

# PS13/5

Financial Services Authority

## The new FCA Handbook

Feedback on Regulatory Reform proposals relating to the FCA Handbook, including final Handbook rules

Appendix 3: Made rules (legal instruments)

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This Policy Statement (PS) reports on the main issues arising from the Consultation Papers (CPs) listed below. In some cases the CPs relate to both the FCA and PRA Handbooks. However, this PS only responds on those proposals which apply to the FCA, and sets out the final rules for the corresponding sections of the new Handbook. The PRA is responding separately on those proposals for which it has responsibility.

- CP12/24      *Regulatory Reform: PRA and FCA regimes relating to aspects of authorisation and supervision*
- CP12/26      *Regulatory Reform: the PRA and FCA regimes for Approved Persons*
- CP12/28      *Regulatory fees and levies: Policy proposals for 2013/14  
(Chapter 2: Regulatory reform- fees transition to PRA and FCA)*
- CP12/34      *Regulatory Reform: FCA Handbook updates relating to supervision and threshold conditions and statement on the FCA's new power of direction over qualifying parent undertakings*
- CP12/37      *The Financial Services Bill: Implementing markets powers, decision making procedures and penalties policies*
- CP 13/03      *Regulatory Reform: Handbook transitional arrangements, the appointment of with-profits committee members and certain other Handbook amendments*
- CP13/06      *Regulatory Reform: Handbook amendments relating to the Enforcement Guide*

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## Appendix 3

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# Draft Handbook text

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3	Legal Cutover (General Transitional and Miscellaneous Provisions) Instrument 2013	GEN, Glossary, COBS, ICOBS, MCOB, SUP
4	Legal Cutover (Variation of Permission) Instrument 2013	SUP 6
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22	Legal Cutover (Enforcement Guide) Instrument 2013	EG
23	Legal Cutover (FCA and PRA Handbook Miscellaneous Amendments) Instrument 2013	SUP and PERG (changes to forms)
24	Legal Cutover (FCA and PRA Miscellaneous Amendments No 2) Instrument 2013	Contains consequential amendments to several sections of the Handbook

## Appendix 3: Section 1

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# Legal Cutover (Financial Conduct Authority and Prudential Regulation Authority Handbooks (Glossary) Instrument 2013

**LEGAL CUTOVER (FINANCIAL CONDUCT AUTHORITY AND PRUDENTIAL  
REGULATION AUTHORITY HANDBOOKS (GLOSSARY)) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced the Financial Conduct Authority's guidance power and rule making powers for the purpose of making Financial Conduct Authority guidance and rules.
- F. Article 2(1)(c) of the Early Commencement Order commenced the Prudential Regulation Authority's rule making powers for the purpose of making Prudential Regulation Authority rules.

**Interpretation**

- 1. In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act, as amended by section 6 of the 2012 Act;
  - (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act, as amended by section 6 of the 2012 Act;
  - (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the

Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;

- (9) "Glossary" means the Glossary of definitions forming part of the Handbook;
- (10) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
- (11) "FSA Instrument" means an instrument or other document published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (12) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (13) "PRA Relevant Instrument" means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;
- (14) "Commencement date" means 1 April 2013, provided that Her Majesty's Treasury makes the Financial Services and Markets Act 2000 (PRA-Regulated Activities) Order in the form of the draft laid before Parliament on 24 January 2013.

#### **Provisions of the Glossary designated by the Financial Conduct Authority**

- 2. In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the provisions set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave or imposed each provision of the Glossary.
- 3. As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant Instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4. In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

#### **Modification of the Glossary by the Financial Conduct Authority**

- 5. In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex A to this Instrument.

**Provisions of the Glossary made, given or amended by the Financial Conduct Authority**

6. In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 7, the Financial Conduct Authority makes, issues, gives, or amends each provision in Annex B to this Instrument.
7. The Financial Conduct Authority makes, issues, gives or amends the provisions in paragraph 6 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
8. The rule-making powers in paragraph 7 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

9. As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) come into effect on the Commencement Date, or on such later date as may be required under paragraph 10 or paragraph 11. Provided that if both paragraph 10 and paragraph 11 apply, then the designation and modification will come into effect on whichever date is the later.
10. If by the Commencement Date a corresponding provision referred to in paragraph 3(3) has not yet been amended so as to enable or permit the Financial Conduct Authority to make, issue, give or impose an FCA Relevant Instrument, the designation and any modification of that FCA Relevant Instrument will come into effect immediately after the necessary amendment is fully effective.
11. If:
  - (1) the Authority would not have been able to make, issue, give or impose an FCA Relevant Instrument but for a power or function conferred on the Authority by or under an enactment listed in Schedule B to this Instrument; and
  - (2) By the Commencement date, the enactment in (1) has not been amended so as to confer a corresponding power or function on the Financial Conduct Authority,then the designation and any modification of the FCA Relevant Instrument in (1) will come into effect immediately after the necessary amendment is fully effective.
12. If:
  - (1) An FSA Instrument provides that a Relevant Instrument comes into force on a date falling after the date on which the designation of that instrument as an FCA Relevant Instrument comes into effect; then
  - (2) The Financial Conduct Authority directs that (unless the context or a specific direction by the Financial Conduct Authority requires otherwise) the Relevant Instrument in (1) will come into force on the date specified in the FSA Instrument.

13. The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

#### **Provisions of the Glossary designated by the Prudential Regulation Authority**

14. In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the provisions set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave or imposed each provision of the Glossary.
15. The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
16. As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
  - (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant Instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
17. In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

#### **Modification of the Glossary by the Prudential Regulation Authority**

18. In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex A to this Instrument.

#### **Provisions of the Glossary made, given or amended by the Prudential Regulation Authority**

19. In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 20, the Prudential Regulation Authority makes, issues, gives, or amends each provision in Annex B to this Instrument.
20. The Prudential Regulation Authority makes, gives or amends the provisions in paragraph 19 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
21. The rule-making powers in paragraph 20 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

### **Commencement: Prudential Regulation Authority**

22. As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) come into effect on the Commencement Date, or on such later date as may be required under paragraph 23 or paragraph 24. Provided that if both paragraph 23 and paragraph 24 apply, then the designation and modification will come into effect on whichever date is the later.
23. If by the Commencement Date a corresponding provision referred to in paragraph 16(3) has not yet been amended so as to enable or permit the Prudential Regulation Authority to make, issue or give a PRA Relevant Instrument, the designation and any modification of that PRA Relevant Instrument will come into effect immediately after the necessary amendment is fully effective.
24. If:
- (1) the Authority would not have been able to make, issue, give or impose, a PRA Relevant Instrument but for a power or function conferred on the Authority by or under an enactment listed in Schedule B to this Instrument; and
  - (2) By the Commencement date, the enactment in (1) has not been amended so as to confer a corresponding power or function on the Prudential Regulation Authority,
- then the designation and any modification of the PRA Relevant Instrument in (1) will come into effect immediately after the necessary amendment is fully effective.
25. If:
- (1) An FSA Instrument provides that a Relevant Instrument comes into force on a date falling after the date on which the designation of that instrument as a PRA Relevant Instrument comes into effect; then
  - (2) The Prudential Regulation Authority directs that (unless the context or a specific direction by the Prudential Regulation Authority requires otherwise) the Relevant Instrument in (1) will come into force on the date specified in the FSA Instrument.
26. The Prudential Regulation Authority directs that paragraph 19 of this Instrument come into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

### **Citation**

27. This instrument may be cited as the Legal Cutover (FCA and PRA Handbooks (Glossary)) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

28 February 2013

**By order of the Board of the Prudential Regulation Authority**

7 March 2013

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

*accepted market practice* (as defined in section 130A(3) of the *Act*) practices that are reasonably expected in the financial market or markets in question and are accepted by the ~~FSA~~ FCA or, in the case of a market situated in another *EEA State*, the competent authority of that *EEA State* within the meaning of the *Market Abuse Directive*.

*accredited body* any of the following bodies recognised by the ~~FSA~~ FCA for the purpose of providing the independent verification required under *TC* 2.1.27R:

...

*advanced IRB approach* one of the following:

...

- (c) when the reference is to the rules of or administered by a *regulatory body* other than the ~~FSA~~ appropriate regulator, whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.

*advanced measurement approach* one of the following:

...

- (c) when the reference is to the rules of or administered by a *regulatory body* other than the ~~FSA~~ appropriate regulator, whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.

*advanced prudential calculation approach* one of the following:

...

including, in each case, whatever corresponds to that approach under the rules of or administered by a *regulatory body* other than the *FSA appropriate regulator*.

*alternative standardised approach*

one of the following:

...

- (c) when the reference is to the rules of or administered by a *regulatory body* other than the *FSA appropriate regulator*, whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.

*annual financial statements*

the financial statements in respect of the year ending on the *firm's* annual accounting reference date, which is the date to which a corporate *firm's* accounts are prepared for the purposes of the Companies Acts, or, where the *firm* is not subject to the Companies Acts, the equivalent date chosen by the *firm* and notified to the *FSA FCA or PRA* as the case may be.

*applicable sectoral consolidation rules*

(in respect of a *financial sector* and in accordance with paragraph 6.9 of *GENPRU 3 Annex 1R* (Applicable sectoral consolidation rules)) the *FSA's appropriate regulator's sectoral rules* about capital adequacy and solvency on a consolidated basis applicable to that *financial sector* under the table in paragraph 6.10 of *GENPRU 3 Annex 1R*.

*applicable sectoral rules*

(in respect of a *financial sector*) *applicable sectoral consolidation rules* for that *financial sector* and the *FSA's appropriate regulator's sectoral rules* about capital adequacy and solvency for:

...

*applications day*

the first day on which section 40 of the *Act* (Application for permission) comes into force (for any purpose).

*appropriate PRA position risk adjustment*

- (1) (in relation to a *position* treated under *BIPRU 7.6* (Option PRR)) the percentage figure applicable to that *position* under the table in *BIPRU 7.6.8R* (Appropriate Position Risk Adjustment);
- (2) (for any other purpose and in relation to a *position*) the *PRA position risk adjustment* applicable to that position under *BIPRU 7* (Market risk).

*approved reporting mechanism*

a trade-matching or reporting system approved by the *FSA FCA* in accordance with Section 412A of the *Act*.

*Article 129 implementing*

any:

*measure*

- (a) measure taken by the ~~FSA~~ appropriate regulator under regulations 7-9 of the *Capital Requirements Regulations 2006*; or

...

*asset  
identification  
rules*

~~(as defined in subsection 142(2) of the Act, as originally enacted,  
(Insurance business: regulations supplementing Authority's rules))~~ rules made by the ~~FSA~~ appropriate regulator which require an *authorised person* who has *permission to effecting or carry out contracts of insurance* to identify assets which belong to him and which are maintained in respect of a particular aspect of his business.

*authorisation  
order*

an order made by the ~~FSA~~ FCA:

...

*authorised  
electronic  
money  
institution*

(in accordance with regulation 2(1) of the *Electronic Money Regulations*):

- (a) a *person* included by the ~~FSA~~ FCA in the ~~FSA Register~~ Financial Services Register as an *authorised electronic money institution* pursuant to regulation 4(1)(a) of the *Electronic Money Regulations*; or
- (b) a *person* deemed to have been granted authorisation ~~by the FSA~~ by virtue of regulation 74 of the *Electronic Money Regulations*.

*authorised  
payment  
institution*

(in accordance with regulation 2(1) of the *Payment Services Regulations*) a *person* included by the ~~FSA~~ FCA in the ~~FSA Register~~ Financial Services Register as an authorised payment institution pursuant to regulation 4(1)(a), or a *person* deemed to have been granted authorisation ~~by the FSA~~ by virtue of regulation 121 of the *Payment Services Regulations*.

*authorised  
person*

(in accordance with section 31 of the *Act* (Authorised persons)) one of the following:

- (a) a *person* who has a ~~Part IV permission~~ Part 4A permission to carry on one or more *regulated activities*;

...

- (f) the *Society of Lloyd's*.

...

*bank*

- (a) a *firm* with a ~~Part IV permission~~ Part 4A permission which includes

*accepting deposits, and:*

...

- (ii) whose ~~Part IV permission~~ Part 4A permission includes a requirement that it comply with the rules in *GENPRU* and *BIPRU* relating to banks ;

...

*banking and investment group*

a group of *persons* (at least one of which is an *EEA regulated entity* that is a *credit institution* or an *investment firm*) who:

- (a) form a group in respect of which the consolidated capital adequacy requirements for the *banking sector* or the *investment services sector* under:

- (i) the ~~FSA's~~ appropriate regulator's sectoral rules; or

...

*CAD 1 model approach*

one of the following

...

- (c) when the reference is to the rules of or administered by a *regulatory body* other than the ~~FSA~~ appropriate regulator, whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.

*capital resources*

...

- (3) (for the purposes of *GENPRU* and *BIPRU*, in relation to an undertaking not falling within (1) or (2) and subject to (4)), capital resources calculated in accordance with (1) on the assumption that:

- (a) it is a *BIPRU firm* with a ~~Part IV permission~~ Part 4A permission; and

...

*CCR internal model method*

one of the following:

...

- (c) when the reference is to the rules of or administered by a *regulatory body* other than the ~~FSA~~ appropriate regulator, whatever corresponds to the approach in (a) or (b), as the case may be, under

those rules.

<i>CFEB</i>	the consumer financial education body <u>originally</u> established by the <i>FSA</i> under section 6A(1) of the <i>Act</i> (Enhancing public understanding of financial matters etc) <u>(as it had effect before the passing of the Financial Services Act 2012)</u> and having the name Money Advice Service.
<i>CFEB levy</i>	the levy payable to the <del>FSA</del> <u>FCA</u> pursuant to <i>FEES</i> 7.2.1R by the <i>persons</i> listed in <i>FEES</i> 1.1.2R(5).
<i>close links</i>	...  (3) (in <i>SUP</i> 3 (Auditors) and <i>SUP</i> 4 (Actuaries)) (in accordance with section 343(8) of the <i>Act</i> (Information given by auditor or actuary to <del>the Authority</del> <u>a regulator</u> : persons with close links)) the relationship in (2), disregarding (e) and (f).
<i>Code of Market Conduct</i>	the provisions in <i>MAR</i> 1 indicated by an "E" or "C" in the margin or heading, issued by the <del>FSA</del> <u>FCA</u> as required by section 119 of the <i>Act</i> (The Code).
<i>competent authority</i>	(1) <del>(in relation to admission to an official listing):</del> <u>(in relation to the functions referred to in Part VI of the Act):</u>  (a) <del>the authority designated under Schedule 8 to the Act (Transfer of functions under Part VI (Official listing)) as responsible for admitting securities to, and for removing securities from, the official list ; for the time being, the FSA in its capacity as such; or</del> <u>the FCA; or</u>  (b) an authority exercising functions corresponding to <del>those in (a)</del> <u>in the functions referred to in Part VI of the Act</u> under the laws of another <i>EEA State</i> .  ...
<i>connected person</i>	(1) (in relation to the <del>FSA's</del> <u>FCA's</u> or <u>PRA's</u> consideration of an application for, or of whether to vary or cancel, a <del>Part IV permission</del> <u>Part 4A permission</u> ) (in accordance with section 49(1) <del>55R</del> of the <i>Act</i> (Persons connected with an applicant)) any <i>person</i> appearing to the <del>FSA</del> <u>regulator concerned</u> to be, or likely to be, in a relationship with the applicant or <i>person</i> given <i>permission</i> , which is relevant.  (2) (in relation to the <del>FSA's</del> <u>FCA's</u> or <u>PRA's</u> power to gather information under section 165 of the <i>Act</i> ( <del>Authority's Regulators' power to require information</del> )) (in accordance with section 165(11) of the <i>Act</i> ) a <i>person</i> who has, or has at any relevant time had, the following relationship with an <del>authorised person</del> <u>another person</u> ("A"):

...

- (3) (in relation to the ~~FSA's~~ FCA's or PRA's powers of investigation under sections 171 and 172 of the *Act* (Powers of persons appointed under section 167; Additional power of persons appointed as a result of section 168(1) or (4))) (in accordance with section 171(4) of the *Act*) a *person* who has, or has at any relevant time had, the following relationship with a *person* under investigation ("P"):

...

*consent notice* a notice given by the ~~FSA~~ FCA or PRA as the case may be, to a *Host State regulator* under:

...

*Consumer Panel* the panel of *persons* which section ~~40~~ 1Q of the *Act* (The Consumer Panel) requires the ~~FSA~~ FCA to establish and maintain, as part of its arrangements for consultation under section ~~8~~ 1M, to represent the interests of *consumers*.

*core provision* (as defined in section 316(3) of the *Act* (Direction by ~~Authority~~ a regulator)) a provision of the *Act* mentioned in section 317 of the *Act* (The core provisions) which applies to the carrying on of an insurance market activity by a *member*, or the *members* of the *Society* taken together, if the ~~FSA~~ appropriate regulator so directs.

*credit quality assessment scale* the credit quality assessment scale:

...

- (2) published by the ~~FSA~~ appropriate regulator in accordance with the *Capital Requirements Regulations 2006* which determine:

...

*data element* A discrete fact or individual piece of information relating to a particular field within a *data item* required to be submitted to the ~~FSA~~ appropriate regulator by a *firm* or other regulated entity.

*decision notice* a notice issued by the ~~FSA~~ appropriate regulator in accordance with section 388 of the *Act* (Decision notices).

*DLG by default* (in relation to a *UK ILAS BIPRU firm* (a *group liquidity reporting firm*) and any reporting period under *SUP 16* (Reporting requirements)) the *firm* and each *person* identified in accordance with the following:

...

- (ca) In the case of a *group liquidity reporting firm* that is within paragraph (a) of the definition of *UK lead regulated firm* (it is not part of a group that is subject to consolidated supervision by the ~~FSA~~ FCA or the PRA or any other *regulatory body*), paragraph (c)(i) of the definition of *DLG by default* is amended so that it only includes a member of the *firm's group* that falls into one of the following categories:

...

...

*document viewing facility*

(in *LR*) a location identified on the ~~FSA~~ FCA website where the public can inspect documents referred to in the *listing rules* as being documents to be made available at the document viewing facility.

*EEA registered tied agent*

a *tied agent* of a *UK MiFID investment firm* that is not an *appointed representative* and would have been an ~~FSA~~ FCA *registered tied agent* but for the fact that it does business in an *EEA State* that permits *investment firms* authorised by the *competent authority* of that state to appoint *tied agents*.

*EEA tied agent*

a *tied agent* who is an ~~FSA~~ FCA *registered tied agent* or an *EEA registered tied agent*.

*electronic commerce activity direction*

a direction made, or proposed to be made, by the ~~FSA~~ FCA under regulation 6 of the *ECD Regulations*.

*eligible ECAI*

an *ECAI*:

- (a) (for *exposure risk weighting* purposes other than those in (b)) recognised by the ~~FSA~~ appropriate regulator under regulation 22 of the *Capital Requirements Regulations 2006* (Recognition for exposure risk-weighting purposes); or
- (b) (for *securitisation risk weighting* purposes) recognised by the ~~FSA~~ appropriate regulator under regulation 23 of the *Capital Requirements Regulations 2006* (Recognition for securitisation risk-weighting purposes).

*establishment conditions*

(in relation to the establishment of a *branch* in the *United Kingdom*) the conditions specified in paragraph 13 of Schedule 3 to the *Act* (EEA Passport Rights), which are that:

...

- (b) if the *firm* falls within paragraph (e) in the definition of "*EEA firm*":

...

- (ii) the ~~FSA~~ FCA or PRA (as the case may be) has received notice ("a regulator's notice") from the firm's Home State regulator that the firm intends to establish a *branch* in the *United Kingdom*;
  - (iii) the EEA firm's Home State regulator has informed it that the regulator's notice has been sent to the ~~FSA~~ FCA or PRA (as the case may be); and
  - (iv) one *month* has elapsed beginning with the date on which the EEA firm's Home State regulator informed the *firm* that it had sent the regulator's notice to the ~~FSA~~ FCA or PRA (as the case may be).
- (c) the *EEA firm* has been informed of the *applicable provisions* or two *months* have elapsed beginning with the date when the ~~FSA~~ FCA or PRA received the consent notice.

*evidential provision*

a *rule*, contravention of which does not give rise to any of the consequences provided for by other provisions of the *Act*; and which provides, in accordance with section ~~149(2)~~ 138C of the *Act*, that:

...

*excluded material*

(in relation to access to ~~FSA~~ appropriate regulator material) (as defined in section 394(7) of the *Act* (Access to ~~Authority~~ FCA or PRA material)) material which:

...

*exempt insurance intermediary*

an *insurance intermediary*:

- (a) whose ~~Part IV permission~~ Part 4A permission is limited to or includes *insurance mediation activity*;

”

*exempt regulated activity*

(as defined in section 325(2) of the *Act* (~~Authority's~~ FCA's general duty)) a *regulated activity* which may, as a result of Part XX of the *Act* (Provision of Financial Services by Members of the Professions), be carried on by *members* of a profession which is supervised and regulated by a *designated professional body* without breaching the *general prohibition*.

*feeder UCITS*

(in accordance with article 58(1) of the *UCITS Directive*):

- (a) a *UCITS scheme* or a *sub-fund* of a *UCITS scheme* which has been

approved by the ~~FSA~~ FCA; or

...

*final notice* a notice given by the ~~FSA~~ appropriate regulator under section 390 of the Act (Final notices).

*financial crime* (in accordance with section ~~6(3)~~ 1H of the Act) any kind of criminal conduct relating to money or to financial services or markets, including any offence involving:

...

(c) handling the proceeds of crime; or

(d) the financing of terrorism;

in this definition, "offence" includes an act or omission which would be an offence if it had taken place in the *United Kingdom*.

*Financial Ombudsman Service Limited* the *body corporate* established by the FSA under paragraph 2(1) of Schedule 17 to the Act (The Scheme Operator) (as originally enacted) to administer the *Financial Ombudsman Service*.

*Financial Services Compensation Scheme Limited* the *body corporate* established by the FSA under section 212 of the Act (The scheme manager) (as originally enacted) to administer the *compensation scheme*.

*financial stability information power* the ~~FSA's~~ PRA's power under section 165A of the Act (~~Authority's~~ PRA's power to require information: financial stability) which, in summary, is a power to require a *person* to provide information or documents relevant to the stability of one or more aspects of the *UK financial system*.

*financial stability information requirement* a requirement imposed on a *person* by the ~~FSA~~ PRA using the *financial stability information power* or the *overseas financial stability information power*.

*financial year in question* (for the purposes of *INSPRU* 1.1 and of the definition of *non-directive insurer*) the last *financial year* to end before the date on which the latest accounts of the *insurer* are required to be deposited with the ~~FSA~~ appropriate regulator; the preceding *financial year* and previous *financial years* are construed accordingly.

...

*firm in run-off* a *firm* whose ~~Part IV permission~~ Part 4A permission has been varied so as to remove the *regulated activity* of *effecting contracts of insurance*.

*foundation IRB approach* one of the following:

...

- (c) when the reference is to the rules of or administered by a *regulatory body* other than the ~~FSA~~ *appropriate regulator*, whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.

~~FSA Register~~  
Financial Services Register

the public record, as required by section 347 of the *Act* (The public record), regulation 4 of the *Payment Services Regulations* (The register of certain payment service providers) and regulation 4 of the *Electronic Money Regulations*, of every:

...

- (f) ~~recognised clearing house~~; [deleted]

...

- (i) *person* within such other class (if any) as the ~~FSA~~ *FCA* may determine; except as provided by any transitional provisions.

~~FSA FCA~~  
*registered tied agent*

a *tied agent* who is an *agent* for the purposes of section 39A of the *Act*.

~~FSA UK~~  
*regulated EEA financial conglomerate*

a *financial conglomerate* (other than a *third-country financial conglomerate*) that satisfies one of the following conditions:

...

- (2) a *firm* that is a member of that *financial conglomerate* is subject to obligations imposed through its ~~Part IV permission~~ *Part 4A permission* to ensure that *financial conglomerate* meets levels of capital adequacy based or stated to be based on Annex I of the *Financial Groups Directive*.

~~FSA's PRA's~~  
*SCV requirements*

(in *COMP*) the ~~FSA's~~ *PRA's* requirements with respect to *single customer view*.

~~FSB~~  
*Compensation Standards*

(~~in accordance with the definition of "the Implementation Standards" in section 139A(12) of the Act~~) the Implementation Standards for Principles for Sound Compensation Practices issued by the Financial Stability Board on 25 September 2009.

*general levy*

(in *FEES*) the annual fee raised from a *firm* under the *rules* to fund a part agreed between the *Financial Ombudsman Service* and the ~~FSA~~ *FCA* of the *Financial Ombudsman Service's* annual budget.

<i>general market risk <del>PRA</del> <u>position risk adjustment</u></i>	a <del>PRA</del> <u>position risk adjustment</u> with respect to <i>general market risk</i>
<i>Home State regulator</i>	...  (2) (in relation to a <i>UK firm</i> or <i>UCITS scheme</i> ) the <del>FSA</del> <u>FCA</u> or <u>PRA</u> , as the case may be.
<i>Host State regulator</i>	(1) (in relation to an <i>EEA firm</i> or a <i>Treaty firm</i> exercising an <i>EEA right</i> or <i>Treaty right</i> in the <i>United Kingdom</i> ) the <del>FSA</del> <u>FCA</u> or <u>PRA</u> , as the case may be.  ...  (4) ((in relation to an <i>EEA UCITS scheme</i> which is a <i>recognised scheme</i> ) the <del>FSA</del> <u>FCA</u> .  ...
<i>immediate group</i>	(1) (in relation to <del>an authorised person</del> a person (“A”)) (as defined in section 148(11) of the <del>Act</del> (Modification or waiver of rules) <u>421ZA</u> of the <i>Act</i> (Immediate group)):  (a) <del>the authorised person</del> <u>A</u> ;  (b) a parent undertaking of <del>the authorised person</del> <u>A</u> ;  (c) a subsidiary undertaking of <del>the authorised person</del> <u>A</u> ;  (d) a subsidiary undertaking of a parent undertaking of <del>the authorised person</del> <u>A</u> ;  (e) a parent undertaking of a subsidiary undertaking of <del>the authorised person</del> <u>A</u> .  ...
<i>independent expert</i>	(in <i>SUP 18</i> ) the person approved or nominated by the <del>FSA</del> <u>appropriate regulator</u> to make the <i>scheme report</i> for an <i>insurance business transfer scheme</i> .
<i>individual capital guidance</i>	<i>guidance</i> given to a <i>firm</i> about the amount and quality of capital resources that the <del>FSA</del> <u>appropriate regulator</u> thinks the <i>firm</i> should hold at all times under the <i>overall financial adequacy rule</i> as it applies on a solo level or a consolidated level.
<i>individual liquidity</i>	<i>guidance</i> given to a <i>firm</i> about the amount, quality and funding profile of liquidity resources that the <del>FSA</del> <u>appropriate regulator</u> has asked the <i>firm</i> to



...

<i>lead regulated firm</i>	<p>a <i>firm</i> which is the subject of the financial supervision requirements of an <i>overseas regulator</i> in accordance with an agreement between the <del>FSA</del> <u>appropriate regulator</u> and that regulator relating to the financial supervision of <i>firms</i> whose head office is within the country of that regulator.</p> <p>This definition is not related to the defined terms <i>UK lead regulated firm</i> or <i>non UK lead regulated firm</i>.</p>
<i>limitation</i>	<p>a limitation incorporated in a <del>Part IV permission</del> <u>Part 4A permission</u> under <del>section 42(7)(a)</del> <u>section 55E(5)</u> of the <i>Act</i> (Giving permission: the <u>FCA</u>), <u>section 55F(4)</u> of the <i>Act</i> (Giving permission: the <u>PRA</u>) or <del>section 45(4)</del> <u>55J(10)</u> of the <i>Act</i> (<del>Variation etc on the Authority's own initiative</del> <u>Variation or cancellation on initiative of regulator</u>).</p>
<i>list of sponsors</i>	<p>(in <i>LR</i>) the list of sponsors maintained by the <del>FSA</del> <u>FCA</u> in accordance with section 88(3)(a) of the <i>Act</i>.</p>
<i>listed</i>	<p>...</p> <p>(3) (in <i>LR</i> ) admitted to the <i>official list</i> maintained by the <del>FSA</del> <u>FCA</u> in accordance with section 74 of the <i>Act</i>.</p>
<i>Lloyd's Return</i>	<p>the financial report that the <i>Society</i> is required to submit to the <del>FSA</del> <u>PRA</u> under <i>IPRU(INS)</i> 9.48(1).</p>
<i>Lloyd's trust deed</i>	<p>a trust deed in the form prescribed by the <i>Society</i> and notified to the <del>FSA</del> <u>PRA</u>, for execution by a <i>member</i> in respect of his <i>insurance business</i>.</p>
<i>low frequency liquidity reporting firm</i>	<p>any of the following:</p> <p>...</p> <p>(c) a <i>standard ILAS BIPRU firm</i> that meets the following conditions:</p> <p>...</p> <p>(ii) it has submitted a projected to balance sheet to the <del>FSA</del> <u>FCA or PRA</u> (as the case may be) as part of an application for a <del>Part IV</del> <u>Part 4A permission</u> or a variation of one; and</p> <p>...</p>
<i>master netting agreement internal models approach</i>	<p>one of the following:</p>

	...	
	(c)	when the reference is to the rules of or administered by a <i>regulatory body</i> other than the <i>FSA appropriate regulator</i> , whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.
<i>material currency</i>	...	
	(b)	First, the amount of its assets and the amount of its liabilities in each currency (ignoring the sign) are separately calculated. The figures are as shown in the most recent <i>data item FSA054</i> submitted to the <i>FSA appropriate regulator</i> .
	...	
	(i)	If the <i>firm</i> has not delivered <i>data item FSA054</i> to the <i>FSA appropriate regulator</i> at the <i>reporting level</i> concerned or is currently not required to do so at the <i>reporting level</i> concerned, the calculation is carried out using the methods for drawing up <i>data item FSA054</i> .
<i>media firm</i>		a <i>firm</i> whose only <i>permitted activities</i> are <i>advising on investments</i> and <i>agreeing to carry on that regulated activity</i> , and whose <del><i>Part IV permission</i></del> <i>Part 4A permission</i> includes <i>requirements</i> to the effect that the <i>firm</i> must advise:
	...	
<i>member</i>	...	
	(2)	(2) (in <i>PROF, LR</i> and <i>EG 16</i> ) (as defined in section 325(2) of the <i>Act</i> ( <del>Authority's</del> <i>FCA's</i> general duty)) (in relation to a profession) a <i>person</i> who is entitled to practise that profession and, in practising it, is subject to the rules of the relevant <i>designated professional body</i> , whether or not he is a member of that body.
	...	
<i>member contribution</i>		any paid up contribution by a member of a <i>mutual</i> where the members' accounts meet the following criteria:
	...	
	(b)	the memorandum and articles of association or other constitutional documents must stipulate, with respect to the payments referred to in (a) made for reasons other than the individual termination of membership, that the <i>FSA appropriate regulator</i> must be notified at least one month in advance of the intended date of such payments; and

- (c) the *FSA appropriate regulator* must be notified of any amendment to the relevant provisions of the memorandum and articles of association or other constitutional documents.

*misleading  
statements and  
practices  
offence*

~~any of the offences described in section 397 of the Act (Misleading statements and practices), which are in summary:~~

- (a) ~~the offence of:~~
- ~~(i) making a statement, promise or forecast, which the *person* making the statement, promise or forecast knows to be misleading, false or deceptive in a material particular; or~~
  - ~~(ii) dishonestly concealing any material facts whether in connection with a statement, promise or forecast made by the *person* concealing the facts or otherwise; or~~
  - ~~(iii) recklessly making (dishonestly or otherwise) a statement, promise or forecast which is misleading, false or deceptive in a material particular;~~

~~where the *person* makes the statement, promise or forecast or conceals the facts for the purpose of inducing, or is reckless as to whether it may induce, another *person* (whether or not that *person* is the same *person* to whom the statement, promise or forecast is made):~~

- ~~(A) to enter or offer to enter into, or to refrain from entering or offering to enter into, a relevant agreement; or~~
  - ~~(B) to exercise, or refrain from exercising, any rights conferred by a relevant investment;~~
- (b) ~~the offence of doing any act or engaging in any course of conduct which creates a false or misleading impression as to the market in or the price or value of any relevant investments where the act was done or the course of conduct engaged in for the purpose of creating that impression and of thereby inducing another *person* to acquire, dispose of, subscribe for or underwrite those investments or to refrain from doing so, or to exercise, or refrain from exercising, any rights conferred by those investments;~~

~~in this definition: "relevant agreement" means an agreement:~~

- ~~(I) the entering into or performance of which by either party constitutes an activity of a kind specified in an order made by the Treasury or one which falls within a specified class of activity; and~~
- ~~(II) which relates to a relevant investment;~~

~~"relevant investment" means an investment of a kind specified in an order made by the Treasury or one which falls within a class of investment prescribed in regulations made by the Treasury. [deleted]~~

*Money Advice Service* the consumer financial education body (*CFEB*) originally established by the *FSA* under section 6A(1) of the *Act* (Enhancing public understanding of financial matters etc) (as it had effect before the passing of the Financial Services Act 2012).

*notice of discontinuance* a notice given by the ~~*FSA*~~ *appropriate regulator* in accordance with section 389 of the *Act* (Notices of discontinuance) which states that the ~~*FSA*~~ *appropriate regulator* has decided not to take the action proposed in a *warning notice* or the action to which a *decision notice* relates.

*notification rule* (1) (in relation to a *firm*) a *rule* requiring a *firm* to give the ~~*FSA*~~ *appropriate regulator* notice of, or information regarding, an event, but excluding:

...

*officer* (1) ((in connection with the exercise of the ~~*FSA's*~~ *appropriate regulator's* power to require information) an officer of the ~~*FSA*~~ *appropriate regulator*, a member of the ~~*FSA's*~~ *appropriate regulator's* staff or an agent of the ~~*FSA*~~ *appropriate regulator*.

...

*official list* (1) (in *LR*) the list maintained by the ~~*FSA*~~ *FCA* in accordance with section 74(1) of the *Act* for the purposes of Part VI of the *Act*.  
(2) (except in *LR*):  
(a) the list maintained by the ~~*FSA*~~ *FCA* in accordance with section 74(1) of the *Act* (The official list) for the purposes of Part VI of the *Act* (Official Listing);

...

*overseas financial stability information power* the ~~*FSA's*~~ *PRA's* power under section 169A of the *Act* (Support of overseas regulator with respect to financial stability) which, in summary, is a power exercisable at the request of an *overseas regulator* to require a *person* to provide information or documents relevant to the stability of one or more aspects of the *relevant financial system* operating in the country or territory of that regulator.

*overseas regulator* (1) (except in relation to the *overseas financial stability information power*) (as defined in section 195(3) of the *Act* (Exercise of power in support of overseas regulator)) an authority in a country or territory outside the *United Kingdom*:

...

- (b) which exercises any of the following functions:
- (i) a function corresponding to any function of the ~~FSA~~ FCA or PRA under the *Act*;
  - (ii) a function corresponding to any function exercised by the ~~FSA~~ FCA in its capacity as *competent authority* in relation to the listing of securities;

...

~~Part IV permission Part 4A permission~~ (as defined in section 40(4) ~~55A~~ of the *Act* (Application for *permission*)) a *permission* given by the ~~FSA~~ FCA or PRA under ~~Part IV Part 4A~~ of the *Act* (Permission to carry on regulated activities), or having effect as if so given.

~~personal investment firm~~ ...

- (c) a *firm*:
- (i) which was given a ~~Part IV permission Part 4A permission~~ after *commencement*, or which was authorised under section 25 of the Financial Services Act 1986 immediately before *commencement* and not a member of *IMRO*, *PIA* or *SFA*; and
  - (ii) (ii) for which the most substantial part of its gross income (including *commissions* ) from the *designated investment business* included in its ~~Part IV permission Part 4A permission~~ is derived from one or more of the following activities (based, for a *firm* given a ~~Part IV permission Part 4A permission~~ after *commencement*, on the business plan submitted as part of the *firm's* application for *permission* or, for a *firm* authorised under section 25 of the Financial Services Act 1986, on the *firm's* financial year preceding its *authorisation* under the *Act*):

...

position risk adjustment a percentage applied to a *position* as part of the process of calculating the *PRR* in relation to that *position* as set out in the tables in BIPRU 7.2.44R (Specific risk position risk adjustments), BIPRU 7.2.57R (General market risk position risk adjustments), BIPRU 7.3.30R (Simplified equity method position risk adjustments), BIPRU 7.3.34R (Position risk adjustments for specific risk under the standard equity method) and BIPRU 7.6.8R (The appropriate position risk adjustment) and also as set out in BIPRU 7.2.48AR to BIPRU 7.2.48LR.

*power of intervention* the power conferred on the ~~FSA~~ FCA or the PRA under section 196 of the *Act* (The Power of Intervention) to impose a requirement on an *incoming firm*.

- price stabilising rules* the *rules* made under section ~~144~~ 137Q of the *Act*, and appearing in *MAR* 2.1 to *MAR* 2.4, together with any other provisions available for their interpretation.
- prohibition order* an order made ~~by the FSA~~ under section 56 of the *Act* (Prohibition orders) which prohibits an individual from performing a specified function, any function falling within a specified description or any function.
- prudential context*
- (1) For the *FCA*, in relation to activities carried on by a *firm*, the context in which the activities have, or might reasonably be regarded as likely to have, a negative effect on:
- (a) ~~confidence in the integrity of the UK financial system~~; or
- (b) the ability of the *firm* to meet either:
- (i) the "fit and proper" test in *threshold condition 5* (Suitability); or
- ...
- (2) For the *PRA*, in relation to activities carried on by a *firm*, the context in which the activities have, or might reasonably be regarded as likely to have, a negative effect on:
- (a) the safety and soundness of a *PRA-authorised person*; or
- (b) the ability of the *firm* to meet either:
- (i) the "fit and proper" test in *threshold condition 5* (Suitability); or
- (ii) the applicable requirements and standards under the *regulatory system* relating to the *firm's* financial resources.
- public censure* ...
- (4) a statement published under section 87M (Public censure of issuer) of the *Act*, under ~~section 89 (Public censure of sponsor)~~ section 88A (Disciplinary powers: contravention of s88(3)(c) or (e)) of the *Act* or under section 91 (Penalties for breach of ~~listing rules~~ Part 6 rules) of the *Act*.
- qualifying capital instrument* (in *UPRU*) means that part of a *firm's* capital which is a security of indeterminate duration, or other instrument, that fulfils the following conditions:
- (a) it may not be reimbursed on the bearer's initiative or without the prior agreement of ~~FSA~~ FCA;

	...
<i>qualifying capital item</i>	(in <i>UPRU</i> ) means that part of a <i>firm's</i> capital which has the following characteristics:  ...  (c) (its amount is determined by the management of the <i>firm</i> and verified by independent auditors, and is made known to, and is monitored by, <del>FSA</del> <u>FCA</u> .  ...
<i>registration date</i>	(in <i>RCB</i> ) the date of the <del>FSA's</del> <u>FCA</u> decision to register a <i>regulated covered bond</i> .
<i>regulated activity</i>	(in accordance with section 22 of the <i>Act</i> ( <del>The classes of activity and categories of investment</del> <u>Regulated activities</u> )) any of the following activities specified in Part II of the <i>Regulated Activities Order</i> (Specified Activities):  ...
<i>regulatory costs</i>	the periodic fees payable to the <del>FSA</del> <u>appropriate regulator</u> by a <i>participant firm</i> in accordance with <i>FEES 4</i> (Periodic fees) .
<i>Regulatory Decisions Committee</i>	a committee of the Board of the <del>FSA</del> <u>FCA</u> , described in <i>DEPP 3.1</i> (The nature and procedure of the RDC).
<i>regulatory objectives</i>	( <del>as described in sections 2(2) and 3 to 6 of the Act</del> ):  (a) <del>market confidence;</del>  (b) <del>[deleted]</del>  (c) <del>the protection of consumers;</del>  (d) <del>the reduction of financial crime; and</del>  (e) <del>financial stability. [deleted]</del>
<i>remedial direction</i>	( <del>in accordance with section 308(8) of the Act (Directions by the Treasury)</del> ) a direction requiring the <del>FSA</del> :  (a) <del>to exercise its powers under section 297(2) of the Act to revoke the recognition order for a recognised body; or</del>  (b) <del>to exercise its powers under section 296 of the Act by giving such directions to the recognised body concerned as may be specified</del>

~~in the direction.~~ [deleted]

*reporting  
accountant*

an accountant appointed:

- (a) by the ~~FSA~~ appropriate regulator; or
- (b) by a *firm*, having been nominated or approved by the ~~FSA~~ appropriate regulator under section 166 of the *Act* (Reports by skilled persons); or
- (c) by an applicant for ~~Part IV permission~~ Part 4A permission;

to report on one or more aspects of the business of a *firm* or applicant, such as its financial position, including *internal controls* and reporting returns.

*requirement*

a requirement included in a *firm's* ~~Part IV permission~~ Part 4A permission under section 43 of the *Act* (Imposition of requirements), section 45(4) of the *Act* (Variation etc on the Authority's own initiative) or section 46 of the *Act* (Variation of permission on acquisition of control) under section 55L(3) of the *Act* (Imposition of requirements by the FCA), section 55M(3) of the *Act* (Imposition of Requirements by the PRA) or section 55O of the *Act* (Imposition of requirements on acquisition of control).

*retail  
(investment)  
customer*

(in relation to a *firm's permission* and the ~~FSA Register~~ Financial Services Register) a *retail client*.

*retail (non-  
investment  
insurance)  
customer*

(in relation to a *firm's permission* and the ~~FSA Register~~ Financial Services Register) a *consumer* or a *customer* acting in the capacity of both a *consumer* and a *commercial customer* (see *ICOBS 2.1.3G*).

*risk capital  
requirement*

(1) (in relation to the ~~FSA's~~ appropriate regulator's rules) one of the following:

...

*rule*

(in accordance with section 417(1) of the *Act* (Definitions)) a rule made by the ~~FSA~~ FCA or the PRA under the *Act*, including:

...

*SCV  
implementation  
report*

(in *COMP*) a report in accordance with *COMP 17.3.6R* explaining how the relevant *firm* has satisfied the ~~FSA's~~ PRA's *SCV requirements*.

*SCV report*

(in *COMP*) a report in accordance with *COMP 17.3.9R* from the relevant *firm's* board of directors confirming that the *firm's SCV system* satisfies the ~~FSA's~~ PRA's *SCV requirements*.

*SCV system*

(in *COMP*) a *firm's system* for satisfying the ~~FSA's~~ PRA's *SCV*

*requirements.*

*secondary  
material*

(as more fully described in section 394 of the *Act* (Access to Authority ~~FCA or PRA~~ material)) material, other than that which the ~~FSA~~ appropriate regulator relied on in reaching its decision, which:

- (a) the ~~FSA~~ appropriate regulator considered in reaching its decision;  
or
- (b) the ~~FSA~~ appropriate regulator obtained in connection with, that is, in the investigation of, the matter in question

*section 178  
notice*

(in accordance with section 178(3) of the *Act*) a notice given to the ~~FSA~~ appropriate regulator under section 178 of the *Act*.

*sectoral rules*

(in relation to a *financial sector*) rules and requirements relating to the prudential supervision of *regulated entities* applicable to *regulated entities* in that *financial sector* as follows:

...

- (c) (for all other purposes) rules and requirements of the ~~FSA~~ appropriate regulator;

and so that:

...

- (h) references to the ~~FSA's~~ appropriate regulator's *sectoral rules* are to *sectoral rules* in the form of *rules* .

*securities and  
futures firm*

...

- (c) a *firm*:
  - (i) which was given a ~~Part IV permission~~ Part 4A permission after *commencement*, or which was authorised under section 25 of the Financial Services Act 1986 immediately before *commencement* and not a member of *IMRO*, *PIA* or *SFA*; and
  - (ii) for which the most substantial part of its gross income (including *commissions*) from the *designated investment business* included in its ~~Part IV permission~~ Part 4A permission is derived from one or more of the following activities (based, for a *firm* given a ~~Part IV permission~~ Part 4A permission after *commencement*, on the business plan submitted as part of the *firm's* application for *permission* or, for a *firm* authorised under section 25 of the Financial Services Act 1986, on the *firm's* *financial*

year preceding its *authorisation* under the Act):

...

*service company* a *firm* whose only *permitted activities* are making arrangements with a view to transactions in investments, and agreeing to carry on that regulated activity, and whose ~~Part IV permission~~ Part 4A permission:

...

(b) includes *requirements* substantially to the effect that the *firm* must not:

...

(iii) in carrying on its *regulated activities*, provide services otherwise than in accordance with *documents* (of a kind specified in the *requirement*) provided by the *firm* to the ~~FSA~~ FCA.

*service conditions* (in accordance with paragraph 14 of Schedule 3 to the Act (EEA Passport Rights)) the conditions that:

...

(b) if the *firm* falls within paragraph (a), (d), (e) or (f) in the definition of "*EEA firm*", the ~~FSA~~ FCA or the *PRA* (as the case may be) has received notice from the *firm's Home State regulator* containing such information as may be prescribed;

(c) if the *firm* falls within paragraph (d) of that definition, its *Home State regulator* has informed it that the regulator's notice has been sent to the ~~FSA~~ FCA or the *PRA* (as the case may be); and

(d) if the *firm* falls within paragraph (e) of that definition, one *month* has elapsed beginning with the date on which the *firm's Home State regulator* informed the *firm* that it had sent the regulator's notice to the ~~FSA~~ FCA or the *PRA* (as the case may be).

*SIFA* the Handbook Guide: "Using the FSA Handbook: an Overview for small IFA firms" [deleted]

*small electronic money institution* (in accordance with regulation 2(1) of the *Electronic Money Regulations*) a person included by the ~~FSA~~ FCA in the ~~FSA Register~~ Financial Services Register pursuant to regulation 4(1)(b) of the *Electronic Money Regulations*.

*small payment institution* (in accordance with regulation 2(1) of the *Payment Services Regulations*) a person included by the ~~FSA~~ FCA in the ~~FSA Register~~ Financial Services Register pursuant to regulation 4(1)(b) of the *Payment Services Regulations*.

<i>specific risk PRA position risk adjustment</i>	a <i>PRA position risk adjustment</i> for <i>specific risk</i> including any such <i>PRA position risk adjustment</i> as applied under <i>BIPRU 7.6.8R</i> (Table: Appropriate position risk adjustment).
<i>sponsor</i>	(1) (in <i>LR</i> ) a approved, under section 88 of the by the <del>FSA</del> <i>FCA</i> , as a sponsor. ...
<i>standardised approach</i>	one of the following: ... (f) when the reference is to the rules of or administered by a <i>regulatory body</i> other than the <del>FSA</del> <i>appropriate regulator</i> , whatever corresponds to the approach in (a) to (e), as the case may be, under those rules.
<i>standing data</i>	the information relating to a <i>firm</i> held by the <del>FSA</del> <i>appropriate regulator</i> on the matters set out in <i>SUP 16 Annex 16AR</i> .
<i>statutory notice associated decision</i>	a decision which is made by the <del>FSA</del> <i>appropriate regulator</i> and which is associated with a decision to give a <i>statutory notice</i> , including a decision: ... (c) to refuse access to <del>FSA</del> <i>appropriate regulator</i> material . ...
<i>statutory notice decision</i>	a decision by the <del>FSA</del> <i>appropriate regulator</i> on whether or not to give a <i>statutory notice</i> .
<i>subsidiary undertaking</i>	... (2) (for the purposes of determining whether a <i>person</i> has <i>close links</i> with another <i>person</i> ) (in accordance with section 343(8) of the <i>Act</i> (Information given by auditor or actuary to <del>the FSA a regulator</del> ) and paragraph 3(3) of Schedule 6 to the <i>Act</i> (Threshold conditions)); ...
<i>Supervisory Liquidity Review Process</i>	the <del>FSA's</del> <i>appropriate regulator's</i> assessment of the adequacy of certain <i>firms'</i> liquidity resources as described in <i>BIPRU 12.2</i> and <i>BIPRU 12.5</i> .

*supervisory notice* (as defined in section 395(13) of the *Act* (The ~~Authority's~~ FCA's and PRA's procedures)) a notice given by the ~~FSA~~ appropriate regulator in accordance with section ~~53(4), (7) or (8)(b)~~ 55Y(4), (7) or (8)(b); 78(2) or (5); 197(3), (6) or (7)(b); 259(3), (8) or (9)(b); 268(3), (7)(a) or (9)(a) (as a result of subsection (8)(b)); 282(3), (6) or (7)(b); or 321(2) or (5).

*supervisory review and evaluation process* the ~~FSA's~~ appropriate regulator's assessment of the adequacy of certain firms' capital, as more fully described in *BIPRU* 2.2.9G and *INSPRU* 7.1.91G to *INSPRU* 7.1.99G.

*top-up permission* a ~~Part IV permission~~ Part 4A permission given to an *incoming EEA firm*, an *incoming Treaty firm* or a *UCITS qualifier*.

*total non-deferred shares* (in *CREDS*) means the total of members' share balances in a *credit union* shown in the most recent annual return to have been sent to the ~~FSA~~ appropriate regulator under *SUP* 16.7.62R or *SUP* 16.12.5R (see *CREDS* 8.2.3G), excluding any *deferred shares* in the *credit union*.

*trading day* ...

(2) other than in (1) or (3) , a day included in the calendar of trading days published by ~~FSA~~ the appropriate regulator at ~~www.fsa.gov.uk~~ [web address tbc]

...

