chapter 3 of CP15/8<sup>6</sup>, on changing the submission method of the remuneration reports required by certain types of firms under SUP 16.17. We proposed to bring the reporting of both the Remuneration Benchmarking and the High Earners report into the GABRIEL (GATHERING Better Regulatory Information ELECTRONICALLY) reporting system.
- 3.3** We also consulted on making minor amendments to the formatting and headings of the Remuneration reporting forms and accompanying guidance to facilitate their use through the GABRIEL electronic reporting system.

##### ***Feedback***

- 3.4** We received feedback on two separate issues. One respondent expressed concern about bringing the sensitive remuneration data into GABRIEL. The GABRIEL system was designed to allow a firm's principal user to limit access to returns for the other users in the firm. Therefore, we do not consider this a reason for amending our proposals.
- 3.5** We also received feedback from one respondent seeking to add flexibility to the remuneration returns, so that further explanation could be provided for the information submitted by firms. The returns are based on templates provided by the European Banking Authority and we consider that the guidance notes for completing the forms and the forms themselves are sufficiently clear on the information being requested. We do not consider this a reason for amending our proposals.
- 3.6** We will proceed with our intention to bring the remuneration reporting into GABRIEL.

##### ***Changes to template post-consultation***

- 3.7** To bring the returns into line with the existing European Banking Authority (EBA) templates, we have made some further minor adjustments to the formatting of the remuneration templates which can be seen in SUP 16 Annex 33AR and SUP 16 Annex 34AR. As the changes represent a slight reduction in the amount of information being requested, we do not consider these revisions to warrant further consultation.

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<sup>6</sup> CP15/8 Quarterly consultation (No 8) (March 2015)

***Cost benefit analysis and compatibility statement***

- 3.8** The cost benefit analysis and compatibility statement from CP15/8 remains unchanged.

***Equality and diversity issues***

- 3.9** We continue to believe these changes do not give rise to any equality and diversity issues. We continue to believe the changes do not give rise to unfair discrimination against protected groups.
- 3.10** 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 Handbook 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 and reference number at <http://fshandbook.info/FS/InstrumentsByDate.jsp> or listed by module at <http://fshandbook.info/FS/InstrumentsByModule.jsp>. The definitive version of the Handbook 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 <http://fshandbook.info>.
- 4.6** Copies of the FCA's consultation papers referred to in this Notice are available on the FCA's website or on request in hardcopy form.

### Obligation to publish feedback

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- 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

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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).

# Financial Conduct Authority



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