*trust scheme rules* rules in *COLL* made by the ~~FSA~~ FCA under section 247(1) of the *Act* (Trust scheme rules) in relation to:

...

*UCITS firm* a *firm* which:

...

(b) does not have a ~~Part IV permission~~ Part 4A permission (or an equivalent permission from its *Home State regulator*) to carry on any *regulated activities* other than those which are in connection with, or for the purpose of, such schemes.

*UCITS investment firm* a *firm* which:

...

(b) has a ~~Part IV permission~~ Part 4A permission (or an equivalent permission from its *Home State regulator*) to manage *investments* where:

...

<i>UCITS scheme</i>	(a) an <i>authorised fund</i> authorised by the <del>FSA</del> <u>FCA</u> in accordance with the <i>UCITS Directive</i> :  ...
<i>UK financial system</i>	(as defined in <del>section 3 of the Act (Market confidence)</del> <u>section 11 of the Act (Meaning of “the UK financial system”)</u> ) the financial system operating in the <i>United Kingdom</i> including:  ...
<i>UK firm</i>	...  (2) (in <i>REC</i> ) means an <i>investment firm</i> or <i>credit institution</i> which has a <del>Part IV permission</del> <u>Part 4A permission</u> to carry on one or more <i>regulated activities</i> .
<i>UK insurance intermediary</i>	a <i>UK domestic firm</i> which has <del>Part IV permission</del> <u>Part 4A permission</u> to carry on <i>insurance mediation activity</i> but no other <i>regulated activity</i> .
<i>UK ISPV</i>	an <i>ISPV</i> with a <del>Part IV permission</del> <u>Part 4A permission</u> to <i>effect</i> or <i>carry out contracts of insurance</i> .
<i>UK lead regulated firm</i>	a <i>UK firm</i> that:  (a) is not part of a group that is subject to consolidated supervision by the <del>FSA</del> <u>FCA</u> or the <i>PRA</i> or any other <i>regulatory body</i> ; or  (b) is part of a group that is subject to consolidated supervision by the <del>FSA</del> <u>FCA</u> or the <i>PRA</i> and that group is not part of a wider group that is subject to consolidated supervision by a <i>regulatory body</i> other than the <del>FSA</del> <u>FCA</u> or the <i>PRA</i> .  For the purposes of this definition:  ...  (e) If the group is a <i>UK consolidation group</i> or <i>financial conglomerate</i> of which the <del>FSA</del> <u>FCA</u> or the <i>PRA</i> is lead regulator that is headed by an <i>undertaking</i> that is not itself the <i>subsidiary undertaking</i> of another <i>undertaking</i> the <i>firm</i> is a 'UK lead regulated firm'.
<i>UK UCITS management company</i>	a <i>management company</i> that is established in the <i>United Kingdom</i> and is <i>authorised</i> and regulated by the <del>FSA</del> <u>FCA</u> .
<i>UKLA</i>	the <del>FSA</del> <u>FCA</u> acting in its capacity as the <i>competent authority</i> for the purposes of Part VI of the <i>Act</i> (Official Listing).

<i>VaR model approach</i>	one of the following:  ...  (c) when the reference is to the rules of or administered by a <i>regulatory body</i> other than the <i>FSA appropriate regulator</i> , whatever corresponds to the approach in (a) or (b), as the case may be, under those rules.
<i>verified</i>	(in <i>IPRU(INV)</i> 13) where interim net profits are to be included in a <i>firm's</i> capital resources, checked by an external auditor who has undertaken at least to:  ...  (f) follow up problem areas of which he is already aware in the course of auditing the <i>firm's</i> financial statements, a copy of whose report asserting that the interim net profits are reasonably stated has been submitted to the <i>FSA FCA</i> (although this does not apply to <i>exempt CAD firms</i> ).
<i>version 1 credit union</i>	a <i>credit union</i> whose <del><i>Part IV permission</i></del> <i>Part 4A permission</i> includes a <i>requirement</i> (whether for all or for particular purposes) that it must not lend more than 15,000, or such lesser amount as may be specified, in excess of a member's shareholding; in this definition a "member's shareholding" means any shares held by a member of the <i>credit union</i> in accordance with section s 5 and 7 of the Credit Unions Act 1979 or articles 14 and 23 of the Credit Unions (Northern Ireland) Order 1985 (as appropriate).
<i>waiver</i>	a direction waiving or modifying a <i>rule</i> , given by the <i>FSA appropriate regulator</i> under <del>sections 148</del> <u>section 138A of the Act (Modification or waiver of rules)</u> or by the <i>FCA</i> under <u>sections 250 or 294 of the Act (Modification or waiver of rules)</u> or regulation 7 of the <i>OEIC Regulations</i> ( <del>Modification or waiver of FSA rules</del> ) (see <i>SUP</i> 8 and <i>REC</i> 3.3).
<i>warning notice</i>	a notice issued by the <i>FSA appropriate regulator</i> in accordance with section 387 of the <i>Act</i> (Warning notices).

## Annex B

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text.

<u>appropriate regulator</u>	(1) <u>in the <i>FCA Handbook</i>, the <i>FCA</i>; and in the <i>PRA Handbook</i>, the <i>PRA</i>;</u>  (2) (a) <u>in <i>SUP 11</i> “appropriate regulator” has the meaning given in section 178 of the <i>Act</i>, and</u>  (b) <u>in <i>SUP 18</i> “appropriate regulator” has the meaning given in section 103A of the <i>Act</i>.</u>
<u>FCA</u>	<u>Financial Conduct Authority.</u>
<u>FCA Handbook</u>	<u>the <i>FCA</i>’s Handbook of rules and guidance.</u>
<u>FCA-<i>authorised person</i></u>	<u>an <i>authorised person</i> who is not a <i>PRA-<i>authorised person</i></i>.</u>
<i>firm</i>	(1) <u>in the <i>FCA Handbook</i>, an <i>authorised person</i>, but not a <i>professional firm</i> unless it is an <i>authorised professional firm</i> (see also <i>GEN 2.2.18R</i> for the position of an authorised partnership or unincorporated association which is dissolved).</u>  (1A) <u>in the <i>PRA Handbook</i>, a <i>PRA-<i>authorised person</i></i>.</u>  ...  (4) (in <i>DISP 2</i> and <i>3</i> ) includes, as a result of the <i>insurance market direction</i> given in <i>DISP 2.1.7D</i> under section 316 of the <i>Act</i> (Direction by <del>Authority</del> <u>a regulator</u> ), <i>members of the Society of Lloyd’s</i> .  ...
<i>guidance</i>	guidance given by the <del><i>FSA</i></del> under the <del><i>Act</i></del> ;  (a) <u>in the <i>FCA Handbook</i>, by the <i>FCA</i> under the <i>Act</i>; or</u>  (b) <u>in the <i>PRA Handbook</i>, by the <i>PRA</i>.</u>
<i>Handbook</i>	the <del><i>FSA</i>’s <i>Handbook</i></del> of rules and guidance (for a table of contents, see the <del><i>Reader’s Guide</i></del> ) <u><i>FCA Handbook</i> or the <i>PRA Handbook</i> as appropriate.</u>
<i>PRA</i>	<del>Position Risk Adjustment</del> ; a percentage applied to a <i>position</i> as part of the

~~process of calculating the PRR in relation to that *position* as set out in the tables in *BIPRU 7.2.44R* (Specific risk PRAs), *BIPRU 7.2.57R* (General market risk PRAs), *BIPRU 7.3.30R* (Simplified equity method PRAs), *BIPRU 7.3.34R* (PRAs for specific risk under the standard equity method) and *BIPRU 7.6.8R* (The appropriate PRA) and also as set out in *BIPRU 7.2.48AR* to *BIPRU 7.2.48LR* Prudential Regulation Authority.~~

*PRA Handbook* the *PRA*'s Handbook of rules and guidance.

*PRA-authorised person* as defined in section 2B(5) of the *Act*, an *authorised person* who has permission:

- (a) given under Part 4A of the *Act*; or
- (b) resulting from any other provision of the *Act*;

to carry on *regulated activities* that consist of or include one or more *PRA-regulated activities*.

*PRA-regulated activity* a *regulated activity* specified in an order made under section 22A of the *Act* or specified pursuant to a power granted in such an order.

*statutory objectives* (1) for the *FCA* (as described in sections 1B, 1C, 1D and 1E of the *Act*):

- (a) its strategic objective of ensuring that the relevant markets function well; and
- (b) its operational objectives:
  - (i) the *consumer* protection objective (as defined in section 1C of the *Act*);
  - (ii) the integrity objective (as defined in section 1D of the *Act*); and
  - (iii) the competition objective (as defined in section 1E of the *Act*);

(2) for the *PRA* (as described in sections 2B, 2C and 314A of the *Act*):

- (a) its general objective of promoting the safety and soundness of *PRA-authorised persons*; and
- (b) its insurance objective of contributing to the securing of an appropriate degree of protection for those who are or may become *policyholders*.

**SCHEDULE A**

Part 1

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
competent authority)		
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations)	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
supplementing Authority's rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraph 12(1) (Funding of the relevant costs by	Paragraph 12(1) (Funding of the relevant costs by	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) subject to paragraphs 10 and 11 of this instrument.	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967) subject to paragraphs 10 and 11 of this instrument.	mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967) subject to paragraphs 23 and 24 of this instrument.
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706) subject to paragraphs 10 and 11 of this instrument.	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454) subject to paragraphs 10 and 11 of this instrument.	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209) subject to paragraphs 10 and 11 of this instrument.	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209) subject to	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2009/209)	paragraphs 10 and 11 of this instrument.	
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209) subject to paragraphs 10 and 11 of this instrument.	None
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99) subject to paragraphs 10 and 11 of this instrument.	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99) subject to paragraphs 10 and 11 of this instrument.	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259) subject to paragraphs 23 and 24 of this instrument.
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers),	None

Column 1	Column 2	Column 3
<p><b>Provisions of other enactments under which the Authority made rules</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>(Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)</p>	<p>18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346) subject to paragraphs 10 and 11 of this instrument.</p>	

Part 3

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

Part 4

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator)	Section 169(9)	Section 169(9)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)		
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None

Part 5

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346) subject to paragraphs 10 and 11 of this instrument.	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346) subject to paragraphs 10 and 11 of this instrument.	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209) subject to paragraphs 10 and 11 of this instrument.	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99) subject to paragraphs 10 and 11 of this instrument.	None

Part 6

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

Part 7

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228) subject to paragraphs 10 and 11 of this instrument.	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99) subject to paragraphs 10 and 11 of this instrument.	None

Part 8

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

Part 9

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

Part 10

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of	Regulation 60 (Guidance)	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
the Electronic Money Regulations 2011 (SI 2011/99).	of the Electronic Money Regulations 2011 (SI 2011/99) subject to paragraphs 10 and 11 of this instrument.	

**SCHEDULE B**

Recognised Auction Platforms Regulations 2011 (SI 2011/2699)
Undertakings for Collective Investment in Transferable Securities Regulations 2011 (SI 2011/1613)
Electronic Money Regulations 2011 (SI 2011/99)
Payment Services Regulations 2009 (SI 2009/209)
Regulated Covered Bonds Regulations 2008 (SI 2008/346)
Money Laundering Regulations 2007 (SI 2007/2157)
Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)
Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529)
Financial Services (Distance Marketing) Regulations 2004 (SI 2004/2095)
Financial Conglomerates and Other Financial Groups Regulations 2004 (SI 2004/1862)
Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order 2004 (SI 2004/454)
Financial Services and Markets Act 2000 (Communications by Actuaries) Regulations 2003 (SI 2003/1294)
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)
Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967)
Financial Services and Markets Act 2000 (Communications by Auditors) Regulations 2001 (SI 2001/2587)
Financial Services and Markets Act 2000 (Transitional Provisions) (Reviews of Pensions Business) Order 2001 (SI 2001/2512)
Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI

2001/2256)
Financial Services and Markets Act 2000 (Service of Notices) Regulations 2001 (SI 2001/1420)
Open- Ended Investment Companies Regulations 2001 (SI 2001/1228)
Financial Services and Markets Act 2000 (Recognition Requirements for Investment Exchanges and Clearing Houses) Regulations 2001 (SI 2001/995)
Unfair Terms in Consumer Contracts Regulations 1999 (SI 1999/2083)
Public Interest Disclosure (Prescribed Persons) Order 1999 (SI 1999/1549)

## Appendix 3: Section 2

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# Legal Cutover (Financial Conduct Authority and Prudential Regulation Authority Handbooks (General Provisions) Instrument 2013

**LEGAL CUTOVER (FINANCIAL CONDUCT AUTHORITY AND PRUDENTIAL  
REGULATION AUTHORITY HANDBOOKS (GENERAL PROVISIONS))  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced the Financial Conduct Authority's guidance power and rule making powers for the purpose of making Financial Conduct Authority guidance and rules.
- F. Article 2(1)(c) of the Early Commencement Order commenced the Prudential Regulation Authority's rule making powers for the purpose of making Prudential Regulation Authority rules.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;

- (9) “Relevant Instrument” has the meaning in section 119(6)(b) of the 2012 Act;
- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 12 and excludes any Relevant Instrument falling within paragraph 13;
- (13) “Commencement date” means 1 April 2013 provided that Her Majesty’s Treasury makes the Financial Services and Markets Act 2000 (PRA-Regulated Activities) Order in the form of the draft laid before Parliament on 24 January 2013.

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 8, the Financial Conduct Authority makes, issues, gives, or imposes:
  - (1) Each provision in Annex B to this Instrument; and
  - (2) Each provision in Annex C to this Instrument that meets all of the conditions in paragraph 7.
- 7 The conditions referred to in paragraph 6 are that a provision is:
  - (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” or “PRA/FCA” in Column 3 of Annex A to this Instrument.
- 8 The Financial Conduct Authority makes, issues, gives or imposes the provisions in paragraph 6 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 9 The rule-making powers in paragraph 8 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

### **Commencement: Financial Conduct Authority**

- 10 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on the Commencement Date.
- 11 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

### **Designation of rules etc. by the Prudential Regulation Authority**

- 12 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
  - (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 13 The designation by the Prudential Regulation Authority in paragraph 12 excludes any provision designated as guidance in an FSA Instrument.
- 14 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:

- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
- (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
- (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

15 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

#### **Modification of rules etc. by the Prudential Regulation Authority**

16 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

#### **Rules etc. made, given or amended by the Prudential Regulation Authority**

17 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 19, the Prudential Regulation Authority makes, issues, gives, or imposes:

- (1) Each provision in Annex B to this Instrument; and
- (2) Each provision in Annex C to this Instrument that meets all of the conditions in paragraph 18.

18 The conditions referred to in paragraph 17 are that a provision is:

- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
- (2) Identified as “PRA” or “PRA/FCA” in Column 3 of Annex A to this Instrument.

19 The Prudential Regulation Authority makes, gives or amends the provisions in paragraph 17 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

20 The rule-making powers in paragraph 19 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

#### **Commencement: Prudential Regulation Authority**

21 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 12) and the modification (in paragraph 16) of each PRA Relevant Instrument comes into effect on the Commencement Date.

22 The Prudential Regulation Authority directs that paragraph 17 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 12 and the modifications in paragraph 16.

**Citation**

23 This instrument may be cited as the Legal Cutover (Financial Conduct Authority and Prudential Regulation Authority Handbooks (General Provisions)) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

28 February 2013

**By order of the Board of the Prudential Regulation Authority**

7 March 2013

**Annex A**

**Designation of the General Provisions sourcebook (GEN)**

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
GEN 1.1.1	Designated	FCA/PRA
GEN 1.1.2	Designated	FCA
GEN 1.2.1	Designated	FCA/PRA
GEN 1.2.2	Designated	FCA/PRA
GEN 1.2.3	Designated	FCA/PRA
GEN 1.3.1	Designated	FCA/PRA
GEN 1.3.2	Designated	FCA/PRA
GEN 1.3.3	Designated	FCA/PRA
GEN 1.3.4	Designated	FCA/PRA
GEN 1.3.5	Designated	FCA/PRA
GEN 2.1.1	No longer in force after legal cutover	
GEN 2.1.2	Designated	FCA/PRA
GEN 2.1.3	No longer in force after legal cutover	
GEN 2.1.4	No longer in force after legal cutover	
GEN 2.1.5	No longer in force after legal cutover	
GEN 2.1.6	No longer in force after	

	legal cutover	
GEN 2.1.7	No longer in force after legal cutover	
GEN 2.1.8	Designated	FCA <sup>1</sup>
GEN 2.1.9	Designated	FCA
GEN 2.1.10	Designated	FCA/PRA
GEN 2.2.1	Designated	FCA/PRA
GEN 2.2.2	Designated	FCA/PRA
GEN 2.2.3	Designated	FCA/PRA
GEN 2.2.4	Designated	FCA/PRA
GEN 2.2.5	Designated	FCA/PRA
GEN 2.2.6	Designated	FCA/PRA
GEN 2.2.7	Designated	FCA/PRA
GEN 2.2.8	Designated	FCA/PRA
GEN 2.2.9	Designated	FCA/PRA
GEN 2.2.10	Designated	FCA/PRA
GEN 2.2.11	Designated	FCA/PRA
GEN 2.2.12	Designated	FCA/PRA
GEN 2.2.12A	Designated	FCA/PRA
GEN 2.2.12B	Designated	FCA/PRA
GEN 2.2.13	Designated	FCA/PRA
GEN 2.2.13A	Made	FCA/PRA
GEN 2.2.14	Designated	FCA/PRA
GEN 2.2.15	Designated	FCA/PRA
GEN 2.2.15A	Made	FCA
GEN 2.2.16	Designated	FCA/PRA

<sup>1</sup> This rule is also made, or to be made, by the Financial Ombudsman Service Limited.

GEN 2.2.17	Designated	FCA/PRA
GEN 2.2.18	Designated	FCA/PRA
GEN 2.2.19	Designated	FCA/PRA
GEN 2.2.20	Designated	FCA
GEN 2.2.21	Designated	FCA/PRA
GEN 2.2.22	Designated	FCA/PRA
GEN 2.2.23	Made	FCA/PRA
GEN 2.2.24	Made	FCA/PRA
GEN 2.2.25	Made	FCA/PRA
GEN 2 Annex 1	Designated	FCA
GEN 2 Annex 2	No longer in force after legal cutover	

## Annex B

### Amendments to the Glossary of definitions

In this Annex, the text is all new and is not underlined.

- general rule-*  
*making powers*  
[FCA/PRA]
- (1) In the *FCA Handbook* section 137A of the *Act*.
  - (2) In the *PRA Handbook* section 137G of the *Act*.

## Annex C

### Amendments to the General Provisions (GEN)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 1 **FSA Appropriate regulator approval and emergencies**

##### 1.1 **Application**

[**Note:** ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering various topics relating to automated trading and direct electronic access. See <http://www.fsa.gov.uk/static/pubs/other/esma-guidelines.pdf> [www.fca.org.uk](http://www.fca.org.uk)

...

##### 1.2 **Referring to approval by the FSA appropriate regulator**

1.2.1 G The purpose of *GEN* 1.2.2R is to prevent *clients* being misled about the extent to which the ~~FSA~~ appropriate regulator has approved a *firm's* affairs.  
[FCA/  
PRA]

1.2.2 R (1) Unless required to do so under the *regulatory system*, a *firm* must ensure that neither it nor anyone acting on its behalf claims, in a public statement or to a client, expressly or by implication, that its affairs, or any aspect of them, have the approval or endorsement of the ~~FSA~~ appropriate regulator or another competent authority.  
[FCA/  
PRA]

(2) Paragraph (1) does not apply to statements that explain, in a way that is fair, clear and not misleading, that:

...

(e) the *firm's approved persons* have been approved by the ~~FSA~~ appropriate regulator for the purposes of section 59 of the *Act* (Approval for particular arrangements);

(f) the *firm* has been given express written approval by the ~~FSA~~ appropriate regulator in respect of a specific aspect of the *firm's* affairs.

...

1.2.3 G *GEN* 1.2.2R(2)(f) is confined to written approval because of the need for clarity as to the scope of any approval given by the ~~FSA~~ appropriate regulator.  
[FCA/  
PRA]

## 1.3 Emergency

1.3.1 G The *FSA appropriate regulator* recognises that there may be occasions  
[FCA/ when, because of a particular emergency, a *person* (generally a *firm*, but in  
PRA] certain circumstances, for example in relation to *price stabilising rules*, an  
*unauthorised person*) may be unable to comply with a particular *rule* in the  
*Handbook*. The purpose of *GEN 1.3.2R* is to provide appropriate relief from  
the consequences of contravention of such a *rule* in those circumstances.

1.3.2 R ...  
[FCA/ (3) The *person* must notify the *FSA appropriate regulator* as soon as  
PRA] practicable of the emergency and of the steps it is taking and proposes  
to take to deal with the consequences of the emergency.

(4) A notification under (3) must be given to or addressed and delivered  
in accordance with *SUP 15.7* (Form and method of notification)  
(whether or not the *person* is a *firm*). If the *person* is not a *firm*, the  
notification must be given to or addressed for the attention of: Firm  
Contact Centre, The Financial Services Conduct Authority, 25 The  
North Colonnade, Canary Wharf, London E14 5HS (tel: 0845 606  
9966).

1.3.3 G A *firm* should continue to keep the *FSA appropriate regulator* informed of  
[FCA/ the steps it is taking under *GEN 1.3.2R(3)*, in order to comply with its  
PRA] obligations under *Principle 11* (Relations with regulators).

...

1.3.5 G *GEN 1.3.2R* operates on the *FSA's appropriate regulator's rules*. It does  
[FCA/ not affect the *FSA's appropriate regulator's* powers to take action against a  
PRA] *firm* in an emergency, based on contravention of other requirements and  
standards under the *regulatory system*. For example, the *FSA appropriate  
regulator* may exercise its *own-initiative power* in appropriate cases to vary  
a *firm's Part IV permission Part 4A permission* based on a failure or  
potential failure to satisfy the *threshold conditions* (see *SUP 7* (Applying  
the *FSA's Individual requirements to individual firms*) and *EG 8* (Variation  
and cancellation of permission on the *FSA's* own initiative and intervention  
against incoming firms)).

## 2 Interpreting the Handbook

...

### 2.2 Interpreting the Handbook

...

Evidential provisions

- 2.2.3 [FCA/PRA] R Any *rule* in the *Handbook* which has the status letter "E" in the margin or heading:
- (1) is to be taken also to provide that contravention of the *rule* does not give rise to any of the consequences provided for by provisions of the *Act* other than ~~section 149~~ section 138C (Evidential provisions); and
  - ...
- 2.2.4 [FCA/PRA] G (1) The *rules* to which ~~section 149~~ section 138C of the *Act* applies ("evidential provisions") are identified in the *Handbook* by the status letter "E" in the margin or heading.
- (2) Other provisions in the *Handbook*, although also identified by the status letter "E" in the margin or heading, are actually not *rules* but provisions in codes and *GEN 2.2.3R* does not apply to them. These code provisions are ~~*GEN 2.1.4E*~~, and those provisions in the *Code of Practice for Approved Persons (APER 3 and APER 4)* and the *Code of Market Conduct (MAR 1)* with the status letter "E".

...

Cross-references in the Handbook

...

- 2.2.13A [FCA/PRA] R Unless a contrary intention appears, to the extent that a provision made by the *appropriate regulator* ('the referring provision') contains a cross-reference to another provision that is not made by that regulator ('the referred provision'), the referred provision is to be taken to have been made by the *appropriate regulator* to the extent necessary to make the referring provision function with the full effect indicated by the reference.

References to writing

...

- 2.2.15 [FCA/PRA] G *GEN 2.2.14R* means that, for example, electronic media may be used to make communications which are required by a provision of the *Handbook* to be "in writing", unless a contrary intention appears, or the use of electronic media would contravene some other requirement ~~such as the requirement to treat customers fairly under Principle 6~~. *GEN 2.2.14R* does not, however, affect any other legal requirement which may apply in relation to the form or manner of executing a *document* or agreement.
- 2.2.15A [FCA] G An example of a requirement relevant to whether a communication required by a provision of the *Handbook* to be "in writing" may be made by use of electronic media is the requirement to treat *customers* fairly under *Principle 6*.

...

Activities covered by general rules

2.2.17 R A *general rule* (that is a *rule* made by the appropriate regulator under [FCA/ section ~~138 of the Act (General rule-making power)~~ the general rule making PRA] powers) is to be interpreted as:

...

...

Application of provisions made by both the FCA and the PRA

2.2.23 R (1) This rule applies to Handbook provisions made by both the FCA [FCA/ and the PRA. It may affect their application by the FCA to PRA- PRA] authorised persons and PRA-approved persons, and may affect their application by the PRA to any authorised person or approved person.

(2) Where a Handbook provision (or part of one) goes beyond the FCA's or PRA's powers or regulatory responsibilities, it is to be interpreted as applied by that regulator to the extent of that regulator's powers and regulatory responsibilities only.

(3) The extent of a Handbook provision is to be interpreted as cut back under GEN 2.2.23R(2) by the minimum degree necessary.

2.2.24 G The published Memorandum of Understanding between the FCA and the [FCA/ PRA] PRA describes their regulatory responsibilities.

2.2.25 G Examples of rules being interpreted as cut back by GEN 2.2.23R include [FCA/ the following: PRA]

(1) BIPRU 4 imposes capital requirements that, for a PRA-authorised person such as a bank, are the exclusive responsibility of the PRA; accordingly this section is not applied by the FCA to a PRA-authorised person.

(2) SYSC 6.1.1R requires a firm to maintain adequate policies and procedures to ensure compliance with its obligations under the regulatory system; SYSC 6.1.1R should be interpreted:

(a) as applied by the FCA in respect of a PRA-authorised person's compliance with regulatory obligations that are the responsibility of the FCA (for example, in respect of a bank maintaining policies and procedures to ensure compliance with banking conduct requirements in BCOBS); and,

(b) as applied by the PRA in respect of a PRA-authorised

person's compliance with those regulatory obligations that are the responsibility of the PRA (for example, in respect of a bank maintaining policies and procedures to ensure compliance with financial resources requirements in BIPRU).

- (3) COMP 5.2.1R sets out types of protected claims to be covered by the FSCS. The powers of the FCA and the PRA to make this type of rule are set out in the order made under section 213(1A) of the Act. The rule must be read as applying only to the extent of those powers. For example, the PRA has no power to make COMP 5.2.1R(3) creating protected claims in connection with protected investment business, and the FCA has no power to make COMP 5.2.1R(1) as creating protected claims for a protected deposit. As such, those provisions are to be interpreted as not applied by the PRA and FCA, respectively.

**2 Annex 1G Designated investment exchanges**  
[FCA]

...	
<b>Criteria for inclusion in the list of designated investment exchanges</b>	
3.	Before adding an investment exchange to the list of <i>designated investment exchanges</i> in the <i>Handbook</i> , the <del>FSA</del> <u>FCA</u> will comply with all the requirements imposed by the <i>Act</i> in relation to the exercise of its rule-making powers. This will include consulting on the proposed amendment to the list.
4.	In considering compatibility of the proposed addition with the <del>regulatory objectives</del> <i>statutory objectives</i> , the <del>FSA</del> <u>FCA</u> will determine whether the investment exchange provides an appropriate degree of protection for <i>consumers</i> having regard in particular to:
	...
...	
<b>Applications to be added to the list of designated investment exchanges</b>	
6.	An application to be added to the list should be in writing and delivered to the <del>FSA</del> <u>FCA</u> by:
(1)	post to: <del>The Financial Services Authority</del> <u>The Financial Conduct Authority</u> 25 The North Colonnade

		Canary Wharf London E14 5HS; or
	(2)	leaving the application at that address.
7.	...	
8.		An application will not be considered by the <del>FSA</del> <u>FCA</u> until the application fee has been paid. See <i>FEES</i> 3.2

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
competent authority)		
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
business: regulations supplementing Authority's rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Education Body)	Education Body)	
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(SI 2009/209)	(SI 2009/209).	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2008 (SI 2008/346)	legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None



**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
or waiver of rules)		
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 3

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# Legal Cutover (General Transitional and Miscellaneous Provisions) Instrument 2013

**LEGAL CUTOVER (GENERAL TRANSITIONAL AND MISCELLANEOUS  
PROVISIONS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to the Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;

- (9) “Relevant Instrument” has the meaning in section 119(6)(b) of the 2012 Act;
- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2; and
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15.

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex G or Annex H to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex G or Annex H to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex A, Annex B and Annex C to this Instrument.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A, Annex D, Annex E and Annex F to this Instrument; and
  - (2) each provision in Annex B and Annex C to this Instrument that meets all of the conditions in paragraph 7; and
  - (3) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B and Annex C to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Made” in Column 2 of Annex G or Annex H to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex G or Annex H to this Instrument.
- 8 The conditions referred to in paragraph 6(3) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex G or Annex H to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex G or Annex H to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument come into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

### **Designation of rules etc. by the Prudential Regulation Authority**

14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:

- (1) “Designated” in Column 2 of Annex G or Annex H to this Instrument; and
- (2) “PRA” or “FCA/PRA” in Column 3 of Annex G or Annex H to this Instrument.

15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.

16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:

- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
- (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
- (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

### **Modification of rules etc. by the Prudential Regulation Authority**

18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex A, Annex B and Annex C to this Instrument.

### **Rules etc. made, given or amended by the Prudential Regulation Authority**

19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A to this Instrument; and
- (2) each provision in Annex B and Annex C to this Instrument that meets all of the conditions in paragraph 20; and
- (3) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B or Annex C to this Instrument that meets all of the conditions in paragraph 21.

- 20 The conditions referred to in paragraph 19(2) are that a provision is:
- (1) identified as “Made” in Column 2 of Annex G or Annex H to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex G or Annex H to this Instrument.
- 21 The conditions referred to in paragraph 19(3) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex G or Annex H to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex G or Annex H to this Instrument,
- 22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives as guidance:
- (1) each provision in Annex B to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex G or Annex H that is marked with a “G” in Column 1 of Annex G or Annex H to this Instrument; and
  - (2) each provision listed in Annex G or Annex H to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex G or Annex H that is:
    - (a) marked with a “G” in Column 1 of Annex G or Annex H to this Instrument, and
    - (b) not in Annex B to this Instrument.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

## Amendments to the Handbooks

28 The modules of the FCA's and PRA's Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2):

(1)	(2)
Glossary of definitions	Annex A
General Provisions (GEN)	Annex B
Supervision manual (SUP)	Annex C
Conduct of Business sourcebook (COBS)	Annex D
Insurance: Conduct of Business sourcebook (ICOBS)	Annex E
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex F

## Citation

29 This Instrument may be cited as the Legal Cutover (General Transitional and Miscellaneous Provisions) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

- accountable functions* (1) (in the *FCA Handbook* and in relation to an *approved person*) the functions described in *APER* 1.1A.2P, which are in summary:
- (a) *FCA controlled functions*;
  - (b) *PRA controlled functions*; and
  - (c) any other functions in relation to the carrying on of a *regulated activity*;

in relation to the *authorised persons* in relation to which that *person* is an *approved person*.

- (2) (in the *PRA Handbook* and in relation to an *approved person*) the functions described in *APER* 1.1B.2P, which are in summary:
- (a) *PRA controlled functions*;
  - (b) *FCA controlled functions* that are *significant-influence functions*; and
  - (c) any other *significant-influence functions*;

in relation to the *PRA-authorised persons* in relation to which that *person* is an *approved person*.

*accountable significant-influence function* (in the *FCA Handbook*) any *accountable function* that is a *significant-influence function*.

*clearing facilitation service* (in relation to a *RIE*) any *regulated activity* carried on by an *RIE* for the purposes of, or in connection with, the provision by the *RIE* of services designed to facilitate the provision of clearing services by another person.

<i>current approved person approval</i>	(in relation to an <i>approved person</i> in relation to a particular <i>firm</i> and <i>controlled function</i> as at any particular time) an approval under section 59 of the <i>Act</i> (Approval for particular arrangements) given by the <i>FCA</i> or the <i>PRA</i> in relation to that <i>person</i> for the performance of that <i>controlled function</i> in relation to that <i>firm</i> that is in force at that time.
<i>current FCA approved person approval</i>	a <i>current approved person approval</i> given by the <i>FCA</i> .
<i>current PRA approved person approval</i>	a <i>current approved person approval</i> given by the <i>PRA</i> .
<i>customer-dealing function</i>	(in accordance with section 59(7A) of the <i>Act</i> (Approval for particular arrangements) in relation to the carrying on of a <i>regulated activity</i> by an <i>authorised person</i> (“A”) a function that will involve the <i>person</i> performing it in dealing with:  (a) customers of A; or  (b) property of customers of A;  in a manner substantially connected with the carrying on of the activity.
<i>FCA-approved person</i>	an <i>approved person</i> in relation to whom the <i>FCA</i> has given its approval under section 59 of the <i>Act</i> (Approval for particular arrangements) for the performance of an <i>FCA controlled function</i> .
<i>FCA candidate</i>	a <i>person</i> in respect of whom an application is made for approval under section 59 of the <i>Act</i> (Approval for particular arrangements) of the performance of an <i>FCA controlled function</i> .
<i>FCA controlled function</i>	a <i>controlled function</i> which is specified by the <i>FCA</i> under section 59 of the <i>Act</i> (Approval for particular arrangements) in the <i>table of FCA controlled functions</i> .
<i>FCA governing functions</i>	any of the <i>FCA controlled functions</i> 1 to 6 in Part 1 of the <i>table of FCA controlled functions</i> .
<i>FCA required functions</i>	any of the <i>FCA controlled functions</i> 8 to 11 in Part 1 or Part 2 of the <i>table of FCA controlled functions</i> .
<i>FCA significant-influence functions</i>	any of the <i>FCA controlled functions</i> 1 to 29 in Part 1 or Part 2 of the <i>table of FCA controlled functions</i> .

<i>PRA-approved person</i>	an <i>approved person</i> in relation to whom the <i>PRA</i> has given its approval under section 59 of the <i>Act</i> (Approval for particular arrangements) for the performance of a <i>PRA controlled function</i> .
<i>PRA chief executive function</i>	(in the <i>FCA Handbook</i> ) <i>PRA controlled function</i> CF3 in the <i>table of PRA controlled functions</i> .
<i>PRA controlled function</i>	a <i>controlled function</i> which is specified by the <i>PRA</i> under section 59 of the <i>Act</i> (Approval for particular arrangements) in the <i>table of PRA controlled functions</i> .
<i>PRA director function</i>	(in the <i>FCA Handbook</i> ) <i>PRA controlled function</i> CF1 in the <i>table of PRA controlled functions</i> .
<i>PRA governing function</i>	any of the <i>PRA controlled functions</i> CF1 to CF6 in the <i>table of PRA controlled functions</i> .
<i>PRA required functions</i>	any of the <i>PRA controlled functions</i> CF12 to CF12B in the <i>table of PRA controlled functions</i> .
<i>significant-influence function</i>	(in accordance with section 59(7B) of the <i>Act</i> and in relation to the carrying on of a <i>regulated activity</i> by an <i>authorised person</i> ) a function that is likely to enable the <i>person</i> responsible for its performance to exercise a significant influence on the conduct of the <i>authorised person's</i> affairs, so far as relating to the activity.
<i>table of FCA controlled functions</i>	the table of <i>controlled functions</i> in <i>SUP 10A.4.5R</i> .
<i>table of PRA controlled functions</i>	the table of <i>controlled functions</i> in <i>SUP 10B.4.3R</i> .

Amend the following definitions as shown.

<i>actuarial function</i>	(in the <i>PRA Handbook</i> ) <i>PRA controlled function</i> CF12 in the <i>table of <u>PRA</u> controlled functions</i> , described more fully in <i>SUP 4.3.13R</i> and <del><i>SUP 10.7.17R</i></del> <u><i>SUP 10B.8.1R</i></u> .
<i>apportionment and oversight function</i>	<u><i>FCA controlled function</i></u> CF8 in <u>Parts 1 and Part 2</u> of the <i>table of <u>FCA</u> controlled functions</i> , described more fully in <del><i>SUP 10.7.1R</i></del> <u><i>SUP 10A.7.1R</i></u> .

<i>approved person</i>	a <i>person</i> in relation to whom the <del>FSA</del> <u>FCA</u> or the <u>PRA</u> has given its approval under section 59 of the <i>Act</i> (Approval for particular arrangements) for the performance of a <i>controlled function</i> .
<i>candidate</i>	a <i>person</i> in respect of whom an application is made for approval under section 59 of the <i>Act</i> (Approval for particular arrangements) <u>of the performance of an FCA controlled function or a PRA controlled function.</u>
<i>CASS operational oversight function</i>	<u>(in the FCA Handbook) FCA controlled function CF10a in Parts 1 and 2 of the table of FCA controlled functions, described more fully in SUP 10.7.9R SUP 10A.7.9R.</u>
<i>chief executive function</i>	(1) <u>(in the FCA Handbook) FCA controlled function CF3 in Part 1 of the table of FCA controlled functions, described more fully in SUP 10.6.11R SUP 10A.6.17R.</u>  (2) <u>(in the PRA Handbook) PRA controlled function CF3 in the table of PRA controlled functions, described more fully in SUP 10B.6.7R.</u>
<i>COAF</i>	<del>the part of the Handbook in Redress which has the title Complaints against the FSA.</del>
<i>Code of Practice for Approved Persons</i>	(1) <u>(in the FCA Handbook) the provisions in APER 3 and APER 4 indicated by an “E” in the margin or heading, the purpose of which is to help determine whether or not an approved person’s conduct complies with the Statements of Principle and which are issued by the FSA FCA under section 64(2) of the Act (Conduct: statements and codes).</u>  (2) <u>(in the PRA Handbook) the provisions in APER 3 and APER 4 indicated by an “E” in the margin or heading, the purpose of which is to help determine whether or not an approved person’s conduct complies with the Statements of Principle and which are issued by the PRA under section 64(2) of the Act (Conduct: statements and codes).</u>  <u>The provisions of APER 1 marked with an “E” in the margin also form part of the Code of Practice for Approved Persons.</u>
<i>complaint</i>	(1) <del>(in COAF) any expression of dissatisfaction about the manner in which the FSA has carried out its statutory functions other than its legislative functions. [deleted]</del>  ...
<i>Complaints Commissioner</i>	<del>the person appointed by the FSA under COAF 1.3.1G (The Complaints Commissioner) to carry out the functions conferred on him under the complaints scheme.</del>

*complaints scheme* the arrangements made by the *FSA* under paragraphs 7 and 8 of Schedule 1 to the *Act* (The Financial Services Authority) for the investigation of *complaints* against the *FSA* arising in connection with the exercise of, or failure to exercise, any of its functions (other than its legislative functions) under the *Act*.

*compliance oversight function* (in the *FCA Handbook*) *FCA controlled function* CF10 in Parts 1 and 2 of the table of *FCA controlled functions*, described more fully in ~~*SUP* 10.7.8R~~ *SUP* 10A.7.8R.

*consumer* (1) (except as specified in this definition) any natural person acting for purposes outside his trade, business or profession.

[Note: article 2 of the *Distance Marketing Directive*, article 2 of the Unfair Terms in Consumer Contracts Directive (93/13/EEC), article 2 of the *E-Commerce Directive*, and article 4(11) of the *Payment Services Directive*].

(2) ~~(in relation to the *FSA's* power to make general rules (section 138 of the *Act* (General rule making power)) the approval requirements for *controllers* (section 186 of the *Act* (Objection to acquisition of control)), the publication of notices (section 391 of the *Act* (Publication)) and the exercise of *Treaty rights* (Schedule 4 to the *Act* (*Treaty rights*)) a *person*: (as further defined in section 1G of the *Act*) (in relation to the discharge of the *FCA's* general functions (sections 1B to 1E of the *Act*), the application of the regulatory principles by the regulators in section 3B of the *Act* and references by scheme operators or regulated persons (section 234D of the *Act*)) a *person*:~~

(a) who uses, has used, or is ~~or may be contemplating using, any of the services provided by~~ use:

(i) ~~an *authorised person* in carrying on regulated activities~~ regulated financial services; or

(ii) ~~a *person* acting as an *appointed representative*, or where applicable, a *tied agent*; or services that are provided by *persons* other than *authorised persons* but are provided in carrying on regulated activities; or~~

(b) who has relevant rights or interests ~~which are derived from, or are otherwise attributable to the use of, any such services by another *person* in relation to any of those services; or~~

(c) ~~who has rights or interests which may be adversely affected by the use of any such services by a *person* acting on his behalf or in a fiduciary capacity in relation~~

to him; or who has invested, or may invest, in financial instruments; or

- (ca) who has relevant rights or interests in relation to financial instruments; or
  - (d) (in relation to the ~~FCA's~~ ~~FSA's~~ power to make general rules (section 137A of the Act (The FCA's general rules)) a person within the extended definition of consumer in article 3 7 of the ~~Financial Services and Markets Act 2000 (Consequential and Transitional Provisions) (Miscellaneous) Order 2001 (SI 2001/1821) Financial Services Act 2012 (Transitional Provisions) (Miscellaneous Provisions) Order 2013 (SI 442/2013 (Application of definition Definition of "consumer" to users of regulated services before commencement)~~);
  - (e) (~~in relation to the FSA's power to make general rules~~) a person within the extended definition of consumer in article 4 of the ~~Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501) (Application of definition of "consumer" to customers of credit unions before commencement)~~; ~~[deleted]~~
- (2A) (as further defined in section 425A of the Act) (in relation to the issue of statements or codes under section 64 of the Act), general exemptions to consultation by the FCA (section 138L of the Act) in the publication of notices (section 391 of the Act) and the exercise of Treaty rights (Schedule 4 to the Act) a person who uses, has used, may have used, or has relevant rights or interests in relation to any services provided by:
- (a) authorised persons in carrying on regulated activities;
  - (b) authorised persons who are investment firms, or credit institutions, in providing relevant ancillary services; or
  - (c) persons acting as appointed representatives.

for the purposes of this definition:

- (A) if an ~~authorised person is carrying on a regulated activity in his capacity~~ a person is providing a service within (2)(a) or (2A) as a trustee, the persons who are, have been or may be beneficiaries of the trust are to be treated as persons who use, have used or ~~are or may be contemplating using services provided by the authorised person in his carrying on of that activity~~ use the service;
- (AA) a person has a "relevant right or interest" in relation to any

- services within (2)(a) or (2A) if that *person* has a right or interest:
- (i) which is derived from, or is otherwise attributable to, the use of the services by others; or
  - (ii) which may be adversely affected by the use of the services by persons acting on that *person*'s behalf or in a fiduciary capacity in relation to that *person*;
- (B) a *person* who deals with an ~~authorised person~~ another person ("A") in the course of ~~the authorised person's carrying on of a regulated activity~~ A providing a service within (2)(a) or (2A) is to be treated as using ~~services provided by the authorised person in carrying on those activities.~~ the service;
- (C) a *person* has a "relevant right or interest" in relation to any financial instrument within (2)(ca) if that *person* has a right or interest:
- (i) which is derived from, or is otherwise attributable to, investment in the instrument by others; or
  - (ii) which may be adversely affected by the investment in the instrument by persons acting on that *person*'s behalf or in a fiduciary capacity in relation to that *person*;
- (D) (for the purposes of (2A)(b)):
- (i) "credit institution" means:
    - (a) a credit institution authorised under the *banking consolidation directive*; or
    - (b) an institution which would satisfy the requirements for authorisation as a credit institution under that directive if it had its registered office (or if it does not have one, its head office) in an EEA State;
  - (ii) "relevant ancillary service" means any service of a kind mentioned in Section B of Annex I to *MiFID* the provision of which does not involve the carrying on of a regulated activity.
- (3) ~~(in relation to the protection of consumers objective (section 5 of the Act (The protection of consumers)) and independent inquiries (section 14 of the Act (Cases in which the Treasury may arrange independent inquiries))) (as defined in sections 5(3) and 14(5) of the Act) a *person*:~~

- (a) ~~within (2); or~~
- (b) ~~who, in relation to *regulated activities* carried on otherwise than by an *authorised person*, would be a consumer within (2) if the activities were carried on by an *authorised person*. [deleted]~~
- (4) (as further defined in section 425A and 425B of the Act) (in relation to the establishment and maintenance of the Consumer Panel (section 10(7) 1Q of the Act (The Consumer Panel))) (as defined in section 10(7) 1Q of the Act) a person within (3) other than an authorised person., complaints by consumer bodies (section 234C of the Act):
- (a) a person within (2A), other than an *authorised person*; and
- (b) (in relation to *regulated activities* carried on otherwise than by *authorised persons*) a person, other than an *authorised person*, who would have been a “consumer” within (2A) if the activities were carried on by an *authorised person*.
- (5) ~~(with respect to *Northern Ireland credit unions* and in relation to the FSA’s power to make general rules, the protection of consumers objective and independent inquiries) a person within (2)(a), (2)(b), (2)(c) or (3)(b). [deleted]~~
- (5A) (as further defined in sections 425A and 425B of the Act) until 31 March 2014, with respect to the publication of information in relation to activities carried on by *Northern Ireland credit unions* (section 391 of the Act and article 5 of the Financial Services and Markets Act 2000 (Permissions, Transitional Provisions and Consequential Amendments) (Northern Ireland Credit Unions) Order 2011 (SI 2832/2011) a person within (4)(b).
- (6) ~~(with respect to *Northern Ireland credit unions* and in relation to the establishment of the Consumer Panel) a person within (5) other than an *authorised person*. [deleted]~~

*controlled function*

a function, relating to the carrying on of a *regulated activity* by a *firm*, which is specified by either the *FCA* (in the *table of FCA controlled functions*) or the *PRA* (in the *table of PRA controlled functions*), under section 59 of the *Act* (Approval for particular arrangements) in the *table of controlled functions*.

*customer function*

~~the~~ (in the *FCA Handbook*) *FCA controlled function* CF30 in Parts 1 and 2 of the *table of FCA controlled functions*, described more fully in ~~SUP 10.10.7AR~~ SUP 10A.10.7R.

<i>director function</i>	<p>(1) <u>(in the FCA Handbook) FCA controlled function CF1 in Part 1 of the table of FCA controlled functions, described more fully in <del>SUP 10.6.4R</del> SUP 10A.6.7R and SUP 10A.6.8R.</u></p> <p>(2) <u>(in the PRA Handbook) PRA controlled function CF1 in the table of PRA controlled functions, described more fully in SUP 10B.6.1R and SUP 10B.6.2R.</u></p>
<i>director of unincorporated association function</i>	<p>(1) <u>(in the FCA Handbook) FCA controlled function CF5 in Part 1 of the table of FCA controlled functions, described more fully in <del>SUP 10.6.24R</del> SUP 10A.6.29R.</u></p> <p>(2) <u>(in the PRA Handbook) PRA controlled function CF5 in the table of PRA controlled functions, described more fully in SUP 10B.6.15R.</u></p>
<i>executive procedures</i>	the procedures relating to the giving of warning notices, decision notices and <i>supervisory notices</i> that are described in <i>DEPP 4</i> (Decisions by <del>FS</del> <u>FCA</u> staff under executive procedures).
<i>facilities</i>	<p>(in relation to a <i>recognised body</i>) the facilities and services which it provides in the course of carrying on <i>exempt activities</i>; <del>and</del> <del>references</del> <u>References</u> to the use of the facilities of an <i>RIE</i> or <i>RAP</i> are to be construed as follows:</p> <p>(a) dealings or transactions on an <i>RIE</i> or <i>RAP</i> are references to dealings or transactions which are effected by means of the <i>RIE's</i> or <i>RAP's</i> facilities or which are governed by the rules of the <i>RIE</i> or <i>RAP</i>; <del>and</del></p> <p>(b) references to the use of the facilities of an <i>RIE</i> or <i>RAP</i> include use which consists of any such dealings or entering into any such transactions.</p>
<i>financial year</i>	<p>(1) (in <i>DISP</i> <u>and FEES 5</u>) the 12 months ending with 31 March.</p> <p>...</p>
<i>governing function</i>	<del>any of the controlled functions 1 to 6 in the table of controlled functions.</del>
<i>home territory</i>	(in relation to an <i>overseas investment exchange</i> <del>or an overseas clearing house</del> ) the country or territory in which its head office is situated.
<i>Lloyd's actuary function</i>	<u>(in the PRA Handbook) PRA controlled function CF12B in the table of PRA controlled functions, described more fully in <del>SUP 10.7.22R</del> SUP 10B.8.3R.</u>

*market contract*

a market contract as described in section 155(2)(a) of the Companies Act 1989 or article 80(2)(a) of the Companies (No2) (Northern Ireland) Order 1990 which is in summary:

~~(a)~~ a contract entered into by a *member* or *designated non-member* of an *RIE* with a person other than the *RIE* which is either:

~~(i)~~ (a) a contract made on the exchange or an exchange to whose undertaking the exchange has succeeded; or

~~(ii)~~ (b) a contract in the making of which the *member* or *designated non-member* was subject to the rules of the exchange or of an exchange to whose undertaking the exchange has succeeded;

~~(b)~~ a contract entered into by an *RIE* or *RCH*, in its capacity as such, with one of its *members*, or with an *RCH* or with an *RIE*, for the purpose of:

~~(i)~~ enabling the rights and liabilities of that *member*, or clearing house or other investment exchange, under a transaction, to be settled; or

~~(ii)~~ providing central counterparty clearing services (as described in section 155(3A) of the Companies Act 1989) to that *member* or clearing house or other investment exchange.

*money laundering reporting function*

(in the *FCA Handbook*) *FCA* controlled function CF11 in Parts 1 and 2 of the table of *FCA* controlled functions, described more fully in ~~SUP 10.7.13R~~ SUP 10A.7.10R.

*non-executive director function*

(1) (in the *FCA Handbook*) *FCA* controlled function CF2 in Part 1 of the table of *FCA* controlled functions, described more fully in ~~SUP 10.6.17R~~ SUP 10A.6.12R and SUP 10A.6.13R.

(2) (in the *PRA Handbook*) *PRA* controlled function CF2 in the table of *PRA* controlled functions, described more fully in SUP 10B.6.3R to SUP 10B.6.5R.

*notification rule*

...

(2) (in relation to a *recognised body*) a rule made by the ~~FSA~~ *FCA* under section 293 of the *Act* (Notification requirements) or section 295 of the *Act* (Notification: overseas investment exchanges and overseas clearing houses):

(a) requiring a *recognised body* to give the ~~FSA~~ *FCA*:

(i) notice of, and specified information regarding,

- specified events relating to the body;
- (ii) specified information relating to the body at specified times or in respect of specified periods; and
  - (iii) any other information required to be given by such a *rule*; or
- (b) (in relation to an *RIE* ~~or *RCH*~~):
- (i) specifying descriptions of *regulatory provision* in relation to which, or circumstances in which, the duty to notify the ~~*FSA*~~ *FCA* of such *regulatory provision* in section 300B(1) of the *Act* does not apply or providing that the duty to notify applies only to specified descriptions of *regulatory provision* or in specified circumstances; or
  - (ii) making provision as to the form and contents of the notice required under (2)(b)(i), and requiring *recognised bodies* to provide specified information in connection with that notification.

~~*overseas clearing house*~~

~~a *clearing house* which has neither its head office nor its registered office in the *United Kingdom*.~~

~~*overseas recognised body*~~

~~an *ROIE* or *ROCH*.~~

*partner function*

- (1) (in the *FCA Handbook*) *FCA* controlled function CF4 in Part 1 of the table of *FCA* controlled functions, described more fully in ~~*SUP* 10.6.17R~~ *SUP* 10A.6.23R to *SUP* 10A.6.27R.
- (2) (in the *PRA Handbook*) *PRA* controlled function CF4 in the table of *PRA* controlled functions, described more fully in *SUP* 10B.6.12R to *SUP* 10B.6.14R.

*previous regulator*

- ...
- (6) (in relation to a *firm* which was authorised, or which was an *appointed representative*, under the Financial Services Act 1986 immediately before *commencement* or which was a European investment ~~*firm*~~ *firm* (as defined in the Investment Services Regulations 1995 (SI 1995/3275)) immediately before *commencement*) any of:
    - (a) *IMRO*;
    - (b) *PIA*;

- (c) *SFA*;
- (d) a *recognised professional body*; and
- (e) the *FSA*;

if the *firm* (or, if relevant, its principal for the purposes of section 44 of the Financial Services Act 1986) was subject in carrying on business to the rules, requirements, regulations or guidance of that body.

- (7) ...
- (8) (in relation to a *firm* which was authorised under the *Act* immediately before 1 April 2013) the *FSA*.

*recognised body* an *RIE*; or *RAP* ~~or an *RCH*~~.

- recognised body requirements*
- (1) (in relation to an *RIE* ~~or *RCH*~~) the *recognition requirements*;
  - (2) (in relation to a *UK RIE*) the *MiFID implementing requirements*;
  - (3) (in relation to an *RAP*) the *RAP recognition requirements*; and
  - (4) (in relation to any of the bodies specified in (1) to (3)) any other obligations imposed by or under the *Act*.

*recognised clearing house* a *clearing house* which is declared by a ~~*recognition order*~~ an order made by the Bank of England under section 290 or 292 of the *Act* and for the time being in force to be a recognised clearing house.

~~*recognised overseas clearing house* an overseas clearing house which is declared by a *recognition order* for the time being in force to be a *recognised clearing house*.~~

*recognition order* (in accordance with section 313 of the *Act* (Interpretation of Part XVIII)) an order made under section 290 or 292 of the *Act* which declares an investment exchange ~~or clearing house to be a *recognised body*~~ to be an *RIE* or (for *RAPs*) an order made under regulation 2 of the *RAP regulations* which declares a *UK RIE* to be an *RAP*.

- recognition requirement*
- (1) (in relation to a *UK RIE* ~~or *UK RCH*~~) any of the requirements applicable to that body under the Recognition Requirements Regulations.
  - (2) (in relation to a body applying for recognition as a *UK RIE* ~~or *UK RCH*~~) any of the requirements under the Recognition

Requirements Regulations which, if its application were successful, would apply to it.

- (3) (in relation to an *ROIE* ~~or *ROCH*~~, or to an applicant for recognition as an *ROIE* ~~or *ROCH*~~) any of the requirements in section 292(3) of the *Act* (Overseas investment exchanges and overseas clearing houses).

*regulatory provisions* (a) ~~(in accordance with section 302 of the *Act* (Interpretation)) (in relation to an investment exchange or clearing house) the any rules, of or any guidance, arrangements or policy issued by the investment exchange in connection with its business as an investment exchange or clearing house or in connection with the provision by it of clearing facilitation services.~~

(b) ~~(in relation to an investment exchange):~~

(i) ~~arrangements which it has made, or proposes to make, for the provision of clearing services in respect of transactions effected on the exchange; and~~

(ii) ~~if it provides, or proposes to provide, clearing services in respect of transactions other than those effected on the exchange, the criteria which it applies, or proposes to apply, when determining to whom it will provide those services;~~

(c) ~~(in relation to a clearing house):~~

(i) ~~if it makes, or proposes to make, clearing arrangements with an *RIE*, those arrangements; and~~

(ii) ~~if it provides, or proposes to provide, clearing services for persons other than *RIEs*, the criteria which it will apply when determining to whom it will provide those services;~~

(d) ~~(in REC 3.26) (in accordance with section 300E of the *Act*) regulatory provision means any rule, guidance, arrangements, policy or practice.~~

*relevant complaint* (1) ...

(2) (in *REC*) (as defined in section 299(2) of the *Act* (Complaints about recognised bodies)) a complaint which the *FSA FCA* considers is relevant to the question of whether a *recognised body* should remain a *recognised body*.

<i>required function</i>	<del>any of controlled functions 8 to 12B in the table of controlled functions (SUP 10.4.5R).</del>
<i>respondent</i>	<p>(1) (in <i>DISP</i>, <i>FEES 5</i> and <i>CREDS 9</i>) a firm (except a <i>UCITS</i> qualifier), payment service provider, electronic money issuer, licensee or <i>VJ</i> participant covered by the <i>Compulsory Jurisdiction</i>, <i>Consumer Credit Jurisdiction</i> or <i>Voluntary Jurisdiction</i> of the <i>Financial Ombudsman Service</i>.</p> <p>(2) (in <i>DISP 2</i> and <i>3</i> and <i>FEES 5</i>) includes, as a result of sections 226 and 226A of the Act:</p> <p>...</p> <p>(3) (in <i>DISP 2</i> and <i>3</i> and <i>FEES 5</i>) includes, in accordance with the <i>Ombudsman Transitional Order</i>, an unauthorised person subject to the <i>Compulsory Jurisdiction</i> in relation to relevant existing complaints and relevant new complaints.</p> <p>(4) (in <i>DISP 2</i> and <i>3</i> and <i>FEES 5</i>) includes, in accordance with the <i>Mortgage and General Insurance Complaints Transitional Order</i>, a former firm subject to the <i>Compulsory Jurisdiction</i> in relation to relevant transitional complaints.</p>
<i>ROCH</i>	<del>recognised overseas clearing house.</del>
<i>senior staff committee</i>	(in <i>DEPP</i> and <i>EG</i> ) a committee consisting of senior <del>FSA</del> <i>FCA</i> staff members that is empowered to make <i>statutory notice decisions</i> and <i>statutory notice associated decisions</i> by executive procedures.
<i>settlement decision makers</i>	(in <i>DEPP</i> and <i>EG</i> ) two members of the <del>FSA's</del> <i>FCA's</i> senior management, one of whom will be of at least director of division level (which may include an acting director) and the other of whom will be of at least head of department level, with responsibility for deciding whether to give <i>statutory notices</i> in the circumstances described in <i>DEPP 5</i> . At least one of the decision makers will not be from the Enforcement and Financial Crime Division.
<i>significant influence function</i>	<del>any of controlled functions 1 to 12B, and 28 and 29 in the table of controlled functions.</del>
<i>significant management function</i>	(in the <i>FCA Handbook</i> ) <i>FCA</i> controlled function CF29 in <u>Parts 1 and 2</u> of the table of <i>FCA</i> controlled functions, described more fully in <del>SUP 10.9.10R</del> <u>SUP 10A.9.9R</u> .
<i>small friendly society function</i>	(1) (in the <i>FCA Handbook</i> ) <i>FCA</i> controlled function CF6 in <u>Part 1</u> of the table of <i>FCA</i> controlled functions, described more fully in <del>SUP 10.6.26R</del> <u>SUP 10A.6.31R to SUP 10A.6.32R</u> .

	(2)	<u>(in the PRA Handbook) PRA controlled function CF6 in the table of PRA controlled functions, described more fully in SUP 10B.6.16R to SUP 10B.6.17R.</u>
<i>Society's basic market activity</i>	<del>(in accordance with section 315(2)(a) of the Act (The Society: authorisation and permission))</del>	<del>arranging deals in contracts of insurance written at Lloyd's.</del>
<i>Society's secondary market activity</i>	<del>(in accordance with section 315(2)(b) of the Act (The Society: authorisation and permission))</del>	<del>arranging deals in participation in Lloyd's syndicates.</del>
<i>Statement of Principle</i>	(1)	<u>(in the FCA Handbook) one of the Statements of Principle issued by the FSA FCA under section 64(1) of the Act (Conduct: Statements and codes) with respect to the conduct of approved persons and set out in APER 2.1A.</u>  <u>The provisions of APER 1.1A marked with a "P" in the margin also form part of the Statements of Principle.</u>
	(2)	<u>(in the PRA Handbook) one of the Statements of Principle issued by the PRA under section 64(1A) of the Act (Conduct: Statements and codes) with respect to the conduct of approved persons and set out in APER 2.1B.</u>  <u>The provisions of APER 1.1B marked with a "P" in the margin also form part of the Statements of Principle.</u>
<i>systems and controls function</i>	(1)	<u>(in the FCA Handbook) FCA controlled function CF28 in Part 1 of the table of FCA controlled functions, described more fully in SUP 10.8.1R SUP 10A.8.1R.</u>
	(2)	<u>(in the PRA Handbook) PRA controlled function CF28 in the table of PRA controlled functions, described more fully in SUP 10B.9.1R.</u>
<i>table of controlled functions</i>		<del>the table of controlled functions in SUP 10.4.5R.</del>
<i>transitional complainants scheme</i>		<del>the arrangements made by the FSA for the investigation of complaints against the FSA and each of PIA, IMRO and SFA arising in connection with the carrying out of their functions under the Financial Services Act 1986 and the Banking Act 1987.</del>
<i>UK recognised body</i>		<del>a UK RIE; or RAP or UK RCH.</del>
<i>UK RCH</i>		<u>an RCH that is not an ROCH a clearing house which is declared by an order made by the Bank of England under section 290 of the Act and for the time being in force to be a recognised clearing house.</u>

*with-profits actuary  
function*

*(in the PRA Handbook) PRA controlled function CF12A in the table of PRA controlled functions, described more fully in SUP 4.3.16AR and ~~SUP 10.7.17AR~~ SUP 10B.8.2R.*

## Annex B

### Amendments to the General Provisions manual (GEN)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 4 Statutory status disclosure

##### 4.1 Application

Who? What?

4.1.1 R This chapter applies to every *firm* and with respect to every *regulated activity*,  
[FCA/ except that:  
PRA]

...

- (5) only *GEN 4.5* (Statements about authorisation and regulation by the ~~FSA~~ appropriate regulator) applies in relation to *MiFID or equivalent third country business* and only where that *MiFID or equivalent third country business* is not business falling within paragraph 2 (Transactions between an MTF operator and its users), 3 (Transactions concluded on an MTF) or 4 (Transactions concluded on a regulated market) of Part 1 of *COBS 1 Annex 1*.

Where?

...

4.1.4 R *GEN 4.5* (Statements about authorisation and regulation by the ~~FSA~~ appropriate regulator) applies in relation to activities carried on from an establishment maintained by the *firm* (or by its *appointed representative*) in the *United Kingdom*, provided that, in the case of the *MiFID business* of an *EEA MiFID investment firm* or the activities of an *EEA UCITS management company*, it only applies to business conducted within the territory of the *United Kingdom*.  
[FCA/  
PRA]

##### 4.2 Purpose

4.2.1 G ~~The purpose of this chapter is to build upon Principle 7 (Communications with clients), which requires a firm to pay due regard to the information needs of its clients.~~ This chapter requires the provision of appropriate minimum information about the identity of the regulator that authorised a *firm*. It also governs the way in which a *firm* may describe its regulation by the ~~FSA~~ appropriate regulator. ~~This assists in the achievement of the regulatory objectives of consumer protection, market confidence and financial stability.~~  
[FCA/  
PRA]

...

4.2.1B G This chapter builds upon *Principle 7* (Communications with clients), which  
[FCA] requires a *firm* to pay due regard to the information needs of its *clients*. This  
assists in the achievement of the *statutory objectives* including the *FCA's*  
strategic objective of ensuring that relevant markets function well and the  
consumer protection and integrity objectives.

4.2.1C G This chapter assists in the achievement the *PRA's* general objective to ensure  
[PRA] the safety and soundness of *firms*.

...

### 4.3 Letter disclosure

Disclosure in letters to retail clients

4.3.1 R A *firm* must take reasonable care to ensure that every letter (or electronic  
[FCA/ equivalent) which it or its *employees* send to a *retail client*, with a view to or in  
PRA] connection with the *firm* carrying on a *regulated activity*, includes the  
disclosure in *GEN 4 Annex 1R* (firms that are not PRA-*authorised persons*) or  
*GEN 4 Annex 1AR* (PRA-*authorised persons*) as applicable.

4.3.1A G Where a letter covers both activities to which this section applies and activities  
[FCA/ to which this section does not apply, the *firm* should comply with the *rules* in  
PRA] this chapter in relation to the business to which it applies. ~~An example would be  
where a letter covers business for which the *FSA* is the *competent authority*  
under the *Insurance Mediation Directive* and under *MiFID*.~~

4.3.1B G An example for *GEN 4.3.1AG* would be where a letter covers business for  
[FCA] which the *FCA* is the *competent authority* under the *Insurance Mediation*  
*Directive* and under *MiFID*.

4.3.2 G ~~For a *UK domestic firm*, the required disclosure in *GEN 4 Annex 1R* is~~  
"Authorised and regulated by the Financial Services Authority". ~~[deleted]~~

4.3.2A G For a *UK domestic firm* that is not a *PRA-*authorised person**, the required  
[FCA] disclosure in *GEN 4 Annex 1R* is "Authorised and regulated by the Financial  
Conduct Authority".

4.3.2B G For a *UK domestic firm* that is a *PRA-*authorised person**, the required disclosure  
[FCA/ in *GEN 4 Annex 1AR* is "Authorised by the Prudential Regulation Authority  
PRA] and regulated by the Financial Conduct Authority and Prudential Regulation  
Authority".

...

#### 4.5 **Statements about authorisation and regulation by the FSA appropriate regulator**

Application

...

4.5.2 G ~~GEN 4.5.1R(1) does not apply to a *firm* when communicating with an *eligible* [FCA/ PRA] *counterparty*. However, misleading statements by a *firm* in such a communication may involve a breach of *Principle 7 (Communications with clients)* or section 397 (Misleading statements and practices) of the *Act*, as well as giving rise to private law actions for misrepresentation.~~

4.5.2A G However, misleading statements by a *firm* when communicated with an *eligible* [FCA] *counterparty* may involve a breach of *Principle 7 (Communications with clients)* or Part 7 (Offences relating to financial services) of the Financial Services Act 2012, as well as giving rise to private law actions for misrepresentation.

The duty

4.5.3 R A *firm* must not indicate or imply that it is authorised by the ~~FSA~~ FCA in [FCA] respect of business for which it is not so authorised.

4.5.3A R A *firm* must not indicate or imply that it is authorised by the *PRA* in respect of [FCA/ PRA] business for which it is not so authorised.

4.5.4 R A *firm* must not indicate or imply that it is regulated or otherwise supervised by [FCA] the ~~FSA~~ FCA in respect of business for which it is not regulated by the ~~FSA~~ FCA.

4.5.4A R A *firm* must not indicate or imply that it is regulated or otherwise supervised by [FCA/ PRA] the *PRA* in respect of business for which it is not regulated by the *PRA*.

...

4.5.6 G (1) Neither an incoming *EEA firm* nor an *incoming Treaty firm* is authorised [FCA/ PRA] by the ~~FSA~~ FCA or PRA when acting as such.

(2) It is likely to be misleading for a *firm* that is not *authorised* by the ~~FSA~~ FCA or PRA to state or imply that it is so *authorised*. It is also likely to be misleading for a *firm* to state or imply that a *client* will have recourse to the *Financial Ombudsman Service* or the *FSCS* where this is not the case.

(3) ~~As well as potentially breaching the requirements in this section, misleading statements by a *firm* may involve a breach of *Principle 7 (Communications with clients)* or section 397 (Misleading statements and practices) of the *Act*, as well as giving rise to private law actions for~~

~~misrepresentation.~~ [deleted]

4.5.6A G As well as potentially breaching the requirements in this section, misleading statements by a *firm* may involve a breach of *Principle 7 (Communications with clients)* or Part 7 (Offences relating to financial services) of the Financial Services Act 2012, as well as giving rise to private law actions for misrepresentation.  
[FCA]

**4 Annex Statutory status disclosure (firms that are not PRA-authorized persons)**

**1R**

[FCA]

This rule applies to firms that are not PRA-authorized persons:

	<b>Type of firm</b>	<b>Required disclosure (Note 5)</b>
(1)	<i>UK domestic firm; or overseas firm (which is not an incoming firm)</i>	"Authorised and regulated by the <del>Financial Services Authority</del> <u>Financial Conduct Authority</u> " (Note 1)
(2)	<i>Incoming firm without a top-up permission</i>	(a) "Authorised by [name of <i>Home State regulator</i> ] or (b) "Authorised by [name of <i>Home State regulator</i> ] and subject to limited regulation by the <del>Financial Services Authority</del> <u>Financial Conduct Authority</u> . Details about the extent of our regulation by the <del>Financial Services Authority</del> <u>Financial Conduct Authority</u> are available from us on request"  (Notes 1, 2, 2a and 3)
(3)	<i>Incoming firm with a top-up permission</i>	"Authorised by [name of <i>Home State regulator</i> ] and authorised and subject to limited regulation by the <del>Financial Services Authority</del> <u>Financial Conduct Authority</u> . Details about the extent of our authorisation and regulation by the <del>Financial Services Authority</del> <u>Financial Conduct Authority</u> are available from us on request" (Notes 1, 2 and 3)
(4)	<i>Appointed representative of a firm</i>	"[Name of <i>appointed representative</i> ] is an appointed representative of [name of <i>firm</i> ] which is [then continue with the required disclosure of the <i>firm</i> ]" (Note 4)
(5)	<i>Society of Lloyd's</i>	" <del>Authorised under the Financial Services and Markets Act 2000</del> "

Note 1 = A *firm* must use the formulation "~~Financial Services Authority~~ Financial Conduct Authority" and not the abbreviated formulation "~~FSA~~ FCA".

Note 2 = An *incoming firm* is free to translate the name of its *Home State regulator* into English if it wishes. In doing so, it must ensure that the State in which the regulator is based is clear.

Note 2a = An *incoming firm* without a *top-up permission* may make either disclosure (a) or disclosure (b) unless it otherwise indicates or implies to the *customer* that it is regulated or supervised by the ~~FSA~~ FCA in which case it must make disclosure (b).

Note 3 = If a *firm* offers to make details about the extent of its authorisation or regulation by the ~~FSA~~ FCA available on request and a *customer* requests such details, it must provide those details in a way that is clear, fair and not misleading.

Note 4 = If the *appointed representative* has more than one *principal*, the disclosure must relate to the *principal* or *principals* responsible for the *regulated activity* or activities concerned. The required disclosure of the *firm* is that which would apply were the *firm* to make the disclosure under the *rules* applicable to it.

Note 5 = Any *firm* listed in this table is permitted to add words to the relevant required disclosure statement but only if the *firm* has taken reasonable steps to satisfy itself that the presentation of its statutory status will, as a consequence, be fair, clear and not misleading and be likely to be understood by the average member of the group to whom it is directed or by whom it is likely to be received. For example, an *authorised professional firm* may wish to make it clear that it is also regulated by its professional body.

Insert the following new Annex after GEN 4 Annex 1R. The text is not underlined.

#### 4 Annex Statutory status disclosure (PRA-authorised persons)

##### 1AR

[FCA/  
PRA]

This *rule* applies to *firms* that are *PRA-authorised persons*:

	Type of firm	Required disclosure (Note 5)
(1)	<i>UK domestic firm</i>	"Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority"  (Note 1)
(2)	<i>overseas firm</i> (which is not an	"[Authorised and regulated by [name of the <i>overseas regulator</i> of the <i>overseas firm</i> in the jurisdiction of that <i>overseas firm's</i> registered office (or, if it has no

	<i>incoming firm</i> )	registered office, its head office)]. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request."  (Notes 1, 2, 3 and 3a)
(3)	<i>Incoming firm without a top-up permission</i>	(a) "Authorised by [name of <i>Home State regulator</i> ]" or  (b) "Authorised by [name of <i>Home State regulator</i> ] and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our regulation by the Financial Conduct Authority and Prudential Regulation Authority are available from us on request"  (Notes 1, 2, 2a, 2b and 3)
(4)	<i>Incoming firm with a top-up permission</i>	"Authorised by [name of <i>Home State regulator</i> ] and the Prudential Regulation Authority and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of our authorisation and regulation by the Prudential Regulation Authority, and regulation by the Financial Conduct Authority are available from us on request"  (Notes 1, 2, 2b and 3)
(5)	<i>Appointed representative of a firm</i>	"[Name of <i>appointed representative</i> ] is an appointed representative of [name of <i>firm</i> ] which is [then continue with the required disclosure of the <i>firm</i> ]"  (Note 4)
(6)	<i>Society of Lloyd's</i>	"Authorised under the Financial Services and Markets Act 2000"
<p>Note 1 = A <i>firm</i> must use the formulation "Financial Conduct Authority" or "Prudential Regulation Authority" and not the abbreviated formulation "FCA" or "PRA" respectively.</p> <p>Note 2 = An <i>incoming firm</i> or <i>overseas firm</i> is free to translate the name of its <i>Home State regulator</i> or <i>overseas regulator</i> into English if it wishes. In doing so, it must ensure that the State in which the regulator is based is clear.</p>		

Note 2a = An *incoming firm* without a *top-up permission* may make either disclosure (a) or disclosure (b) unless it otherwise indicates or implies to the *customer* that it is regulated or supervised by the *FCA* or *PRA*, in which case it must make disclosure (b).

Note 2b – An *incoming EEA firm* exercising establishment rights in the *UK* under the *Banking Consolidation Directive*, which do not include the activity of acceptance of deposits and other repayable funds, will be subject to branch liquidity and other supervision by the *FCA*.

Note 3 = If a *firm* offers to make details about the extent of its authorisation by the *PRA* or regulation by the *FCA* or *PRA* available on request and a *customer* requests such details, it must provide those details in a way that is clear, fair and not misleading.

Note 3a = An *overseas firm* that is not an *incoming firm* is only required to disclose its authorisation and/or regulated by an *overseas regulator* if it is so authorised and/or regulated.

Note 4 = If the *appointed representative* has more than one *principal*, the disclosure must relate to the *principal* or *principals* responsible for the *regulated activity* or activities concerned. The required disclosure of the *firm* is that which would apply were the firm to make the disclosure under the *rules* applicable to the *firm*.

Note 5 = Any *firm* listed in this table is permitted to add words to the relevant required disclosure statement but only if the *firm* has taken reasonable steps to satisfy itself that the presentation of its statutory status will, as a consequence, be fair, clear and not misleading and be likely to be understood by the average member of the group to whom it is directed or by whom it is likely to be received.

Amend the following as shown.

## **5 The ~~FSA logo~~ Regulators' logos and the keyfacts logo**

### **5.1 Application and purpose**

Application

5.1.1 G This chapter contains:  
[FCA]

- (1) *guidance for firms, authorised payment institutions and authorised electronic money institutions and their appointed representatives, agents or tied agents on the circumstances in which the ~~FSA~~ FCA permits them to reproduce the ~~FSA and FCA logo logos~~;*
- (2) *rules on the use by firms of the keyfacts logo.*

Purpose

- 5.1.2 [FCA] G The FSA logo is a registered UK service mark, with number 2150560. The FCA logo is a registered UK service mark, with number 2629534. The keyfacts logo is a registered Community trade mark, with the number ~~E3866688~~EU3866688. ~~Both~~ All are the property of the ~~FSA~~ FCA. They are also subject to copyright and may be used or reproduced with permission of the ~~FSA~~ FCA only. If the FSA, ~~FCA~~, or keyfacts logos are reproduced or otherwise used by any person without such permission the ~~FSA~~ FCA may seek to enforce its rights over its property through the Courts.
- 5.1.3 [FCA] G *GEN 5 Annex 1G* is a general licence, which sets out the circumstances in which the ~~FSA~~ FCA permits a *person* to whom this chapter applies to reproduce the FSA and keyfacts logos. Such a *person* need not apply for an individual licence if it uses or reproduces the logos in accordance with the general licence.
- 5.1.3A [FCA] G No general licence is granted by the FCA in respect of the FCA logo.
- 5.1.4 [FCA] G The ~~FSA~~ FCA has no policy to allow use of the ~~logos~~ FSA or keyfacts logos by a *person* to whom this chapter applies other than as set out in *GEN 5 Annex 1G*. If, however, such a *person* wishes to use or reproduce either of the logos other than in accordance with the general licence, it may apply to the ~~FSA~~ FCA for an individual licence, giving full reasons why it considers the ~~FSA~~ FCA should grant the licence.

...

The FSA logo

- 5.1.8 [FCA] R A *firm* must not use the FSA logo (and must take all reasonable steps to ensure that its *representatives* do not use the FSA logo) in any communication with a *client* other than in accordance with the general licence in *GEN 5 Annex 1G* or any individual licence granted by the ~~FSA~~ FCA to the *firm* or its *representatives*.
- 5.1.9 [FCA] G The general licence in *GEN 5 Annex 1G* to use the FSA logo will continue till 1 April 2014 whereupon the general licence is revoked by *GEN 5 Annex 1G*, 7.1.

The FCA logo

- 5.1.10 [FCA] R A *firm* must not use the FCA logo (and must take all reasonable steps to ensure that its *representatives* do not use the FCA logo) in any communication with a *client* other than in accordance with any individual licence granted by the *FCA* to the *firm* or its *representatives*.

**5 Annex 1G Licence for use of the FSA and keyfacts logos**

[FCA]

<b>Application</b>	
1.1	The <del>FSA</del> <u>FCA</u> grants this licence to <i>firms, authorised payment institutions, authorised electronic money institutions, appointed representatives, agents and tied agents.</i>
<b>The FSA and keyfacts logos</b>	
...	
2.4	Copyright subsists in the <del>FSA and keyfacts logos</del> <u>logo</u> .
2.5	Copies of the <del>FSA and keyfacts logos</del> <u>logo</u> that are capable of being reproduced for printing can be found on the <del>FSA's</del> <u>FCA's</u> website at <a href="http://www.fca.org.uk">www.fca.org.uk</a> <del>http://www.fsa.gov.uk/Pages/Library/Other_publications/Logos_and_Photos/index.shtml</del>
<b>Permission to use the FSA logo</b>	
3.1	A UK domestic firm, its appointed representatives and tied agents, an authorised payment institution and its agents and an authorised electronic money institution and its agents are permitted to use the FSA logo:
	...
	(2) if required to do so by the <del>FSA</del> <u>FCA</u> .
3.1A	[deleted]
3.2	The disclosure required by <i>GEN 4.3.1R</i> (Disclosure in letters to <i>retail clients</i> ) as continued in <i>GEN TP 1.3(3).13</i> is an example of a statement within paragraph 3.1 above.
...	
<b>Further conditions on the use of the FSA and keyfacts logos</b>	
5.1	The permissions in paragraphs 3.1 and 3A.1 are also subject to the conditions that any material, whether produced on paper or electronically, on which the FSA or keyfacts logos are displayed does not:
	(1) in any way imply that the <del>FSA</del> <u>FCA</u> is endorsing the licensee or its products, services or communications (see also <i>GEN 1.2.2R(1)</i> ); or
	(2) misrepresent the licensee's relationship with the <del>FSA</del> <u>FCA</u> or present false information about the <del>FSA</del> <u>FCA</u> ; or

6.1	[deleted]
<b>Commencement and duration</b>	
7.1	This licence comes into effect on 1 May 2003 except that in relation to the keyfacts logo it comes into effect on 6 November 2006. <u>In relation to the FSA logo, this licence ceases to have effect and is revoked on 1 April 2014.</u>
7.2	The <del>FSA</del> <u>FCA</u> may alter or revoke this licence at any time, by giving at least two months' notice on the <del>FSA's</del> <u>FCA's</u> website.
<b>Interpretation</b>	
8.1	This licence is to be interpreted in accordance with chapter 2 of the General provisions (Interpreting the Handbook) of the <u>Handbook</u> <del>FSA's Handbook of Rules and Guidance</del> . In particular, expressions in italics are defined in the Glossary.

## 6 Insurance against financial penalties

### 6.1 Payment of financial penalties

#### Application

6.1.1 R This chapter applies to every *firm*, but only with respect to business that can be regulated under ~~section 138~~ sections 137A (The FCA's general rules) and 137G (The PRA's general rules) of the *Act* (~~General rule-making power~~).

...

6.1.4 R In this chapter 'financial penalty' means a financial penalty that the ~~FSA~~ appropriate regulator has imposed, or may impose, under the *Act*. It does not include a financial penalty imposed by any other body.

6.1.4A R No *firm*, except a *sole trader*, may pay a financial penalty imposed by the ~~FSA~~ appropriate regulator on a present or former *employee*, *director* or *partner* of the *firm* or of an *affiliated company*.

...

6.1.7 G *GEN 6.1.4AR*, *GEN 6.1.5R* and *GEN 6.1.6R* do not prevent a *firm* or *member* from entering into, arranging, claiming on or making any payment under a *contract of insurance* which indemnifies any *person* against all or part of the costs of defending ~~FSA~~ appropriate regulator enforcement action or any costs they may be ordered to pay to the ~~FSA~~ appropriate regulator.

GEN TP 1.1 and 1.2 are deleted in their entirety. The deleted text is not shown.

Amend the following as shown.

**GEN TP 1.3 (3) Transitional Provisions applying to GEN only**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
<u>13</u>	<u>GEN 4.3.1R, GEN 4 Annex 1R and GEN 4 Annex 1AR</u>	<u>R</u>	<u>A firm may comply with GEN 4.3.1R and GEN 4 Annex 1R as in force on 31 March 2013.</u>	<u>From 1 April 2013 until 1 April 2014</u>	<u>1 April 2013</u>
<u>14</u>	<u>GEN 4.5.3R, GEN 4.5.3AR, GEN 4.5.4R and GEN 4.5.4AR</u>	<u>R</u>	<u>A firm can continue to make statements about authorisation and regulation by the FSA as long as such statements would not have breached GEN 4.5.3R and GEN 4.5.4R as they were in force on 31 March 2013 had such statements been made on 31 March 2013.</u>	<u>From 1 April 2013 until 1 April 2014</u>	<u>1 April 2013</u>

After GEN TP 1.3(3) insert new Transitional Provisions TP 2.1 and TP 2.2. The text is not underlined.

**GEN TP 2.1**

**Table: 1 Transitional Provisions applying across the FCA and PRA Handbooks**

(1)	The purpose of these transitional provisions is to assist a smooth transition at cutover. They comprise various technical provisions that will apply across the whole <i>FCA and PRA Handbooks</i> and achieve results that most people would probably expect to apply in any event.
(2)	These transitional provisions consist of general transitional provisions, which apply at a high level of generality, and more specific transitional provisions in relation to record keeping and <i>notification rules</i> .

(3)	The more specific transitional provisions relating to record keeping and <i>notification rules</i> override the general transitional provisions. Both the general and the more specific transitional provisions do not apply if the context requires otherwise and are subject to any more specific transitional provision elsewhere in the <i>FCA</i> and <i>PRA Handbooks</i> relating to the matter.
(4)	Definitions for these transitional provisions, additional to those in the <i>Glossary</i> , are provided at paragraph 15 of the table.

## GEN TP 2.2

**Table 2: Transitional Provisions applying across the FCA and PRA Handbooks**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
1	Every provision in the <i>FCA</i> and <i>PRA Handbooks</i> , unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<b>Acts under pre-cutover provisions</b> Anything done, or having effect as done, under or for the purposes of any pre-cutover provision has effect as if done under or for the purposes of any substantially similar provision in the <i>FCA</i> and <i>PRA Handbooks</i> .	From 1 April 2013	1 April 2013
2	Paragraph 1	G	For example, a <i>firm</i> may rely on action to establish the best price, taken shortly before cutover for the purposes of the <i>FSA</i> 's best execution rule, for the purposes of compliance with the <i>FCA</i> 's best execution rule, even if the transaction is <i>executed</i> after cutover.	From 1 April 2013	1 April 2013
3	Every provision in the <i>FCA</i> and <i>PRA</i>	R	<b>Series of events</b> If the application of any	From 1 April	1 April 2013

	<i>Handbooks</i> , unless the context otherwise requires and subject to any more specific transitional provision relating to the matter		provision in the <i>FCA</i> or <i>PRA Handbooks</i> is dependent on the occurrence of a series of events, some of which occur before, and some of which occur after, cutover, the provision applies with respect to the events that occur after cutover.	2013	
4	Paragraph 3	G	For example, a <i>firm</i> which <i>executes</i> an aggregated order shortly before cutover must comply with <i>COBS</i> 11.3.8R (Requirement for fair allocation) if the allocation occurs after cutover.	From 1 April 2013	1 April 2013
5	Every provision in the <i>FCA</i> and <i>PRA Handbooks</i> , unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<b>Deemed references to pre-cutover provisions</b> Any reference (express or implied) in a provision in the <i>FCA</i> or <i>PRA Handbooks</i> to a provision of or made under the <i>Act</i> is to be read (so far as the context permits and according to the context) as being or including, in relation to times, circumstances and purposes before cutover, a reference to any substantially similar pre-cutover provision.	From 1 April 2013	1 April 2013
6	Paragraph 5	G	For example, <i>SUP</i> 11.6.4R requires a <i>firm</i> authorised by the <i>FCA</i> to notify the <i>FCA</i> when a change in <i>control</i> , previously notified under <i>SUP</i> 11.4.2R, has taken place. Such a <i>firm</i> must notify a change in	From 1 April 2013	1 April 2013

			<i>control</i> that takes place after cutover, even if previously notified under <i>SUP</i> 11.4.2R as made by the <i>FSA</i> (and <i>SUP</i> 11.6.4R is to be read as referring to that pre-cutover provision).		
7	Every provision in the <i>FCA</i> and <i>PRA Handbooks</i> , unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<p><b>Time starting before cutover</b></p> <p>If, at cutover, time has begun to run for any purpose under any pre-cutover provision applicable to a <i>firm</i> or other person, then:</p> <p>(1) time will be regarded as having started to run, for the purposes of any substantially similar provision in the <i>FCA</i> or <i>PRA Handbooks</i>, when it started to run for that other purpose; and</p> <p>(2) the <i>firm</i> or other person will be relieved of its obligation to comply with the relevant pre-cutover provision if and to the extent that it complies with the substantially similar provision as extended by this transitional provision.</p>	From 1 April 2013	1 April 2013
8	Paragraph 7	G	For example, certain <i>firms</i> were required to submit product sales data reports within 20 <i>business days</i> of the end of the quarter by <i>SUP</i> 16.11.3R as made by the <i>FSA</i> . If the quarter end fell five days before cutover, the <i>firms</i> must still submit the report within 20 <i>business days</i> ,	From 1 April 2013	1 April 2013

			but in accordance with <i>SUP</i> 16.7.8R as made by the <i>FCA</i> .		
9	Every <i>rule</i> in the <i>FCA</i> and <i>PRA Handbooks</i> requiring a record to be made or retained (see schedule 1), unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<b>Record keeping</b> A <i>firm</i> or other person will not contravene a <i>rule</i> in the <i>FCA</i> or <i>PRA Handbooks</i> requiring a record to be made or retained to the extent that the <i>firm</i> or other person: (1) made a record of the matter before cutover in accordance with the <i>rule</i> or with a substantially similar pre-cutover provision applicable to the <i>firm</i> or other person; and (2) retains that record as if the <i>rule</i> was in force when the record was made.	From 1 April 2013	1 April 2013
10	Every <i>rule</i> in the <i>FCA</i> and <i>PRA Handbooks</i> requiring a record to be made or retained (see schedule 1), unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	G	This transitional provision makes specific provision, in relation to record keeping, for the matters covered by paragraph 1. It is included for clarity and overrides those general transitional provisions.	From 1 April 2013	1 April 2013
11	Every <i>rule</i> in the <i>FCA</i> and <i>PRA Handbooks</i> requiring a record to be made or retained (see schedule 1), unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	A <i>firm</i> or other person must retain a record in accordance with a <i>rule</i> in the <i>FCA</i> or <i>PRA Handbooks</i> requiring a record of that sort to be retained, if the <i>firm</i> or other person was required to make and retain that record before cutover under a substantially similar	From 1 April 2013	1 April 2013

			pre-cutover provision applicable to the <i>firm</i> or other person.		
12	Paragraph 9	G	This transitional provision makes specific provision, in relation to records, for the matters covered by paragraphs 5 and 7. It is included for clarity and overrides those general transitional provisions.	From 1 April 2013	1 April 2013
13.	Every <i>notification rule</i> in the <i>FCA</i> and <i>PRA Handbooks</i> (see schedule 2), unless the context otherwise requires and subject to any more specific transitional provision relating to the matter	R	<b>Notification</b> A <i>firm</i> (or its auditor, <i>appointed actuary</i> or <i>appropriate actuary</i> ) or other person will not contravene a <i>notification rule</i> in the <i>FCA</i> or <i>PRA Handbooks</i> to the extent that notice of the relevant matter was given to the <i>FSA</i> before cutover in accordance with: (1) the <i>notification rule</i> ; or (2) a substantially similar pre-cutover provision applicable to the <i>firm</i> or other person.	From 1 April 2013	1 April 2013
14	Paragraph 13	G	This transitional provision makes specific provision, in relation to notifications, for the matters covered by paragraphs 1 and 3. It is included for clarity and overrides those general transitional provisions.	From 1 April 2013	1 April 2013
15	As paragraphs 1 to 14	R	<b>Definitions</b> In these transitional provisions: (1) "pre-cutover provision" means a	From 1 April 2013	1 April 2013

			provision repealed or revoked by or under the Financial Services Act 2012 or a rule or guidance of the <i>FSA</i> , including (where the context permits) any relevant provision which it replaced before cutover;		
			(2) "substantially similar" means substantially similar in purpose and effect;		
			(3) a reference to a "provision" in the <i>FCA</i> or <i>PRA Handbooks</i> means every type of provision, including <i>rules, guidance, provisions in codes, and so on; and</i>		
			(4) "cutover" means 1 April 2013.		
16	Paragraph 17	G	<b>Application for provisions which are not rules</b> The purpose of paragraph 17 is to ensure that the transitional provisions in paragraphs 1 to 8 apply throughout the <i>FCA</i> and <i>PRA Handbooks</i> .	From 1 April 2013	1 April 2013
17	<i>Statements of Principle, the Code of Practice for Approved Persons and Code of Market Conduct and directions and requirements and guidance and other provisions in the FCA Handbook and PRA</i>	P	The provisions in paragraphs 1 to 10 apply to every <i>person</i> to whom the provisions referred to in column (2) apply as if the <i>rules</i> in those paragraphs were part of those provisions.	From 1 April 2013	1 April 2013

	<p><i>Handbook</i> (that is, provisions with the status letter "D" or "G" in the margin or heading) unless the context otherwise requires and subject to any more specific transitional provision relating to the matter</p>				
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Schedule 4 is deleted in its entirety and replaced as follows. The deleted text is not shown.

**Schedule 4 Powers exercised** [to follow later]

Amend the following as shown.

**Schedule 5 Rights of action for damages**

Sch 5.1 G The table below sets out the *rules* in *GEN* contravention of which by an *authorised person* may be actionable under section ~~150~~ 138D of the *Act* (Actions for damages) by a person who suffers loss as a result of the contravention.

Sch 5.2 G If a 'Yes' appears in the column headed 'For *private person*?', the *rule* may be actionable by a 'private person' under section ~~150~~ 138D (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256)). A 'Yes' in the column headed 'Removed' indicates that the ~~FSA~~ FCA has removed the right of action under section ~~150(2)~~ 138D(3) of the *Act*. If so, a reference to the *rule* in which it is removed is also given.

Sch 5.3 G The column headed 'For other person?' indicates whether the *rule* may be actionable by a person other than a *private person* (or his fiduciary or representative) under article 6(2) and (3) of those Regulations. If so, an indication of the type of *person* by whom the *rule* may be actionable is given.

Sch 5.4 G

Chapter/Appendix	Section/Annex	Paragraph	Right of action under section <del>150</del> <u>138D</u>		
			For private person?	Removed	For other person?
All <i>rules</i> in <i>GEN</i> with the status letter "E"			No	No	No

<i>GEN</i> 2.1.8R			No	No	No
All other rules in <i>GEN</i>			Yes	No	No

## Schedule 6 Rules that can be waived

- Sch 6.1 G 4 ~~As a result of regulation 10 of the Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (SI 2007/1973) the FSA has power to waive all its rules, other than rules made under section 247 (Trust scheme rules) or section 248 (Scheme particulars rules) of the Act. However, if the rules incorporate requirements laid down in European directives, it will not be possible for the FSA to grant a waiver that would be incompatible with the United Kingdom's responsibilities under those directives. It therefore follows that if a rule contains provisions which derive partly from a directive, and partly not, the FSA will be able to consider a waiver of the latter requirements only, unless the directive provisions are optional rather than mandatory.~~
- 2 ~~*GEN* 2.1.8R is made by FOS Ltd and not by the FSA and cannot be waived by the FSA.~~
- 3 ~~Every other rule in *GEN* can be waived by the FSA if, and to the extent that, the rules elsewhere in the Handbook which it modifies or to which it otherwise relates can be waived by the FSA. [deleted]~~
- Sch 6.1A  
G As a result of section 138A of the Act (Modification or waiver of rules) the FCA has power to waive all its rules, other than rules made under section 137O (Threshold condition code), section 247 (Trust scheme rules) or section 248 (Scheme particulars rules) of the Act. However, if the rules incorporate requirements laid down in European directives, it will not be possible for the FCA to grant a waiver that would be incompatible with the United Kingdom's responsibilities under those directives.
- Sch 6.1B  
G As a result of section 138A of the Act (Modification or waiver of rules) the PRA has power to waive all its rules, other than rules made under section 137O (Threshold condition code). However, if the rules incorporate requirements laid down in European directives, it will not be possible for the PRA to grant a waiver that would be incompatible with the United Kingdom's responsibilities under those directives.
- Sch 6.2 G 1 *GEN* 2.1.8R is made by FOS Ltd and not by the appropriate regulator and cannot be waived by the appropriate regulator.
- 2 Every other rule in *GEN* can be waived by the appropriate regulator if, and to the extent that, the rules elsewhere in its Handbook which it modifies or to which it otherwise relates can be waived by the appropriate regulator.

## Annex C

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 21.1 Form of waiver for energy participants

...

21.1.2 G *Energy market participants* should bear in mind that section 138A and 138B of the *Act* requires that in order to give a *waiver* of particular *rules*, the ~~FSA~~ FCA must be satisfied that:

- (1) compliance with the *rules*, or with the *rules* as unmodified, would be unduly burdensome or would not achieve the purpose for which the *rules* were made; and
- (2) the *waiver* would not ~~result in undue risk to persons whose interests the rules are intended to protect~~ adversely affect the advancement of any of the *FCA*'s operational objectives.

...

#### Appendix 3 Guidance on passporting issues

...

App 3.3.14 G Blanket notification is the practice of the *Home State regulator* notifying all *Host State regulators* in respect of all activities regardless of any genuine intention to carry on the activity. This practice is discouraged by the ~~FSA~~ FCA and PRA. However, a *firm* may be carrying on activities in the *United Kingdom* or elsewhere in a way that necessarily gives rise to a real possibility of the provision of services in other *EEA States*. In such cases, the *firm* should consider with its advisers whether it should notify the relevant authorities and include that possibility in its business plan.

...

App 3.6.7 G In respect of banking services, the European Commission believes that "...to determine where the activity was carried on, the place of provision of what may be termed the 'characteristic performance' of the service i.e. the essential supply for which payment is due, must be determined" (Commission interpretative communication: Freedom to provide services and the interests of the general good in the Second Banking Directive (97/C 209/04)). In the ~~FSA's~~ view of the *FCA* and *PRA*, this requires consideration of where the service is carried out in practice.

App 3.6.8 G The ~~FSA~~ FCA and PRA are of the opinion that *UK firms* that are *credit institutions* and *MiFID investment firms* should apply the 'characteristic

PRA] performance' test (as referred to in SUP App 3.6.7G) when considering whether prior notification is required for services business. *Firms* should note that other *EEA States* may take a different view. Some *EEA States* may apply a solicitation test. This is a test as to whether it is the consumer or the provider that initiates the business relationship.

...

App 3.6.15 [FCA / PRA] G The ~~FSA~~ FCA and PRA consider that, in order to comply with Principle 3: Management and control (see PRIN 2.1.1R), a *firm* should have appropriate procedures to monitor the nature of the services provided to its *customers*. Where a *UK firm* has non-resident *customers* but has not notified the *EEA State* in which the *customers* are resident that it wishes to exercise its freedom to provide services, the ~~FSA~~ FCA and PRA would expect the *firm's* systems to include appropriate controls. Such controls would include procedures to prevent the supply of services covered by the *Single Market Directives* in the *EEA State* in which the *customers* are resident if a notification has not been made and it is proposed to provide services otherwise than by remote communication. In respect of *insurance business*, the *insurer's* records should identify the location of the risk at the time the policy is taken out or last renewed. That will, in most cases, remain the location of the risk thereafter, even if, for example, the *policyholder* changes his habitual residence after that time.

...

App 3.6.25 [FCA / PRA] G (1) The ~~FSA~~ FCA and PRA are of the opinion that where a *UK firm* becomes a member of:

- (a) a *regulated market* that has its registered office or, if it has no registered office, its head office, in another *EEA State*; or
- (b) an *MTF* operated by a *MiFID investment firm* or a *market operator* in another *EEA State*,

the same principles as in the 'characteristic performance' test should apply. Under this test, the fact that a *UK firm* has a screen displaying the *regulated market's* or the *MTF's* prices in its UK office does not mean that it is *dealing* within the territory of the *Home State* of the *regulated market* or of the *MTF*.

(2) In such a case, ~~we~~ the FCA and PRA would consider that:

- (a) the *market operator* operating the *regulated market* or the *MTF* is providing a *cross-border service* into the *UK* and so, provided it has given notice to its *Home State regulator* in accordance with articles 42(6) or 31(5) *MiFID*, it will be exempt from the *general prohibition* in respect of any *regulated activity* carried on as part of the business of the *regulated market* or of *operating an MTF* (see section 312A of the Act);

- (b) the *MiFID investment firm* operating the *MTF* is providing a *cross-border service* into the *UK* and so needs to comply with *SUP 13A*.

...

App 3.6.27 G *Firms* should note that, in circumstances where the ~~FSA~~ takes FCA or PRA [FCA / PRA] take the view that a notification would not be required, other *EEA States* may take a different view.

...

## TP 1 Transitional provisions

...

### TP 1.2

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
6A [FCA]	<i>SUP 9.4</i>	G	<u>Individual guidance</u>	From 19 July 2001	21 June 2001
			(1) If a <i>person</i> acts in accordance with individual written guidance: ...		
			then the <del>FSA</del> <u>FCA</u> will proceed on the footing that the <i>person</i> has complied with the aspects of any provision in or under the <i>Act</i> (including a <i>rule</i> or <i>guidance</i> in the <i>Handbook</i> ) to which the guidance relates if: ...		
			(2) <i>SUP 9.4.2G - SUP 9.4.4G</i> are relevant for individual guidance in (1) in the same way as for individual written <i>guidance</i> given by the <del>FSA</del> <u>FCA</u> .		
...					
8M [FCA]	<del><i>SUP 10.13.20AR</i></del> <u><i>SUP 10A.14.24R</i></u>	R	This rule applies to <i>complaints</i> upheld on or after 31 December 2012.	From 31/12/2012	31/12/2012

...					
12M [FCA/ PRA]	(1) <i>SUP 16.12.5R</i> [deleted]	R	<p>Firms in <i>Regulated Activity Group 1</i> are not required to submit the following data items:</p> <p>(i) for reporting dates falling prior to 30 June 2008:</p> <p>FSA001 FSA002 FSA008 FSA010 FSA012 FSA013 FSA016 FSA018 FSA045</p> <p>(ii) for reporting dates falling prior to 31 August 2008:</p> <p>FSA005 FSA006 FSA007 FSA014 FSA020 FSA021 FSA022 FSA023 FSA024 FSA025 FSA026</p> <p>and</p> <p>(iii) for reporting dates falling prior to 30 September 2008:</p> <p>FSA015 FSA044 FSA046</p>	1 January 2008 to 29 September 2008	1 January 2008
	(2) <i>SUP 16.12.5</i> [deleted]	R	<p><i>UK banks</i> in <i>Regulated Activity Group 1</i> should not submit FSA017 for reporting dates prior to 31 August 2008.</p>	1 January 2008 to 30 August 2008	1 January 2008
	(3) <i>SUP 16.12.5</i> [deleted]	R	<p>A <i>building society</i> in <i>Regulated Activity Group 1</i>:</p> <p>(i) should not submit FSA017 for reporting dates prior to 31 August 2008.</p> <p>(ii) should instead submit an 'Analysis of interest rate gap' quarterly, within 15 <i>business days</i> of the quarter end, except in the case of a building society on the "Administered" approach (see <i>IPRU(BSOC) 4 Ann 4A 4A.2</i>) which is not required to submit the 'Analysis of interest rate gap'. In the case of (ii), reports should be prepared as at the end of March, June, September and December of each year. The 'Analysis of interest rate gap' must be submitted in</p>	1 January 2008 to 30 August 2008	1 January 2008

			accordance with TP 12L (4).		
	(4) <i>SUP 16.12.5</i> [deleted]	R	In respect of the transitional reporting requirements in this transitional provision TP12L (3), the report should be submitted in accordance with <i>SUP 16.3.6 R</i> to <i>SUP 16.3.10R</i> .	1 January 2008 to 30 September 2008	1 January 2008
	(5) <i>SUP 16.12.11R</i> [deleted]	R	<i>Firms in Regulated Activity Group 3</i> , other than <i>exempt BIPRU commodity firms</i> , are not required to submit the following data items: (i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 FSA045 (ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 FSA039 FSA040 and (iii) for reporting dates falling prior to 30 September 2008: FSA046	1 January 2008 to 29 September 2008	1 January 2008
	(6) <i>SUP 16.12.15R</i> [deleted]	R	<i>Firms in Regulated Activity Group 4</i> are not required to submit the following data items:(i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 FSA045 (ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 FSA038 FSA039 FSA040 FSA041 FSA042 and (iii) for reporting dates falling prior to 30 September 2008: FSA046	1 January 2008 to 29 September 2008	1 January 2008
	(7)	R	<i>Firms in Regulated Activity Group 7</i>	1 January 2008	1 January 2008

	<u>SUP 16.12.22R</u> [deleted]		are not required to submit the following data items:(i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 FSA045 (ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 and (iii) for reporting dates falling prior to 30 September 2008: FSA046	to 29 September 2008	
	(8) <u>SUP 16.12.25R</u> [deleted]	R	<i>Firms in Regulated Activity Group 8</i> are not required to submit the following data items: (i) for reporting dates falling prior to 30 June 2008: FSA001 FSA002 FSA008 FSA016 FSA018 FSA019 FSA045 (ii) for reporting dates falling prior to 31 August 2008: FSA005 FSA006 FSA007 FSA039 FSA040 and (iii) for reporting dates falling prior to 30 September 2008: FSA046	1 January 2008 to 29 September 2008	1 January 2008
	(9) <u>SUP 16.12.11R</u> [deleted]	R	<i>Exempt BIPRU commodity firms</i> are not required to submit the following data items for reporting dates: (i) falling prior to 30 June 2008: FSA008 (ii) falling prior to 31 August 2008: FSA001 FSA002 FSA016 FSA018 FSA028 FSA033 FSA038 FSA039 FSA040 FSA041	1 January 2008 to 30 August 2008	1 January 2008

			FSA042		
	(10) <i>SUP 16.12.11</i> [deleted]	R	<i>Exempt BIPRU commodity firms</i> are not required to submit the following data items for reporting dates falling prior to 1 January 2011: FSA003 FSA004 FSA005 FSA006 FSA007 FSA019	1 January 2008 to 31 December 2010	1 January 2008
	(11) <i>SUP 16.12.5R</i> [deleted]	R	(1) A <i>UK bank</i> must submit the following reports for reporting dates falling between 1 January 2008 and 29 June 2008 in accordance with the rules set out in <i>SUP 16.7.8R</i> : BSD3 (unconsolidated, solo consolidated); BSD3 (consolidated); LE3 (unconsolidated, solo consolidated); LE3 (consolidated); M1 (unconsolidated, solo consolidated); and M1 (consolidated). Consolidated reports are only required from <i>UK consolidation groups</i> . (2) In addition, a <i>UK bank</i> subject to IPRU(BANK) Chapter LS must submit the SLR1 for reporting dates between 1 January 2008 and 31 May 2008 in accordance with the rules set out in <i>SUP 16.7.8R</i> . (3) Also, a <i>UK bank</i> subject to IPRU(BANK) Chapter LM must submit the LR for reporting dates between 1 January 2008 and 31 March 2008 in accordance with the rules set out in <i>SUP 16.7.8R</i> .	1 January 2008 to 29 June 2008	1 January 2008
	(12) <i>SUP 16.7.9R</i> , <i>SUP 16.7.10R</i> [deleted]	R	An <i>EEA Bank</i> , other than one with <i>permission for cross-border services</i> only, must submit the LR for reporting dates between 1 January 2008 and 31 March 2008 in accordance with the rules set out in <i>SUP 16.7.10R</i> .	1 January 2008 to 31 March 2008	1 January 2008
	(13) <i>SUP 16.7.11R</i> , <i>SUP 16.7.12R</i> [deleted]	R	A <i>bank</i> established outside the <i>EEA</i> must submit: (a) the LR for reporting dates between 1 January 2008 and 31 March 2008; and (b) the B7 for reporting dates between 1 January 2008 and 29 June 2008 in accordance with the rules set out	1 January 2008 to 29 June 2008	1 January 2008

			in SUP 16.7.12R.		
	(14) SUP 16.7.16R, SUP 16.7.17R [deleted]	R	A <i>building society</i> must submit: (a) the QFS1 and AFS1 for reporting dates between 1 January 2008 and 29 June 2008; and (b) the interest rate gap report for reporting dates between 1 January 2008 and 30 August 2008 in accordance with the rules set out in SUP 16.7.17R.	1 January 2008 to 30 August 2008	1 January 2008
	(15) SUP 16.7.24R, SUP 16.7.25R [deleted]	R	A <i>securities and futures firm</i> which is a category A or B firm or a broad scope firm, and is a <i>BIPRU investment firm</i> , must submit the large exposures quarterly reporting statement (Form LEM 1 or LEM 2) (consolidated and unconsolidated) and monthly reporting statement for reporting dates between 1 January 2008 and 29 June 2008 in accordance with the rules set out in SUP 16.7.25R, except that the monthly reporting statement should be submitted quarterly.	1 January 2008 to 29 June 2008	1 January 2008
	(16) SUP 16.7.26R, SUP 16.7.27R [deleted]	R	A <i>securities and futures firm</i> which is a category C or D firm or an arranger or venture capital firm, and is a <i>BIPRU investment firm</i> , must submit the large exposures quarterly reporting statement (Form LEM 1 or LEM 2) (consolidated and unconsolidated) and quarterly reporting statement for reporting dates between 1 January 2008 and 29 June 2008 in accordance with the rules set out in SUP 16.7.27R, except that <i>BIPRU 50K firms</i> should submit the quarterly reporting statement half yearly.	1 January 2008 to 29 June 2008	1 January 2008
	(17) SUP 16.7.35R, SUP 16.7.36R [deleted]	R	An <i>investment management firm</i> which is a <i>BIPRU investment firm</i> must submit either a quarterly financial return or a monthly financial return (depending on whether the firm is subject to a Liquid Capital Requirement or is an ISD firm subject to the Own Funds Requirement of Euro 730,000) for reporting dates between 1 January 2008 and 29 June 2008 in accordance with the rules set out in SUP 16.7.36R, except that <i>BIPRU 50K firms</i> should submit the quarterly financial return half yearly, and <i>BIPRU 730K firms</i> should submit the monthly financial	1 January 2008 to 29 June 2008	1 January 2008

			return on a quarterly basis.		
	(18) [deleted]				
	(19) <del>SUP 16.7.67R, SUP 16.7.68R</del> [deleted]	R	A <i>UCITS firm</i> must submit the Quarterly Financial Return for reporting dates between 1 January 2008 and 29 June 2008 in accordance with the rules set out in <del>SUP 16.7.68R</del> .	1 January 2008 to 29 June 2008	1 January 2008
	(20) <del>SUP 16.7.76R, SUP 16.7.77R</del> [deleted]	R	A firm that was not subject to other reporting requirements in <i>SUP 16.7</i> (other than in <i>SUP 16.7.76R</i> and <i>SUP 16.7.77R</i> ) at 31 December 2007, and is a <i>BIPRU firm</i> , must submit sections A, B, C and E of the <i>RMAR</i> and sections A and B of the <i>MLAR</i> for reporting dates between 1 January 2008 and 29 June 2008 in accordance with the rules set out in <i>SUP 16.7.77R</i> , except that the frequency for these sections of the <i>RMAR</i> and <i>MLAR</i> is amended as follows: (a) for <i>BIPRU 730K firms</i> and <i>BIPRU 125K firms</i> , quarterly; and (b) for <i>BIPRU 50K firms</i> , half-yearly.	1 January 2008 to 29 June 2008	1 January 2008
	(20A) <i>SUP 16.12.22AR</i>	R	(1) Where a <i>firm</i> is required under <i>SUP 16.12.22AR</i> to submit information on <i>adviser charges</i> in Section K of the <i>RMAR</i> or <i>consultancy charges</i> in Section L of the <i>RMAR</i> the <i>firm</i> is not required to report information collected prior to 31 December 2012. (2) The first reporting period for Section K or Section L of the <i>RMAR</i> begins on the first day of the <i>firm's</i> first full reporting period (as specified in <i>SUP 16.12</i> ) after 31 December 2012.	31/12/2012 to 30/06/2013	31/12/2012
	(21) <del>SUP 16.12.23R</del> [deleted]	R	<i>Firms</i> in <i>RAGs 3, 4, 6, 7 and 8</i> that are required to complete Section J of the <i>RMAR</i> , with an <i>accounting reference date</i> falling between 1 July 2007 and 31 August 2007 inclusive, must additionally report on section J of the <i>RMAR</i> at their half year (i.e. for reporting dates falling between 1 January 2008 and 29 February 2008 inclusive), to be submitted within 30 <i>business days</i> of the half year date.	1 January 2008 to 29 February 2008	1 January 2008
...					

...

**Schedule 1 Record keeping requirements**

...

Sch 1.2 G

Handbook reference	Subject of record	Contents of record	When record must be made	Retention period
...				
SUP 16.8.23R [FCA]	Persistency reports and data reports	Records to enable the <i>firm</i> to monitor regularly the persistency of <i>life policies</i> and stakeholder pensions effected through each of its <i>representatives</i> and make the required reports to the <del>FS</del> <i>FCA</i> .	Not specified	Not specified

...

**Schedule 5 Rights of actions for damages**

Sch 5.1 G [FCA]	1	The table below sets out the <i>rules</i> in SUP contravention of which by an <i>authorised person</i> may be actionable under section <del>150</del> <u>138D</u> of the <i>Act</i> (Actions for damages) by a <i>person</i> who suffers loss as a result of the contravention.
	2	If a "Yes" appears in the column headed "For private person?", the <i>rule</i> may be actionable by a " <i>private person</i> " under section <del>150</del> <u>138D</u> (or, in certain circumstances, his fiduciary or representative). A "Yes" in the column headed "Removed" indicates that the <del>FS</del> <i>FCA</i> has removed the right of action under section <del>150(2)</del> <u>138D(3)</u> of the <i>Act</i> . If so, a reference to the <i>rule</i> in which it is removed is also given.
	3	The column headed "For other person?" indicates whether the rule is actionable by a <i>person</i> other than a <i>private person</i> (or his fiduciary or representative). If so, an indication of the type of <i>person</i> by whom the <i>rule</i> is actionable is given.

Sch 5.2 G [FCA]

Chapter/ Appendix	Section/Annex	Paragraph	Right of action under section <del>150</del> <u>138D</u>		
			For private person?	Removed?	For other person?
All <i>rules</i> in SUP with the status letter "E"			No	No	No

3	8	All <i>rules</i> in the section	No	No	No
3	9	All <i>rules</i> in the section	No	No	No
3	10	All <i>rules</i> in the section	No	No	No
4	3	13	No	No	No
4	3	20	No	No	No
4	4	7	No	No	No
4	4	9	No	No	No
4	5	All <i>rules</i> in the section	No	No	No
10A	All <i>rules</i> in sections SUP 10A.1 to SUP 10A.10		No	No	No
All other <i>rules</i> in SUP			Yes	No	No

**Schedule 5A Rights of actions for damages**

Sch 5A.1 [PRA] G The table below sets out the *rules* in SUP contravention of which by an *authorised person* may be actionable under section 138D of the Act (Actions for damages) by a *person* who suffers loss as a result of the contravention.

<u>Chapter/Appendix</u>	<u>Section/Annex</u>	<u>Paragraph</u>
Sch 5A.2 [PRA] G 10B	<u>All rules in sections SUP 10B.1 to SUP 10B.9</u>	

**Schedule 6 Rules that can be waived**

Sch 6.1 G As a result of regulation 10 of the Regulatory Reform (Financial Services and Markets Act 2000) Order 2007 (SI 2007/1973) the FSA has power to waive all its *rules*, other than *rules* made under section 247 (Trust scheme rules) or section 248 (Scheme particulars rules) of the Act. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the FSA to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives. [deleted]

Sch 6.1A [FCA] G As a result of section 138A of the Act (Modification or waiver of rules) the FCA has power to waive all its *rules*, other than *rules* made under section 137O (Threshold condition code), section 247 (Trust scheme rules) or section 248 (Scheme particulars rules) of the Act. However, if the *rules* incorporate requirements laid down in European directives, it will not be possible for the FCA to grant a waiver that would be incompatible with the *United Kingdom's* responsibilities under those directives.

Sch 6.1B    G    As a result of section 138A of the Act (Modification or waiver of rules) the  
[PRA]        PRA has power to waive all its rules, other than rules made under section  
                 137O (Threshold condition code). However, if the rules incorporate  
                 requirements laid down in European directives, it will not be possible for the  
                 PRA to grant a waiver that would be incompatible with the United  
                 Kingdom's responsibilities under those directives.

**Annex D**

**Amendments to the Conduct of Business sourcebook (COBS)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

**TP 2 Other Transitional Provisions**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
2.2C	...				
<u>2.2D</u>	<u>COBS 6.3</u>	<u>R</u>	<u>A firm may use a combined initial disclosure document prepared in accordance with the rules in COBS 6.3 and COBS 6 Annex 2R as they were in force as at 31 March 2013</u>	<u>From 1 April 2013 to 31 March 2014</u>	<u>1 April 2013</u>
<u>2.2E</u>	<u>COBS 6.3.7G</u>	<u>R</u>	<u>A firm may use an initial disclosure document prepared in accordance with the rules in COBS 6.3.7G and COBS 6 Annex 1G as they were in force as at 31 March 2013</u>	<u>From 1 April 2013 to 31 March 2014</u>	<u>1 April 2013</u>
...					

**Annex E**

**Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)**

In this Annex, underlining indicates new text.

**TP 1 Transitional Provisions**

...

**TP 2 Other Transitional Provisions**

<u>(1)</u>	<u>(2) Material to which the transitional provision applies</u>	<u>(3)</u>	<u>(4) Transitional provision</u>	<u>(5) Transitional provision: dates in force</u>	<u>(6) Handbook provision: coming into force</u>
<u>1</u>	<u>ICOBS 4.5.1R</u>	<u>R</u>	<u>A firm may use an initial disclosure document prepared in accordance with the rules in ICOBS 4.5.1R and ICOBS 4 Annex 1G as they were in force as at 31 March 2013</u>	<u>From 1 April 2013 to 31 March 2014</u>	<u>1 April 2013</u>
<u>2</u>	<u>ICOBS 4.5</u>	<u>R</u>	<u>A firm may use a combined initial disclosure document prepared in accordance with the rules in ICOBS 4.5 and COBS 6 Annex 2G as they were in force as at 31 March 2013</u>	<u>From 1 April 2013 to 31 March 2014</u>	<u>1 April 2013</u>

**Annex F**

**Amendments to the Mortgages and Home Finance: Conduct of Business sourcebook**

After MCOB TP 1.1(16) insert new Transitional Provisions TP 1.1(17) and (18). The text is not underlined.

**TP 1.1 Transitional Provisions**

**TP 1.1**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
...					
17	<i>MCOB 4.4.1R, MCOB 4.10.2R</i>	R	<i>A firm may use an initial disclosure document prepared in accordance with the rules in MCOB 4.4.1R, MCOB 4.10.2R, MCOB 4 Annex 1R and COBS 6 Annex 2G as they were in force as at 31 March 2013</i>	From 1 April 2013 to 26 April 2014	1 April 2013
18	<i>MCOB 4.4.1R, MCOB 4.10.2R</i>	R	<i>A firm may use a combined initial disclosure document prepared in accordance with the rules in MCOB 4.4.1R, MCOB 4.10.2R and COBS 6 Annex 2G as they were in force as at 31 March 2013</i>	From 1 April 2013 to 26 April 2014	1 April 2013

**Annex G**

**Designation of the General Provisions sourcebook (GEN)**

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
GEN 4.1.1 R	Designated	FCA/PRA
GEN 4.1.2 R	Designated	FCA/PRA
GEN 4.1.3 R	Designated	FCA/PRA
GEN 4.1.4 R	Designated	FCA/PRA
GEN 4.2.1 G	Designated	FCA/PRA
GEN 4.2.1A G	Designated	FCA/PRA
GEN 4.2.1B G	Made	FCA
GEN 4.2.1C G	Made	PRA
GEN 4.2.2 G	Designated	FCA
GEN 4.3.1 R	Designated	FCA/PRA
GEN 4.3.1A G	Designated	FCA/PRA
GEN 4.3.1B G	Made	FCA
GEN 4.3.2 G	Not in force after legal cutover	
GEN 4.3.2A G	Designated	FCA
GEN 4.3.2B G	Designated	FCA/PRA
GEN 4.3.3 G	Designated	FCA/PRA
GEN 4.3.4 R	Designated	FCA/PRA

GEN 4.3.5 R	Designated	FCA
GEN 4.3.6 R	Designated	FCA
GEN 4.4.1 R	Designated	FCA/PRA
GEN 4.4.2 G	Not in force after legal cutover	
GEN 4.5.1 R	Designated	FCA/PRA
GEN 4.5.2 G	Designated	FCA/PRA
GEN 4.5.2A G	Made	FCA
GEN 4.5.3 R	Designated	FCA
GEN 4.5.3A R	Made	FCA/PRA
GEN 4.5.4 R	Designated	FCA
GEN 4.5.4A R	Made	FCA/PRA
GEN 4.5.5 G	Designated	FCA/PRA
GEN 4.5.6 G	Designated	FCA/PRA
GEN 4.5.6A G	Made	FCA
GEN 4 Annex 1 R	Designated	FCA
GEN 4 Annex 1A R	Made	FCA/PRA
GEN 5.1.1 G	Designated	FCA
GEN 5.1.2 G	Designated	FCA
GEN 5.1.3 G	Designated	FCA
GEN 5.1.3A G	Made	FCA
GEN 5.1.4 G	Designated	FCA
GEN 5.1.5 R	Designated	FCA
GEN 5.1.6 R	Designated	FCA
GEN 5.1.7 R	Designated	FCA
GEN 5.1.8 R	Designated	FCA

GEN 5.1.9 G	Made	FCA
GEN 5.1.10 R	Made	FCA
GEN 5 Annex 1 G	Designated	FCA
GEN 6.1.1 R	Designated	FCA/PRA
GEN 6.1.2 G	Designated	FCA/PRA
GEN 6.1.3 G	Designated	FCA/PRA
GEN 6.1.4 R	Designated	FCA/PRA
GEN 6.1.4A R	Designated	FCA/PRA
GEN 6.1.5 R	Designated	FCA/PRA
GEN 6.1.6 R	Designated	FCA/PRA
GEN 6.1.7 G	Designated	FCA/PRA
GEN TP 1.1	Not in force after legal cutover	
GEN TP 1.2	Not in force after legal cutover	
GEN TP 1.3	Designated	FCA/PRA
GEN TP 2.1	Made	FCA/PRA
GEN TP 2.2	Made	FCA/PRA
GEN Sch 1 G	Designated	FCA/PRA
GEN Sch 2 G	Designated	FCA/PRA
GEN Sch 3 G	Designated	FCA/PRA
GEN Sch 4 G	Not in force after legal cutover	
GEN Sch 5 G	Designated	FCA
GEN Sch 6.1 G	Not in force after legal cutover	
GEN Sch 6.1A G	Made	FCA
GEN Sch 6.1B G	Made	PRA

GEN Sch 6.2 G	Made	FCA/PRA
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**Annex H**

**Designation of the Supervision manual (SUP)**

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
SUP App 3.1.1 G	Designated	FCA/PRA
SUP App 3.2.1 G	Designated	FCA/PRA
SUP App 3.3.1 G	Designated	FCA/PRA
SUP App 3.3.2 G	Designated	FCA/PRA
SUP App 3.3.3 G	Designated	FCA/PRA
SUP App 3.3.4 G	Designated	FCA/PRA
SUP App 3.3.5 G	Designated	FCA/PRA
SUP App 3.3.6 G	Designated	FCA/PRA
SUP App 3.3.7 G	Designated	FCA/PRA
SUP App 3.3.8 G	Designated	FCA/PRA
SUP App 3.3.9 G	Designated	FCA/PRA
SUP App 3.3.10 G	Designated	FCA/PRA
SUP App 3.3.11 G	Designated	FCA/PRA
SUP App 3.3.12 G	Not in force after legal cutover	
SUP App 3.3.13 G	Designated	FCA/PRA
SUP App 3.3.14 G	Designated	FCA/PRA
SUP App 3.6.1 G	Designated	FCA/PRA

SUP App 3.6.2 G	Designated	FCA/PRA
SUP App 3.6.3 G	Designated	FCA/PRA
SUP App 3.6.4 G	Not in force after legal cutover	
SUP App 3.6.5 G	Designated	FCA/PRA
SUP App 3.6.6 G	Designated	FCA/PRA
SUP App 3.6.7 G	Designated	FCA/PRA
SUP App 3.6.8 G	Designated	FCA/PRA
SUP App 3.6.9 G	Designated	FCA/PRA
SUP App 3.6.10 G	Designated	FCA/PRA
SUP App 3.6.11 G	Designated	FCA/PRA
SUP App 3.6.12 G	Not in force after legal cutover	
SUP App 3.6.13 G	Not in force after legal cutover	
SUP App 3.6.14 G	Not in force after legal cutover	
SUP App 3.6.15 G	Designated	FCA/PRA
SUP App 3.6.16 G	Not in force after legal cutover	
SUP App 3.6.17 G	Not in force after legal cutover	
SUP App 3.6.18 G	Not in force after legal cutover	
SUP App 3.6.19 G	Not in force after legal cutover	
SUP App 3.6.20 G	Not in force after legal cutover	
SUP App 3.6.21 G	Not in force after legal cutover	
SUP App 3.6.22 G	Not in force after legal	

	cutover	
SUP App 3.6.23 G	Not in force after legal cutover	
SUP App 3.6.24 G	Not in force after legal cutover	
SUP App 3.6.25 G	Designated	FCA/PRA
SUP App 3.6.26 G	Designated	FCA/PRA
SUP App 3.6.27 G	Designated	FCA/PRA
SUP App 3.6.28 G	Not in force after legal cutover	
SUP App 3.6.29 G	Not in force after legal cutover	
SUP App 3.6.30 G	Not in force after legal cutover	
SUP App 3.6.31 G	Not in force after legal cutover	
SUP App 3.9.1 G	Designated	FCA/PRA
SUP App 3.9.2 G	Designated	FCA/PRA
SUP App 3.9.3 G	Designated	FCA/PRA
SUP App 3.9.4 G	Designated	FCA/PRA
SUP App 3.9.5 G	Designated	FCA/PRA
SUP App 3.9.6 G	Designated	FCA
SUP App 3.9.7 G	Designated	FCA/PRA
SUP App 3.10.1 G	Designated	FCA/PRA
SUP App 3.10.2 G	Designated	FCA/PRA
SUP App 3.10.3 G	Designated	FCA/PRA
SUP App 3.10.4 G	Designated	FCA/PRA
SUP App 3.10.5 G	Designated	FCA/PRA
SUP App 3.10.6 G	Designated	FCA/PRA

SUP App 3.10.7 G	Designated	FCA/PRA
SUP App 3.10.8 G	Designated	FCA/PRA
SUP App 3.10.9 G	Designated	FCA/PRA
SUP App 3.10.10 G	Designated	FCA/PRA
SUP App 3.10.11 G	Designated	FCA/PRA
SUP App 3.10.12 G	Designated	FCA/PRA
SUP App 3.10.13 G	Designated	PRA
SUP TP 1.1	Designated	FCA/PRA
SUP TP 1.2	Designated	FCA/PRA
SUP TP 1.3	Not in force after legal cutover	
SUP TP 1.4	Not in force after legal cutover	
SUP TP 1.5	Not in force after legal cutover	
SUP TP 1.6	Not in force after legal cutover	
SUP TP 1.7	Designated	FCA
SUP Sch 1.1	Designated	FCA/PRA
SUP Sch 1.2	Designated	FCA/PRA
SUP Sch 2.1	Not in force after legal cutover	
SUP Sch 2.2	Not in force after legal cutover	
SUP Sch 3	Not in force after legal cutover	
SUP Sch 4	Not in force after legal cutover	
SUP Sch 5.1	Designated	FCA
SUP Sch 5.2	Designated	FCA

SUP Sch 5A.1	Made	PRA
SUP Sch 5A.2	Made	PRA
SUP Sch 6.1	Not in force after legal cutover	
SUP Sch 6.1A	Made	FCA
SUP Sch 6.1B	Made	PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
competent authority)		
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
business: regulations supplementing Authority's rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Education Body)	Education Body)	
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(SI 2009/209)	(SI 2009/209).	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2008 (SI 2008/346)	legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
or waiver of rules)		
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 4

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# Legal Cutover (Variation of Permission) Instrument 2013

**LEGAL CUTOVER (VARIATION OF PERMISSION) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
  - (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
  - (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
  - (10) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
  - (11) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;

- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

#### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
- (1) “Designated” in Column 2 of Annex C to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex C to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

#### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

#### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument; and
  - (2) each provision in Annex B to this Instrument that meets all of the conditions in paragraph 7; and
  - (3) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Made” in Column 2 of Annex C to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex C to this Instrument.
- 8 The conditions referred to in paragraph 6(3) are that a provision is:

- (1) identified as “Designated” in Column 2 of Annex C to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex C to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

### **Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

### **Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
  - (1) “Designated” in Column 2 of Annex C to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex C to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
  - (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification of rules etc. by the Prudential Regulation Authority**

18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A to this Instrument; and
- (2) each provision in Annex B to this Instrument that meets all of the conditions in paragraph 20; and
- (3) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.

20 The conditions referred to in paragraph 19(2) are that a provision is:

- (1) Identified as “Made” in Column 2 of Annex C to this Instrument; and
- (2) Identified as “PRA” or “PRA/FCA” in Column 3 of Annex C to this Instrument.

21 The conditions referred to in paragraph 19(3) are that a provision is:

- (1) identified as “Designated” in Column 2 of Annex C to this Instrument; and
- (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex C to this Instrument,

22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:

- (1) section 137G (The PRA’s general rules); and
- (2) section 137T (General supplementary powers).

23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

24 The Prudential Regulation Authority gives as guidance:

- (1) each provision in Annex B to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex C that is marked with a G in Column 1 of Annex C to this Instrument; and
- (2) each provision listed in Annex C to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex C that is (a) marked with a G in Column 1 of Annex C to this Instrument and (b) not in Annex B to this Instrument.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The modules of the FCA's and PRA's Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Supervision manual (SUP)	Annex B

**Citation**

- 29 This Instrument may be cited as the Legal Cutover (Variation of Permission) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

Insert the following new definitions in the appropriate alphabetical position. The text is not underlined.

<i>own-initiative requirement power</i>	The <i>FCA's</i> power under section 55L(3) of the <i>Act</i> or the <i>PRA's</i> power under section 55M(3) of the <i>Act</i> to impose a new <i>requirement</i> on a <i>firm</i> , to vary a <i>requirement</i> that it has imposed on the <i>firm</i> or to cancel any such <i>requirement</i> otherwise than on the application of a <i>firm</i> .
<i>own-initiative variation power</i>	The <i>FCA's</i> or the <i>PRA's</i> power under section 55J (Variation or cancellation on initiative of regulator) to vary or cancel a <i>Part 4A permission</i> otherwise than on the application of a <i>firm</i> .

Amend the following definition as shown.

<i>own-initiative power powers</i>	<del>the <i>FSA's</i> power under section 45 of the <i>Act</i> (Variation etc on the Authority's own initiative) to vary or cancel a <i>Part IV permission</i> otherwise than on the application of a <i>firm</i></del> <u><i>FCA's</i> or the <i>PRA's</i> <i>own-initiative variation power</i> and <i>own-initiative requirement power</i>.</u>
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## Annex B

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 6 **Applications to vary and cancel Part IV ~~4A~~ permission and to impose, vary or cancel requirements**

##### 6.1 **Application, interpretation and purpose**

Application

6.1.1 G This chapter applies to every *firm* with a ~~Part IV permission~~ Part 4A permission which wishes to:  
[FCA/  
PRA]

- (1) vary its ~~Part IV permission~~ Part 4A permission;
- (2) cancel its ~~Part IV permission~~ Part 4A permission and end its *authorisation*;
- (3) have a new requirement imposed on it;
- (4) vary a requirement imposed on it; or
- (5) cancel a requirement imposed on it.

6.1.2 G If appropriate, a *firm* which is an *authorised fund manager* should also refer to *COLL 7* for *guidance* on the termination of *ICVCs* and *AUTs* and on winding up *authorised funds* that are not commercially viable.  
[FCA/  
PRA]

...

Interpretation

6.1.3A G (1) In SUP 6 the “relevant regulator” is the regulator to which a *firm* with a *Part 4A permission* has made or can make (in accordance with SUP 6) an application to vary or cancel its *Part 4A permission* or to have imposed on it a new *requirement* or to vary or cancel any existing *requirement* (see SUP 6.2.3AG to SUP 6.2.3EG).  
[FCA/  
PRA]

(2) Where the PRA can only determine an application with the consent of the FCA, the FCA may request further information as if it were the relevant regulator.

(3) In some instances, the Act requires the FCA and the PRA to consult with each other prior to exercising their powers under the Act. Details

of where consultation is required have not been set out in SUP 6. Where a provision in SUP 6 makes reference to a power, the exercise of which by the FCA or the PRA (as the case may be) requires consultation under the Act, firms should be aware that the regulator concerned will need to consult the other regulator before exercising that power.

## Purpose

- 6.1.4 G This chapter explains:
- [FCA/  
PRA]
- (1) how a *firm* with ~~Part IV permission~~ a Part 4A permission can apply to the FSA relevant regulator to vary that *permission*;
  - (2) how a *firm* which has ceased to carry on any of the *regulated activities* for which it has ~~a Part IV 4A permission~~, or which expects to do so in the short term (normally less than six months), should apply to the FSA relevant regulator to cancel that *permission* completely;
  - (2A) how a firm with a Part 4A permission can apply to the relevant regulator to:
    - (a) have a new requirement imposed on it; or
    - (b) vary a requirement imposed on it; or
    - (c) cancel a requirement imposed on it.
  - ...
  - (4) how the FSA relevant regulator assesses those applications.
- 6.1.5 G This chapter also outlines the FSA's relevant regulator's powers to withdraw authorisation from a firm whose ~~Part IV permission~~ Part 4A permission has been cancelled at the firm's request. It does not, however, cover the FSA's appropriate regulator's use of its own initiative powers to vary or cancel a firm's ~~Part IV 4A permission~~ (see SUP 7 (Individual requirements) and EG 8 (Variation and cancellation of permission on the FSA's own initiative and intervention against incoming firms)).
- [FCA/
- PRA]
- 6.1.6 G This chapter does not cover the FCA's use of its own-initiative variation power to vary or cancel a firm's Part 4A permission or its own-initiative requirement power to impose, vary or cancel a requirement (see SUP 7 (Individual requirements) and EG 8 (Variation and cancellation of permission on the FCA's own initiative and intervention against incoming firms)).
- [FCA]
- ## 6.2 Introduction
- 6.2.1 G A *firm authorised under Part IV 4A of the Act* (Permission to carry on regulated activity) has a single ~~Part IV permission~~ Part 4A permission granted
- [FCA/

- PRA] by the ~~FSA~~ FCA or the PRA. A firm's ~~Part IV permission~~ Part 4A permission specifies all or some of the following elements (see PERG 2 Annex 2G (Regulated activities and the permission regime) and the ~~FSA information~~ online at the FCA and PRA websites): ~~website "How do I get authorised": <http://www.fsa.gov.uk/Pages/Doing/how/index.shtml>)~~
- ...
- 6.2.2 G Under section 20(1) and 20(1A) of the Act (Authorised persons acting without permission), a firm is prohibited from carrying on a regulated activity in the United Kingdom (or purporting to do so) otherwise than in accordance with its permission.
- [FCA/  
PRA]
- 6.2.3 G ~~If a firm wishes to change its Part IV permission, it can apply to the FSA under section 44 of the Act (Variation etc. at request of authorised person) for a variation or cancellation of its Part IV permission. SUP 6.2.5G sets out the differences between these types of application and the circumstances in which they should be made and SUP 6 Annex 1 gives an overview of the considerations in these cases. [deleted]~~
- 6.2.3A G If an FCA-authorised person wishes to change its Part 4A permission to:
- [FCA]
- (1) add a regulated activity, other than a PRA-regulated activity; or
  - (2) remove a regulated activity from those to which the permission relates; or
  - (3) vary the description of a regulated activity to which the permission relates; or
  - (4) cancel the permission;
- it can apply to the FCA under section 55H of the Act (Variation by FCA at request of authorised person).
- 6.2.3B G If an FCA-authorised person wishes to change its Part 4A permission, by adding to the regulated activities to which the permission relates one or more regulated activities, which include a PRA-regulated activity, it can apply to the PRA under section 55I of the Act (Variation by PRA at request of authorised person). The PRA can determine such an application only with the consent of the FCA.
- [FCA/  
PRA]
- 6.2.3C G If a firm with a Part 4A permission wishes the FCA to:
- [FCA]
- (1) impose a new requirement; or
  - (2) vary a requirement imposed by the FCA; or
  - (3) cancel such a requirement;

it can apply to the FCA under section 55L(5) of the Act (Imposition of Requirements by FCA).

- 6.2.3D G If a PRA-*authorised person* wishes to change its Part 4A *permission* to:  
[PRA]
- (1) add a *regulated activity* to those to which the *permission* relates; or
  - (2) remove a *regulated activity* from those to which the *permission* relates; or
  - (3) vary the description of a *regulated activity* to which the *permission* relates; or
  - (4) cancel the *permission*;

it can apply to the PRA under section 55I of the Act (Variation by PRA at request of authorised person). The PRA can determine such an application, other than an application to cancel the *permission*, only with the consent of the FCA.

- 6.2.3E G If a PRA-*authorised person* wishes the PRA to:  
[PRA]
- (1) impose a new *requirement*; or
  - (2) vary a *requirement* imposed by the PRA; or
  - (3) cancel such a *requirement*;

it can apply to the PRA under section 55M(5) of the Act (Imposition of Requirements by PRA).

- 6.2.4 G A *firm* intending to expand its business should assess, taking appropriate professional advice where necessary, whether it will need to ~~apply to the FSA to vary its Part IV *permission*~~ make an application in accordance with SUP 6 before making any changes to its business.  
[FCA/  
PRA]

- 6.2.4A G If a *firm* intends to transfer its business to a different legal entity (~~for example, the business is to be transferred from a sole trader to a partnership or the other way around~~) it will need to apply to the ~~FSA~~ relevant regulator for cancellation of its ~~Part IV *permission*~~ Part 4A *permission* and the entity to which the business is to be transferred will need to apply for a ~~Part IV *permission*~~ Part 4A *permission*.  
[FCA/  
PRA]

- 6.2.4B G SUP 6.2.5G sets out the differences between these types of applications and the circumstances in which they should be made.  
[FCA/  
PRA]

- 6.2.5 G Variation and cancellation of Part ~~IV~~ 4A *permission* and imposition, variation and cancellation of requirements. See SUP 6.2.3AG to SUP 6.2.3EG  
[FCA  
and

PRA]

<b>Question</b>	<b>Variation of Part IV 4A permission</b>	<b>Cancellation of Part IV 4A permission</b>	<b><u>Imposition, variation and cancellation of requirements</u></b>
<p>What does the application apply to?</p>	<p>Individual elements of a firm's <del>Part IV permission</del> <u>Part 4A permission</u>. Variations may involve adding or removing categories of regulated activity or specified investments or varying or removing any <del>limitations or requirements</del> in the firm's <del>Part IV permission</del> <u>Part 4A permission</u>.</p>	<p>A firm's entire <del>Part IV permission</del> <u>Part 4A permission</u> and not individual elements within it.</p>	<p><u>Any requirement imposed on a firm with a Part 4A permission. Requirements may involve requiring the firm concerned to take or refrain from taking a specified action.</u></p>
<p>In what circumstances is it usually appropriate to make an application?</p>	<p>If a firm: 1. wishes to change the regulated activities it carries on in the United Kingdom under a <del>Part IV permission</del> <u>Part 4A permission</u> (SUP 6.3); or 2. has the ultimate intention of ceasing carrying on regulated activities but due to the nature of those regulated activities (for example, accepting deposits, or insurance business) it will require a long</p>	<p>If a firm: 1. has ceased to carry on all of the regulated activities for which it has <del>Part IV permission</del> <u>Part 4A permission</u> (SUP 6.4); or 2. wishes or expects to cease carrying on all of the regulated activities for which it has <del>Part IV permission</del> <u>Part 4A permission</u> in the short term (normally not more than six months). In this case, the firm may apply to cancel its</p>	<p>If a firm: <u>1. wishes to have a new requirement imposed on it; or</u> <u>2. wishes to vary or cancel an existing requirement imposed by the FCA or PRA (for example, if anything relating to the firm's individual circumstances change and any existing requirement should be varied or</u></p>

	term (normally over six months) to wind down (run off) its business (see SUP 6.2.8G to SUP 6.2.11G and SUP 6 Annex 4).	<del>Part IV permission</del> <u>Part 4A permission</u> prior to ceasing the regulated activities (see SUP 6.4.3G).	<u>cancelled</u> ).
Where do I find a summary of the application procedures?	See SUP 6 Annex 2G.	See SUP 6 Annex 3G.	

- 6.2.6 G A firm which is seeking to:
- [FCA/  
PRA]
- (1) to vary its ~~Part IV permission~~ Part 4A permission substantially; or
  - (2) to cancel its ~~Part IV permission~~ Part 4A permission; or
  - (3) the imposition of a new requirement and/or the variation or cancellation of any existing requirement;

should discuss its plans with its ~~usual~~ supervisory contact at the ~~FSA~~ relevant regulator as early as possible before making an application, in order to comply with *Principle 11* (see SUP 15.3.7G (~~Notifications to the FSA~~)). These discussions will help the ~~FSA~~ relevant regulator and the firm to agree the correct approach for the firm.

- 6.2.7 G If a firm intends to cease carrying on one or more *regulated activities* permanently, it should give prompt notice to the ~~FSA~~ appropriate regulator to comply with *Principle 11* (see SUP 15.3.8G(1)(d)). A firm should consider whether it needs to notify the ~~FSA~~ appropriate regulator before applying to vary or cancel its ~~Part IV permission~~ Part 4A permission.
- [FCA/  
PRA]

Firms with long term liabilities to customers

- 6.2.8 G Discussions with the ~~FSA~~ appropriate regulator are particularly relevant where the firm has to discharge obligations to its customers or policyholders before it can cease carrying on a *regulated activity*. This may be the case, for example, where the firm is an insurer, a bank a dormant account fund operator, or, as is often the case, holding client money or customer assets.
- [FCA/  
PRA]

- 6.2.9 G If an insurer, a bank or a dormant account fund operator wishes to cease carrying on all *regulated activities* for which it has ~~Part IV permission~~ Part 4A permission, it will usually be necessary to wind down the business over a long term period which is normally more than six months. This may also be the case for a firm holding client money or customer assets. In these
- [FCA/  
PRA]

circumstances, it will usually be appropriate for the *firm* to apply for variation of its ~~Part IV permission~~ Part 4A permission and/or imposition of a new requirement, variation of any existing requirement or cancellation of such a requirement before commencing the wind-down. A *firm* should only make an application for cancellation of *permission* when it expects to complete its wind-down (run-off) within six months.

6.2.10 G A *firm* which is winding down (running off) its activities should contact its ~~usual~~ supervisory contact at the ~~FSA~~ appropriate regulator to discuss its circumstances. ~~The FSA will discuss~~ Discussions will focus on the firm's winding down plans and the need for the firm to vary or cancel its Part IV permission Part 4A permission and/or the need to impose a new requirement, vary any existing requirement or cancel such a requirement. Following these discussions ~~an application for variation or cancellation of Part IV 4A permission, as appropriate, should usually be made by the firm, although, in certain circumstances, the FSA may use its own initiative powers under section 45 of the Act (Variation etc. on the FSA's own initiative) (see SUP 7 and EG 8 (Variation and cancellation of permission on the FSA's own initiative and intervention against))~~ the firm should usually make the relevant application, as appropriate.

[FCA/  
PRA]

6.2.10 A G In certain circumstances the FCA and/or the PRA may use their own-initiative powers (see SUP 7 and EG 8) (Variation and cancellation of permission on the FCA's own initiative and intervention against incoming firms)).

[FCA/  
PRA]

6.2.11 G ...

[FCA/  
PRA]

(2) The guidance in SUP 6 Annex 4 applies to any *firm* that is applying for variation of ~~Part IV permission~~ Part 4A permission or for the imposition, variation or cancellation of a requirement before it applies for cancellation of ~~Part IV permission~~ Part 4A permission to enable it to wind down (run off) its business over a long term period of six months or more. It will apply to most *insurers* and *banks* and, in some circumstances, ~~as advised by the FSA~~, to *firms* holding *client money* or *customer assets*.

(3) If a *firm* wishes to cease carrying on some of its *regulated activities*, or the *specified investments* in respect of which the activities are carried on, the ~~FSA~~ appropriate regulator may consider it appropriate for the *firm* to comply with the additional procedures in SUP 6 Annex 4. This would depend on the scale and nature of the *regulated activities* concerned. This might be the case, for example, if the *firm* is ceasing a significant part of its business in respect of which it has outstanding obligations to *customers* and ~~the FSA believes it is believed~~ that the additional procedures would protect *consumers*.

UK firms exercising EEA or Treaty rights

6.2.12 G A *UK firm* should assess the effect of any change to its ~~Part IV 4A permission~~, or any requirements, on its ability to continue to exercise any *EEA right* or

[FCA/  
PRA] *Treaty right* and discuss any concerns with its ~~usual~~ appropriate supervisory contact(s) at the *FSA*. ~~A variation of *Part IV permission*~~ This may also change the *applicable provisions* with which it is required to comply by a *Host State*.

6.2.13 G A *UK firm* which, as well as applying to vary or cancel its ~~*Part IV permission*~~ *Part 4A permission*, wishes to vary or terminate any business which it is carrying on in another *EEA State* under one of the *Single Market Directives*, should follow the procedures in *SUP 13* (Exercise of passport rights by UK firms) on varying or terminating its *branch* or *cross border services* business.

[FCA/  
PRA]

The Lloyd's market

6.2.14 G A *firm* making an application to ~~vary or cancel its *Part IV permission*~~ in accordance with *SUP 6* which requires any approval from the *Society of Lloyd's* should apply to the *Society* for this at the same time as applying to the ~~*FSA*~~ relevant regulator for the ~~variation or cancellation~~. See *SUP 6* Annex 4 for additional procedures.

[FCA/  
PRA]

### 6.3 **Applications for variation of permission and/or imposition, variation or cancellation of requirements**

What is a variation of permission?

6.3.1 G ~~Under section 44 of the *Act*, a *firm* may apply to the *FSA* to vary its *Part IV permission* to:~~

- ~~(1) allow it to carry on further *regulated activities*; or~~
- ~~(2) reduce the number of *regulated activities* it is permitted to carry on; or~~
- ~~(3) vary the *FSA's* description of its *regulated activities* (including by the removal or variation of any *limitations*); or~~
- ~~(4) cancel any *requirement* applied for by the *firm* or imposed by the *FSA* under section 43 of the *Act* (Imposition of requirements); or~~
- ~~(5) vary any such *requirement*. [deleted]~~

6.3.1A G Under section 55H of the *Act*, an *FCA-authorized person* may apply to the *FCA* to vary its *Part 4A permission* to:

[FCA]

- (1) allow it to carry on further *regulated activities*, other than a *PRA-regulated activity*; or
- (2) reduce the number of *regulated activities* it is permitted to carry on; or
- (3) vary the description of its *regulated activities* (including by the removal or variation of any *limitations*).

6.3.1B G Under section 55I of the *Act*, an *FCA-authorized person* may apply to the *PRA*

[FCA/  
PRA] to vary its *Part 4A permission* to add *regulated activities* which include a *PRA-regulated activity*.

6.3.1C G Under section 55I of the Act, a *PRA-authorised person* may apply to the *PRA*  
[PRA] to vary its *Part 4A permission* to:

(1) allow it to carry on further *regulated activities*; or

(2) reduce the number of *regulated activities* it is permitted to carry on; or

(3) vary the description of its *regulated activities* (including by the removal or variation of any *limitations*).

6.3.2 G An application for variation of *Part IV 4A permission* may include one or more of SUP 6.3.1G(1)(5). For example, a *firm* may apply to vary its *Part IV IV permission* to add a new *regulated activity* and at the same time remove a *regulated activity* for which it currently has *permission*. [deleted]

#### Applications to impose, vary or cancel requirements

6.3.2A G Under section 55L(5) of the Act a *firm* with a *Part 4A permission* may apply to  
[FCA] the *FCA* for the imposition of a new *requirement* and/or the variation or cancellation of any *requirement* previously imposed by the *FCA*.

6.3.2B G Under section 55M(5) of the Act, a *PRA-authorised person* may apply to the  
[PRA] *PRA* for the imposition of a new *requirement* and/or the variation or cancellation of any *requirement* previously imposed by the *PRA*.

#### The scope of applications

6.3.2C G An application may relate to one or more of SUP 6.3.1AG and SUP 6.3.2AG.  
[FCA] For example, a *firm* may apply to vary its *Part 4A permission* to add a new *regulated activity* and at the same time remove a *regulated activity* for which it currently has *permission*.

6.3.2D G An application may relate to one or more of SUP 6.3.1C and SUP 6.3.2BG.  
[PRA] For example, a *firm* may apply to vary its *Part 4A permission* to add a new *regulated activity* and at the same time remove a *regulated activity* for which it currently has *permission*.

6.3.3 G In applying for a variation of ~~*Part IV permission*~~ *Part 4A permission*, a branch  
[FCA/  
PRA] of a *firm* from outside the *EEA* should be mindful of any continuing requirements referred to in the rest of the *Handbook*.

#### Applications to add additional regulated activities

6.3.4 G In determining the activities and *specified investments* for which a ~~*Part IV 4A*~~ *Part 4A*  
[FCA/  
PRA] *permission* is required, and whether to apply for a variation of that *permission*, a *firm* may need to take professional advice and may also wish to discuss this with its usual appropriate supervisory contact ~~at the *FSA*~~.

6.3.5 G Before applying to vary its *permission*, a *firm* should determine whether there are any statutory restrictions that do not allow combinations of certain types of *regulated activity*, particularly for *insurance business* or *UCITS managers*. For example, the ~~FSA PRA~~ will not grant a variation of ~~Part IV permission~~ Part 4A permission to allow a *friendly society* to carry on reinsurance business as this is not permitted under the Friendly Societies Acts 1974 and 1992. A *firm* should discuss its plans with its ~~usual~~ appropriate supervisory contact ~~at the FSA~~.

6.3.6 G If a *firm* is seeking a variation of ~~Part IV permission~~ Part 4A permission to add categories of *regulated activities*, it should be mindful of the directive requirements referred to at SUP 6.3.42G relating to the need to commence new activities within 12 months.

#### Applications to remove certain regulated activities

6.3.7 G If a *firm* wishes to cease carrying on an activity for which it has ~~Part IV permission~~ Part 4A permission, it will usually apply to vary its ~~Part IV permission~~ Part 4A permission to remove that activity. If a *firm* wishes to cease carrying on an activity in relation to any *specified investment*, it will usually apply to vary its ~~Part IV permission~~ Part 4A permission to remove that *specified investment* from the relevant activity.

#### How a variation of permission may affect the firm's approved persons

- 6.3.8 G (1) Where a *firm* is submitting an application for variation of ~~Part IV permission~~ Part 4A permission which would lead to a change in the *controlled functions* of its *approved persons*, it should, at the same time and as appropriate:
- (a) make an application ~~to the FSA~~ for an internal transfer of an *approved person*, Form E (Internal transfer), or make an application ~~to the FSA~~ for an individual to perform additional *controlled functions*, the relevant Form A (Application); see SUP 10.13.3D to SUP 10.13.5G;
  - (b) notify the ~~FSA~~ appropriate regulator of any *approved person* who has ceased to perform a *controlled function* specified by that regulator, Form C (Ceasing to perform controlled functions); see SUP 10.13.6R to SUP 10.13.13G.
- (2) If the *firm* intends to recruit new individuals to perform *controlled functions*, it should apply ~~to the FSA~~ for approval of the individuals as *approved persons* as soon as possible using Form A (Application); see SUP 10.12.

#### ~~How a variation of permission may change a firm's prudential category~~

6.3.9 G ~~A variation of Part IV permission may, in some cases, lead to a change in a firm's prudential category or sub-category (see SUP App 1). For example, an investment management firm which varies its Part IV permission to include~~

~~accepting deposits and as a result meets the definition of a bank, would move to the prudential category for a bank (see SUP App 1.3.1G). [deleted]~~

- 6.3.10 G ~~Even if a variation of permission does not itself lead to a change in a firm's prudential category or sub-category, the FSA may use its their own initiative powers to require a firm to comply with a different category or sub-category of prudential rules where it considers this to be appropriate. For details of when and how the FSA may use its own-initiative powers in this context, see SUP 7. [deleted]~~

Variation of permission involving insurance business

- 6.3.11 G A firm with ~~Part IV permission~~ Part 4A permission to carry on insurance business, which is applying for a variation of its ~~Part IV permission~~ Part 4A permission to add further insurance activities or *specified investments*, will be required to submit particular information on its existing activities as part of its application. This includes the *scheme of operations* which is required to be submitted as part of the application pack (for further details on the *scheme of operations*, see SUP App 2 (Insurers: scheme of operations)).  
[FCA/  
PRA]
- 6.3.12 G In applying to vary its ~~Part IV permission~~ Part 4A permission to add categories of *specified investments*, in relation to *insurance business*, a firm carrying on *insurance business* will need to determine the *classes* of *specified investments* relating to *effecting and carrying out contracts of insurance* for which variation of ~~Part IV permission~~ Part 4A permission will be necessary, having regard to whether certain *classes* of contract may qualify to be effected or carried out on an ancillary or supplementary basis (see SUP 3.12.6G to SUP 3.12.12G).  
[FCA/  
PRA]
- 6.3.13 G The application for variation of ~~Part IV permission~~ Part 4A permission will need to provide information about the *classes* of *contract of insurance* for which variation of ~~Part IV permission~~ Part 4A permission is requested and also those *classes* qualifying to be carried on, on an ancillary or supplementary basis. For example, an *insurer* applying to vary its *permission* to include *class 10* (motor vehicle liability, other than carrier's liability) must satisfy the ~~FSA~~ FCA that it will meet, and continue to meet, ~~threshold condition 2A.3F~~ (Appointment of claims representatives). *Firms* should note that, although the ~~FSA~~ relevant regulator is able in principle to use its power to give ~~Part IV permission~~ Part 4A permission for an applicant to carry on a *regulated activity* for which it did not originally apply, this is not possible under the Insurance Directives, which set out minimum information requirements for an application for *authorisation* including information on the *specified investments* the applicant proposes to deal in.  
[FCA/  
PRA]
- 6.3.14 G (1) A firm carrying on *insurance business* which is seeking to cease such business in respect of one or more *classes* of *specified investment*, but which is not intending to cease all *insurance business*, should apply to vary its ~~Part IV permission~~ Part 4A permission to remove the activity of *effecting contracts of insurance* in respect of those *specified investments* in relation to which it no longer wishes to carry on business. A firm intending to cease all *insurance business* should refer  
[PRA]

to SUP 6 Annex 4.

- (2) If the application for variation of ~~Part IV permission~~ Part 4A permission is granted by the ~~FSA PRA~~, the firm will have ~~Part IV permission~~ Part 4A permission only to carry out contracts of insurance in respect of the specified investments in relation to which it no longer wishes to carry on business (see SUP 6 Annex 4). This will allow the firm to run off this aspect of its business. When the business in question has been run-off completely, the firm should then apply to vary its ~~Part IV permission~~ Part 4A permission to remove the relevant classes of specified investment.

The application for variation of permission and/or imposition, variation or cancellation of requirements

- 6.3.15 D (1) A firm other than a credit union wishing to vary its ~~Part IV permission~~ make an application under SUP 6 must apply online at ~~www.fsa.gov.uk~~ using the form specified on the ~~FSA's~~ ONA system.  
[FCA/  
PRA]
- (2) ~~A credit union wishing to vary its Part IV permission must apply using the form in SUP 6 Ann 5D and submit its application in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).~~ [deleted]
- (3) Until the application has been determined, a firm which submits an application for variation of ~~Part IV permission~~ must inform the ~~FSA relevant regulator~~ of any significant change to the information given in the application immediately it becomes aware of the change.
- (3A) Where an application requires the consent of the FCA, a firm which submits an application must inform the FCA of any significant change to the information given in the application immediately it becomes aware of the change.
- (4) Where a firm is obliged to submit any form, notice or application online under (1), if the ~~FSA's~~ ONA information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a firm must submit any form, notice or application by using the form in SUP 6 Ann 5D and submitting it in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- 6.3.15 G (1) If the ~~FSA's ONA information technology~~ systems fail and online submission is unavailable for 24 hours or more, the ~~FSA~~ relevant regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 6.3.15D(4) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used.  
A  
[FCA/  
PRA]
- (2) Where SUP 6.3.15D(4) applies to a firm, GEN 1.3.2R (Emergency)

does not apply.

- 6.3.15 G A credit union wishing to make an application under SUP 6 must apply using the form in SUP 6 Ann 5D and submit its application in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).  
B  
[PRA]
- 6.3.16 G (1) Section ~~54(2)~~ 55(U)(2) of the Act (Applications under this Part) requires that the application for variation of ~~Part IV permission~~ Part 4A permission must contain a statement:  
[FCA/  
PRA]
- ...
- (1A) Section 55(U)(3) of the Act requires that an application for variation of a requirement imposed under section 55L or 55M or the imposition of a new requirement must contain a statement of the desired variation or requirement.
- (2) The full form and content of the application for variation of ~~Part IV permission~~ Part 4A permission or for the imposition or variation of a requirement is a matter for direction by the ~~FSA~~ relevant regulator, who will determine the additional information and documentation required on a case by case basis.
- 6.3.17 G (1) [deleted]  
[FCA/  
PRA]
- (2) A firm is advised to discuss its application with ~~its usual supervisory contact at the FSA~~ the relevant regulator before submission, particularly if it is seeking a variation of Part 4A permission or imposition, variation or cancellation of a requirement within a short timescale. A firm is also advised to include as much detail as possible (including any additional information identified by its supervisors at this stage) with its application.
- 6.3.18 G The ~~FSA~~ relevant regulator, as soon as possible after receipt of an application, will advise the firm of any additional information which is required as part of its application (see SUP 6.3.23G to SUP 6.3.27G). The amount of information ~~the FSA will~~ required will vary depending on the scale of the variation in the context of the firm as a whole, and the nature, risk profile and complexity of the variation.  
[FCA/  
PRA]

Applications from firms winding down (running off) business over the long term

- 6.3.19 G A firm which is making an application for variation of ~~Part IV permission~~ Part 4A permission to wind down (run off) its business before applying for a cancellation of that permission (see SUP 6.2.9G) should read SUP 6 Annex 4 for details of the additional procedures that apply.  
[FCA/  
PRA]

Applications involving significant changes

- 6.3.20 G In certain cases, ~~FSA~~ the relevant regulator may consider that granting an application for imposition, variation or cancellation of any requirement or for

[FCA/  
PRA]

variation of ~~Part IV permission~~ Part 4A permission which includes adding further *regulated activities* or changing a ~~requirement or limitation~~ would cause a significant change in the *firm's* business or risk profile. In these circumstances, the ~~FSA~~ relevant regulator may require the *firm* to complete appropriate parts of the full application pack (see the ~~FSA~~ relevant regulator's website "How do I get authorised": <http://www.fsa.gov.uk/Pages/Doing/how/index.shtml>), as directed by the ~~FSA~~ relevant regulator. Applications for variation involving significant changes may be processed by the *firm's* usual appropriate supervisory contact ~~at the FSA~~, in conjunction with the ~~Permissions department~~ Authorisations Team. Examples of an application for imposition, variation or cancellation of a requirement and for variation of ~~Part IV permission~~ Part 4A permission which may represent a significant change include, but are not limited to, an application:

...

- (3) to remove a *requirement* preventing a *firm* from holding or controlling *client money*; ~~or,~~
- (4) ~~which causes the firm to change prudential category by, for example, removing a requirement relating to prudential category (see SUP App 4).~~ [deleted]

6.3.21  
[FCA/  
PRA]

G A *firm* that wishes to make a significant change to its business, or is unsure whether the changes it is proposing would be considered to be significant, should contact ~~its usual supervisory contact at the FSA~~ the relevant regulator. The ~~FSA~~ relevant regulator will discuss with the *firm* whether it will be required to submit parts of the application pack and whether any reports from third parties may be required.

6.3.22  
[FCA/  
PRA]

~~R~~ G The fees payable for a *firm* applying for the imposition, variation or cancellation of any requirements and/or a variation of its ~~part IV permission~~ Part 4A permission are set out in *FEES* 3.

Information to be supplied to the ~~FSA~~ relevant regulator as part of the application

6.3.23  
[FCA/  
PRA]

- G (1) The ~~FSA~~ relevant regulator may ask for any information it reasonably requires before determining the application. The information required will be determined on a case by case basis, taking into account the ~~FSA's~~ relevant regulator's existing knowledge of the *firm* and the ~~variation~~ change requested. The ~~FSA~~ relevant regulator will advise the *firm* of the information required at an early stage in the application process.
- (2) The nature of the information and documents requested will be related to the risks posed to the ~~FSA's~~ relevant regulator's *regulatory statutory objectives* by the *regulated activities* and any *unregulated activities* that the *firm* is carrying on or is seeking to carry on. This information will be proportional to the nature of the business which

the *firm* intends to carry on or the risks posed by the *firm*.

6.3.24 G (1) The information the FSA relevant regulator may require includes, but is not limited to, the examples given in SUP 6.3.25G:  
[FCA/  
PRA]

6.3.25 G Information which may be required. See SUP 6.3.24G

[FCA/  
PRA]

Type of business	Information which may be required
All	1. Details of how the <i>firm</i> plans to comply with the <u>FSA's relevant regulator's</u> regulatory requirements relating to any additional <i>regulated activities</i> it is seeking to carry on.
	...
<i>Insurance business</i>	...
	2. (If the application seeks to vary a <i>permission</i> to include <i>motor vehicle liability insurance business</i> ) details of the claims representatives required by <i>threshold condition 2A 3F</i> (Appointment of claims representatives), if applicable.
<i>Accepting deposits and designated investment business</i>	1. A business plan which includes the impact of the variation on the <i>firm's</i> existing or continuing business financial projections for the <i>firm</i> , including the impact of the requested <del>variation of Part IV permission</del> <u>change</u> on the <i>firm's</i> financial resources and capital adequacy requirements.

6.3.26 G Specific information may also be required by the FSA relevant regulator on the activities the *firm* intends to cease, or cease carrying on in relation to any *specified investments* (see SUP 6 Annex 4).  
[FCA/  
PRA]

6.3.27 G When determining whether to grant an application, the FSA relevant regulator may request further information, including reports from third parties such as the *firm's* auditors, and may require meetings with, and visits to, the *firm*. The FSA relevant regulator may also require a statement from members of the *firm's governing body* confirming, to the best of their knowledge, the completeness and accuracy of the information supplied. The FSA relevant regulator may also discuss the application with other regulators or exchanges.

When will the ~~FSA grant~~ an application for variation of permission and/or imposition or variation of requirements be granted?

6.3.28 G (1) The FSA relevant regulator is required by section 41(2) 55B(3) of the *Act* to ensure that a *firm* applying to gain or vary a Part IV permission Part 4A permission or to impose or vary a *requirement* satisfies and will continue to satisfy the *threshold conditions* in relation to all the regulated activities for which the *firm* has or will have a Part IV

~~permission Part 4A permission, after the variation determination of the application. However, the FSA's duty under the Act does not prevent it, having regard to that duty, from taking such steps as it considers necessary in relation to a particular firm, to meet any of its regulatory objectives. This may include granting a firm's application for variation of Part IV 4A permission when it wishes to wind down (run off) its business activities and cease to carry on new business as a result of no longer being able to satisfy the threshold conditions.~~

- (2) ~~In addition, the FSA may refuse the application if it appears that any of its regulatory objectives would be adversely affected if the application were to be granted and it is desirable in order to meet any of its regulatory objectives for the application to be refused. [deleted]~~

6.3.28 A [FCA] G Where a firm applies to the PRA for the variation of its Part 4A permission, the FCA, in giving consent to such an application or imposing any requirements on the firm, is required by section 55B(3) of the Act to ensure that the firm satisfies and will continue to satisfy the threshold conditions for which the FCA is responsible in relation to all the regulated activities for which the firm has or will have Part 4A permission after the variation.

6.3.28 B [FCA] G (1) The FCA's duty under section 55B(3) of the Act does not prevent it, having regard to that duty, from taking such steps as it considers necessary in relation to a particular firm, to meet any of its operational objectives. This may include granting or consenting to (as the case may be) a firm's application for variation of Part 4A permission when it wishes to wind down (run off) its business activities and cease to carry on new business as a result of no longer being able to satisfy the threshold conditions.

- (2) The FCA may refuse an application, or refuse to give its consent to an application, under section 55B(3) of the Act if it considers that it is desirable to do so in order to advance any of its operational objectives.

6.3.28 C [PRA] G (1) The PRA's duty under section 55B(3) of the Act does not prevent it, having regard to that duty, from taking such steps as it considers necessary in relation to a particular firm, to meet any of its objectives. This may include, with the consent of the FCA, granting a firm's application for variation of Part 4A permission when it wishes to wind down (run off) its business activities and cease to carry on new business as a result of no longer being able to satisfy the threshold conditions.

- (2) The PRA may refuse an application under section 55B(3) of the Act if it considers that it is desirable to do so in order to advance any of its objectives.

6.3.29 [FCA/  
PRA] G In determining whether the firm satisfies and continues to satisfy the threshold conditions, the FSA regulator concerned will consider whether the firm is ready, willing and organised to comply with the regulatory requirements it will be subject to if the application requested

~~variation of Part IV permission~~ is granted.

6.3.30 G The ~~FSA~~ will also consider the specific requirements that apply to certain types of activity will also need to be considered as these may not allow certain combinations of activity.  
[FCA/  
PRA]

6.3.31 G In considering whether to grant ~~(or consent to, as the case may be)~~ a *firm's* application to vary its ~~Part IV permission~~ Part 4A permission or impose or vary a *requirement*, the ~~FSA~~ regulator concerned will also have regard, under section ~~49(1)~~ 55R(1) of the *Act* (Persons connected with an applicant), to any *person* appearing to be, or likely to be, in a relationship with the *firm* which is relevant. The *Financial Groups Directive Regulations* make special consultation provisions where the ~~FSA~~ regulator is exercising its functions under Part ~~IV~~ 4A of the *Act* (Permission to carry on regulated activities) for the purposes of carrying on supplementary supervision. Broadly, where ~~the FSA a regulator~~, in the course of carrying on supplementary supervision, is considering varying the ~~Part IV permission~~ Part 4A permission of a *person* who is a member of a *group* which is a *financial conglomerate*, the consultation provisions in section ~~49(2)~~ 55R(2) of the *Act* are disapplied. In their place, the regulations impose special obligations, linked to the *Financial Groups Directive*, to obtain the consent of the relevant competent authorities, to consult those authorities and to consult with the *group* itself.

The ~~FSA's~~ regulator's powers in respect of application for variation of Part IV permission

6.3.32 G The ~~FSA's~~ power to vary a ~~Part IV permission~~ after it receives an application from a *firm* extends to including in the ~~Part IV permission~~ as varied any ~~provision that could be included as though a fresh permission was being given in response to an application under section 40 of the Act (Application for permission). Under sections 42 (Giving permission) and 43 of the Act (Imposition of requirements), the FSA may:~~

- ~~(1) incorporate in the description of a regulated activity a limitation (for example, as to the circumstance in which a regulated activity may or may not be carried on); or~~
- ~~(2) specify a narrower or wider description of regulated activity than the firm applied for in the application for variation of Part IV permission (see SUP 3.9.29G(3) for restrictions on insurers); or~~
- ~~(3) require the firm not to take a specified action (for example, not to hold client money); or~~
- ~~(4) require the firm to take a specified action (for example, to submit financial returns more frequently than normal). [deleted]~~

6.3.32 G The ~~FCA's~~ power to vary a Part 4A permission after it receives an application from a *firm* extends to including in the Part 4A permission as varied any provision that could be included as though a fresh permission was being given in response to an application under section 55A of the Act (Application for  
A  
[FCA]

permission). Under section 55E of the Act (Giving permission: the FCA) the FCA may:

- (1) incorporate in the description of a regulated activity such limitations (for example, as to the circumstance in which a regulated activity may or may not be carried on) as it considers appropriate; or
- (2) specify a narrower or wider description of regulated activity than that to which the application relates; or
- (3) give permission for the carrying on of a regulated activity which is not included among those to which the application relates and is not a PRA-regulated activity.

6.3.32 G Thus, when determining an application for variation of Part 4A permission,  
B the FCA can, include new limitations and vary existing limitations, either on  
application from the firm (for example, the customer categories with which a  
firm may carry on a specified activity) or, if considered appropriate, by the  
FCA under section 55E(5) of the Act.  
[FCA]

6.3.32 G If a firm has applied (whether to the FCA or the PRA) for the variation of a  
C Part 4A permission, the FCA has the power to impose on that person such  
requirements, taking effect on or after the variation of permission, as the FCA  
considers appropriate.  
[FCA/  
PRA]

6.3.33 G Thus, when determining an application for variation of Part IV permission, the  
FCA can, therefore:

- (1) include new limitations and vary existing limitations, either on  
application from the firm (for example, the customer categories with  
which a firm may carry on a specified activity), or if considered  
appropriate by the FSA under section 42(7)(a) of the Act; or
- (2) include any new requirements and vary existing requirements, either  
on application from the firm or where considered appropriate by the  
FSA under section 43 of the Act to ensure that the firm satisfies and  
continues to satisfy the threshold conditions. [deleted]

6.3.33 G The PRA's powers to vary a Part 4A permission after it receives an application  
A from a firm extends, subject to the consent of the FCA, to including in the Part  
4A permission as varied any provision that could be included as though a fresh  
permission was being given in response to an application under section 55A of  
the Act (Application for permission). Under section 55F of the Act (Giving  
permission: the PRA), the PRA may:  
[PRA]

- (1) incorporate in the description of a regulated activity such limitations  
(for example, as to the circumstance in which a regulated activity may  
or may not be carried on) as it considers appropriate; or
- (2) specify a narrower or wider description of regulated activity than that  
to which the application relates; or

(3) give permission for the carrying on of a regulated activity which is not included among those to which the application relates.

6.3.33 G Thus, when determining an application for variation of *Part 4A permission*,  
B the *PRA* can include new *limitations* and vary existing *limitations*, either on  
[PRA] application from the *firm* (for example, the *customer* categories with which a  
*firm* may carry on a specified activity), or if considered appropriate by the  
*PRA* under section 55F(4) of the *Act*.

6.3.33 C If a firm has applied to the PRA for the variation of a Part 4A permission, the PRA has the power to impose on that person such requirements, taking effect on or after the giving or variation of the permission, as the PRA considers appropriate.

6.3.34 G If ~~limitations or requirements~~ are varied or imposed or requirements are imposed by the ~~FSA~~ relevant regulator which were not included in the *firm's* application for variation of *Part IV 4A permission*, the ~~FSA~~ relevant regulator will be required to issue the *firm* with a *warning notice* and *decision notice* (see SUP 6.3.39G).

6.3.34 G Where a firm has made an application to the PRA for the variation of its Part 4A permission and requirements are imposed by the FCA which were not included in the firm's application, the FCA will be required to issue the firm with a warning notice and decision notice (see SUP 6.3.39G).

How long will an application take?

6.3.35 G Under section ~~52(4)~~ 55V(1) of the *Act* (Determination of applications), the ~~FSA~~ relevant regulator has six months to consider a completed application from the date of receipt.

6.3.36 G If the ~~FSA~~ relevant regulator receives an application which is incomplete (that is, if information or a document required as part of the application is not provided), section ~~52(2)~~ 55V(2) of the *Act* requires the ~~FSA~~ relevant regulator to determine that incomplete application within 12 months of the initial receipt of the application.

6.3.36 G Where the application cannot be determined by the PRA without the consent of the FCA, section 55V(3) of the Act requires that the FCA's decision must also be made within the period required in SUP 6.3.35G or SUP 6.3.36G as appropriate.

6.3.37 G Within these time limits, however, the length of the process will relate directly to the complexity of the ~~variation requested~~ application. ~~The FSA [To be inserted]~~ publishes standard response times on its website at [www.fsa.gov.uk](http://www.fsa.gov.uk) ~~[insert new website link]~~ setting out how long the application process is expected to take in practice. From time to time, the *FSA* also publishes its performance against these times.

6.3.37 G The FCA publishes standard times on its website setting out how long the application process is expected to take. From time to time, the FCA also publishes its performance against these times.  
A  
[FCA]

6.3.38 G At any time after receiving an application and before determining it, the FSA relevant regulator may require the applicant to provide additional information or documents. The circumstances of each application will dictate what additional information or procedures are appropriate.  
[FCA/  
PRA]

How will the FSA relevant regulator make the decision?

6.3.39 G A decision to grant an application ~~for variation of Part IV permission, as applied for,~~ will be taken by appropriately experienced staff at the FSA relevant regulator staff. However, if the FSA staff dealing with the application recommend that a *firm's* application for variation of Part IV permission Part 4A permission be either refused or granted subject to *limitations* or *requirements* or a narrower description of *regulated activities* than applied for, the decision will ~~be taken by either the RDC or executive procedures~~ be subject to the regulator's formal decision making process.  
[FCA/  
PRA]

6.3.40 G DEPP gives guidance on the ~~FSA's~~ FCA's decision making procedures including the procedures it will follow if it proposes to refuse an application for variation of Part IV permission Part 4A permission or for imposition or variation of a requirement either in whole or in part (for example, an application granted by the ~~FSA~~ FCA but subject to *limitations* or *requirements* not applied for).  
[FCA]

Commencing new regulated activities

6.3.41 G If the variation of Part IV permission Part 4A permission is given, the FSA relevant regulator will expect a *firm* to commence a new *regulated activity* in accordance with its business plan (revised as necessary to take account of changes during the application process) or scheme of operations for an *insurer*. *Firms* should take this into consideration when determining when to make an application to the FSA relevant regulator.  
[FCA/  
PRA]

6.3.42 G (1) *Firms* should be aware that the FSA appropriate regulator may exercise its *own-initiative variation* power to vary or cancel their ~~Part IV permission~~ Part 4A permission if they do not (see EG 8 section 55J of the Act (Variation and or cancellation on initiative of regulator of permission on the FSA's own initiative and intervention against incoming firms)):  
[FCA/  
PRA]

- (a) commence a *regulated activity* for which they have ~~Part IV permission~~ Part 4A permission within a period of at least 12 months from the date of being given; or
- (b) carry on a *regulated activity* for which they have ~~Part IV permission~~ Part 4A permission for a period of at least 12 months (irrespective of the date of grant).

- (1A) The ~~FSA~~ appropriate regulator may exercise its own-initiative variation power to cancel an investment firm's Part IV permission Part 4A permission if the investment firm has provided or performed no investment services and activities at any time during the period of six months ending with the day on which the warning notice under section ~~54(1)~~ 55Z(1) of the Act is given (see EG 8).

[**Note:** article 8(a) of MiFID]

- (2) If the ~~FSA~~ appropriate regulator considers that such a variation or cancellation of the firm's Part IV permission Part 4A permission is appropriate, it will discuss the proposed action with the firm and its reasons for not commencing or carrying on the regulated activities concerned.

- 6.3.43 G When a firm commences new regulated activities following a variation of a Part IV permission Part 4A permission, it should have particular regard to the requirements of Principle 11 (Relations with regulators) (see SUP 15.3.8G(1)(c)).
- [FCA/  
PRA]

## 6.4 Applications for cancellation of permission

- 6.4.1 G ~~Under section 44(2) of the Act (Variation etc. at request of authorised person), if an authorised person with a Part IV permission applies to the FSA, the FSA may cancel that permission. Cancellation applies to a firm's entire Part IV permission, that is to every activity and every specified investment and not to the individual elements such as specified investments. Changes to the individual elements of a permission would require a variation. [deleted]~~
- 6.4.1A G Under section 55H(3) of the Act (Variation by FCA at request of authorised person), if an FCA-authorised person applies to the FCA, the FCA may cancel its Part 4A permission. Cancellation applies to a firm's entire Part 4A permission, that is to every activity and every specified investment and not to the individual elements such as specified investments. Changes to the individual elements of a permission would require a variation.
- [FCA]
- 6.4.1B G Under section 55I(2) of the Act (Variation by PRA at request of authorised person), if a PRA-authorised person applies to the PRA, the PRA may cancel its Part 4A permission. Cancellation applies to a firm's entire Part 4A permission, that is to every activity and every specified investment and not to the individual elements such as specified investments. Changes to the individual elements of a permission would require a variation.
- [PRA]
- 6.4.2 G ~~Under section 44(3) of the Act, the FSA may refuse an application from a firm to cancel its Part IV permission if it appears that it is desirable for the application to be refused in order to meet any of the FSA's regulatory objectives.~~

(1) ~~[deleted]~~

(2) ~~[deleted]~~

6.4.2A G Under section 55H(4) of the Act, the FCA may refuse an application from a firm to cancel its Part 4A permission if it considers that it is desirable to do so in order to advance any of its operational objectives.  
[FCA]

6.4.2B G Under section 55I(4) of the Act, the PRA may refuse an application from a firm to cancel its Part 4A permission if it appears that it is desirable to do so in order to advance any of its objectives.  
[PRA]

6.4.3 G (1) A firm may apply to the ~~FSA~~ relevant regulator to cancel its ~~Part IV 4A~~ permission before it has ceased carrying on all *regulated activities*. However, where a firm makes a formal application for cancellation of its *permission* when it has not yet ceased carrying on *regulated activities*, the ~~FSA~~ relevant regulator will expect the firm:  
[FCA/  
PRA]

...

(2) *Firms* should note, however, that the ~~FSA~~ relevant regulator will not grant an application for cancellation of ~~Part IV permission~~ Part 4A permission until the firm can demonstrate that it has ceased carrying on all *regulated activities* (SUP 6.4.19G).

(3) The ~~FSA~~ relevant regulator may apply additional procedures or require additional information, as if the firm had entered into a long term wind down of business (see SUP 6 Annex 4), if it considers it appropriate to the circumstances of the firm.

6.4.4 G Additional guidance for a firm carrying on *insurance business, accepting deposits, operating a dormant account fund* or which holds *client money* or *customer's assets* is given in SUP 6 Annex 4. As noted in SUP 6.2.9G, it will usually be appropriate for a firm to apply for variation of its ~~Part IV permission~~ Part 4A permission and/or the imposition, variation or cancellation of a requirement while winding down (running off) its *regulated activities* and before applying to cancel its ~~Part IV permission~~ Part 4A permission.  
[FCA/  
PRA]

The application for cancellation of permission

6.4.5 D (1) A firm other than a *credit union* wishing to cancel its ~~Part IV 4A~~ permission, must apply online at ~~www.fsa.gov.uk~~ the *appropriate regulator's* website using the form specified on the ~~FSA's~~ ONA system.  
[FCA/  
PRA]

(2) ~~A credit union wishing to cancel its Part IV permission must apply using the form in SUP 6 Annex 6D and submit its application in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). The application must be addressed for the attention of the Cancellations Team at the FSA.~~

- (a) ~~[deleted]~~
- (b) [deleted]
- (3) [deleted]
- (4) Until the application has been determined, a *firm* which submits an application for cancellation of ~~Part IV permission~~ Part 4A permission must inform the ~~FSA~~ relevant regulator of any significant change to the information given in the application immediately it becomes aware of the change.
- (5) Where a *firm* is obliged to submit any form, notice or application online under (1), if the ~~FSA's information technology~~ ONA systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must submit any form, notice or application by using the form in *SUP 6 Annex 6D* and submitting it in the way set out in *SUP 15.7.4R* to *SUP 15.7.9G* (Form and method of notification).
- 6.4.5A G (1) If the ~~FSA's information technology~~ ONA systems fail and online submission is unavailable for 24 hours or more, the ~~FSA~~ relevant regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP 6.4.5D(5)* and *SUP 15.7.4R* to *SUP 15.7.9G* (Form and method of notification) should be used.
- [FCA/  
PRA]
- ...
- 6.4.5B G A credit union wishing to cancel its Part 4A permission must apply using the form in SUP 6 Annex 6D and submit its application in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). The application must be addressed for the attention of the Credit Union Supervision Team at the PRA.
- [PRA]
- 6.4.6 G (1) In addition to applying for cancellation of ~~Part IV permission~~ Part 4A permission in accordance with *SUP 6.4.5D*, a *firm* may discuss prospective cancellations with its ~~usual~~ supervisory contact ~~at the FSA~~ at the appropriate regulator. Alternatively a *firm* can contact the Firms Contact Centre on 0845 606 9966.
- [FCA/  
PRA]
- (2) To contact the Cancellations Team:
- (a) write to: Cancellations Team, The Financial ~~Services~~ Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS; or
- (b) email [cancellation.team@fsa.gov.uk](mailto:cancellation.team@fsa.gov.uk)  
[cancellation.team@fca.org.uk](mailto:cancellation.team@fca.org.uk)
- (3) If a *firm* which has applied for cancellation decides to remain

authorised it should inform the FSA relevant regulator immediately using one of the methods in *SUP* 6.4.6G(2).

- 6.4.7 G When an application is received, the FSA relevant regulator will send the *firm* a written acknowledgement. The *firm* will be required to provide information which, in the opinion of the FSA relevant regulator, is necessary for it to determine whether to grant or refuse the application for cancellation of *Part IV 4A permission*. ~~The Cancellations Team will work with the firm's usual supervisory contact at the FSA during this process.~~
- [FCA/  
PRA]

Information to be supplied to the FSA relevant regulator as part of the application for cancellation of permission

- 6.4.8 G The information which the FSA relevant regulator may request on the circumstances of the application for cancellation and the confirmations which the FSA relevant regulator may require a *firm* to provide will differ according to the nature of the *firm* and the activities it has ~~Part IV permission~~ Part 4A permission to carry on.
- [FCA/  
PRA]
- 6.4.9 G A *firm* will be expected to demonstrate to the FSA relevant regulator that it has ceased carrying on *regulated activities*. The FSA relevant regulator may require, as part of the application, a report from the *firm* that includes, but is not limited to, the confirmations referred to in *SUP* 6.4.12G (as appropriate to the *firm's* business). The FSA relevant regulator may also require additional information to be submitted with the report including, in some cases, confirmation or verification from a professional adviser on certain matters to supplement the report (see *SUP* 6.4.15G).
- [FCA/  
PRA]
- 6.4.10 G (1) If a *firm* is subject to the complaints rules in *DISP*, the FSA FCA may request confirmation from the *firm* that there are no unresolved, unsatisfied or undischarged complaints against the *firm* from a *customer* of the *firm*.
- [FCA]
- (2) If there are unresolved or undischarged complaints against a *firm* from a *customer* of the *firm*, the FSA FCA may request confirmation, as appropriate, of the steps (if any) which have been taken under the *firm's* complaints procedures and the amount of compensation claimed. The FSA FCA may also request an explanation of the arrangements made for the future consideration of such complaints.
- 6.4.11 G If the *firm* is carrying on *designated investment business* with *retail clients*, the FSA FCA may request confirmation that the *firm* has written, or intends to write, to all *retail clients* with, or for whom, the *firm* has conducted *regulated activities* within a certain period.
- [FCA]

Confirmations and resolutions

- 6.4.12 G The FSA relevant regulator will usually require the report in *SUP* 6.4.9G to be signed by a *director* or other officer with authority to bind the *firm*. It may include confirmations from the *firm* that, in relation to business carried on under its ~~Part IV permission~~ Part 4A permission, it has:
- [FCA/  
PRA]

...

- 6.4.13 G The FSA relevant regulator may also require a resolution from the *firm's governing body*, for example to support the application for cancellation of *permission*, expressed to be irrevocable, and to give the signatory the authority to sign the formal report to the FSA relevant regulator.  
[FCA/  
PRA]
- 6.4.14 G Under section ~~397~~ 398 of the *Act* (Misleading ~~statements and practices~~ the FCA or PRA: residual cases), it is an *offence*, in purported compliance with a requirement imposed by or under the *Act* (including the directions in *SUP* 6.4.5D), for a *person* to knowingly or recklessly give the FSA regulator information that is false or misleading. If necessary, a *firm* should take appropriate professional advice when supplying information required by the FSA regulator(s). An *insurer*, for example, may ask an *actuary* to check assumptions in respect of future *claims* made under *contracts of insurance*.  
[FCA/  
PRA]

#### Reports from professionals

- 6.4.15 G The FSA relevant regulator may require additional information, including professional advice, to supplement or support the report in *SUP* 6.4.9G where it considers this appropriate. Examples of reports that may be requested by the FSA relevant regulator include, but are not limited to those detailed in *SUP* 6.4.16G.  
[FCA/  
PRA]

...

- 6.4.17 G If a *firm* is transferring its business, the FSA relevant regulator may require a professional opinion in respect of certain aspects of the transfer. For example, the FSA relevant regulator may require a legal opinion on the validity of arrangements to transfer *regulated activities*, *client money*, *client deposits*, *custody assets* or any other property belonging to *clients*, to another *authorised person*. Alternatively, an auditor or *reporting accountant* may be requested to verify that a transfer has been properly accounted for in the *firm's* books and records. Transfers of *insurance* and *banking business* are subject to statutory requirements (see *SUP* 18).  
[FCA/  
PRA]

#### Approved persons

- 6.4.18 G A *firm* which is applying for cancellation of ~~*Part IV permission*~~ *Part 4A permission* and which is not otherwise *authorised* by, or under, the *Act* should, at the same time, comply with *SUP* 10.13.6R and notify the FSA appropriate regulator of persons ceasing to perform *controlled functions* specified by that regulator. These forms should give the effective date of withdrawal, if known (see *SUP* 10 (Approved persons)).  
[FCA/  
PRA]

When will the FSA relevant regulator grant an application for cancellation of permission?

- 6.4.19 G The FSA relevant regulator will usually not cancel a *firm's* ~~*Part IV permission*~~ *Part 4A permission* until the *firm* can demonstrate that, in relation to business carried on under that *permission*, it has, as appropriate:  
[FCA/

PRA]

...

6.4.20 G If it is not possible for a *firm* to demonstrate a relevant matter referred to in SUP 6.4.19G, for example, depositors are uncontactable, the *firm* will be expected to have satisfied the FSA relevant regulator that it has made adequate provisions for discharging any liabilities to *clients* which do not involve the *firm* carrying on *regulated activities*.

6.4.21 G Before the FSA relevant regulator cancels a *firm's Part IV permission Part 4A permission*, the *firm* will be expected to be able to demonstrate that it has ceased or transferred all *regulated activities* under that *permission*. For example, the *firm* may be asked to provide evidence that a transfer of business (including, where relevant, any *client money*, *customer assets* or *deposits* or insurance liabilities) is complete. As noted in SUP 6.4.9G, the FSA relevant regulator may require the *firm* to confirm this by providing a report, in a form specified by the FSA relevant regulator:

- (1) as part of the application for cancellation of *permission*, if the *firm* has ceased carrying on all *regulated activities* under its ~~Part IV permission~~ Part 4A permission at the time of application (see SUP 6.4.9G); or
- (2) after the application but before its determination, if the *firm* has not ceased carrying on *regulated activities* under its ~~Part IV permission~~ Part 4A permission at the time of application.

6.4.22 G In deciding whether to cancel a *firm's Part IV permission Part 4A permission*, the FSA relevant regulator will take into account all relevant factors in relation to business carried on under that *permission*, including whether:

...

- (2) the *firm* has complied with ~~CASS 4.3.99R~~, CASS 5.5.80R and CASS 7.2.15R (Client money: discharge of fiduciary duty) ~~and CASS 4.3.104R~~ and CASS 7.2.19R (Client money: allocated but unclaimed client money) if it has ceased to hold *client money*; these *rules* apply to both repayment and transfer to a third party;
- (3) the *firm* has ceased to hold or control *custody assets* in accordance with instructions received from *clients* (~~including instructions set out in an agreement entered into in accordance CASS 2.3.2R (Custody: client agreement)~~) and COBS 6.1.7R (Information concerning safeguarding of designated investments belonging to clients and client money);

...

- (5) the FSA relevant regulator or another regulator has commenced an investigation against the *firm* or continuing enforcement action against the *firm*;

- (6) there are any matters affecting the *firm* which should be investigated before a decision on whether the *firm* should have its ~~Part IV permission~~ Part 4A permission cancelled by the ~~FSA~~ relevant regulator or be disciplined;

...

- (8) the *firm* has settled all its debts to the ~~FSA~~ appropriate regulator; and

...

The ~~FSA's~~ FCA and the PRA enforcement and investigation powers against a former authorised person

- 6.4.23 G If the ~~FSA has granted~~ an application for cancellation of a *firm's* ~~Part IV permission~~ Part 4A permission has been granted and ~~withdrawn~~ a *firm's* status as an *authorised person* has been ~~withdrawn~~ (see SUP 6.5) it will ~~retain~~ remain subject to certain investigative and enforcement powers ~~in relation to the firm~~ as a former *authorised person*. These include:

[FCA/  
PRA]

...

- 6.4.24 G However, the ~~FSA will not be able to use~~ the following powers may not be used against former *authorised persons*:

[FCA/  
PRA]

...

- (2) the power to require *firms* to make restitution under section 384 of the *Act* (Power of the ~~FSA~~ FCA or PRA to require restitution).

- 6.4.25 G Consequently, the ~~FSA~~ relevant regulator considers that it will have good reason not to grant a *firm's* application for cancellation of *permission* where:

[FCA/  
PRA]

- (1) ~~if~~ the FCA and/or the PRA proposes to exercise any of the powers described in SUP 6.4.24G; or
- (2) ~~if~~ the FCA and/or the PRA has already begun disciplinary and/or restitution proceedings against the *firm* by exercising either or both of these powers against the *firm*.

- 6.4.26 G The ~~FSA's~~ FCA's use of those powers is outlined in DEPP 6 (Penalties).

[FCA]

How long will an application take?

- 6.4.27 G (1) Under section ~~52(1)~~ 55V(1) of the *Act* (Determination of applications), the ~~FSA~~ relevant regulator has six months to consider a completed application.

[FCA/  
PRA]

- (2) If the ~~FSA~~ relevant regulator receives an application which is incomplete, that is, where information or a *document* required as part

of the application is not provided, section ~~52(2)~~ 55V(2) of the *Act* requires the *FSA* relevant regulator to determine the incomplete application within 12 months of the initial receipt of the application.

- (3) Within these time limits, however, the length of the process will relate directly to the complexity of ~~variation~~ cancellation requested and whether the *firm* has fully wound down (run off) its activities at the time it applies. ~~The *FSA* publishes standard response times on its website setting out how long the application process is expected to take in practice. From time to time, the *FSA* also publishes its performance against these times.~~

6.4.27 G The *FCA* publishes standard response times on its website setting out how long the application process is expected to take in practice. From time to time, the *FCA* also publishes its performance against these times.  
A  
[FCA]

How will the ~~*FSA*~~ relevant regulator make the decision?

6.4.28 G A decision to grant an application for cancellation of *permission* will be taken by appropriately experienced *FSA* staff at the relevant regulator. Where, however, the *FSA* staff dealing with the application recommend that a *firm's* application for cancellation of ~~*Part IV permission*~~ *Part 4A permission* be refused, the decision will ~~be taken by the *RDC* if the applicant makes representations to the *FSA*. If there are no representations, the decision will be made under *executive procedures*~~ be subject to the regulator's formal decision making process.  
[FCA/  
PRA]

6.4.29 G See *DEPP* for *guidance* on the *FSA's* *FCA's* decision making procedures, including the procedures it will follow if it proposes to refuse an application for cancellation of ~~*Part IV permission*~~ *Part 4A permission*.  
[FCA]

## 6.5 Ending authorisation

6.5.1 G Under section 33(2) of the *Act* (Withdrawal of authorisation ~~by the *FSA*~~), if the *FSA* appropriate regulator cancels a *firm's* ~~*Part IV permission*~~ *Part 4A permission*, and as a result there is no *regulated activity* for which the *firm* has *permission*, the *FSA* regulator authorising that *firm* is required to give a *direction* withdrawing the *firm's* status as an *authorised person*.  
[FCA/  
PRA]

6.5.2 G ~~If the *FSA* concludes that it should grant a *firm's* application for cancellation of *permission* and end its *authorisation*, the *FSA* will:~~

- (1) ~~cancel the *firm's* *Part IV permission* under section 44(2) of the *Act*;~~
- (2) ~~withdraw the *firm's* *authorised* status under section 33(2) of the *Act* by giving the *firm* a *direction* in writing; and~~
- (3) ~~update the *firm's* entry in the *FSA* register to show it has ceased to be *authorised*. [deleted]~~

- 6.5.2A G If the FCA concludes that it should grant an FCA-*authorised person's* application for cancellation of *permission* and end its *authorisation*, the FCA will:  
[FCA]
- (1) cancel the *firm's Part 4A permission* under section 55H(3) of the Act;
  - (2) withdraw the *firm's authorised* status under section 33(2) of the Act by giving the *firm* a direction in writing; and
  - (3) update the *firm's* entry in the Financial Services Register to show it has ceased to be *authorised*.

- 6.5.2B G If the PRA concludes that it should grant a PRA-*authorised person's* application for cancellation of *permission* and end its *authorisation*, the PRA will:  
[PRA]
- (1) cancel the *firm's Part 4A permission* under section 55I(2) of the Act;
  - (2) withdraw the *firm's authorised* status under section 33(2) of the Act by giving the *firm* a direction in writing; and
  - (3) contact the FCA and request that it update the *firm's* entry in the Financial Services Register to show it has ceased to be *authorised*.

SUP 6 Annex 1, 2 and 3 are deleted in their entirety. The deleted text is not shown.

Amend the following as shown.

**6 Annex 4 Additional guidance for a firm winding down (running off) its business**

**6 Annex 4.1G**  
[FCA/  
PRA]

1.	If a <i>firm</i> has <del>Part IV 4A</del> <i>permission</i> which enables it to hold <i>client money</i> or to carry on <i>regulated activities</i> including:
...	
it may require a long period (usually in excess of six months) in which to wind down (run off) its business. In these circumstances, it will usually be appropriate for the <i>firm</i> to apply for a variation of <del>Part IV permission</del> <i>Part 4A permission</i> before commencing the wind down.	
2.	A <i>firm</i> that believes that it may need to apply for a variation of <del>Part IV permission</del> <i>Part 4A permission</i> as a first step towards cancellation of its <i>permission</i> should discuss its plans with its <del>usual</del> supervisory contact at <del>the FSA</del> <u>at the relevant regulator</u> .
3.	If appropriate, in the interests of its <del>regulatory</del> <i>statutory objectives</i> (limited to the operational objectives in the case of <del>the FCA</del> ), the <del>FSA</del> <u>appropriate regulator</u> will require details of the <i>firm's</i> plans and will discuss them with the <i>firm</i> and monitor the winding down or transfer of

	the <i>firm's</i> business. During the period in which it is winding down, a <i>firm</i> will also be required to notify <del>the FSA</del> of any material changes to the information provided such as, for example, receipt of new complaints and changes to plans.
4.	If, after its <del>Part IV permission</del> <u>Part 4A permission</u> has been varied, a <i>firm</i> has wound down its business, complied with any <i>requirements</i> imposed <del>by the FSA</del> and ceased to carry on <i>regulated activities</i> (or expects to do so within the next six months), it should then make an application for cancellation of its <del>Part IV permission</del> <u>Part 4A permission</u> (see SUP 6.4 (Applications for cancellation of permission)).

**Use of own-initiative powers**

5.	If, for example, the <del>FSA</del> <u>FCA</u> or the <del>PRA</del> has concerns relating to any of the <del>regulatory</del> <u>statutory objectives</u> (limited to the operational objectives in the case of the <del>FCA</del> ), it may, <del>however,</del> use its <del>own-initiative power</del> <u>own-initiative variation power</u> under section 45 of the Act (Variation etc. on the Authority's own initiative) (see SUP 7 (Individual requirements) and EG 8 (Variation and cancellation of permission on the <del>FSA's</del> <u>FCA's</u> own initiative and intervention against incoming firms)), to vary the <del>Part IV permission</del> <u>Part 4A permission</u> of a <i>firm</i> which is winding down or transferring its <i>regulated activities</i> .
5A.	If, for example, the <i>appropriate regulator</i> has concerns relating to any of its <u>statutory objectives</u> (limited to the operational objectives in the case of the <del>FCA</del> ), it may use its <u>own-initiative requirements power</u> to impose on a <i>firm</i> that is winding down or transferring its <i>regulated activities</i> , any <i>requirement</i> , or vary or cancel a <i>requirement</i> imposed by it on that <i>firm</i> .

**Reporting requirements: general**

6.	If a <i>firm</i> is winding down (running-off) its business, the routine reporting requirements in SUP 16 (Reporting requirements) will apply unless the <i>firm</i> is granted a waiver. In addition, a <i>firm</i> may be asked to submit additional reports, for example, to enable the <del>FSA</del> <u>appropriate regulator</u> to monitor the wind down.
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6  
Annex  
4.2G  
[FCA/  
PRA]

1.	If a <i>firm</i> makes an application <u>in accordance with SUP 6</u> to <del>vary its Part IV permission</del> to effect the winding down of <i>regulated activities</i> which it is carrying on including the repayment of <i>client money</i> , or the return of <i>client deposits</i> , <i>custody assets</i> or any other property belonging to <i>clients</i> , the <del>FSA</del> <u>appropriate regulator</u> will expect it to have formal plans to ensure that:
...	
2.	<del>A firm must comply with CASS 4.3.99R, CASS 5.5.80R and CASS 7.2.15R (Client money: discharge of fiduciary duty) and CASS</del>

	<p><del>4.3.104R and CASS 7.2.19R (Allocated but unclaimed client money) if it is ceasing to hold <i>client money</i>. A <i>firm</i> must also cease to hold or control <i>custody assets</i> in accordance with instructions received from <i>clients</i> (including instructions set out in an agreement entered into in accordance with CASS 2.3.2R (Custody: <i>client agreement</i>) and COBS 6.1.7R (Information concerning safeguarding of designated investments belonging to clients and client money). These <i>rules</i> apply to both repayment and transfer to a third party. [deleted]</del></p>
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**6**  
**Annex**  
**4.2AG**  
[FCA]

1.	<p><u>A <i>firm</i> must comply with CASS 5.5.80R and CASS 7.2.15R (Client money: discharge of fiduciary duty) and CASS 7.2.19R (Allocated but unclaimed client money) if it is ceasing to hold <i>client money</i>. A <i>firm</i> must also cease to hold or control <i>custody assets</i> in accordance with instructions received from <i>clients</i> and COBS 6.1.7R (Information concerning safeguarding of designated investments belonging to clients and client money). These <i>rules</i> apply to both repayment and transfer to a third party.</u></p>
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**6**  
**Annex**  
**4.3G**  
[FCA/  
PRA]

1.	<p>A <i>firm</i> carrying on <i>insurance business</i> which, ultimately, intends to cease <i>insurance business</i> completely, will first need to apply for a variation of its <del><i>Part IV permission</i></del> <u><i>Part 4A permission</i></u> while it is running off its business. The <i>firm</i> should apply for a variation of <del><i>Part IV permission</i></del> <u><i>Part 4A permission</i></u> to remove the activity of <i>effecting contracts of insurance</i> from its <i>permission</i>, thus restricting its activities to <i>carrying out insurance contracts</i> to enable it to run off its remaining insurance liabilities (see SUP 6.2.9G).</p>
2.	<p>Examples of variations of <del><i>Part IV permission</i></del> <u><i>Part 4A permission</i></u> which may be appropriate in the context of winding down <i>insurance business</i> include:</p>
	<p>(1) removing one or more <i>regulated activities</i> (for example, when a <i>firm</i> which has <del><i>Part IV permission</i></del> <u><i>Part 4A permission</i></u> to carry on <i>insurance business</i> enters into run-off, its <del><i>Part IV permission</i></del> <u><i>Part 4A permission</i></u> will need to be varied to remove the activity of <i>effecting contracts of insurance</i> in relation to new <i>contracts of insurance</i>); a new <i>contract of insurance</i> excludes contracts effected under a term of a subsisting <i>contract of insurance</i>. Thus the <i>firm's permission</i> will be restricted to <i>carrying out contracts of insurance</i> to enable it to run off its existing liabilities; or</p>
	<p>(2) imposing a <i>limitation on regulated activities</i> in a <i>firm's Part IV permission</i> or imposing a <i>requirement on the type of investments a firm holds to support its insurance liabilities</i> <u><i>Part 4A permission</i></u></p>
2A.	<p><u>A <i>firm</i> may also have imposed on it a new <i>requirement</i>, or any existing <i>requirement</i> imposed on a <i>firm</i> may be varied or cancelled. In the</u></p>

	context of winding down <i>insurance business</i> , it may for example be appropriate to impose a <i>requirement</i> on the type of investments a <i>firm</i> holds to support its insurance liabilities.
3.	An <i>insurer</i> ceasing to <i>effect contracts of insurance</i> is required to submit a <i>scheme of operations</i> in accordance with SUP App 2 (Insurers: <i>scheme of operations</i> ). The <i>FSA PRA</i> may require other information depending on the circumstances, for example an actuarial assessment of the <i>firm's</i> run-off.
...	
5.	An <i>insurer</i> should note that the <i>FSA PRA</i> will not cancel a <i>firm's permission</i> until all the <del>firm's</del> <i>firm's</i> insurance liabilities have been discharged, including any potential insurance liabilities. A <i>firm</i> is, therefore, advised to submit an application for cancellation of its <del>Part IV permission</del> <i>Part 4A permission</i> when its run-off is completed.

6  
Annex  
4.4G  
[FCA/  
PRA]

1.	A <i>firm</i> making an application to <del>vary or cancel its Part IV permission</del> in accordance with SUP 6 which requires any approval from the <i>Society of Lloyd's</i> should apply to the <i>Society</i> for this in addition to applying to the <del>FSA for the variation or cancellation</del> <u>relevant regulator</u> .
2.	Where a <i>firm</i> has <del>Part IV permission</del> <i>Part 4A permission</i> to manage the underwriting capacity of a <i>Lloyd's</i> syndicate as a managing agent at <i>Lloyd's</i> then, if it wishes to vary its <del>Part IV permission</del> <i>Part 4A permission</i> to remove this regulated activity or to cancel its <del>Part IV permission</del> <i>Part 4A permission</i> completely, special procedures will apply.
3.	(1) As a first step, the <i>firm</i> should apply to the <i>FSA</i> <u>relevant regulator</u> for a variation of its <del>Part IV permission</del> <i>Part 4A permission</i> to limit the regulated activity, after the <i>Lloyd's</i> syndicates have been closed, to permit no new business. Once the <i>syndicates</i> have been closed, the <i>firm's</i> consent from the <i>Society</i> to manage <i>syndicates</i> will also lapse
	(2) After a period of one year from the date of closure of the <i>Lloyd's</i> syndicates the <i>firm</i> may apply to the <del>FSA</del> to vary its <del>Part IV permission</del> <i>Part 4A permission</i> , to remove the regulated activity or to cancel its <del>Part IV permission</del> <i>Part 4A permission</i> entirely, as appropriate. At this time, a <i>firm's</i> approval from the <i>Society of Lloyd's</i> as a managing agent will cease.
4.	<i>Firms</i> which wish to discuss these procedures in more detail should contact their <del>usual</del> <u>appropriate</u> supervisory contact at the <del>FSA</del> and the <i>Society of Lloyd's</i> , as appropriate.

6

1. As stated in SUP 6.2.9G, where a <i>bank</i> , or other <i>firm</i> with permission that
---------------------------------------------------------------------------------------------

Annex  
4.5G  
[FCA/  
PRA]

includes *accepting deposits*, wishes to cancel its ~~Part IV permission~~ Part 4A permission, it will generally need to apply for a variation of that *permission* while it winds down its business.

2. When a firm is winding down its business activities, it may be appropriate to vary its ~~Part IV permission~~ by imposing:

- (1) vary its Part 4A permission by imposing a *limitation* that no new *deposits* will be accepted; or
- (2) vary its Part 4A permission by imposing a *limitation* on the purchasing of *investments* for its own account; or
- (3) impose on it requirements concerning solvency.

3. After a *bank* has discussed with the ~~FSA~~ appropriate regulator the type of variation of ~~Part IV permission~~ Part 4A permission and/or requirement the *bank* requires to wind down its business, it should make an application ~~for variation of Part IV permission~~ as directed in SUP 6.3.15D and follow the *guidance* and procedures in SUP 6 as well as the additional procedures set out in this annex.

4. The ~~FSA~~ may vary the *firm's Part IV permission* to impose one or more of As appropriate, one or more of the following may be imposed on a firm:

...

5. The information concerning the circumstances of ~~the application for variation of Part IV permission~~ these applications and the confirmations a *firm* is required to give to the ~~FSA~~ regulator(s) concerned will differ according to the nature of the *bank* and its ~~Part IV permission~~ Part 4A permission. If appropriate, it may include, but will not necessarily be limited to:

...

**Dealing with residual deposits: general**

6. Where a *firm* has residual *deposits* which, for whatever reason, cannot be repaid, they may be protected by a number of different methods. The precise applicability of the courses to be followed depends upon the particular circumstances of the individual *firm*. The ~~FSA's~~ appropriate regulator's supervisory approach will be determined by the course of action taken.

**Holding funds on trust**

7. In some circumstances, it may be appropriate for the *firm* to make an irrevocable transfer of funds, at least equal to the total of its *deposits*, to an independent *trustee* to be held on *trust* for the benefit of the depositors. Any such proposal should be discussed in advance with the ~~FSA~~ appropriate regulator. The amount of funds held on trust should at all times exceed the total of all *deposits*, in order to provide for contingencies. Trust account arrangements are appropriate only in respect of solvent institutions. The *guidance* in paragraph 13 of this section applies in most cases.

8. ....

(2) The *trustee* should be an independent and appropriately qualified third party, nominated by the institution and acceptable to the ~~FSA~~ appropriate regulator.

...

(b) The ~~FSA~~ appropriate regulator should be consulted about, or pre-notified of,

<p>a potential change of trustee.</p> <p>(c) Trustees are responsible for fulfilling their obligations under the trust deed. In practice, the <i>FSA appropriate regulator</i> may wish to point out that certain factors need to be given consideration by the trustees and the institution (for example, the procedures for paying out to depositors).</p>
<p>9. The <i>FSA appropriate regulator</i> would require to see an opinion by the <i>firm's</i> legal advisers, confirming the validity and enforceability of the <i>trust</i> and in particular specifying the extent (if any) to which the trust arrangements may be set aside in future. The <i>FSA appropriate regulator</i> reserves the right to request sight of the proposed trust documentation itself.</p>
<p>...</p>
<p>11. The trustee should not deposit, or otherwise invest, trust funds except in segregated accounts with third-party authorised institutions.</p>
<p>...</p> <p>(2) Auditors' reports, from the trust's auditors, should subsequently be obtained at intervals to demonstrate that funds in the trust continue to be at least equal to the remaining liabilities to depositors and that repayments have been properly made. The <i>firm</i> retains the ultimate responsibility to provide information to the <i>FSA appropriate regulator</i>.</p> <p>(3) The <i>FSA appropriate regulator</i> may, however, require the inclusion of a clause in the trust deed requiring the trustee to provide such information as may be requested.</p>
<p>...</p>

## 6 Variation of permission application form

### Annex 5D

[FCA/  
PRA]

- D This annex consists only of one or more forms. Forms are to be found through the following address:

*Supervision forms - FSA/form\_links.jsp#supAnnex* [\[web address to be inserted\]](#)

## 6 Cancellation of permission application form

### Annex 6D

[FCA/  
PRA]

- D This annex consists only of one or more forms. Forms are to be found through the following address:

*Cancellation of permission application form - FSA/docs/sup/cancellation\_form.doc* [\[web address to be inserted\]](#)

Annex C

Designations & Regulator making new provision

Handbook Provision	Made, designated or not in force after legal cutover	Relevant regulator
SUP 6.1.1 G	Designated	FCA/PRA
SUP 6.1.2 G	Designated	FCA/PRA
SUP 6.1.3 G	Designated	FCA/PRA
SUP 6.1.3A G	Made	FCA/PRA
SUP 6.1.4 G	Designated	FCA/PRA
SUP 6.1.5 G	Designated	FCA/PRA
SUP 6.1.6 G	Made	FCA
SUP 6.2.1 G	Designated	FCA/PRA
SUP 6.2.2 G	Designated	FCA/PRA
SUP 6.2.3 G	Not in force after legal cutover	
SUP 6.2.3A G	Made	FCA
SUP 6.2.3B G	Made	FCA/PRA
SUP 6.2.3C G	Made	FCA
SUP 6.2.3D G	Made	PRA
SUP 6.2.3E G	Made	PRA
SUP 6.2.4 G	Designated	FCA/PRA
SUP 6.2.4A G	Designated	FCA/PRA
SUP 6.2.4B G	Made	FCA/PRA
SUP 6.2.5 G	Designated	FCA/PRA
SUP 6.2.6 G	Designated	FCA/PRA
SUP 6.2.7 G	Designated	FCA/PRA

SUP 6.2.8 G	Designated	FCA/PRA
SUP 6.2.9 G	Designated	FCA/PRA
SUP 6.2.10 G	Designated	FCA/PRA
SUP 6.2.10A G	Made	FCA/PRA
SUP 6.2.11 G	Designated	FCA/PRA
SUP 6.2.12 G	Designated	FCA/PRA
SUP 6.2.13 G	Designated	FCA/PRA
SUP 6.2.14 G	Designated	FCA/PRA
SUP 6.3.1 G	Not in force after legal cutover	
SUP 6.3.1A G	Made	FCA
SUP 6.3.1B G	Made	FCA/PRA
SUP 6.3.1C G	Made	PRA
SUP 6.3.2 G	Not in force after legal cutover	
SUP 6.3.2A G	Made	FCA
SUP 6.3.2B G	Made	PRA
SUP 6.3.2C G	Made	FCA
SUP 6.3.2D G	Made	PRA
SUP 6.3.3 G	Designated	FCA/PRA
SUP 6.3.4 G	Designated	FCA/PRA
SUP 6.3.5 G	Designated	FCA/PRA
SUP 6.3.6 G	Designated	FCA/PRA
SUP 6.3.7 G	Designated	FCA/PRA
SUP 6.3.8 G	Designated	FCA/PRA
SUP 6.3.9 G	Not in force after legal cutover	

SUP 6.3.10 G	Not in force after legal cutover	
SUP 6.3.11 G	Designated	FCA/PRA
SUP 6.3.12 G	Designated	FCA/PRA
SUP 6.3.13 G	Designated	FCA/PRA
SUP 6.3.14 G	Designated	PRA
SUP 6.3.15 D	Designated	FCA/PRA
SUP 6.3.15A G	Designated	FCA/PRA
SUP 6.3.15B G	Made	PRA
SUP 6.3.16 G	Designated	FCA/PRA
SUP 6.3.17 G	Designated	FCA/PRA
SUP 6.3.18 G	Designated	FCA/PRA
SUP 6.3.19 G	Designated	FCA/PRA
SUP 6.3.20 G	Designated	FCA/PRA
SUP 6.3.21 G	Designated	FCA/PRA
SUP 6.3.22 G	Designated	FCA/PRA
SUP 6.3.23 G	Designated	FCA/PRA
SUP 6.3.24 G	Designated	FCA/PRA
SUP 6.3.25 G	Designated	FCA/PRA
SUP 6.3.26 G	Designated	FCA/PRA
SUP 6.3.27 G	Designated	FCA/PRA
SUP 6.3.28 G	Designated	FCA/PRA
SUP 6.3.28A G	Made	FCA
SUP 6.3.28B G	Made	FCA
SUP 6.3.28C G	Made	PRA
SUP 6.3.29 G	Designated	FCA/PRA

SUP 6.3.30 G	Designated	FCA/PRA
SUP 6.3.31 G	Designated	FCA/PRA
SUP 6.3.32 G	Not in force after legal cutover	
SUP 6.3.32A G	Made	FCA
SUP 6.3.32B G	Made	FCA
SUP 6.3.32C G	Made	FCA/PRA
SUP 6.3.33 G	Not in force after legal cutover	
SUP 6.3.33A G	Made	PRA
SUP 6.3.33B G	Made	PRA
SUP 6.3.33C G	Made	PRA
SUP 6.3.34 G	Designated	FCA/PRA
SUP 6.3.34A G	Made	FCA/PRA
SUP 6.3.35 G	Designated	FCA/PRA
SUP 6.3.36 G	Designated	FCA/PRA
SUP 6.3.36A G	Made	FCA/PRA
SUP 6.3.37 G	Designated	FCA/PRA
SUP 6.3.37A G	Made	FCA/PRA
SUP 6.3.38 G	Designated	FCA/PRA
SUP 6.3.39 G	Designated	FCA/PRA
SUP 6.3.40 G	Designated	FCA
SUP 6.3.41 G	Designated	FCA/PRA
SUP 6.3.42 G	Designated	FCA/PRA
SUP 6.3.43 G	Designated	FCA/PRA
SUP 6.4.1 G	Not in force after legal cutover	

SUP 6.4.1A G	Made	FCA
SUP 6.4.1B G	Made	PRA
SUP 6.4.2 G	Not in force after legal cutover	
SUP 6.4.2A G	Made	FCA
SUP 6.4.2B G	Made	PRA
SUP 6.4.3 G	Designated	FCA/PRA
SUP 6.4.4 G	Designated	FCA/PRA
SUP 6.4.5 D	Designated	FCA/PRA
SUP 6.4.5A G	Designated	FCA/PRA
SUP 6.4.5B G	Made	PRA
SUP 6.4.6 G	Designated	FCA/PRA
SUP 6.4.7 G	Designated	FCA/PRA
SUP 6.4.8 G	Designated	FCA/PRA
SUP 6.4.9 G	Designated	FCA/PRA
SUP 6.4.10 G	Designated	FCA
SUP 6.4.11 G	Designated	FCA
SUP 6.4.12 G	Designated	FCA/PRA
SUP 6.4.13 G	Designated	FCA/PRA
SUP 6.4.14 G	Designated	FCA/PRA
SUP 6.4.15 G	Designated	FCA/PRA
SUP 6.4.16 G	Designated	FCA/PRA
SUP 6.4.17 G	Designated	FCA/PRA
SUP 6.4.18 G	Designated	FCA/PRA
SUP 6.4.19 G	Designated	FCA/PRA
SUP 6.4.20 G	Designated	FCA/PRA

SUP 6.4.21 G	Designated	FCA/PRA
SUP 6.4.22 G	Designated	FCA/PRA
SUP 6.4.23 G	Designated	FCA/PRA
SUP 6.4.24 G	Designated	FCA/PRA
SUP 6.4.25 G	Designated	FCA/PRA
SUP 6.4.26 G	Designated	FCA
SUP 6.4.27 G	Designated	FCA/PRA
SUP 6.4.27A G	Made	FCA
SUP 6.4.28 G	Designated	FCA/PRA
SUP 6.4.29 G	Designated	FCA
SUP 6.5.1 G	Designated	FCA/PRA
SUP 6.5.2 G	Not in force after legal cutover	
SUP 6.5.2A G	Made	FCA
SUP 6.5.2B G	Made	PRA
SUP 6 Annex 1 G	Not in force after legal cutover	
SUP 6 Annex 2 G	Not in force after legal cutover	
SUP 6 Annex 3 G	Not in force after legal cutover	
SUP 6 Annex 4.1 G	Designated	FCA/PRA
SUP 6 Annex 4.2 G	Designated	FCA/PRA
SUP 6 Annex 4.3 G	Designated	FCA/PRA
SUP 6 Annex 4.4 G	Designated	FCA/PRA
SUP 6 Annex 4.5 G	Designated	FCA/PRA
SUP 6 Annex 5 D	Designated	FCA/PRA
SUP 6 Annex 6 D	Designated	FCA/PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph	Schedule 1ZB, Paragraph

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
	23.	31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification	Section 138A(3)	Section 138A(3)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
or waiver of rules)		
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as	Section 226	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))		
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory	Section 300B	Section 300B

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
provision)		
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Mesothelioma Claims) Regulations 2006 (SI 2006/3259)		(Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53	Section 210	Section 210

Column 1	Column 2	Column 3
<p><b>Provisions of the 2000 Act under which the Authority issued statements</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>(6) of the Electronic Money Regulations 2011 (SI 2011/99).)</p>		
<p>Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)</p>	<p>Section 395</p>	<p>Section 395</p>

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 5

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# Legal Cutover (Skilled Persons) Instrument 2013

**LEGAL CUTOVER (SKILLED PERSONS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;

- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex D to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex D to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A and provision 3.2.7R in Annex B to this Instrument; and
  - (2) each provision in Annex C to this Instrument that meets all of the conditions in paragraph 7; and
  - (3) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex C to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Made” in Column 2 of Annex D to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex D to this Instrument.
- 8 The conditions referred to in paragraph 6(3) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex D to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex D to this Instrument,
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

#### **Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

#### **Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set

out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:

- (1) “Designated” in Column 2 of Annex D to this Instrument; and
- (2) “PRA” or “FCA/PRA” in Column 3 of Annex D to this Instrument.

15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.

16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:

- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
- (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
- (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

#### **Modification of rules etc. by the Prudential Regulation Authority**

18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

#### **Rules etc. made, given or amended by the Prudential Regulation Authority**

19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph (3), the Prudential Regulation Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A and provision 3.2.7AR in Annex B to this Instrument; and
- (2) each provision in Annex C to this Instrument that meets all of the conditions in paragraph 20:
- (3) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex C to this Instrument that meets all of the conditions in paragraph 21.

20 The conditions referred to in paragraph 19(2) are that a provision is:

- A. identified as “Made” in Column 2 of Annex D to this Instrument; and

- B. identified as “PRA” or “PRA/FCA” in Column 3 of Annex D to this Instrument.
- 21 The conditions referred to in paragraph 19(3) are that a provision is:
- A. identified as “Designated” in Column 2 of Annex D to this Instrument; and
- B. identified as “PRA” or “PRA/FCA” in Column 3 of Annex D to this Instrument,
- 22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137G (The PRA’s general rules); and
- (2) section 137T (General supplementary powers).
- 23 The rule-making powers in paragraph 19(3) are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives as guidance:
- (1) each provision in Annex C to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex D that is marked with a G in Column 1 of Annex D to this Instrument; and
- (2) each provision listed in Annex D to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex D that is (a) marked with a G in Column 1 of Annex D to this Instrument and (b) not in Annex C to this Instrument.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on the 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The modules of the FCA’s and PRA’s Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A

Fees manual (FEES)	Annex B
Supervision manual (SUP)	Annex C

**Citation**

29 This Instrument may be cited as the Legal Cutover (Skilled Persons) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Glossary of definitions (Glossary)

In this Annex, underlining indicates new text and striking through indicates deleted text.

- skilled person*  
[FCA/PRA]      a *person* appointed to make a report required by section 166 (Reports by skilled persons) or section 166A (Appointment of skilled person to collect and update information) of the *Act* (~~Reports by skilled persons~~) for provision to the *FSA appropriate regulator* and who must be a person:
- (a)      nominated, ~~or~~ approved or appointed by the *FSA appropriate regulator*; and
  - (b)      appearing to the *FSA appropriate regulator* to have the skills necessary to make a report on the matter concerned.

**Annex B**

**Amendments to the Fees manual (FEES)**

In this Annex, underlining indicates new text.

3.2.7  
[FCA/  
PRA]

**R Table of application, notification and vetting fees**

(1) Fee payer	(2) Fee payable	Due date
...		
<p><u>(zp) A person in respect of which the appropriate regulator has given notice of its intention to itself appoint a skilled person to provide it with a report pursuant to section 166(3)(b) of the Act and SUP 5.2.</u></p>	<p><u>Any amount invoiced to the appropriate regulator by a skilled person in relation to any work carried out by that skilled person in connection with its appointment by the appropriate regulator pursuant to section 166(3)(b) of the Act.</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>
<p><u>(zq) A person in respect of which the appropriate regulator has given notice of its intention to itself appoint a skilled person to collect or update information pursuant to section 166A(2)(b) of the Act.</u></p>	<p><u>Any amount invoiced to the appropriate regulator by a skilled person in relation to any work carried out by that skilled person in connection with its appointment by the appropriate regulator pursuant to section 166A(2)(b) of the Act.</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>
...		

## Annex C

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 5 Reports by skilled persons

##### 5.1 Application and purpose

Application

5.1.1 R ...

5.1.1A R In respect of the FCA's power in section 166 of the Act (Reports by skilled persons), reference to a firm in SUP 5.5.1R, SUP 5.5.5R and SUP 5.5.9R includes a recognised investment exchange.  
[FCA]

5.1.1B G In respect of the FCA's power in section 166 of the Act (Reports by skilled persons), the guidance in this chapter applies to a recognised investment exchange in the same way as it applies to a firm.  
[FCA]

...

Purpose

5.1.3 G The purpose of this chapter is to give *guidance* on the ~~FSA's~~ appropriate regulator's use of the power in section 166 (Reports by skilled persons) and section 166A (Appointment of skilled person to collect and update information) of the Act (~~Reports by skilled persons~~). The purpose is also to make *rules* requiring a *firm* ~~to include certain provisions in its contract with a skilled person~~ and to give assistance to a *skilled person* and, where a *firm* is required to appoint a skilled person, to include certain provisions in its contract with a skilled person. These *rules* are designed to ensure that the ~~FSA~~ appropriate regulator receives certain information from a *skilled person* and that a *skilled person* receives assistance from a *firm*.  
[FCA/  
PRA]

##### 5.2 The ~~FSA's~~ appropriate regulator's power

Who may be required to provide a report?

5.2.1 G Under section 166 of the Act (Reports by skilled persons), the ~~FSA~~ appropriate regulator may, by giving a written notice, itself appoint a skilled person to provide it with a report, or require any of the following *persons* to provide it with a report by a *skilled person*:  
[FCA/  
PRA]

...

5.2.2  
[FCA/  
PRA]      G      Under section 166A of the Act (Appointment of skilled person to collect and update information), the *appropriate regulator* may require a *firm* to appoint, or itself appoint, a *skilled person* to collect or update information.

### 5.3 Policy on the use of skilled persons

5.3.1  
[FCA/  
PRA]      G      The appointment of a *skilled person* to produce a report under section 166 of the Act (Reports by skilled persons) is one of the *FSA's appropriate regulator's* regulatory tools. The tool may be used:

...

~~*SUP 5 Annex 1 gives examples of circumstances in which the FSA may use the skilled persons tool.*~~

5.3.1A  
[FCA]      G      *SUP 5 Annex 1 gives examples of circumstances in which the FCA may use the skilled persons tool.*

5.3.2  
[FCA/  
PRA]      G      The decision by the *appropriate regulator* to require a report by a *skilled person* under section 166 of the Act (Reports by skilled persons) will normally be prompted by a specific requirement for information, analysis of information, assessment of a situation, expert advice or recommendations or by a decision to seek assurance in relation to a regulatory return. It may be part of the risk mitigation programme applicable to a *firm*, or the result of an event or development relating or relevant to a *firm*, prompted by a need for verification of information provided to the *FSA appropriate regulator* or part of the *FSA's appropriate regulator's* regular monitoring of a *firm*.

5.3.2A  
[FCA/  
PRA]      G      The decision by the *appropriate regulator* to require the collection or updating of information by a *skilled person* under section 166A of the Act (Appointment of skilled person to collect and update information) will be prompted where the *appropriate regulator* considers there has been a breach of a requirement by a *firm* to collect, and keep up to date, information of a description specified in the *appropriate regulator's rules*.

5.3.3  
[FCA/  
PRA]      G      When making the decision to require a report by a *skilled person* under section 166 (Reports by skilled persons) or the collection or updating of information by a *skilled person* under section 166A (Appointment of skilled person to collect and update information) of the Act, the *FSA appropriate regulator* will have regard, on a case-by-case basis, to all relevant factors. Those are likely to include:

...

(4) the objectives of the *FSA's appropriate regulator's* enquiries;

...

(6) considerations relating to *FSA the appropriate regulator's*

resources.

*SUP 5.3.4G* to *SUP 5.3.10G* give further guidance on these listed factors.

Circumstances relating to the firm

5.3.4  
[FCA/  
PRA]

G The *FSA appropriate regulator* will have regard to circumstances relating to the *firm*, for example:

...

- (3) quality of a *firm's* systems and records: whether the *FSA appropriate regulator* has confidence that the *firm* has the ability to provide the required information;
- (4) objectivity: whether the *FSA appropriate regulator* has confidence in the *firm's* willingness and ability to deliver an objective report;
- (5) conflicts of interest: whether the subject matter of the enquiries or the report involves actual or potential misconduct and it would be inappropriate for the *FSA appropriate regulator* to rely on the *firm* itself to enquire into the matter; and

...

Alternative tools available, including other statutory powers

5.3.5  
[FCA/  
PRA]

G The *FSA appropriate regulator* will have regard to alternative tools that may be available, including, for example:

- (1) obtaining what is required without using specific statutory powers (for example, by a visit by *FSA* staff of the *appropriate regulator* or a request for information on an informal basis);
- (2) requiring information from *firms* and others, including authorising an agent to require information, under section 165 of the *Act* (~~Authority's power~~ Power to require information);
- (3) appointing investigators to carry out general investigations under section 167 of the *Act* (~~Appointment of persons to carry out general investigations~~ investigator in general cases) (see *EG 3* for the *FSA's appropriate regulator's* policy on the use of this power); and
- (4) appointing investigators to carry out investigations in particular cases under section 168 of the *Act* (~~Appointment of persons to carry out investigations in particular cases~~ investigator in specific cases) (see *EG 3* for the *FSA's appropriate regulator's* policy on the use of this power).

Legal and procedural considerations

5.3.6  
[FCA/  
PRA]

- G The *FSA appropriate regulator* will have regard to legal and procedural considerations including:
- (1) statutory powers: whether one of the other available statutory powers is more appropriate for the purpose than the power in section 166 (Reports by skilled persons) or section 166A (Appointment of skilled person to collect and update information) of the *Act* (~~Reports by skilled persons~~);
  - ...
  - (3) application of the *Handbook rules*: whether it is important that the relevant *rules* in the *Handbook* should apply, for example SUP 5.5.1R which obliges the *firm* to require and permit the ~~skilled person~~ *skilled person* to report specified matters to the *FSA appropriate regulator*.

The objectives of the *FSA's appropriate regulator's* enquiries

5.3.7  
[FCA/  
PRA]

- G The *FSA appropriate regulator* will have regard to the objectives of its enquiries, and the relative effectiveness of its available powers to achieve those objectives. For example:
- (1) historic information or evidence: if the objectives are limited to gathering historic information, or evidence for determining whether enforcement action may be appropriate, the *FSA's appropriate regulator's* information gathering and investigation powers under sections 165 (~~Authority's power~~ Power to require information), 167 (~~Appointment of persons to carry out general investigations~~ investigator in general cases) and 168 (~~Appointment of persons to carry out investigations in particular cases~~ investigator in specific cases) of the *Act* are likely to be more appropriate than the ~~power in~~ section 166 ~~power~~ (Reports by skilled persons) or section 166A (Appointment of skilled person to collect and update information) of the *Act*; and
  - (2) expert analysis or recommendations: if the objectives include obtaining expert analysis or recommendations (or both) for diagnostic, monitoring, preventative or remedial purposes, the section 166 power (Reports by skilled persons) may be an appropriate power to use, instead of, or in conjunction with, the *FSA's appropriate regulator's* other available powers.

Cost considerations

5.3.8  
[FCA/  
PRA]

- G In accordance with its general policy the *FSA appropriate regulator* will have regard to the question of cost, which is particularly pertinent in relation to *skilled persons* because:
- (1) if the *FSA appropriate regulator* uses the section 166 power

(Reports by skilled persons) or the section 166A power (Appointment of skilled person to collect and update information), either the firm will appoint, and will have to pay for the services of, the skilled person, or the appropriate regulator will appoint, and will require under FEES 3.2.7R(zp) or FEES 3.2.7R(zq) that the relevant firm pays for the services of, the skilled person;

- (2) if the *FSA appropriate regulator* uses its other information gathering and investigation powers, it will either authorise or appoint its own staff to undertake the information gathering or investigation (or both), or it will pay for the services of external competent persons to do so; in either case the costs will be recovered under the *FSA's appropriate regulator's* general fee scheme.

5.3.9 [FCA/  
PRA] G In having regard to the cost implications of using the section 166 power (Reports by skilled persons) or the section 166A power (Appointment of skilled person to collect and update information) alternative options (such as visits) or other powers, the *FSA appropriate regulator* will take into account relevant factors, including:

...

- (4) whether the *firm* appears to have breached requirements or standards under the *regulatory system* or otherwise put the interests of consumers at risk, and it is unable or unwilling to review and remedy the matters of concern, or the *FSA appropriate regulator* considers that it cannot rely on the *firm* to do so; and

...

...

Considerations relating to *FSA the appropriate regulator's* resources

5.3.10 [FCA/  
PRA] G The *FSA appropriate regulator* will have regard to *FSA appropriate regulator*-related considerations including:

- (1) *FSA appropriate regulator* expertise: whether the *FSA appropriate regulator* has the necessary expertise; and
- (2) *FSA appropriate regulator* resources: whether the resources required to produce a report or to make enquiries or to appoint a skilled person itself are available within the *FSA appropriate regulator*, or whether the exercise will be the best use of the *FSA's appropriate regulator's* resources at the time.

## 5.4 Appointment and reporting process

Scope of report

- 5.4.1 [FCA/PRA] G ~~The FSA~~ Where the appropriate regulator requires a report by a skilled person under section 166 of the Act (Reports by skilled persons), the appropriate regulator will send a notice in writing requiring the person in SUP 5.2.1G to provide a report by a skilled person, or notifying the person in SUP 5.2.1G in writing of the appropriate regulator's appointment of a skilled person to provide a report, on any matter if it is reasonably required in connection with the exercise of its functions conferred by or under the Act. The ~~FSA~~ appropriate regulator may require the report to be in whatever form it specifies in the notice (SUP 5 Annex 2 summarises the appointment and reporting processes).
- 5.4.1A [FCA/PRA] G Where the appropriate regulator requires the updating or collection of information by a skilled person under section 166A of the Act (Appointment of skilled person to collect and update information), the appropriate regulator will send a notice in writing requiring the firm to appoint a skilled person, or notifying the firm of the appropriate regulator's appointment of a skilled person, to collect or update the relevant information.
- 5.4.2 [FCA/PRA] G As part of the decision making process the ~~FSA~~ appropriate regulator will normally contact the person in SUP 5.2.1G or in SUP 5.2.2G to discuss its needs before finalising its decision to require a report or the updating or collection of information by a skilled person. This will provide an opportunity for discussion about the appointment, whether an alternative means of obtaining the information would be better, what the scope of a report should be, who should be appointed, who should appoint, and the likely cost.
- 5.4.3 [FCA/PRA] G The ~~FSA~~ appropriate regulator will give written notification to the person in SUP 5.2.1G or SUP 5.2.2G of the purpose of the report or collection or updating of information, its scope, the timetable for completion and any other relevant matters. The ~~FSA~~ appropriate regulator will state the matters which the report is to contain, or the information which is to be collected or updated, as well as any requirements as to the report's format. For example, a report on controls may be required to address key risks, key controls and the control environment. The ~~FSA~~ appropriate regulator attaches importance to there being a timetable for each report and to the skilled person, with the cooperation of the person in SUP 5.2.1G or the firm in SUP 5.2.2G, as relevant, keeping to that timetable.
- 5.4.4 [FCA/PRA] G The written notification in SUP 5.4.3G may be preceded or followed by a discussion of the ~~FSA's~~ appropriate regulator's requirements and the reasons for them. This may involve the ~~FSA~~ appropriate regulator, the person in SUP 5.2.1G or in SUP 5.2.2G and the person who has been, or is expected to be, appointed as the skilled person. The ~~FSA~~ appropriate regulator recognises that there will normally be value in holding discussions involving the skilled person at this stage. These discussions may include others if appropriate.
- 5.4.5 [FCA/PRA] G The ~~FSA~~ appropriate regulator will wish to conduct the discussion with the firm, its skilled person and any others within a timescale appropriate to the

PRA] circumstances of the case.

#### Appointment process

5.4.6 [FCA/  
PRA] G ~~The~~ Where the skilled person is appointed by the *person* in SUP 5.2.1G-  
~~The FSA or SUP 5.2.2G, the appropriate regulator~~ will normally seek to  
agree in advance with the *person* in SUP 5.2.1G or SUP 5.2.2G the skilled  
person who will make the report or collect or update the relevant  
information. The *Act* requires that ~~the~~ such skilled person be nominated or  
approved by the ~~FSA~~ appropriate regulator:

- (1) if the ~~FSA~~ appropriate regulator decides to nominate the skilled  
person who is to make the report or collect or update the  
information, it will notify the *person* in SUP 5.2.1G or SUP 5.2.2G  
accordingly; and
- (2) alternatively, if the ~~FSA~~ appropriate regulator is content to approve  
a skilled person selected by the *person* in SUP 5.2.1 G or SUP  
5.2.2G, it will notify the latter *person* of that fact.

The ~~FSA~~ appropriate regulator may give the *person* in SUP 5.2.1G or SUP  
5.2.2G a shortlist from which to choose.

5.4.7 [FCA/  
PRA] G A skilled person must appear to the ~~FSA~~ appropriate regulator to have the  
skills necessary to make a report on the matter concerned or collect or  
update the relevant information. A skilled person may be an accountant,  
lawyer, compliance consultant, *actuary* or *person* with relevant business,  
technical or technological skills.

5.4.8 [FCA/  
PRA] G When considering whether to nominate, ~~or~~ approve or appoint a skilled  
person to make a report or collect or update information, the ~~FSA~~  
appropriate regulator will have regard to the circumstances of the case,  
including whether the proposed skilled person appears to have:

- (1) the skills necessary to make a report on the matter concerned or  
collect or update the relevant information;
- (2) the ability to complete the report or collect or update the information  
within the time expected by the ~~FSA~~ appropriate regulator;
- (3) any relevant specialised knowledge, for instance of the *person* in  
SUP 5.2.1G or SUP 5.2.2G, the type of business carried on by the  
*person* in SUP 5.2.1G or SUP 5.2.2G, or the matter to be reported  
on or information to be collected or updated;
- (4) any professional difficulty or potential conflict of interest in  
reviewing the matters to be reported on or the information to be  
collected or updated, for instance because ~~the matters to be reported  
on~~ it may involve questions reflecting on the quality or reliability of  
work previously carried out by the proposed skilled person; and

- (5) enough detachment, bearing in mind the closeness of an existing professional or commercial relationship, to be able to collect or update the information or to give an objective opinion on matters such as:
- (a) matters already reported on by the *skilled person* (for example, on the financial statements of the *person* in SUP 5.2.1G or in SUP 5.2.2G or in relation to their *systems and controls*); or
  - (b) matters that are likely to be contentious and may result in disciplinary or other enforcement action against the *person* in SUP 5.2.1G or SUP 5.2.2G, its management, *shareholders* or *controllers*; or

...

- 5.4.9 [FCA/PRA] G In appropriate circumstances, it may be cost effective for the *FSA appropriate regulator* to nominate or approve the appointment of, or appoint itself, a *skilled person* who has previously acted for, or advised, the *person* in SUP 5.2.1G or SUP 5.2.2G. For example, the *FSA appropriate regulator* may nominate, or approve the appointment of, or appoint, the auditor of a *person* in SUP 5.2.1G or SUP 5.2.2G to prepare a report or collect or update the information taking into account, where relevant, the considerations set out in SUP 5.4.7G.

#### Reporting process

- 5.4.10 [FCA/PRA] G ~~The *FSA*~~ Where the *skilled person* is appointed by the *person* in SUP 5.2.1G or SUP 5.2.2G, the *appropriate regulator* will normally require the ~~*person* in SUP 5.2.1G to appoint a *skilled person* to be appointed to report~~ to the *FSA appropriate regulator* through that *person*. In the normal course of events the *FSA appropriate regulator* expects that the *person* in SUP 5.2.1G or SUP 5.2.2G will be given the opportunity to provide written comments on the report or the collection of the relevant information prior to its submission to the *FSA appropriate regulator* (~~SUP 5 Annex 2 summarises the reporting process~~).
- 5.4.10A [FCA/PRA] G Where the *skilled person* is to be appointed by the *appropriate regulator* itself, the *skilled person* will report directly to the *appropriate regulator*.
- 5.4.11 [FCA/PRA] G The *FSA appropriate regulator* may enter into a dialogue with the *skilled person*, and is ready to discuss matters relevant to the report or the collection or updating of the relevant information with him, during the preparation of the report or the collection or updating of the relevant information. Such discussions ~~will normally~~ may involve or be through the *person* in SUP 5.2.1G or SUP 5.2.2G.
- 5.4.12 [FCA/PRA] G The *FSA appropriate regulator* will normally specify a time limit within which it expects the *skilled person* to deliver the report or collect or update

PRA] the relevant information. Where the *skilled person* is appointed by the *person* in SUP 5.2.1G or SUP 5.2.2G, ~~The~~ the *skilled person* should, in complying with its contractual duty under SUP 5.5.1R, take reasonable steps to achieve delivery by that time. If the *skilled person* becomes aware that the report may not be delivered, or collection or updating of the relevant information may not be, on time, he should inform the ~~FSA~~ *FSA appropriate regulator* and the *person* in SUP 5.2.1G or SUP 5.2.2G as soon as possible. ~~If~~ Where the *skilled person* is appointed by the *person* in SUP 5.2.1G or SUP 5.2.2G, if the *skilled person* becomes aware that there may be difficulties delivering the report or collecting or updating the relevant information within cost estimates, he will no doubt wish to advise the *firm*.

5.4.13 [FCA/PRA] G The ~~FSA~~ *FSA appropriate regulator* may meet with the *person* in SUP 5.2.1G or SUP 5.2.2G and the *skilled person* together to discuss the final report. The ~~FSA~~ *FSA appropriate regulator* may also wish to discuss the final report with the *skilled person* present but without the *person* in SUP 5.2.1G or SUP 5.2.2G.

## 5.5 Duties of firms

### Contract with the skilled person

5.5.1 [FCA/PRA] R When a *firm* appoints a ~~skilled person~~ *skilled person* to provide a report under section 166 (Reports by skilled persons) or collect or update information under section 166A (Appointment of skilled person to collect and update information) of the Act (~~Reports by skilled persons~~), the *firm* must, in a contract with the *skilled person*:

- (1) require and permit the *skilled person* during and after the course of his appointment:
  - (a) to cooperate with the ~~FSA~~ *FSA appropriate regulator* in the discharge of its functions under the Act in relation to the *firm*; and
  - (b) to communicate to the ~~FSA~~ *FSA appropriate regulator* information on, or his opinion on, matters of which he has, or had, become aware in his capacity as *skilled person* reporting on the *firm* in the following circumstances:
    - (i) the *skilled person* reasonably believes that, as regards the *firm* concerned (A) there is or has been, or may be or may have been, a contravention of any relevant *requirement* that applies to the *firm* concerned; and (B) that the contravention may be of material significance to the ~~FSA~~ *FSA appropriate regulator* in determining whether to exercise, in relation to the *firm* concerned, any functions conferred on the ~~FSA~~ *FSA appropriate regulator* by or under any provision of

the *Act* other than Part VI (Official Listing); or

- (ii) the *skilled person* reasonably believes that the information on, or his opinion on, those matters may be of material significance to the *FSA appropriate regulator* in determining whether the *firm* concerned satisfies and will continue to satisfy the *threshold conditions*; or

...

- (2) require the *skilled person* to prepare a report or collect or update information, as notified to the *firm* by the *FSA appropriate regulator*, ~~within the time specified by the FSA~~ within the time specified by the appropriate regulator; and
- (3) waive any duty of confidentiality owed by the *skilled person* to the *firm* which might limit the provision of information or opinion by that *skilled person* to the *FSA appropriate regulator* in accordance with (1) or (2). (See also *SUP 5.5.13G* and *SUP 5.6*)

5.5.2  
[FCA/  
PRA]

- G In complying with the contractual duty in *SUP 5.5.1R(1)* the *FSA appropriate regulator* expects that a *skilled person* appointed by a firm under section 166 (Reports by skilled persons) or section 166A (Appointment of skilled person to collect and update information) of the *Act* (~~Reports by skilled persons~~) will cooperate with the *FSA appropriate regulator* by, amongst other things, providing information or documentation about the planning and progress of the report and its findings and conclusions, if requested to do so. A *firm* should therefore ensure that the contract it makes with the *skilled person* requires and permits the *skilled person* to provide the following to the *FSA appropriate regulator* if requested to do so:

...

5.5.3  
[FCA/  
PRA]

- G If the *FSA appropriate regulator* is considering asking for the information specified in *SUP 5.5.2G* it will take into consideration the cost of the *skilled person* complying with the request, and the benefit that the *FSA appropriate regulator* may derive from the information. For example, in most cases, the *FSA appropriate regulator* will not need to request a *skilled person* to give it source data, *documents* and working papers. However, the *FSA appropriate regulator* may do so when it reasonably believes that this information will be relevant to any investigation it may be conducting, or any action it may need to consider taking against the *firm*.

5.5.4  
[FCA/  
PRA]

- G In complying with the contractual duty in *SUP 5.5.1R*, the *FSA appropriate regulator* expects that, in the case of substantial or complex reports, the *skilled person* will give a periodic update on progress and issues to allow for a re-focusing of the report if necessary. The channel of communication would normally be directly between the *skilled person* and the *FSA appropriate regulator*. However, the *FSA appropriate regulator* would also

expect *firms* normally to be informed about the passage of information, and the *skilled person* would usually be expected to keep the *firm* informed of any communication between the *skilled person* and the *FSA appropriate regulator*.

- 5.5.5 [FCA/PRA] R A *firm* must ensure that the contract required by SUP 5.5.1R:  
...  
(2) expressly
- (a) provides that the *FSA appropriate regulator* has a right to enforce the provisions included in the contract under SUP 5.5.1R and SUP 5.5.5R(2);
  - (b) provides that, in proceedings brought by the *FSA appropriate regulator* for the enforcement of those provisions, the *skilled person* is not to have available by way of defence, set-off or counterclaim any matter that is not relevant to those provisions;
  - (c) (if the contract includes an arbitration agreement) provides that the *FSA appropriate regulator* is not, in exercising the right in (a), to be treated as a party to, or bound by, the arbitration agreement; and
  - (d) provides that the provisions included in the contract under SUP 5.5.1R and SUP 5.5.5R(2) are irrevocable and may not be varied or rescinded without the *FSA's appropriate regulator's* consent; and
- ...
- 5.5.6 [FCA/PRA] G The Contracts (Rights of Third Parties) Act 1999, or Scots common law, enables the *FSA appropriate regulator* to enforce the rights conferred on it under the contract required by SUP 5.5.1R against the *skilled person*.
- 5.5.7 [FCA/PRA] G If the *FSA appropriate regulator* considers it appropriate, it may request the *firm* to give it a copy of the draft contract required by SUP 5.5.1R before it is made with the *skilled person*. The *FSA appropriate regulator* will inform the *firm* of any matters that it considers require further clarification or discussion before the contract is finalised.
- 5.5.8 [FCA/PRA] G The *FSA appropriate regulator* expects the *firm*, including where applicable in complying with Principle 11, to give the *FSA appropriate regulator* information about the cost of the *skilled persons* report. This may include both an initial estimate of the cost as well as the cost of the completed report. This information is required to help inform the *FSA's appropriate regulator's* decision making in the choice of regulatory tools. Information about the number and cost of reports by *skilled persons* will be published by the *FSA appropriate regulator*.

#### Assisting the skilled person

- 5.5.9 [FCA/  
PRA] R A *firm* must provide all reasonable assistance to any *skilled person* appointed to provide a report under section 166 (Reports by skilled persons) or to collect or update information under section 166A (Appointment of skilled person to collect and update information) of the *Act* (~~Reports by skilled persons~~).

...

#### Responsibility for delivery

- 5.5.12 G ~~In complying with Principle 11,~~ When a *firm* appoints a *skilled person* to provide a report under section 166 (Reports by skilled persons) or collect or update information under section 166A (Appointment of skilled person to collect and update information) of the *Act*, a *firm* is expected, including where applicable in complying with *Principle 11*, to take reasonable steps to ensure that a *skilled person* delivers a report or collects or updates information in accordance with the terms of his appointment.

#### Assistance to skilled persons from others

- 5.5.13 [FCA/  
PRA] G In respect of the appointment of a *skilled person* under section 166 of the *Act* (Reports by skilled persons), ~~Section section 166(57) of the *Act* (Authority's power to require information)~~ imposes a duty on certain *persons* to give assistance to a *skilled person*. The *persons* on whom this duty is imposed are those who are providing, or have at any time provided, services to any *person* falling within SUP 5.2.1G. They include suppliers under *material outsourcing arrangements*.

- 5.5.14 [FCA/  
PRA] G In respect of the appointment of a *skilled person* under section 166A (Appointment of skilled person to collect and update information) of the *Act*, under section 166A(5) a *skilled person* may require any *person* to provide all such assistance as the *skilled person* may reasonably require to collect or update the information in question.

## 5.6 Confidential information and privilege

- 5.6.1 [FCA/  
PRA] G Within the legal constraints that apply, the *FSA appropriate regulator* may pass on to a *skilled person* any information which it considers relevant to the *skilled person's* function. A *skilled person*, being a primary recipient under section 348 of the *Act* (Restrictions on disclosure of confidential information by Authority etc.), is bound by the confidentiality provisions in Part XXIII of the *Act* (Public record, disclosure of information and cooperation) as regards confidential information he receives from the *FSA appropriate regulator* or directly from a *firm* or other *person*. A *skilled person* may not pass on confidential information without lawful authority, for example, where an exception applies under the Financial Services and Markets Act 2000 (Disclosure of Confidential Information) Regulations

2001 (SI 2001/2188) or with the consent of the *person* from whom that information was received and (if different) to whom the information relates. The *FSA appropriate regulator* will indicate to a *skilled person* if there is any matter which cannot be discussed with the *person* in SUP 5.2.1G.

...

5.6.3  
[FCA/  
PRA]

G In respect of the appointment of a *skilled person* under section 166A (Appointment of skilled person to collect and update information) of the *Act*, a contractual or other requirement imposed on a *person* to keep any information confidential will not apply if:

- (1) the information is or may be relevant to anything required to be done as part of the *skilled person's* appointment under section 166A (Appointment of skilled person to collect and update information) of the *Act*;
- (2) a *firm* or a *skilled person* requests or requires the *person* to provide the information for the purpose of securing that those things are done; and
- (3) the *appropriate regulator* has approved the making of the request or the imposition of the requirement before it is made or imposed.

5.6.4  
[FCA/  
PRA]

G A *firm* may provide information that would otherwise be subject to a contractual or other requirement to keep it in confidence if it is provided for the purposes of anything required to be done in respect of the *skilled person's* collection or updating of information under section 166A (Appointment of skilled person to collect and update information) of the *Act*.

## 5 Annex 1G

**Examples** Non-exhaustive list of examples of when the FSA FCA may use the skilled person tool (This Annex belongs to SUP 5.3.1AG)

[FCA]

Toolkit purpose	Purpose for use of tool	Examples of reasons for use of tool
Diagnostic	<ul style="list-style-type: none"> <li>To find out more about a concern (e.g. the result of a visit, risk assessment, or notification) and determine whether action is needed to mitigate a risk to the <i>regulatory objectives</i> or to determine whether there may have been a breach of a <i>rule</i> or of a <i>threshold condition</i> or, <u>in the case of an RIE, failure to meet the recognised requirements.</u></li> <li>To assess the implications of, and <i>firm's*</i> response to, a change of circumstances e.g. <ul style="list-style-type: none"> <li>- proposed entry into new business area;</li> <li>- new control structure;</li> <li>- merger or take-over;</li> <li>- new IT system; or</li> <li>- launch of an E-Commerce venture.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Concern about effectiveness of the <i>firm's*</i> internal audit department.</li> <li>Concern about reliability of submitted financial returns.</li> <li>Inability of a <i>firm*</i> to quantify its current financial position.</li> <li>Assessment of consequences of incomplete customer files.</li> <li>Concern about quality of systems and controls.</li> <li>Indication of financial crime or <i>money laundering</i>.</li> <li>Concern about a <i>firm's*</i> <i>controller</i>.</li> <li>Assessment of control structure when a <i>bank</i> (specialising in consumer lending) diversifies into commercial lending.</li> </ul>
Diagnostic/ monitoring	<ul style="list-style-type: none"> <li>To verify information provided to the <del>FSA</del> <u>FCA</u>.</li> <li>To collect information required by but not provided to the <i>FCA</i> by the <i>firm*</i>.</li> <li>To update information previously provided to the <i>FCA</i> but not kept up to date by the <i>firm*</i>.</li> </ul>	<ul style="list-style-type: none"> <li>Verification of a specific return to give the <del>FSA</del> <u>FCA</u> assurance of the quality of information provided.</li> <li><u>Failure by a <i>firm*</i> to provide or keep up to date information required by the <i>FCA</i>.</u></li> </ul>
Monitoring	<ul style="list-style-type: none"> <li>To review systems and controls</li> <li>To complement baseline monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Assessment of systems and controls in <i>firms*</i> where identified as a risk mitigation priority.</li> <li>In-depth review of part of a <i>firm*</i> which is material to the <i>firm's</i> risk profile but of which the <del>FSA</del> <u>FCA</u> does not consider it has an adequate, up-to-date understanding.</li> </ul>
Preventative	<ul style="list-style-type: none"> <li>To gather and analyse information on an identified risk and develop recommendations for resolution.</li> </ul>	<p>Review of identified control weaknesses over <i>client money</i> to obtain recommendations to ensure compliance with the relevant <i>rules</i>.</p>
Remedial	<ul style="list-style-type: none"> <li>To assist in the design of a customer redress programme.</li> <li>To assist in the design of a remedial action plan.</li> <li>To oversee and report on remedial action plan.</li> </ul>	<ul style="list-style-type: none"> <li>Where possible, the <del>FSA</del> <u>FCA</u> has identified possible losses from failure to reconcile assets or from mis-posting of transactions to the general ledger.</li> <li>To report on quality of work undertaken and adherence to milestones in the action plan.</li> </ul>
* or, where applicable, the other <i>persons</i> in SUP 5.2.1G.		

Non-exhaustive list of examples of when the FCA may itself appoint a skilled person rather than require a firm to do so

<u>Toolkit purpose</u>	<u>Purpose for use of tool</u>	<u>Examples of reasons for use of tool</u>
<u>Diagnostic/ monitoring/ preventative/ remedial</u>	<u>(any of the above)</u>	<ul style="list-style-type: none"> <li>• <u>To provide a report or information that is urgently required.</u></li> <li>• <u>To assert a greater degree of control over the appointment and oversight of the <i>skilled person</i> due to the sensitive nature of the matter concerned.</u></li> <li>• <u>To assert a greater degree of control over the appointment and oversight of the <i>skilled person</i> in circumstances where more than one <i>firm</i>* is the subject of the same report or information required.</u></li> </ul>

SUP 5 Annex 2G is deleted in its entirety. The deleted text is not shown.

**Annex D**

**Designations & Regulator making new provision**

<b>Handbook Provision</b>	<b>Made, designated or not in force after legal cutover</b>	<b>Relevant regulator</b>
SUP 5.1.1R	Designated	FCA/PRA
SUP 5.1.1AR	Made	FCA
SUP 5.1.1BG	Made	FCA
SUP 5.1.2G	Designated	FCA/PRA
SUP 5.1.3G	Designated	FCA/PRA
SUP 5.2.1G	Designated	FCA/PRA
SUP 5.2.2G	Made	FCA/PRA
SUP 5.3.1G	Designated	FCA/PRA
SUP 5.3.1AG	Made	FCA
SUP 5.3.2G	Designated	FCA/PRA
SUP 5.3.2AG	Made	FCA/PRA
SUP 5.3.3G	Designated	FCA/PRA
SUP 5.3.4G	Designated	FCA/PRA
SUP 5.3.5G	Designated	FCA/PRA
SUP 5.3.6G	Designated	FCA/PRA
SUP 5.3.7G	Designated	FCA/PRA
SUP 5.3.8G	Designated	FCA/PRA
SUP 5.3.9G	Designated	FCA/PRA
SUP 5.3.9AG	Not in force after legal cutover	
SUP 5.3.10G	Designated	FCA/PRA
SUP 5.4.1G	Made	FCA/PRA

SUP 5.4.1AG	Designated	FCA/PRA
SUP 5.4.2G	Designated	FCA/PRA
SUP 5.4.3G	Designated	FCA/PRA
SUP 5.4.4G	Designated	FCA/PRA
SUP 5.4.5G	Designated	FCA/PRA
SUP 5.4.6G	Designated	FCA/PRA
SUP 5.4.7G	Designated	FCA/PRA
SUP 5.4.8G	Designated	FCA/PRA
SUP 5.4.9G	Designated	FCA/PRA
SUP 5.4.10G	Designated	FCA/PRA
SUP 5.4.10AG	Designated	FCA/PRA
SUP 5.4.11G	Designated	FCA/PRA
SUP 5.4.12G	Designated	FCA/PRA
SUP 5.4.13G	Designated	FCA/PRA
SUP 5.5.1R	Designated	FCA/PRA
SUP 5.5.2G	Designated	FCA/PRA
SUP 5.5.3G	Designated	FCA/PRA
SUP 5.5.4G	Designated	FCA/PRA
SUP 5.5.5R	Designated	FCA/PRA
SUP 5.5.6G	Designated	FCA/PRA
SUP 5.5.7G	Designated	FCA/PRA
SUP 5.5.8G	Designated	FCA/PRA
SUP 5.5.9R	Designated	FCA/PRA
SUP 5.5.10G	Designated	FCA/PRA
SUP 5.5.11G	Designated	FCA/PRA
SUP 5.5.12G	Designated	FCA/PRA

SUP 5.5.13G	Designated	FCA/PRA
SUP 5.5.14G	Designated	FCA/PRA
SUP 5.6.1G	Designated	FCA/PRA
SUP 5.6.2G	Designated	FCA/PRA
SUP 5.6.3G	Made	FCA/PRA
SUP 5.6.4G	Made	FCA/PRA
SUP 5 Annex 1G	Designated	FCA
SUP 5 Annex 2G	Not in force after legal cutover	

## Appendix 3: Section 6

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# Legal Cutover (Waiver and Modifications of Rules) Instrument 2013

**LEGAL CUTOVER (WAIVER AND MODIFICATION OF RULES)  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order..
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;

- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 138A(3) (Modification or waiver of rules);
  - (4) section 139A (Power of the FCA to give guidance);
  - (5) section 250 (Modification or waiver of rules); and
  - (6) section 294 (Modification or waiver of rules).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013..
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
- (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification of rules etc. by the Prudential Regulation Authority**

- 18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

- 19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 20; and
  - (2) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.
- 20 The conditions referred to in paragraph 19(1) are that a provision is:

- (1) identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 21 The conditions referred to in paragraph 19(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 138A(3) (Modification or waiver of rules); and
  - (4) section 294 (Modification or waiver of rules).
- 23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives as guidance:
- (1) each provision in Annex A to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is marked with a G in Column 1 of Annex B to this Instrument; and
  - (2) each provision listed in Annex B to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is (a) marked with a G in Column 1 of Annex B to this Instrument and (b) not in Annex A to this Instrument.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The Supervision manual (SUP) of the FCA’s and PRA’s Handbooks of rules and guidance is amended in accordance with Annex A to this Instrument.

**Citation**

29 This Instrument may be cited as the Legal Cutover (Waiver and Modification of Rules) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 8 Waiver and modification of rules

##### 8.1 Application and purpose

8.1.1 R ~~This chapter applies to every:~~

- (1) ~~*firm or person* who is subject to *FSA rules* that wishes to apply for, consent to, or has been given a modification of or waiver of the *FSA's rules*;~~
- (2) ~~*person*, as respects a particular *AUT* or *ICVC*, who wishes to apply for, consent to, or has been given a modification of or waiver of the *rules in COLL*. [deleted]~~

8.1.1-A R This chapter applies to every:  
[FCA]

- (1) *firm or person* who is subject to *FCA rules* that wishes to apply for, consent to, or has been given a modification of or waiver of the *FCA's rules*;
- (2) *person*, as respects a particular *AUT* or *ICVC*, who wishes to apply for, consent to, or has been given a modification of or waiver of the *rules in COLL*.

8.1.1-B R This chapter applies to every *firm* or *person* who is subject to *PRA rules* that  
[PRA] wishes to apply for, consent to, or has been given a modification of or waiver of the *PRA's rules*.

8.1.1A G This chapter is relevant to an applicant for a ~~*Part IV permission*~~ *Part 4A*  
[FCA/ *permission*, as if that applicant were a *firm*. Where the chapter refers to ~~usual~~  
PRA] *appropriate* supervisory contact, the applicant should read this as being the usual supervisory contact in at the ~~Permissions Department~~ *appropriate* *regulator*. Further, this chapter is relevant to a *person* who is subject to rules made by the ~~*FSA*~~ *appropriate regulator* and where the chapter refers to a *firm*, this includes that person.

...

8.1.3 G This chapter is not relevant to the functions of the ~~*FSA*~~ *FCA* acting in its  
[FCA] capacity as the *competent authority* for the purposes of Part VI of the *Act* (Official Listing).

...

## 8.2 Introduction

Waivers under section ~~148~~ 138A of the Act

8.2.1 [FCA/  
PRA] G Under section ~~148~~ 138A of the *Act* (Modification or waiver of rules), the ~~FSA~~ appropriate regulator may, on the application or with the consent of a *firm*, direct that its *rules*:

- (1) are not to apply to the *firm*; or
- (2) are to apply to the *firm* with such modifications as may be specified.

8.2.1A [FCA/  
PRA] G SUP 8.2.1G does not apply to:

- (1) rules made by either regulator under section 137O of the Act;
- (2) rules made by the FCA under sections 247 or 248 of the Act.

...

Waivers of rules in COLL

8.2.3 [FCA] G Section 250 of the *Act* and regulation 7 of the *OEIC Regulations* allow the ~~FSA~~ FCA to *wave* the application of certain *rules* in *COLL* to:

...

...

8.2.5 [FCA] G Section 250 of the *Act* and regulation 7 of the *OEIC Regulations* work by giving effect to section ~~148~~ 138A of the *Act* in respect of *waivers* given under section 250(2) and (3) and regulation 7(1) and (2) of the *OEIC Regulations*.

...

## 8.3 Applying for a waiver

Conditions for giving a waiver

8.3.1 [FCA/  
PRA] G Under section ~~148(4)~~ 138A(4) of the *Act*, the ~~FSA~~ appropriate regulator may not give a *waiver* unless it is satisfied that:

- (1) compliance by the *firm* with the *rules*, or with the *rules* as

unmodified, would be unduly burdensome, or would not achieve the purpose for which the *rules* were made; and

- (2) ~~the *waiver* would not result in undue risk to *persons* whose interests the *rules* are intended to protect~~ adversely affect the advancement of, in the case of the *PRA*, any of its objectives and, in the case of the *FCA*, any of its operational objectives.

8.3.1A  
[FCA/  
PRA]

- G Even if the conditions in section ~~148(4)~~ 138A(4) of the *Act* are satisfied, the ~~*FSA*~~ *appropriate regulator* will consider other relevant factors before giving a *waiver*, such as whether the *waiver* would be compatible with European law, including relevant EC Directives.

#### Publication of waivers

8.3.2  
[FCA/  
PRA]

- G The ~~*FSA*~~ *appropriate regulator* is required by section ~~148(6)~~ 138B of the *Act* to publish a *waiver* unless it is satisfied that it is inappropriate or unnecessary to do so (see *SUP* 8.6).

8.3.2A  
[FCA]

- G The *FCA* must consult the *PRA* before publishing or deciding not to publish a *waiver* which relates to:

- (1) a *PRA-authorised person*; or
- (2) an *authorised person* who has as a member of its *immediate group* a *PRA-authorised person*;

unless the *waiver* relates to rules made by the *FCA* under sections 247 or 248 of the *Act*.

#### Form and method of application

8.3.3  
[FCA/  
PRA]

- D A firm wishing to apply for a *waiver* must complete the application form in *SUP* 8 Annex 2D and submit it in the way set out in *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification).

- (1) ~~A *firm* other than a *credit union* wishing to apply for a *waiver* must apply online at [www.fsa.gov.uk](http://www.fsa.gov.uk) using the form specified on the *FSA*'s *ONA* system. [deleted]~~
- (2) ~~A *credit union* wishing to apply for a *waiver* must complete the application form in *SUP* 8 Annex 2D and submit it in the way set out in *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification). [deleted]~~
- (3) ~~Where a *firm* is obliged to submit an application online under (1), if the *FSA*'s information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must use the form in *SUP* 8 Annex 2D and submit it in the way set out in *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification). [deleted]~~

...

- 8.3.3A [FCA/PRA] G (1) ~~If the *FSA's* information technology systems fail and online submission is unavailable for 24 hours or more, the *FSA* will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP* 8.3.3D(3) and *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification) should be used. The appropriate regulator's preferred method of submission for waiver applications is by e-mail.~~
- (2) ~~Where *SUP* 8.3.3D(3) applies to a *firm*, *GEN* 1.3.2R (Emergency) does not apply. The form is available on the appropriate regulator's website.~~
- 8.3.4 [FCA/PRA] G Before sending in a *waiver* application, a *firm* may find it helpful to discuss the application with its usual appropriate supervisory contact ~~at the *FSA*.~~ However, the *firm* should still ensure that all relevant information is included in the application.
- 8.3.4A FCA G *Firms* or *persons* other than *PRA-authorized persons* should send applications for *waivers* or applications for variations of *waivers* to the *FCA*.
- 8.3.4B [FCA/PRA] G *PRA-authorized persons* should send applications for *waivers* or applications for variations of *waivers* to:
- (1) the *FCA* in respect of rules in the *FCA Handbook* applicable to that *PRA-authorized person*; and
- (2) the *PRA* in respect of rules in the *PRA Handbook*.

#### Procedure on receipt of an application

- 8.3.5 [FCA] G The ~~*FSA*~~ appropriate regulator will acknowledge an application promptly and if necessary will seek further information from the *firm*. The time taken to determine an application will depend on the issues it raises. However, the ~~*FSA*~~ appropriate regulator will aim to give *waiver* decisions within 20 *business days* of receiving an application which includes sufficient information. If the ~~*FSA*~~ appropriate regulator expects to take longer, it will tell the *firm* and give an estimated decision date. A *firm* should make it clear in the application if it needs a decision within a specific time.
- 8.3.5A [FCA/PRA] G The ~~*FSA*~~ appropriate regulator will treat a *firm's* application for a *waiver* as withdrawn if it does not hear from the *firm* within 20 *business days* of sending a communication which requests or requires a response from the *firm*. The ~~*FSA*~~ appropriate regulator will not do this if the *firm* has made it clear to the ~~*FSA*~~ appropriate regulator in some other way that it intends to pursue the application.
- 8.3.6 G In some cases, the ~~*FSA*~~ appropriate regulator may give a modification of a

[FCA/  
PRA] *rule* rather than direct that the *rule* is not to apply. The *FSA appropriate regulator* may also impose conditions on a *waiver*, for example additional reporting requirements. A *waiver* may be given for a specified period of time only, after which time it will cease to apply. A *firm* wishing to extend the duration of a *waiver* should follow the procedure in SUP 8.3.3D. A *waiver* will not apply retrospectively.

8.3.7 G If the *FSA appropriate regulator* decides not to give a *waiver*, it will give reasons for the decision.  
[FCA/  
PRA]

8.3.8 G A *firm* may withdraw its application at any time up to the giving of the *waiver*. In doing so, a *firm* should give the *FSA appropriate regulator* its reasons for withdrawing the application.  
[FCA/  
PRA]

8.3.9 G If the *FSA appropriate regulator* believes that a particular *waiver* given to a *firm* may have relevance to other *firms*, it may publish general details about the possible availability of the *waiver*. For example, IPRU(INV) 3-80(10)G explains that a *firm* that wishes to use its own internal model to calculate its position risk requirement (PRR) will need to apply for a *waiver* of the relevant *rules*.  
[FCA/  
PRA]

#### Giving a waiver with consent rather than on an application

8.3.10 G Under section ~~148(2)~~ 138A(1) of the *Act* the *FSA appropriate regulator* may give a *waiver* with the consent of a *firm*. This power may be used by the *FSA appropriate regulator* in exceptional circumstances where the *FSA appropriate regulator* considers that a *waiver* should apply to a number of *firms* (for example, where a *rule* unmodified may not meet the particular circumstances of a particular category of *firm*). In such cases the *FSA appropriate regulator* will inform the *firms* concerned that the *waiver* is available, either by contacting *firms* individually or by publishing details of the availability of the *waiver* on the *FSA's appropriate regulator's* website provided that the *FCA* must comply with SUP 8.3.2AG. The *firms* concerned will not have to make a formal application but will have to give their written consent for the *waiver* to apply.  
[FCA/  
PRA]

#### Waiver of an evidential provision

8.3.11 G An application for a *waiver* of an *evidential provision* will normally be granted only if a breach of the underlying binding *rule* is actionable under section ~~150~~ 138D of the *Act*. Individual *guidance* would normally be a more appropriate response (see SUP 9 (Individual Guidance)) if there is no right of action.  
[FCA/  
PRA]

...

8.3.13 G For an application for a *waiver* of the presumption of contravention of a binding *rule*, which is actionable under section ~~150~~ 138D of the *Act*, the *FSA appropriate regulator* would normally wish to be satisfied that the evidential *rule* is itself unduly burdensome or does not achieve the purpose of the *rule*.  
[FCA/  
PRA]

8.3.13A G In accordance with section 138C(4) of the Act, in SUP 8.3.11G to 8.3.13G, a  
[FCA/  
PRA]

(1) section 137O of the Act; or

(2) section 192J of the Act.

...

## 8.4 Reliance on waivers

Application of waived rules

8.4.1 G If the ~~FSA~~ appropriate regulator gives a *firm* a *waiver*, then the relevant *rule*  
[FCA/  
PRA] no longer applies to the *firm*. But:

(1) if a *waiver* directs that a *rule* is to apply to a *firm* with modifications, then contravention of the modified *rule* could lead to ~~FSA~~ appropriate regulator enforcement action and (if applicable) a right of action under section ~~450~~ 138D of the *Act* (Actions for damages); and

(2) if a *waiver* is given subject to a condition, it will not apply to activities conducted in breach of the condition, and those activities, if in breach of the original *rule*, could lead to ~~FSA~~ appropriate regulator enforcement action or such a right of action.

The effect of rule changes on waivers

8.4.2 G Substantive changes to the *rules* (this would not include simple editorial  
[FCA/  
PRA] changes) in the *Handbook* may affect existing *waivers*, changing their practical effect and creating a need for a change to the original *waiver*. The ~~FSA~~ appropriate regulator will consult on proposed *rule* changes. A *firm* should note proposed *rule* changes and discuss the impact on a *waiver* with its usual appropriate supervisory contact ~~at the FSA~~.

## 8.5 Notification of altered circumstances relating to waivers

8.5.1 R A *firm* which has applied for or has been granted a *waiver* must notify the  
[FCA/  
PRA] ~~FSA~~ appropriate regulator immediately if it becomes aware of any matter which could affect the continuing relevance or appropriateness of the application or the *waiver*.

8.5.2 G *Firms* are also referred to SUP 15.6 (Inaccurate, false or misleading  
[FCA/  
PRA] information). This requires, in SUP 15.6.4R, a *firm* to notify the ~~FSA~~ appropriate regulator if false, misleading, incomplete or inaccurate

PRA] information has been provided. This would apply in relation to information provided in an application for a *waiver*.

## 8.6 Publication of waivers

### Requirement to publish

8.6.1 G The *FSA appropriate regulator* is required by ~~section 148(6)~~ sections 138B(1) and (2) of the *Act* to publish a *waiver* unless it is satisfied that it is inappropriate or unnecessary to do so. If the *FSA appropriate regulator* publishes a *waiver*, it will not publish details of why a *waiver* was required or any of the supporting information given in a *waiver* application.

8.6.1A G The FCA must consult the PRA before publishing or deciding not to publish a waiver which relates to:

(1) a PRA-*authorised person*; or

(2) an *authorised person* who has as a member of its immediate group a PRA-*authorised person*;

unless the *waiver* relates to *rules* made by the FCA under sections 247 or 248 of the *Act*.

### Matters for consideration

8.6.2 G When considering whether it is satisfied under section ~~148(6)~~ 138B(2), the *FSA appropriate regulator* is required by section ~~148(7)~~ 138B(3) of the *Act*:

(1) to take into account whether the *waiver* relates to a *rule* contravention of which is actionable under section ~~150~~ 138D of the *Act* (Actions for damages); Schedule 5 identifies such *rules*;

(2) to consider whether its publication would prejudice, to an unreasonable degree, the commercial interests of the *firm* concerned, or any other member of its *immediate group*; ~~and~~

(3) to consider whether its publication would be contrary to an international obligation of the *United Kingdom* (for example, the confidentiality obligations in the *Single Market Directives*); ~~and~~

(4) to consider whether the publication of the *waiver* would be detrimental to the stability of the UK financial system.

8.6.3 G *Waivers* can affect the legal rights of third parties, including *consumers*. In the *FSA's appropriate regulator's* view it is important that the fact and effect of such *waivers* should be transparent. So the fact that a *waiver* relates to a *rule* that is actionable under section ~~150~~ 138D of the *Act* (see SUP 8.6.2G (1)) will tend to argue in favour of publication.

...

8.6.5 [FCA/PRA] G In considering whether commercial interests would be prejudiced to an unreasonable degree (see SUP 8.6.2G(2)), the *FSA appropriate regulator* will weigh the prejudice to *firms'* commercial interests against the interests of *consumers*, markets and other third parties in disclosure. In doing so the *FSA appropriate regulator* will consider factors such as the extent to which publication of the *waiver* would involve the premature release of proprietary information to commercial rivals, for example relating to a product innovation, or reveal information which could reasonably be regarded as the *firm's* own intellectual property. In line with section 148(8)-138B(5) of the *Act*, the *FSA appropriate regulator* will also consider whether prejudice to a *firm's* commercial interests could be avoided or mitigated by publication of the *waiver* without disclosing the identity of the *firm*.

8.6.6 [FCA/PRA] G The *FSA appropriate regulator* may consider publication unnecessary where, for example, the *waiver* relates to a minor matter that does not affect any third party and is unlikely to be of relevance or interest to other *firms*.

#### Firm's objection to publication

8.6.7 [FCA/PRA] G If, after taking into account the matters in SUP 8.3.3D to SUP 8.6.6G, a *firm* believes there are good grounds for the *FSA appropriate regulator* either to withhold publication or to publish the *waiver* without disclosing the identity of the *firm*, it should make this clear in its application (see SUP 8.3.3D(7)). If the *FSA appropriate regulator* proposes to publish a *waiver* against the wishes of the *firm*, the *FSA appropriate regulator* will give the *firm* the opportunity to withdraw its application before the *waiver* is given.

#### Withholding publication for a limited period

8.6.8 [FCA/PRA] G A decision to withhold a *waiver* or identity of a *firm* from publication may be for a limited period only, usually as long as the duration of the relevant grounds for non-publication. If the *FSA appropriate regulator* proposes to publish information about a *waiver* that had previously been withheld, it will first give the *firm* an opportunity to make representations.

#### Means of publication

8.6.9 [FCA/PRA] G The principal means of publication of *waiver* information will be the *FSA's appropriate regulator's* website ([www.fsa.gov.uk](http://www.fsa.gov.uk)).

## 8.7 Varying waivers

8.7.1 [FCA/PRA] G Once the *FSA appropriate regulator* has given a *waiver*, it may vary it with the *firm's* consent, or on the *firm's* application. If a *firm* wishes the *FSA appropriate regulator* to vary a *waiver*, it should follow the procedures in SUP 8.3.3D, giving reasons for the application. In a case where a *waiver* has

been given to a number of *firms* (see SUP 8.3.10G ), if the *FSA appropriate regulator* wishes to vary such *waivers* with the consent of those *firms*, it will follow the procedures in SUP 8.3.10G.

- 8.7.2 [FCA/  
PRA] G If the *waiver* that has been varied has previously been published, the *FSA appropriate regulator* will publish the variation unless it is satisfied that it is inappropriate or unnecessary to do so, having regard to any representation made by the *firm*.

## 8.8 Revoking waivers

- 8.8.1 [FCA/  
PRA] G The *FSA appropriate regulator* may revoke a *waiver* at any time. In deciding whether to revoke a *waiver*, the *FSA appropriate regulator* will consider whether the conditions in section ~~148(4)~~138A(4) of the *Act* are no longer satisfied (see SUP 8.3.1G), and whether the *waiver* is otherwise no longer appropriate. ~~The *FSA* may revoke a *waiver* with immediate effect, if it considers that this is necessary, for example, in order to prevent undue risk to consumers.~~

- 8.8.2 [FCA/  
PRA] G If the *FSA appropriate regulator* proposes to revoke a *waiver*, or revokes a *waiver* with immediate effect, it will:

...

- (2) state in the notice a reasonable period (usually 28 *days*) within which the *firm* can make representations about the proposal or action; if a *firm* wants to make oral representations, it should inform the *FSA appropriate regulator* as quickly as possible, specify who will make the representations and which matters will be covered; the *FSA appropriate regulator* will inform the *firm* of the time and place for hearing the representations and may request a written summary;

...

- 8.8.3 [FCA/  
PRA] G If the *waiver* that has been revoked has previously been published, the *FSA appropriate regulator* will publish the revocation unless it is satisfied that it is inappropriate or unnecessary to do so, having regard to any representations made by the *firm*.

## 8.9 Decision making

...

- 8.9.2 [FCA/  
PRA] G If the *FSA appropriate regulator*, in the course of carrying on supplementary supervision of a *financial conglomerate*, is considering exercising its powers under section ~~148~~ 138A of the *Act* (Modification or waiver of rules), regulation 4 of the *Financial Groups Directive Regulations* contains special

provisions. The *FSA appropriate regulator* must, in broad terms, do two things. Where required by those regulations, it must obtain the consent of the relevant competent authorities of the group. And, where required by those Regulations, it must consult those competent authorities.

SUP 8 Annex 1G is deleted in its entirety. The deleted text is not shown.

Amend the following as shown.

**8 Annex Application form for a waiver or modification of rules**

**2**

[FCA/  
PRA]

- D This annex consists only of one or more forms. Forms are to be found through the following address:

*Waiver Application form - ~~FSA/does/sup/w\_form.doc~~ [web address tbc]*

**Annex B**

**Designations & Regulator making new provision**

<b>Handbook Provision</b>	<b>Made, designated or not in force after legal cutover</b>	<b>Relevant regulator</b>
8.1.1 R	Designated	FCA/PRA
8.1.1XA R	Made	FCA
8.1.1XB R	Made	PRA
8.1.1A G	Designated	FCA/PRA
8.1.2 G	Designated	FCA
8.1.3 G	Designated	FCA
8.1.4 G	Designated	FCA/PRA
8.2.1 G	Designated	FCA/PRA
8.2.1A G	Made	FCA/PRA
8.2.2 G	Designated	FCA/PRA
8.2.3 G	Designated	FCA
8.2.4 G	Designated	FCA
8.2.5 G	Designated	FCA
8.2.6 G	Not in force after legal cutover	
8.2.7 G	Not in force after legal cutover	
8.2.8 G	Not in force after legal cutover	
8.3.1 G	Designated	FCA/PRA
8.3.1A G	Designated	FCA/PRA
8.3.2 G	Designated	FCA/PRA
8.3.2A G	Made	FCA

8.3.3 D	Designated	FCA/PRA
8.3.3A G	Designated	FCA/PRA
8.3.4 G	Designated	FCA/PRA
8.3.4A G	Made	FCA
8.3.4B G	Made	FCA/PRA
8.3.5 G	Designated	FCA
8.3.5A G	Designated	FCA/PRA
8.3.6 G	Designated	FCA/PRA
8.3.7 G	Designated	FCA/PRA
8.3.8 G	Designated	FCA/PRA
8.3.9 G	Designated	FCA/PRA
8.3.10 G	Designated	FCA/PRA
8.3.11 G	Designated	FCA/PRA
8.3.12 G	Designated	FCA/PRA
8.3.13 G	Designated	FCA/PRA
8.3.13A G	Made	FCA/PRA
8.3.14 G	Designated	FCA/PRA
8.4.1 G	Designated	FCA/PRA
8.4.2 G	Designated	FCA/PRA
8.5.1 R	Designated	FCA/PRA
8.5.2 G	Designated	FCA/PRA
8.6.1 G	Designated	FCA/PRA
8.6.1A G	Made	FCA
8.6.2 G	Designated	FCA/PRA
8.6.3 G	Designated	FCA/PRA
8.6.4 G	Designated	FCA

8.6.5 G	Designated	FCA/PRA
8.6.6 G	Designated	FCA/PRA
8.6.7 G	Designated	FCA/PRA
8.6.8 G	Designated	FCA/PRA
8.6.9 G	Designated	FCA/PRA
8.7.1 G	Designated	FCA/PRA
8.7.2 G	Designated	FCA/PRA
8.8.1 G	Designated	FCA/PRA
8.8.2 G	Designated	FCA/PRA
8.8.3 G	Designated	FCA/PRA
8.9.1 G	Designated	FCA/PRA
8.9.2 G	Designated	FCA/PRA
8 Annex 1 G	Not in force after legal cutover	
8 Annex 2 D	Designated	FCA/PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
competent authority)		
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory	Section 226	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))		
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify)	Section 300B	Section 300B

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
proposal to make regulatory provision)		
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the

Column 1	Column 2	Column 3
<p><b>Provisions of other enactments under which the Authority made rules</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)</p>		<p>Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).</p>
<p>Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)</p>	<p>Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).</p>	<p>None</p>

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53	Section 210	Section 210

Column 1	Column 2	Column 3
<p><b>Provisions of the 2000 Act under which the Authority issued statements</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>(6) of the Electronic Money Regulations 2011 (SI 2011/99).)</p>		
<p>Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)</p>	<p>Section 395</p>	<p>Section 395</p>

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of	Section 318	Section 318

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
powers through Council)		
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 7

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# Legal Cutover (Controllers and Close Links) Instrument 2013

## LEGAL CUTOVER (CONTROLLERS AND CLOSE LINKS) INSTRUMENT 2013

### WHEREAS:

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

### Interpretation

#### 1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;

- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;
- (13) “Commencement date” means 1 April 2013 provided that Her Majesty’s Treasury makes the Financial Services and Markets Act 2000 (PRA-Regulated Activities) Order in the form of the draft laid before Parliament on 24 January 2013.

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:
  - (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
  - (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) Identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:
  - (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
  - (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

. **Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
- (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

. **Modification of rules etc. by the Prudential Regulation Authority**

- 18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

. **Rules etc. made, given or amended by the Prudential Regulation Authority**

- 19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 20; and
  - (2) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.
- 20 The conditions referred to in paragraph 19(1) are that a provision is:

- (1) identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 21 The conditions referred to in paragraph 19(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137G (The PRA’s general rules); and
  - (2) section 137T (General supplementary powers).
- 23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives as guidance:
- (1) each provision in Annex A to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is marked with a G in Column 1 of Annex B to this Instrument; and
  - (2) each provision listed in Annex B to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is (a) marked with a G in Column 1 of Annex B to this Instrument and (b) not in Annex A to this Instrument.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The Supervision manual (SUP) of the FCA’s and PRA’s Handbooks of rules and guidance is amended in accordance with Annex A to this Instrument.

**Citation**

29 This Instrument may be cited as the Legal Cutover (Controllers and Close Links) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

**Annex A**

**Amendments to the Supervision manual (SUP)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

**11 Controllers and close links**

Application to firms

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11.1.2 R Applicable sections (see SUP 11.1.1R)

[FCA/  
PRA]

	Category of firm	Applicable sections
(1)	<i>A UK domestic firm other than a building society, a non-directive friendly society or a non-directive firm</i>	All except SUP 11.3, SUP 11.4.2AR and SUP 11.4.4R
(1A)	<i>A building society</i>	(a) In the case of an exempt change in <i>control</i> (see Note), SUP 11.1, SUP 11.2 and SUP 11.9 (b) In any other case, all except SUP 11.3, <del>R</del> and SUP 11.4.4R
(2)	<i>A non-directive friendly society</i>	SUP 11.1, SUP 11.2, and SUP 11.9
(2A)	<i>A non-directive firm</i>	all except SUP 11.3, SUP 11.4.2R, and SUP 11.4.4R
(3)	<i>An overseas firm</i>	All except SUP 11.3, SUP 11.4.2R, SUP 11.4.2AR, <del>;</del> SUP 11.4.9G, SUP 11.5.8G to SUP 11.5.10G, SUP 11.6.2R, SUP 11.6.3R, <del>;</del> SUP 11.7
Note	In row (1A), a change in <i>control</i> is exempt if the <i>controller</i> or proposed <i>controller</i> is exempt from any obligation to notify the <del>FSA</del> <u>appropriate regulator</u> under Part XII of the Act ( <del>Notices of acquisitions of control over UK authorised persons</del> ) ( <u>Control Over Authorised Persons</u> ) because of The Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (SI 2009/774). (See SUP 11.3.2AG).	

...

## 11.2 Purpose

- 11.2.1 G Part XII of the *Act* (~~Notices of acquisitions of control over UK authorised persons~~) (Control Over Authorised Persons) places an obligation on the *controllers* and proposed *controllers* of those *UK domestic firms* not listed in SUP 11.1.1R(1) to SUP 11.1.1R(6) to notify the ~~FSA~~ appropriate regulator of changes in *control*, including acquiring, increasing or reducing *control* or ceasing to have *control* over a *firm*. Furthermore, those *persons* are required to obtain the ~~FSA's~~ appropriate regulator's approval approval before becoming a *controller* or increasing their *control* over a *firm*. SUP 11.3 is intended to assist those *persons* in complying with their obligations under Part XII of the *Act*.
- 11.2.2 G The *rules* in SUP 11.4 to SUP 11.6 are aimed at ensuring that the ~~FSA~~ appropriate regulator receives the information that it needs to fulfil its responsibility to monitor and, in some cases, give prior approval to *firms' controllers*.
- ...
- 11.2.3 G As the approval of the ~~FSA~~ appropriate regulator is not required under the *Act* for a new *controller* of an *overseas firm*, the *notification rules* on such *firms* are less prescriptive than they are for *UK domestic firms*. Nevertheless, the ~~FSA~~ appropriate regulator still needs to monitor such an *overseas firm's* continuing satisfaction of the *threshold conditions*, which normally includes consideration of a *firm's* connection with any *person*, including its *controllers* and *parent undertakings* (see ~~COND~~ the threshold conditions set out in paragraphs 3B, 4F and 5F of Schedule 6 to the *Act*). The ~~FSA~~ appropriate regulator therefore needs to be notified of *controllers* and *parent undertakings* of *overseas firms*.
- 11.2.4 G As part of the ~~FSA's~~ appropriate regulator's function of monitoring a *firm's* continuing satisfaction of the *threshold conditions*, the ~~FSA~~ appropriate regulator needs to consider the impact of any significant change in the circumstances of one or more of its *controllers*, for example, in their financial standing and, in respect of corporate *controllers*, in their *governing bodies*. Consequently, the ~~FSA~~ appropriate regulator needs to know if there are any such changes. SUP 11.8 therefore requires a *firm* to tell the ~~FSA~~ appropriate regulator if it becomes aware of particular matters relating to a *controller*.
- 11.2.5 G Similarly, the ~~FSA~~ appropriate regulator needs to monitor a *firm's* continuing satisfaction of the threshold conditions condition 3 (Close links) set out in paragraphs 3B, 4F and 5F of Schedule 6 to the *Act* (as applicable) (in relation to *threshold conditions* for which the *FCA* is responsible, see COND 2.3), which requires that a *firm's* *close links* are not likely to prevent the ~~FSA's~~ appropriate regulator's effective supervision of that *firm*. Accordingly the ~~FSA~~ appropriate regulator needs to be notified of any

changes in a *firm's close links*. This requirement is contained in SUP 11.9.

...

### 11.3 Requirements on controllers or proposed controllers under the Act

...

11.3.1B G SUP 11 Annex 6G provides *guidance* on when one *person's* holding of shares or voting power must be aggregated with that of another *person* for the purpose of determining whether an acquisition or increase of control will take place as contemplated by section 181 or 182 of the *Act* such that notice must be given to the ~~FSA~~ appropriate regulator in accordance with section 178 of the *Act* before making the acquisition or increase. This will be:

- (1) where those *persons* are acting in concert, as contemplated by section 178(2) (Obligation to notify ~~the Authority~~ appropriate regulator: acquisitions of control) of the *Act*; or

...

Requirement to notify a proposed change in control

11.3.2 G Sections 178(1) and 191D(1) of the *Act* require a *person* (whether or not he is an *authorised person*) to notify the ~~FSA~~ appropriate regulator in writing if he decides to acquire, increase or reduce *control* or to cease to have *control* over a *UK domestic firm*. Failure to notify is an offence under section 191F of the *Act* (Offences under this Part).

...

Approval required before acquiring or increasing control

11.3.4 G If a *person* decides to acquire *control* or increase *control* over a *UK domestic firm* in a way described in SUP 11.4.2R or acquire *control* in a way described in SUP 11.4.2AR(1), he must obtain the ~~FSA's~~ appropriate regulator's approval before doing so. Making an acquisition before the ~~FSA~~ appropriate regulator has approved of it is an offence under section 191F of the *Act* (Offences under this Part).

11.3.5 G The ~~FSA's~~ appropriate regulator's approval is not required before a *controller* reduces *control* or ceases to have *control* over a *UK domestic firm*.

Pre-notification and approval for fund managers

11.3.5A G The ~~FSA~~ appropriate regulator recognises that *firms* acting as *investment managers* may have difficulties in complying with the prior notification requirements in sections 178 and 191D of the *Act* as a result of acquiring or disposing of listed *shares* in the course of that fund management activity. To

ameliorate these difficulties, the *FSA appropriate regulator* may accept pre-notification of proposed changes in *control*, made in accordance with SUP 11.3.5BD, and may grant approval of such changes for a period lasting up to a year.

11.3.5B D The *FSA appropriate regulator* may treat as notice given in accordance with [FCA/ PRA] sections 178 and ~~190(1)~~ 191D of the *Act* a written notification from a *firm* which contains the following statements:

...

11.3.5C G Where the *FSA appropriate regulator* approves changes in *control* proposed [FCA/ PRA] in a notice given under SUP 11.3.5BD:

- (1) the *controller* remains subject to the requirement to notify the *FSA appropriate regulator* when a change in *control* actually occurs; and
- (2) the notification of change in *control* should be made no later than five *business days* after the end of each *month* and set out all changes in the *controller's* control position for each *UK domestic firm* for the *month* in question.

At that stage, the *FSA appropriate regulator* may seek from the *controller* further information.

...

#### Forms of notifications when acquiring or increasing control

11.3.7 D A *section 178 notice* given to the *FSA appropriate regulator* by a person [FCA/ PRA] who is acquiring *control* or increasing his *control* over a *UK domestic firm*, in a way described in SUP 11.4.2R(1) to (4), or acquiring *control* in a way described in SUP 11.4.2AR, must contain the information and be accompanied by such documents as are required by the *controllers form* approved by the *FSA appropriate regulator* for the relevant application.

11.3.7A G The *controllers forms* approved by the *FSA appropriate regulator* may be [FCA/ PRA] found at the *FSA's appropriate regulator's* website ([www.fsa.gov.uk/Pages/Doing/Regulated/Notify/Control/index.shtml](http://www.fsa.gov.uk/Pages/Doing/Regulated/Notify/Control/index.shtml)) [web address tbc].

...

11.3.10 D (1) A *person* who has submitted a *section 178 notice* under SUP [FCA/ PRA] 11.3.7D must notify the *FSA appropriate regulator* immediately if he becomes aware, or has information that reasonably suggests, that he has or may have provided the *FSA appropriate regulator* with information which was or may have been false, misleading, incomplete or inaccurate, or has or may have changed, in a material particular. The notification must include:

...

...

- 11.3.11 G The *FSA appropriate regulator* will inform a *section 178 notice* giver as soon as reasonably practicable if it considers the *section 178 notice* to be incomplete.  
[FCA/  
PRA]
- 11.3.12 G The *FSA appropriate regulator* has power, under section 179(3) of the Act (Requirements for ~~*section 178 notices*~~ *section 178 notices*), to vary or waive these requirements in relation to a *section 178 notice* in particular cases if it considers it appropriate to do so.  
[FCA/  
PRA]
- 11.3.13 G A Where a *controller* or proposed *controller* which is an *authorised person* is required to submit less information under *SUP 11.3.7D* than other *persons*, and consequently the *FSA appropriate regulator* may ask for confirmation of details already held by it or any additional information required under *SUP 11.5.1R*.  
[FCA/  
PRA]
- 11.3.14 G Pursuant to section 188 of the Act (Assessment: consultation with ~~EU~~ EC competent authorities), the *FSA appropriate regulator* is obliged to consult any appropriate *Home State regulator* before making a determination under section 185 of the Act (Assessment: general).  
[FCA/  
PRA]

#### Notification when reducing control

...

- 11.3.15 D A notice given to the *FSA appropriate regulator* by a *person* who is reducing or ceasing to have *control* over a *UK domestic firm*, as set out in *SUP 11.4.2R* or *SUP 11.4.2AR* must:  
A  
[FCA/  
PRA]

...

...

#### Joint notifications

- 11.3.17 G Notifications to the *FSA appropriate regulator* by proposed *controllers* and *controllers* under Part XII of the Act may be made on a joint basis outlined in *SUP 11.5.8G* to *SUP 11.5.10G*.  
[FCA/  
PRA]

## 11.4 Requirements on firms

...

#### Requirement to notify a change in control

11.4.2 R A *UK domestic firm*, other than a *non-directive firm*, must notify the ~~FSA~~  
[FCA/appropriate regulator of any of the following events concerning the *firm*:  
PRA]

...

11.4.2A R A *non-directive firm* must notify the ~~FSA~~ appropriate regulator of any of  
[FCA/  
PRA] the following events concerning the *firm*:

...

...

11.4.4 R An *overseas firm* must notify the ~~FSA~~ appropriate regulator if a *person*  
[FCA/  
PRA] becomes a *controller* of the *firm*, increases or reduces *control* over the *firm*  
or ceases to have *control* over the *firm*.

...

11.4.6 G If a *firm* is required to obtain approval from the *Society of Lloyd's* for any  
[PRA] changes in its *controllers*, it should apply for this approval as well as  
notifying the ~~FSA~~ PRA.

#### Content and timing of notification

11.4.7 R The notification by a *firm* under ~~SUP 11.4.2R~~,~~R~~ or ~~SUP 11.4.4R~~ must:  
[FCA/  
PRA]

...

11.4.8 G *Principle 11* requires *firms* to be open and cooperative with the ~~FSA~~  
[FCA/appropriate regulator. A *firm* should discuss with the ~~FSA~~ appropriate  
PRA] regulator, at the earliest opportunity, any prospective changes of which it is  
aware, in a *controller's* or proposed *controller's* shareholdings or *voting*  
*power* (if the change is material). These discussions may take place before  
the formal notification requirement in ~~SUP 11.4.2R~~,~~R~~ or ~~SUP 11.4.4R~~  
arises. (See also ~~SUP 11.3.2G~~). As a minimum, the ~~FSA~~ appropriate  
regulator considers that such discussions should take place before a *person*:

- (1) enters into any formal agreement in respect of the purchase of shares  
or a proposed acquisition or merger which would result in a change  
in *control* (whether or not the agreement is conditional upon any  
matter, including the ~~FSA's~~ appropriate regulator's approval); or

...

...

#### Identity of controllers

...

- 11.4.11 G The steps that the *FSA appropriate regulator* expects a *firm* to take to  
[FCA/  
PRA] comply with SUP 11.4.10R include, if applicable:

...

## 11.5 Notifications by firms

- 11.5.1 R Information to be submitted by the firm (see SUP 11.4.7R(2)(a))  
[FCA/  
PRA]

(1)	The name of the <i>firm</i> ;
(2)	the name of the <i>controller</i> or proposed <i>controller</i> and, if it is a <i>body corporate</i> and is not an <i>authorised person</i> , the names of its <i>directors</i> and its <i>controllers</i> ;
(3)	a description of the proposed event including the shareholding and <i>voting power</i> of the <i>person</i> concerned, both before and after the change in control; and
(4)	any other information of which the <i>FSA appropriate regulator</i> would reasonably expect notice.

...

- 11.5.4 G *Firms* are reminded that a change in *control* may give rise to a change in the  
[FCA/  
PRA] *group companies* to which the *FSA's appropriate regulator's* consolidated financial supervision requirements apply. Also, the *firm* may for the first time become subject to the *FSA's appropriate regulator's* requirements on consolidated financial supervision (or equivalent requirements imposed by another *EEA State*). This may apply, for example, if the *controller* is itself an *authorised undertaking*. The *FSA appropriate regulator* may therefore request such a *firm, controller* or proposed *controller* to provide evidence that, following the change in *control*, the *firm* will meet the requirements of these *rules*, if appropriate.

...

### Joint notifications

- 11.5.8 G A *firm* and its *controller* or proposed *controller* may discharge an obligation  
[FCA/  
PRA] to notify the *FSA appropriate regulator* by submitting a single joint *section 178 notice* containing the information required from the *firm* and the *controller* or proposed *controller*. In this case, the *section 178 notice* may be used on behalf of both the *firm* and the *controller* or proposed *controller*.

11.5.9 G If a *person* is proposing a change in *control* over more than one *firm* within  
[FCA/ a *group*, then the *controller* or proposed *controller* may submit a single  
PRA] *section 178 notice to the PRA* in respect of all those *firms* which are PRA-  
*authorised persons* and a single *section 178 notice to the FCA* in respect of  
all those *firms* which are not PRA-*authorised persons*. The *section 178*  
*notice* should contain all the required information as if separate notifications  
had been made, but information and documentation need not be duplicated  
within the set of information sent to each regulator.

11.5.10 G When an event occurs (for example, a *group* restructuring or a merger) as a  
[FCA/ result of which:  
PRA]

(1) more than one *firm* in a *group* would undergo a change in *control*; or

(2) a single *firm* would experience more than one change in *control*;

then, to avoid duplication of documentation, all the *firms* and their  
*controllers* or proposed *controllers* may discharge their respective  
obligations to notify the ~~FSA~~ *appropriate regulator* by submitting a single  
*section 178 notice to the PRA* containing one set of information in relation  
to all the *firms* which are PRA-*authorised persons* and a single *section 178*  
*notice to the FCA* containing one set of information in relation to all the  
*firms* which are not PRA-*authorised persons*.

## 11.6 Subsequent notification requirements by firms

Changes in the information provided to the ~~FSA~~ *appropriate regulator*

11.6.1 G *Firms* are reminded that SUP 15.6.4R requires them to notify the ~~FSA~~  
[FCA/ *appropriate regulator* if information notified under SUP 11.4.2R, ~~R~~ or SUP  
PRA] 11.4.4R was false, misleading, inaccurate, incomplete, or changes, in a  
material particular. This would include a *firm* becoming aware of  
information that it would have been required to provide under SUP 11.5.1R  
if it had been aware of it.

11.6.2 R After submitting a *section 178 notice* under SUP 11.4.2R or SUP 11.4.2AR  
[FCA/ and until the change in *control* occurs (or is no longer to take place), SUP  
PRA] 15.6.4R and SUP 15.6.5R apply to a *UK domestic firm* in relation to any  
information its *controller* or proposed *controller* provided to the ~~FSA~~  
*appropriate regulator* under SUP 11.5.1R or SUP 11.3.7D.

...

Notification that the change in control has taken place

11.6.4 R A *firm* must notify the ~~FSA~~ *appropriate regulator*:  
[FCA/ ...  
PRA]

...

## 11.7 Acquisition or increase of control: assessment process and criteria

...

- 11.7.2 G Section 191A deals with the procedure the *FSA appropriate regulator* must follow where ~~there has been a failure to notify or a default.~~ the appropriate regulator reasonably believes that:
- [FCA/  
PRA]
- (1) there has been a failure to give notice under section 178(1) of the Act in circumstances where notice was required;
  - (2) there has been a breach of a condition imposed under section 187 of the Act; or
  - (3) there are grounds for objecting to control on the basis of the matters in section 186 of the Act.

- 11.7.3 G The *FSA appropriate regulator* may serve *restriction notices* in certain circumstances in accordance with section 191B of the Act.
- [FCA/  
PRA]

- 11.7.4 G The *FSA appropriate regulator* may apply to the court for an order for the sale of *shares* in accordance with section 191C of the Act.
- [FCA/  
PRA]

...

- 11.7.13 G Before making a determination under section 185 or giving a *warning notice* under section 191A, the *FSA appropriate regulator* must comply with the requirements as to consultation with EC competent authorities set out in section 188 of the Act and with the other regulator set out in sections 187A, 187B and 191A of the Act, as applicable.
- [FCA/  
PRA]

...

## 11.8 Changes in the circumstances of existing controllers

- 11.8.1 R A *firm* must notify the *FSA appropriate regulator* immediately it becomes aware of any of the following matters in respect of one or more of its *controllers*:
- [FCA/  
PRA]

...

- 11.8.2 G In assessing whether a matter should be notified to the *FSA appropriate regulator* under SUP 11.8.1R(1), SUP 11.8.1R(2) or SUP 11.8.1R(3), a *firm* should have regard to the *guidance* on satisfying the threshold condition~~5~~
- [FCA]

~~(Suitability)~~ *conditions* set out in paragraphs 2E and 3D of Schedule 6 to the *Act* contained in *COND 2.5*.

- 11.8.3 [FCA/PRA] G In respect of *SUP 11.8.1R(3)*, the *FSA appropriate regulator* considers that, in particular, the removal or replacement of a majority of the members of a *governing body* (in a single event or a series of connected events) is a substantial change and should be notified.
- 11.8.4 [FCA/PRA] G If a matter has already been notified to the *FSA appropriate regulator* (for example, as part of the *firm's* application for a *Part IV 4A permission*), the *firm* need only inform the *FSA appropriate regulator* of any significant developments.
- 11.8.5 [FCA/PRA] G The level of a *firm's* awareness of its *controller's* circumstances will depend on its relationship with that *controller*. The *FSA appropriate regulator* does not expect *firms* to implement systems or procedures so as to be certain of any changes in its *controllers'* circumstances. However, the *FSA appropriate regulator* does expect *firms* to notify it of such matters if the *firm* becomes aware of them, and it expects *firms* to make enquiries of its *controllers* if it becomes aware that one of the events in *SUP 11.8.1R* may occur or has occurred.
- 11.8.6 [FCA/PRA] G The *FSA appropriate regulator* may ask the *firm* for additional information following a notification under *SUP 11.8.1R* in order to satisfy itself that the *controller* continues to be suitable (see *SUP 2: Information gathering by the FSA appropriate regulator* on its own initiative).

## 11.9 Changes in close links

Requirement to notify changes in close links

- 11.9.1 R (1) ~~A *firm* must notify the *FSA* that it has become or ceased to be *closely linked* with any *person*. The notification must be made by completing the Close Links Notification Form (see *SUP 11.9.3AG*) and must include the information set out in *SUP 16.5.4R(4)*.  
[deleted]~~
- (2) ~~If a *group* includes more than one *firm*, a single close links notification may be made by completing the Close Links Notification Form and so satisfy the notification requirement for all *firms* in the *group*. Nevertheless, the requirement to notify, and the responsibility for notifying, remains with each *firm* in the *group*.  
[deleted]~~
- 11.9.1A [FCA] R (1) A *firm* must notify the *FCA* that it has become or ceased to be *closely linked* with any *person*. The notification must be made by completing the Close Links Notification Form (see *SUP 11.9.3BG*) and must include the information set out in *SUP 16.5.4R(4)*.

(2) If a *group* includes more than one *firm*, a single close links notification may be made by completing the Close Links Notification Form and so satisfy the notification requirement for all *firms* in the *group*. Nevertheless, the requirement to notify, and the responsibility for notifying, remains with each *firm* in the *group*.

11.9.1B [PRA] R (1) A *firm* must notify the *PRA* that it has become or ceased to be *closely linked* with any *person*. The notification must be made by completing the Close Links Notification Form (see *SUP* 11.9.3CG) and must include the information set out in *SUP* 16.5.4R(4).

(2) If a *group* includes more than one *firm*, a single close links notification may be made by completing the Close Links Notification Form and so satisfy the notification requirement for all *firms* in the *group*. Nevertheless, the requirement to notify, and the responsibility for notifying, remains with each *firm* in the *group*.

...

11.9.3 G ~~The *FSA* may ask the *firm* for additional information following a notification under *SUP* 11.9.1R in order to satisfy itself that the *firm* continues to satisfy the *threshold conditions* (see *SUP* 2: Information gathering by the *FSA* on its own initiative). [deleted]~~

11.9.3-A [FCA] G The *FCA* may ask the *firm* for additional information following a notification under *SUP* 11.9.1AR in order to satisfy itself that the *firm* continues to satisfy the *threshold conditions* (see *SUP* 2: Information gathering by the *FCA* and *PRA* on their own initiative).

11.9.3-B [PRA] G The *PRA* may ask the *firm* for additional information following a notification under *SUP* 11.9.1BR in order to satisfy itself that the *firm* continues to satisfy the *threshold conditions* (see *SUP* 2: Information gathering by the *FCA* and *PRA* on their own initiative).

#### Form of notification

11.9.3A G ~~The Close Links Notification Form approved by the *FSA* for notifications under *SUP* 11.9.1R, *SUP* 11.9.5R and *SUP* 16.5.4R(1), may be found at the *FSA* website [www.fsa.gov.uk/Pages/Doing/Regulated/Notify/index.shtml](http://www.fsa.gov.uk/Pages/Doing/Regulated/Notify/index.shtml). [deleted]~~

11.9.3B [FCA] G The Close Links Notification Form approved by the *FCA* for notifications under *SUP* 11.9.1AR, *SUP* 11.9.5AR and *SUP* 16.5.4R(1), may be found at the *FCA* website.

11.9.3C [PRA] G The Close Links Notification Form approved by the *PRA* for notifications under *SUP* 11.9.1BR, *SUP* 11.9.5BR and *SUP* 16.5.4R(1), may be found at the *PRA* website.

#### Timing of notification requirement

- 11.9.4 R ~~The *firm* must make a notification to the *FSA* under *SUP* 11.9.1R:~~
- ~~(1) as soon as reasonably practicable and no later than one *month* after it becomes aware that it has become or ceased to be closely linked with any *person*; or~~
  - ~~(2) where a *firm* has elected to report on a *monthly* basis, within fifteen *business days* of the end of each *month* by completing the Close Links Notification Form, including the information set out in *SUP* 16.5.4R(4) for that *month* and must submit the *group* organisation chart on a quarterly basis unless there have been no changes since the submission of the previous organisation chart to the *FSA*, in which case the *group* organisation chart is not required. [deleted]~~

- 11.9.4A R The *firm* must make a notification to the *FCA* under *SUP* 11.9.1AR:  
[FCA]
- (1) as soon as reasonably practicable and no later than one *month* after it becomes aware that it has become or ceased to be closely linked with any *person*; or
  - (2) where a *firm* has elected to report on a *monthly* basis, within fifteen *business days* of the end of each *month* by completing the Close Links Notification Form, including the information set out in *SUP* 16.5.4R(4) for that *month* and must submit the *group* organisation chart on a quarterly basis unless there have been no changes since the submission of the previous organisation chart to the *FCA*, in which case the *group* organisation chart is not required.

- 11.9.4B R The *firm* must make a notification to the *PRA* under *SUP* 11.9.1BR:  
[PRA]
- (1) as soon as reasonably practicable and no later than one *month* after it becomes aware that it has become or ceased to be closely linked with any *person*; or
  - (2) where a *firm* has elected to report on a *monthly* basis, within fifteen *business days* of the end of each *month* by completing the Close Links Notification Form, including the information set out in *SUP* 16.5.4R(4) for that *month* and must submit the *group* organisation chart on a quarterly basis unless there have been no changes since the submission of the previous organisation chart to the *PRA*, in which case the *group* organisation chart is not required.

Electing to notify changes in close links monthly

- 11.9.5 R (1) ~~A *firm* elects to report changes in *close links* on a *monthly* basis by sending a written notice of election to the *firm's* usual supervisory contact at the *FSA*. [deleted]~~
- (2) ~~An election to report changes in *close links* on a *monthly* basis will stand until such time as the *firm* gives its usual supervisory contact at the *FSA* at least one *month's* written notice of its intention to cease~~

~~reporting changes in close links on a monthly basis. [deleted]~~

- 11.9.5A R (1) A firm elects to report changes in close links on a monthly basis by sending a written notice of election to the firm's usual-supervisory contact at the FCA.
- (2) An election to report changes in close links on a monthly basis will stand until such time as the firm gives its usual supervisory contact at the FCA at least one month's written notice of its intention to cease reporting changes in close links on a monthly basis.

- 11.9.5B R (1) A firm elects to report changes in close links on a monthly basis by sending a written notice of election to the firm's usual supervisory contacts at both the PRA and FCA.
- (2) An election to report changes in close links on a monthly basis will stand until such time as the firm gives its usual supervisory contacts at both the PRA and FCA at least one month's written notice of its intention to cease reporting changes in close links on a monthly basis.

11.9.6 G ~~The FSA considers that monthly reporting of changes in close links will ordinarily only be appropriate for firms forming part of large groups. [deleted]~~

11.9.6A G The FCA considers that monthly reporting of changes in close links will ordinarily only be appropriate for firms forming part of large groups.

11.9.6B G The PRA considers that monthly reporting of changes in close links will ordinarily only be appropriate for firms forming part of large groups.

...

## **Annex 6G** **[FCA/PRA]** **Aggregation of holdings for the purpose of prudential assessment of controllers**

### **Q1: What is this guidance about?**

**A:** This guidance considers when one *person's* holding of shares or voting power must be aggregated with that of another *person* for the purpose of determining whether those persons have decided to acquire or increase control over a UK authorised person, as contemplated by section 181 or 182 of the *Act*, such that notice must be given to the ~~FSA~~ appropriate regulator in accordance with section 178 (Obligation to notify the Authority: acquisitions of control) of the *Act* before making the acquisition or deciding to increase their control.

### **Acting in Concert**

...

**Q5: What types of arrangement amount to acting in concert in acquiring or holding shares or voting power for the purposes of these Sections of the Act?**

**A:** Although the term 'acting in concert' has a potentially wide meaning, not all common actions taken by shareholders in relation to shares or voting power will require the aggregation of holdings of shares or voting power for the purposes of section 178 of the *Act*. In particular, there are many circumstances in which *persons*, who between them hold 10% or more of the shares or voting power in a *firm* or its *parent undertaking*, may engage in a concerted exercise of voting power, without this amounting to 'acting in concert' in a manner requiring aggregation of their holdings under section 178(2) of the *Act*. An agreement by one shareholder to vote with other shareholders on a specific issue, for example, rather than on an ongoing or sustained basis, would not generally be regarded by the *FSA appropriate regulator* as acting in concert so as to require a section 178 notice to be given by that group of shareholders, even where the group collectively holds 10% or more of the voting power in the *firm*. However, see further on this point in the response to Question 9.

**Deemed voting power**

....

**Q7: Where X holds 10% of the voting power in a firm and X is the subsidiary of H, which itself has no holding at all directly in the firm, is H a controller?**

**A:** Yes. This follows from section 422(5)(a)(v) of the *Act*, which provides that voting power includes, in relation to a *person* (H), voting power held by a subsidiary of H. The voting power held by X is attributed to H, making H a *controller*.

For the purposes of section 178 of the *Act*, both H and its subsidiary, would be required to notify and obtain the *FSA's appropriate regulator's* approval prior to acquiring or increasing control.

**Practical application of aggregation of holdings**

...

**Q9: Do the aggregation provisions apply to shareholders agreeing how they will vote on a particular issue, for example, for reasons of good corporate governance?**

**A:** We would not generally regard shareholders as acting in concert for the purposes of section 178(2) of the *Act* or as having deemed voting power requiring aggregation pursuant to section 422(5)(a)(i) of the *Act* simply

because they have agreed to vote together on a particular issue, for example:

- rejection of a proposal for the remuneration of directors;
- appointment/removal of a particular director; or
- approval/rejection of an acquisition or disposal proposed by the *firm's* board of directors.

However, there may be circumstances in which voting together on a specific issue would amount to acting in concert for these purposes. Where, for example, shareholders who have no previous agreement in relation to the exercise of their voting rights agree to act together for the purpose of voting through the resolution(s) required to enable them to obtain control of the board of a *firm*, that is likely to constitute acting in concert for these purposes, although it may not fall within section 422(5)(a)(i) of the *Act*, if those shareholders have no 'lasting common policy' towards the *firm's* management.

Those circumstances are likely to be exceptional and, while it is not possible in this guidance to give a definitive list of how they might arise, the *FSA appropriate regulator* remains willing to provide *firms* with individual guidance on the point in cases of uncertainty.

...

**Q12: Are multiple purchasers of shares, who are each party to a share purchase agreement and whose combined shareholding will fall within section 181(2) of the Act, required to give notice pursuant to section 178(1) of the Act, on the basis that the existence of the agreement means they are acting in concert?**

**A:** If it is clear that the only 'agreement' between one or more persons consists in their being parties to the same share purchase agreement, the terms of which pertain strictly to the purchase of shares and do not govern or otherwise seek to regulate the purchasers' relationship with each other following completion of the share purchase, those purchasers would not be regarded by the *FSA appropriate regulator* as acting in concert for the purpose of requiring notification under section 178 of the *Act*. If, however, the share purchase agreement contains provisions governing or otherwise regulating the exercise of the rights linked to the shares to be acquired by the purchasers (or the purchasers have entered into or propose to enter into a shareholders' or other agreement with similar effect), the proposed acquirers may be regarded by the *FSA appropriate regulator* to be acting in concert for the purpose of requiring notification under section 178 of the *Act*, depending on the terms of the relevant agreement(s). Further guidance on the effect of some of the typical provisions included in shareholders' agreements is contained in the response to Question 14. Prospective shareholders who are uncertain as to the effect of any of the provisions of their agreement(s) in these circumstances may wish to seek (either formally or informally) individual guidance at an early stage from the *FSA appropriate regulator*.

Where there is evidence to suggest that the parties do in fact intend to cooperate in relation to the exercise of voting or other rights relating to the shares they are acquiring, notwithstanding that no provisions to that effect appear in the share purchase or other written agreement, this may warrant the conclusion that there is an implicit agreement between them by virtue of which they are acting in concert.

**Q13: What about agreements that are conditional on any necessary approval by the FSA appropriate regulator?**

**A:** Notice must be given under section 178(1) of the *Act* before control is acquired. The point in time at which this occurs may depend on a number of circumstances. In the context of a share purchase agreement that provides for *FSA appropriate regulator* approval of the purchaser to be obtained before the acquisition is completed, the purchaser will not usually be required to give a section 178 notice prior to entering into the agreement. However, there may be circumstances in which control is actually acquired at the time the agreement is entered into, for example, where the parties have agreed that the purchaser will be entitled (whether by virtue of a power of attorney contained in the agreement or otherwise) to exercise the voting rights attached to the shares being acquired in the period between signing and completion. In that case, the purchaser will need to consider whether to give notice under section 178(1) prior to entering into the agreement.

....

**Annex B**

**Designations & Regulator making new provision**

<b>Handbook Provision</b>	<b>Made, designated or not in force after legal cutover</b>	<b>Relevant regulator</b>
SUP 11.1.1 R	Designated	FCA/PRA
SUP 11.1.2 R	Designated	FCA/PRA
SUP 11.1.3 G	Designated	PRA
SUP 11.1.4 D	Designated	FCA/PRA
SUP 11.1.5 G	Designated	PRA
SUP 11.2.1 G	Designated	FCA/PRA
SUP 11.2.2 G	Designated	FCA/PRA
SUP 11.2.2A G	Not in force after legal cutover	
SUP 11.2.3 G	Designated	FCA/PRA
SUP 11.2.4 G	Designated	FCA/PRA
SUP 11.2.5 G	Designated	FCA/PRA
SUP 11.2.6 G	Designated	FCA/PRA
SUP 11.2.7 G	Designated	FCA/PRA
SUP 11.2.8 G	Designated	FCA/PRA
SUP 11.3.1 G	Designated	FCA/PRA
SUP 11.3.1A G	Designated	FCA/PRA
SUP 11.3.1B G	Designated	FCA/PRA
SUP 11.3.2 G	Designated	FCA/PRA
SUP 11.3.2A G	Designated	FCA/PRA
SUP 11.3.3 G	Designated	FCA/PRA
SUP 11.3.4 G	Designated	FCA/PRA
SUP 11.3.5 G	Designated	FCA/PRA
SUP 11.3.5A G	Designated	FCA/PRA
SUP 11.3.5B D	Designated	FCA/PRA
SUP 11.3.5C G	Designated	FCA/PRA

SUP 11.3.6 G	Designated	FCA/PRA
SUP 11.3.6A G	Designated	FCA/PRA
SUP 11.3.6B G	Designated	FCA/PRA
SUP 11.3.6C G	Designated	FCA/PRA
SUP 11.3.7 D	Designated	FCA/PRA
SUP 11.3.7A G	Designated	FCA/PRA
SUP 11.3.8 D	Designated	FCA/PRA
SUP 11.3.9 D	Designated	FCA/PRA
SUP 11.3.10 D	Designated	FCA/PRA
SUP 11.3.11 G	Designated	FCA/PRA
SUP 11.3.12 G	Designated	FCA/PRA
SUP 11.3.13 G	Designated	FCA/PRA
SUP 11.3.14 G	Designated	FCA/PRA
SUP 11.3.15 G	Designated	FCA/PRA
SUP 11.3.15A D	Designated	FCA/PRA
SUP 11.3.16 G	Designated	FCA/PRA
SUP 11.3.17 G	Designated	FCA/PRA
SUP 11.4.1 G	Designated	FCA/PRA
SUP 11.4.2 R	Designated	FCA/PRA
SUP 11.4.2A R	Designated	FCA/PRA
SUP 11.4.3 G	Designated	FCA/PRA
SUP 11.4.4 R	Designated	FCA/PRA
SUP 11.4.5 G	Designated	FCA/PRA
SUP 11.4.6 G	Designated	PRA
SUP 11.4.7 R	Designated	FCA/PRA
SUP 11.4.8 G	Designated	FCA/PRA
SUP 11.4.9 G	Designated	FCA/PRA
SUP 11.4.10 R	Designated	FCA/PRA
SUP 11.4.11 G	Designated	FCA/PRA

SUP 11.5.1 R	Designated	FCA/PRA
SUP 11.5.2 R	Designated	FCA/PRA
SUP 11.5.3 G	Designated	FCA/PRA
SUP 11.5.4 G	Designated	FCA/PRA
SUP 11.5.4A G	Designated	FCA/PRA
SUP 11.5.5 G	Designated	FCA/PRA
SUP 11.5.6 G	Designated	FCA/PRA
SUP 11.5.7 R	Designated	FCA/PRA
SUP 11.5.8 G	Designated	FCA/PRA
SUP 11.5.9 G	Designated	FCA/PRA
SUP 11.5.10 G	Designated	FCA/PRA
SUP 11.6.1 G	Designated	FCA/PRA
SUP 11.6.2 R	Designated	FCA/PRA
SUP 11.6.3 R	Designated	FCA/PRA
SUP 11.6.4 R	Designated	FCA/PRA
SUP 11.6.5 R	Designated	FCA/PRA
SUP 11.6.6 G	Designated	FCA/PRA
SUP 11.7.1 G	Designated	FCA/PRA
SUP 11.7.2 G	Designated	FCA/PRA
SUP 11.7.3 G	Designated	FCA/PRA
SUP 11.7.4 G	Designated	FCA/PRA
SUP 11.7.5 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.6 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.7 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.8 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.9 G	No longer in force after legal cutover	FCA/PRA

SUP 11.7.10 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.11 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.12 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.13 G	Designated	FCA/PRA
SUP 11.7.14 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.15 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.16 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.17 G	No longer in force after legal cutover	FCA/PRA
SUP 11.7.18 G	No longer in force after legal cutover	FCA/PRA
SUP 11.8.1 R	Designated	FCA/PRA
SUP 11.8.2 G	Designated	FCA/PRA
SUP 11.8.3 G	Designated	FCA/PRA
SUP 11.8.4 G	Designated	FCA/PRA
SUP 11.8.5 G	Designated	FCA/PRA
SUP 11.8.6 G	Designated	FCA/PRA
SUP 11.9.1 R	Not in force after legal cutover	
SUP 11.9.1A R	Made	FCA
SUP 11.9.1B R	Made	PRA
SUP 11.9.2 G	Designated	FCA/PRA
SUP 11.9.2A G	Designated	FCA/PRA
SUP 11.9.3 G	Not in force after legal cutover	
SUP 11.9.3-A G	Made	FCA
SUP 11.9.3-B G	Made	PRA
SUP 11.9.3A G	Not in force after legal cutover	
SUP 11.9.3B G	Made	FCA

SUP 11.9.3C G	Made	PRA
SUP 11.9.4 R	Not in force after legal cutover	
SUP 11.9.4A R	Made	FCA
SUP 11.9.4B R	Made	PRA
SUP 11.9.5 R	Not in force after legal cutover	
SUP 11.9.5A R	Made	FCA
SUP 11.9.5B R	Made	PRA
SUP 11.9.6 G	Not in force after legal cutover	
SUP 11.9.6A G	Made	FCA
SUP 11.9.6B G	Made	PRA
SUP 11 Annex 1 G	Designated	FCA/PRA
SUP 11 Annex 2	Not in force after legal cutover	
SUP 11 Annex 3	Not in force after legal cutover	
SUP 11 Annex 4	Not in force after legal cutover	
SUP 11 Annex 5	Not in force after legal cutover	
SUP 11 Annex 6	Designated	FCA/PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory	Section 300B	Section 300B

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
provision)		
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None

SCHEDULE A

Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	None.
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2009/209)	2009/209).	
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

SCHEDULE A

Part 4

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395

SCHEDULE A

Part 5

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

SCHEDULE A

Part 6

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

SCHEDULE A

Part 7

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

SCHEDULE A

Part 8

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

SCHEDULE A

Part 9

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

SCHEDULE A

Part 10

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None



## Appendix 3: Section 8

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# Legal Cutover (Passporting) Instrument 2013

**LEGAL CUTOVER (PASSPORTING) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;

- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2; and
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 13 and excludes any Relevant Instrument falling within paragraph 14.

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, amends, issues, gives, or imposes:

- (1) Each provision in Annex B to this Instrument;
  - (2) Each provision in Annex C to this Instrument that meets all of the conditions in paragraph 7; and
  - (3) Any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex C to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” or “PRA/FCA” in Column 3 of Annex A to this Instrument.
- 8 The conditions referred to in paragraph 6(3) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex D to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex D to this Instrument,
- 9 The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) Section 137A (The FCA’s general rules);
  - (2) Section 137T (General supplementary powers);
  - (3) Section 139A (Power of the FCA to give guidance); and
  - (4) paragraph 5(4) of Schedule 4 (Treaty Rights: Notice to UK regulator).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**. Designation of rules etc. by the Prudential Regulation Authority**

- 13 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:

- (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 14 The designation by the Prudential Regulation Authority in paragraph 13 excludes any provision designated as guidance in an FSA Instrument.
- 15 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 16 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.
- . **Modification of rules etc. by the Prudential Regulation Authority**
- 17 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.
- . **Rules etc. made, given or amended by the Prudential Regulation Authority**
- 18 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 21, the Prudential Regulation Authority makes, amends, issues, gives, or imposes:
- (1) Each provision in Annex B to this Instrument; and
  - (2) Each provision in Annex C to this Instrument that meets all of the conditions in paragraph 19; and
  - (3) any amendment that is not a modification made in accordance with paragraph 16 specified in a provision in Annex C to this Instrument that meets all of the conditions in paragraph 20.
- 19 The conditions referred to in paragraph 18(2) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “PRA” or “PRA/FCA” in Column 3 of Annex A to this Instrument.

- 20 The conditions referred to in paragraph 18(3) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex A to this Instrument,
- 21 The Prudential Regulation Authority makes, amends, gives, issues or imposes the provisions in paragraph 18 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) Section 137G (The PRA’s general rules);
  - (2) Section 137T (General supplementary powers); and
  - (3) paragraph 5(4) of Schedule 4 (Treaty Rights: Notice to UK regulator).
- 22 The rule-making powers in paragraph 21 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
23. The Prudential Regulation Authority gives each provision in Annex C to this Instrument identified as “PRA” or “FCA/PRA” that is marked (in that Annex) with a G as guidance.

**Commencement: Prudential Regulation Authority**

24. As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designations (in paragraph 13) and the modifications (in paragraph 17) of each PRA Relevant Instrument comes into effect on 1 April 2013.
25. The Prudential Regulation Authority directs that the provisions of paragraph 18 of this Instrument come into force on 1 April 2013.
26. The Prudential Regulation Authority directs that paragraph 18 this Instrument come into force immediately after the coming into force of the designations in paragraph 13 and the modifications in paragraph 17.

**Amendments to the Handbooks**

27. The modules of the FCA’s and PRA’s Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex B
Supervision manual (SUP)	Annex C

**Citation**

28. This Instrument may be cited as the Legal Cutover (Passporting) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

19 March 2013

**Annex A**

**Designation of the Supervision Manual (SUP)**

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
SUP 13.1.1	designated	FCA and PRA
SUP 13.1.2	designated	FCA and PRA
SUP 13.1.3	designated	FCA and PRA
SUP 13.1.3A	designated	FCA
SUP 13.1.4	designated	FCA and PRA
SUP 13.1.5	designated	FCA and PRA
SUP 13.1.6	designated	FCA and PRA
SUP 13.2.1	designated	FCA and PRA
SUP 13.2.2	designated	FCA and PRA
SUP 13.2.3	designated	FCA and PRA
SUP 13.2.4	made	FCA and PRA
SUP 13.3.1	designated	FCA and PRA
SUP 13.3.2	designated	FCA and PRA
SUP 13.3.2A	designated	FCA and PRA
SUP 13.3.2B	designated	FCA and PRA
SUP 13.3.2C	designated	FCA
SUP 13.3.2D	designated	FCA and PRA
SUP 13.3.2E	designated	PRA

SUP 13.3.3	designated	PRA
SUP 13.3.3A	designated	PRA
SUP 13.3.4	no longer in force	
SUP 13.3.4A	no longer in force	
SUP 13.3.5	designated	FCA and PRA
SUP 13.3.5A	made	FCA and PRA
SUP 13.3.6	designated	FCA and PRA
SUP 13.3.7	designated	FCA and PRA
SUP 13.3.7A	made	FCA
SUP 13.3.8	designated	FCA
SUP 13.4.1	designated	FCA and PRA
SUP 13.4.2	designated	FCA and PRA
SUP 13.4.2A	designated	FCA and PRA
SUP 13.4.2B	designated	FCA
SUP 13.4.2C	designated	FCA and PRA
SUP 13.4.2D	designated	FCA and PRA
SUP 13.4.2E	designated	PRA
SUP 13.4.3	no longer in force	
SUP 13.4.3A	no longer in force	
SUP 13.4.4	designated	FCA and PRA
SUP 13.4.4A	made	FCA and PRA
SUP 13.4.5	designated	FCA and PRA
SUP 13.4.6	designated	PRA
SUP 13.4.7	designated	FCA
SUP 13.5.1	designated	FCA and PRA
SUP 13.5.1A	designated	PRA

SUP 13.5.1AA	designated	FCA
SUP 13.5.1B	designated	FCA and PRA
SUP 13.5.2	designated	FCA and PRA
SUP 13.5.2A	designated	FCA
SUP 13.5.3	designated	FCA and PRA
SUP 13.5.3A	made	PRA
SUP 13.5.4	designated	FCA and PRA
SUP 13.5.4A	no longer in force	
SUP 13.5.5	designated	FCA and PRA
SUP 13.5.6	designated	PRA
SUP 13.5.7	designated	FCA and PRA
SUP 13.6.1	designated	FCA and PRA
SUP 13.6.2	designated	FCA and PRA
SUP 13.6.3	designated	FCA and PRA
SUP 13.6.4	designated	FCA and PRA
SUP 13.6.5	designated	FCA and PRA
SUP 13.6.5A	designated	FCA and PRA
SUP 13.6.5B	designated	FCA and PRA
SUP 13.6.6	designated	PRA
SUP 13.6.7	designated	PRA
SUP 13.6.8	designated	PRA
SUP 13.6.9	designated	PRA
SUP 13.6.9A	designated	FCA and PRA
SUP 13.6.9B	designated	PRA
SUP 13.6.10	designated	FCA and PRA
SUP 13.6.11	designated	FCA and PRA

SUP 13.6.12	designated	FCA and PRA
SUP 13.6.12A	made	FCA and PRA
SUP 13.6.13	designated	PRA
SUP 13.6.14	designated	PRA
SUP 13.6.15	designated	FCA and PRA
SUP 13.6.16	designated	FCA and PRA
SUP 13.6.17	designated	FCA and PRA
SUP 13.7.1	designated	FCA and PRA
SUP 13.7.2	designated	FCA and PRA
SUP 13.7.3	designated	FCA
SUP 13.7.3A	designated	FCA and PRA
SUP 13.7.3B	designated	FCA and PRA
SUP 13.7.4	designated	PRA
SUP 13.7.5	designated	PRA
SUP 13.7.6	designated	PRA
SUP 13.7.6A	designated	FCA and PRA
SUP 13.7.7	designated	PRA
SUP 13.7.7A	made	FCA and PRA
SUP 13.7.8	designated	PRA
SUP 13.7.9	designated	PRA
SUP 13.7.10	designated	PRA
SUP 13.7.11	designated	FCA and PRA
SUP 13.7.12	designated	PRA
SUP 13.7.13A	made	FCA and PRA
SUP 13.8.1	designated	FCA and PRA
SUP 13.8.1A	designated	FCA and PRA

SUP 13.8.1B	made	PRA
SUP 13.8.2	designated	PRA
SUP 13.10.1	designated	FCA and PRA
SUP 13.10.2	designated	PRA
SUP 13.10.3	designated	FCA and PRA
SUP 13.11.1	designated	FCA and PRA
SUP 13.11.2	designated	FCA and PRA
SUP 13.11.3	designated	FCA and PRA
SUP 13.12.1	designated	FCA and PRA
SUP 13.12.2	designated	FCA and PRA
SUP 13 Annex 1	designated	FCA and PRA
SUP 13 Annex 2	designated	FCA and PRA
SUP 13 Annex 3	designated	PRA
SUP 13 Annex 4	designated	PRA
SUP 13 Annex 5	designated	FCA and PRA
SUP 13 Annex 6	designated	FCA and PRA
SUP 13 Annex 7	designated	FCA
SUP 13A.1.1	designated	FCA and PRA
SUP 13A .1.2	designated	FCA and PRA
SUP 13A.1.3	designated	FCA and PRA
SUP 13A.1.4	designated	FCA and PRA
SUP 13A.1.5	designated	FCA and PRA
SUP 13A.2.1	designated	FCA and PRA
SUP 13A.2.2	designated	FCA and PRA
SUP 13A.3.1	designated	FCA and PRA
SUP 13A.3.1A	designated	FCA and PRA

SUP 13A.3.1B	designated	PRA
SUP 13A.3.1C	designated	FCA
SUP 13A.3.1D	made	FCA
SUP 13A.3.2	designated	FCA and PRA
SUP 13A.3.3	designated	FCA and PRA
SUP 13A.3.4	designated	FCA and PRA
SUP 13A.3.5	designated	FCA and PRA
SUP 13A.3.6	designated	FCA and PRA
SUP 13A.3.6A	made	FCA and PRA
SUP 13A.3.7	designated	FCA and PRA
SUP 13A.3.8	designated	FCA and PRA
SUP 13A.3.9	designated	FCA and PRA
SUP 13A.3.10	designated	FCA and PRA
SUP 13A.3.11	designated	PRA
SUP 13A.3.12	designated	FCA
SUP 13A.3.13	designated	FCA
SUP 13A.3.14	designated	FCA
SUP 13A.4.1	designated	FCA and PRA
SUP 13A.4.1A	designated	FCA
SUP 13A.4.2	designated	FCA
SUP 13A.4.3	designated	FCA and PRA
SUP 13A.4.3A	designated	FCA and PRA
SUP 13A.4.4	designated	FCA and PRA
SUP 13A.4.4A	made	FCA and PRA
SUP 13A.4.5	designated	FCA
SUP 13A.4.6	designated	FCA

SUP 13A.5.1	designated	FCA and PRA
SUP 13A.5.2	designated	FCA and PRA
SUP 13A.5.3	designated	FCA and PRA
SUP 13A.5.4	designated	FCA and PRA
SUP 13A.5.4A	made	FCA and PRA
SUP 13A.5.5	designated	FCA and PRA
SUP 13A.6.1	designated	FCA and PRA
SUP 13A.6.2	designated	FCA and PRA
SUP 13A.6.3	designated	FCA and PRA
SUP 13A.6.4	designated	FCA and PRA
SUP 13A.6.5	designated	FCA and PRA
SUP 13A.7.1	designated	FCA and PRA
SUP 13A.7.2	designated	FCA and PRA
SUP 13A.7.3	no longer in force	
SUP 13A.7.4	designated	FCA and PRA
SUP 13A.8.1	designated	FCA and PRA
SUP 13A.9	no longer in force	
SUP 13A Annex 1	designated	FCA and PRA
SUP 13A Annex 2	designated	FCA and PRA
SUP 13A Annex 3R	designated	FCA
SUP 13A Annex 4R	designated	FCA
SUP 14.1.1	designated	FCA and PRA
SUP 14.1.2	designated	FCA and PRA
SUP 14.1.3	designated	FCA and PRA
SUP 14.1.4	designated	FCA and PRA
SUP 14.1.5	designated	FCA and PRA

SUP 14.1.6	designated	FCA and PRA
SUP 14.1.7	designated	FCA and PRA
SUP 14.1.8	made	FCA and PRA
SUP 14.1.9	designated	FCA and PRA
SUP 14.2.1	designated	FCA and PRA
SUP 14.2.2	designated	FCA and PRA
SUP 14.2.3	designated	FCA and PRA
SUP 14.2.4	designated	FCA and PRA
SUP 14.2.5	designated	PRA
SUP 14.2.6	designated	PRA
SUP 14.2.7	designated	PRA
SUP 14.2.8	designated	FCA and PRA
SUP 14.2.9	designated	FCA and PRA
SUP 14.2.10	designated	FCA and PRA
SUP 14.2.11	designated	FCA and PRA
SUP 14.2.12	designated	FCA and PRA
SUP 14.2.13	designated	FCA and PRA
SUP 14.3.1	designated	FCA and PRA
SUP 14.3.2	designated	FCA and PRA
SUP 14.3.3	designated	FCA
SUP 14.3.3A	no longer in force	
SUP 14.3.4	designated	FCA and PRA
SUP 14.3.4A	designated	FCA
SUP 14.3.4B	designated	FCA
SUP 14.3.4C	designated	FCA
SUP 14.3.4D	designated	FCA and PRA

SUP 14.3.5	designated	PRA
SUP 14.3.6	designated	PRA
SUP 14.3.7	designated	PRA
SUP 14.4.1	designated	FCA and PRA
SUP 14.4.1A	made	FCA
SUP 14.4.1B	made	PRA
SUP 14.5.1	designated	FCA and PRA
SUP 14.5.2	designated	FCA and PRA
SUP 14.6.1	designated	FCA and PRA
SUP 14.6.2	designated	FCA and PRA
SUP 14.6.3	designated	FCA and PRA
SUP 14.6.3A	designated	FCA
SUP 14.6.3B	designated	FCA
SUP 14.6.4	designated	PRA
SUP 14.6.5	designated	PRA
SUP 14.6.6	designated	PRA
SUP 14.6.7	designated	PRA
SUP 14.6.8	designated	PRA
SUP 14.6.9	designated	FCA and PRA
SUP 14.6.10	designated	FCA and PRA
SUP 14.6.11	designated	FCA
SUP 14.7.1	designated	FCA and PRA
SUP 14.8.1	designated	FCA and PRA

## Annex B

### Amendments to the Glossary of definitions

In this Annex, underlining indicates new text and striking through indicates deleted text..

- appropriate UK regulator
- (1) in relation to an EEA firm (in accordance with Schedule 3 paragraph 13(4) and 14(4) to the Act), whichever of the FCA or PRA is the competent authority for the purposes of the relevant Single Market Directive;
  - (2) in relation to a UK firm (in accordance with Schedule 3 paragraph 18A to the Act),
    - (a) the PRA, where the firm is a PRA-authorised person; and
    - (b) in any other case, the FCA;
  - (3) in relation to a Treaty firm (in accordance with section 35(2A) of the Act),
    - (a) in the case of a PRA-authorised person, the PRA; and
    - (b) in any other case, the FCA.
- service conditions
- in accordance with paragraph 14 of Schedule 3 to the Act (EEA Passport Rights)) the conditions that:
- ...
- (b) if the firm falls within paragraph (a), (d), (e) or (f) in the definition of "EEA firm", the ~~FSA~~ appropriate UK regulator has received notice from the firm's Home State regulator containing such information as may be prescribed;
  - (c) if the firm falls within paragraph (d) of that definition, its Home State regulator has informed it that the regulator's notice has been sent to the ~~FSA~~ PRA; and
  - (d) if the firm falls within paragraph (e) of that definition, one month has elapsed beginning with the date on which the firm's Home State regulator informed the firm that it had sent the regulator's notice to the ~~FSA~~ appropriate UK regulator.

## Annex C

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 13 Exercise of passport rights by UK firms

...

##### 13.2 Introduction

...

13.2.3 G In some circumstances, a *UK firm* that is carrying on business which is outside the scope of the *Single Market Directives* has a right under the *Treaty* to carry on that business. For example, for an *insurer* carrying on both direct insurance and *reinsurance* business, the ~~authorisation~~ authorisation of *reinsurance* business is not covered by the *Insurance Directives*. The *firm* may, however, have rights under the *Treaty* in respect of its *reinsurance* business. Such *UK firms* may wish to consult with the ~~FSA~~ appropriate UK regulator on their particular circumstances (see SUP 13.12.2G).

13.2.4 G In SUP 13 the “appropriate UK regulator” amounts to whichever of the FCA and the PRA is the competent authority for authorising the relevant UK firm.  
[FCA/  
PRA]

##### 13.3 Establishing a branch in another EEA State

...

The conditions for establishing a branch

13.3.2 G A *UK firm* other than a *UK pure reinsurer* cannot establish a *branch* in another *EEA State* for the first time under an *EEA right* unless the conditions in paragraphs 19(2), (4) and (5) of Part III of Schedule 3 to the *Act* are satisfied. It is an offence for a *UK firm* which is not an *authorised person* to contravene this prohibition (paragraph 21 of Part III of Schedule 3 to the *Act*). These conditions are that:

(1) the *UK firm* has given the ~~FSA~~ appropriate UK regulator, in accordance with the ~~FSA~~ appropriate UK regulator’s rules (see SUP 13.5.1R), notice of its intention to establish a *branch* (known as a *notice of intention*) which :

(a) identifies the activities which it seeks to carry on through the

*branch*; and

- (b) includes such other information as may be specified by the *FSA appropriate UK regulator* (see *SUP 13.5.1R*);
- (2) the *FSA appropriate UK regulator* has given notice (known as a *consent notice*) to the *Host State regulator*;
- (2A) if the *UK firm's EEA right* relates to providing *collective portfolio management services*, the *FSA FCA* has provided to the *Host State regulator*:  
...
- (3) (a) if the *UK firm's EEA right* derives from the *Insurance Mediation Directive* one *month* has elapsed beginning on the date on which the *UK firm* received notice that the *FSA appropriate UK regulator* had given a *consent notice* as described in *SUP 13.3.6G(1)* (see *SUP 13.3.2AG*);  
  
(b) in any other case:
  - (i) the *Host State regulator* has notified the *UK firm* (or, where the *UK firm* is passporting under the *Insurance Directives*, the *FSA PRA*) of the *applicable provisions* or, in the case of a *UK firm* passporting under *MiFID* or the *UCITS Directive*, that the *branch* may be established; or
  - (ii) two *months* have elapsed beginning with the date on which the *FSA appropriate UK regulator* gave the *consent notice*.

- 13.3.2A G If the *UK firm* is passporting under the *Insurance Mediation Directive* and the *EEA State* in which the *UK firm* is seeking to establish a *branch* has not notified the European Commission of its wish to be informed of the intention of *persons* to establish a *branch* in its territory in accordance with article 6(2) of that directive, *SUP 13.3.2G(2)* and *SUP 13.3.2G(3)* do not apply. Accordingly, the *UK firm* may establish the *branch* to which its *notice of intention* relates as soon as the conditions referred to in *SUP 13.3.2G(1)* are satisfied. The list of *EEA States* that have notified the European Commission of their wish to be informed in accordance with article 6(2) of the *Insurance Mediation Directive* is published on the *FSA's FCA's* website at [www.fca.org.uk](http://www.fca.org.uk).
- 13.3.2B G An *appointed representative* appointed by a *firm* to carry on *insurance mediation activity* on its behalf may establish a *branch* in another *EEA State* under the *Insurance Mediation Directive*. In this case, the *notice of intention* in *SUP 13.3.2G(1)* should be given to the *FSA appropriate UK regulator* by the *firm* on behalf of the *appointed representative*.
- 13.3.2C G An *exempt professional firm* which is included in the record of *unauthorised persons* carrying on *insurance mediation activity* maintained by the *FSA*

[FCA] FCA under article 93 of the *Regulated Activities Order* may establish a *branch* in another *EEA State* under the *Insurance Mediation Directive* (see *PROF 7.2*).

...

13.3.3 G Where the *UK firm* is passporting under the *Insurance Directives* and the  
[PRA] *Host State regulator* has notified the ~~FSA~~ PRA of the *applicable provisions*, then under paragraph 19(9) of Part III of Schedule 3 to the *Act*, the ~~FSA~~ PRA is required to inform the *firm* of these provisions.

13.3.3A G (1) ...  
[PRA]

(2) Under section 3 of Part III of the *General Protocol*, *Home State regulators* have agreed to inform *Host State regulators* if a *pure reinsurer* for which the *Home State* is responsible carries on business through a *branch* in the *Host State*. Therefore *SUP 13.5.1AR* requires a *UK firm* passporting under the *Reinsurance Directive* to notify the ~~FSA~~ PRA of certain information relating to the *branch*.

...

#### Issue of a consent notice to the Host State regulator

13.3.5 G (1) If the *UK firm's EEA right* derives from the *Banking Consolidation Directive* or *MiFID*, the ~~FSA~~ appropriate UK regulator will give the  
[FCA/ *Host State regulator* a *consent notice* within three *months* unless it  
PRA] has reason to doubt the adequacy of a *UK firm's* resources or its administrative structure. The *Host State regulator* then has a further two *months* to notify the *applicable provisions* (if any) and prepare for the supervision, as appropriate, of the *UK firm*, or in the case of a *MiFID investment firm*, to inform the *UK firm* that a *branch* can be established.

(1A) If the *UK firm's EEA right* derives from the *UCITS Directive*, the ~~FSA~~ FCA will give the *Host State regulator* a *consent notice* within two *months* unless it has reason to doubt the adequacy of the *UK firm's* resources or its administrative structure. The *Host State regulator* then has a further two *months* to prepare for the supervision of the *UK firm*.

(2) (a) If the *UK firm's EEA right* derives from the *Insurance Directives*, the ~~FSA~~ PRA will give the *Host State regulator* a *consent notice* within three *months* unless it has reason to:

...

(b) In assessing the matters in (2)(a), the ~~FSA~~ PRA may, in particular, seek further information from the *firm* or require a report from a *skilled person* (see *SUP 5* (skilled persons)).

- (c) If the FSA PRA has required a financial recovery plan of a *UK firm* of the kind mentioned in paragraph 1 of article 38 of the *Consolidated Life Directive* or paragraph 1 of article 20a of the *First Non-Life Directive*, the FSA PRA will not give a *consent notice* for so long as it considers that *policyholders* are threatened within the meaning of those provisions.
- (d) If the *UK firm's EEA right* derives from the *Insurance Mediation Directive* and *SUP 13.3.2G(2)* applies, the FSA appropriate UK regulator will give the *Host State regulator* a *consent notice* within one *month* of the date on which it received the *UK firm's notice of intention*. In cases where *SUP 13.3.2G(2)* does not apply (see *SUP 13.3.2AG*), the *UK firm* may establish a *branch* as soon as it satisfies the conditions referred to in *SUP 13.3.2G*.

13.3.5A G Where the PRA is the appropriate UK regulator, it will consult the FCA before deciding whether to give a consent notice, except where paragraph 19(7A) of Part III of Schedule 3 to the Act applies. Where the FCA is the appropriate UK regulator, it will consult the PRA before deciding whether to give a consent notice in relation to a UK firm whose immediate group includes a PRA-authorised person.  
[FCA/  
PRA]

13.3.6 G (1) If the FSA appropriate UK regulator gives a *consent notice*, it will inform the *UK firm* in writing that it has done so.  
[FCA/  
PRA]

...

(3) Where a *consent notice* is given under the *UCITS Directive*, the FSA FCA will at the same time:

...

13.3.7 G (1) If the FSA appropriate UK regulator proposes to refuse to give a *consent notice*, then paragraph 19(8) of Part III of Schedule 3 to the *Act* requires the FSA appropriate UK regulator to give the *UK firm* a *warning notice*.  
[FCA/  
PRA]

(2) If the FSA appropriate UK regulator decides to refuse to give a *consent notice*, then paragraph 19(12) of Part III of Schedule 3 to the *Act* requires the FSA appropriate UK regulator to give the *UK firm* a *decision notice* within three *months* of the date on which it received the *UK firm's notice of intention* (two *months* in the case of a *UK firm* which is a *UCITS management company*). The *UK firm* may refer the matter to the *Tribunal*.

(3) ~~For details of the FSA's procedures for the giving of warning notices or decision notices see DEPP 2 (Statutory notices and the allocation of decision-making). [deleted]~~

13.3.7A G For details of the *FCA's* procedures for the giving of *warning notices* or  
[FCA] decision notices see *DEPP 2* (Statutory notices and the allocation of decision  
making).

...

#### 13.4 Providing cross border services into another EEA State

...

The conditions for providing cross border services into another EEA State

13.4.2 G A *UK firm*, other than a *UK pure reinsurer*, cannot start providing *cross*  
[FCA / *border services* into another *EEA State* under an *EEA right* unless it satisfies  
PRA] the conditions in paragraphs 20(1) of Part III of Schedule 3 to the *Act* and, if  
it derives its *EEA right* from the *Insurance Directives*, paragraph 20(4B) of  
Part III of Schedule 3 to the *Act*. It is an offence for a *UK firm* which is not  
an *authorised person* to breach this prohibition (paragraph 21 of Part III of  
Schedule 3 to the *Act*). The conditions are that:

- (1) the *UK firm* has given the *FSA appropriate UK regulator*, in the way specified by *FSA the appropriate UK regulator's rules* (see *SUP 13.5.2R*), notice of its intention to provide *cross border services* (known as a *notice of intention*) which:
  - (a) identifies the activities which it seeks to carry on by way of provision of *cross border services*; and
  - (b) includes such other information as may be specified by the *FSA appropriate UK regulator* (see *SUP 13.5.2R*); and
- (2) if the *UK firm* is passporting under the *Insurance Directives*, the *firm* has received written notice from the *FSA PRA* as described in *SUP 13.4.6G*; or
- (3) if the *UK firm* is passporting under the *Insurance Mediation Directive* and the *EEA State* in which the *UK firm* is seeking to provide services has notified the European Commission of its wish to be informed of the intention of *persons* to provide *cross border services* in its territory in accordance with article 6(2) of that directive, one *month* has elapsed beginning with the date on which the *UK firm* received written notice from the *FSA appropriate UK regulator* as described in *SUP 13.4.5G* (paragraph 20 (3B)(c) of Schedule 3 to the *Act*).

13.4.2A G An *appointed representative* appointed by a *firm* to carry on *insurance*  
[FCA / *mediation activity* on its behalf may provide *cross border services* in another  
PRA] *EEA State* under the *Insurance Mediation Directive*. In this case, the *notice of intention* in *SUP 13.4.2G(1)* should be given to the *FSA appropriate UK regulator* by the *firm* on behalf of the *appointed representative*.

13.4.2B G An *exempt professional firm* which is included in the record of *unauthorised*  
[FCA] *persons* carrying on *insurance mediation activity* maintained by the *FSA*  
*FCA* under article 93 of the *Regulated Activities Order* may provide *cross*  
*border services* in another *EEA State* under the *Insurance Mediation*  
*Directive* (see *PROF 7.2*).

...

#### Issuing a consent notice or notifying the Host State regulator

13.4.4 G (1) If the *UK firm's EEA right* derives from *MiFID*, the *Banking*  
[FCA/  
PRA] *Consolidation Directive* or the *UCITS Directive*, paragraph 20(3) of  
Part III of Schedule 3 to the *Act* requires the *FSA appropriate UK*  
*regulator* to send a copy of the *notice of intention* to the *Host State*  
*Regulator* within one *month* of receipt. A *UK firm* passporting under  
the *Banking Consolidation Directive* may start providing *cross*  
*border services* as soon as it satisfies the relevant conditions (see  
*SUP 13.4.2G*).

(2) (a) If the *UK firm's EEA right* derives from the *Insurance*  
*Directives*, paragraph 20(3A) of Part III of Schedule 3 to the  
*Act* requires the *FSA PRA*, within one *month* of receiving the  
*notice of intention*, to:

...

(b) The issue or refusal of a *consent notice* under paragraph  
20(3A) of Part III of Schedule 3 to the *Act* is the consequence  
of a regulatory decision, and this *consent notice* (unlike the  
*consent notice* for establishment of a *branch*) is not a *statutory*  
*notice* as set out in section 395 of the *Act*. A *UK firm* that  
receives notice that the *FSA PRA* refuses to give a *consent*  
*notice* may refer the matter to the *Tribunal* under paragraph  
20(4A) of Part III of Schedule 3 to the *Act*.

(c) If the *FSA PRA* has required of a *UK firm* a financial recovery  
plan of the kind mentioned in paragraph 1 of article 38 of the  
*Consolidated Life Directive* or paragraph 1 of article 20a of  
the *First Non-Life Directive*, the *FSA PRA* will not give a  
*consent notice* for so long as it considers that *policyholders'*  
rights are threatened within the meaning of those provisions.

(2A) (a) If the *UK firm's EEA right* derives from the *Insurance*  
*Mediation Directive*, and the *EEA State* in which the *UK firm*  
is seeking to provide services has notified the European  
Commission of its wish to be informed of the intention of  
*persons* to provide *cross border services* in its territory in  
accordance with article 6(2) of that directive, paragraph  
20(3B)(a) of Part III of Schedule 3 to the *Act* requires the *FSA*  
*appropriate UK regulator* to send a copy of the *notice of*  
*intention* to the *Host State regulator* within one *month* of

receipt. Otherwise, the *UK firm* may start providing *cross border services* as soon as it satisfies the relevant conditions (see *SUP* 13.4.2G).

- (b) The list of the *EEA States* that have notified the European Commission of their wish to be informed in accordance with article 6(2) of the *Insurance Mediation Directive* is published on the ~~FSA~~ FCA's website at [www.fca.org.uk](http://www.fca.org.uk).

- (2B) Where a *consent notice* is given under the *UCITS Directive*, the ~~FSA~~ FCA will at the same time:

...

13.4.4A G Where the *PRA* is the *appropriate UK regulator*, it will consult the *FCA* before deciding whether to give a consent notice and where the *FCA* is the *appropriate UK regulator*, it will consult the *PRA* before deciding whether to give a consent notice in relation to a *UK firm* whose immediate group includes a *PRA-authorised person*.  
[FCA/  
PRA]

13.4.5 G When the ~~FSA~~ *appropriate UK regulator* sends a copy of a *notice of intention*, or if it gives a *consent notice* to the *Host State regulator*, it must inform the *UK firm* in writing that it has done so (paragraphs 20(3B)(b) and (4) of Schedule 3 to the *Act*).  
[FCA/  
PRA]

Applicable provisions for cross border services

13.4.6 G ...  
[PRA]

- (2) If the *UK firm* is passporting under the *Insurance Directives*, then the *Host State regulator* may notify the ~~FSA~~ PRA if there are any ~~applicable provisions~~ *applicable provisions*. If so, the ~~FSA~~ PRA will inform the *UK firm* of the *applicable provisions*.

...

## 13.5 Notices of intention

...

Specified contents: notice of intention to provide cross border services

...

13.5.2- R (1) A *UK firm* wishing to provide a service into a particular *EEA State* for the first time under the *auction regulation* must inform the ~~FSA~~ *appropriate UK regulator* of the information in (2) by email to ~~emissionstrading@fsa.gov.uk~~ emissionstrading@fca.org.uk prior to its provision of that service or whenever possible thereafter.  
A  
[FCA]

- (2) The information required by (1) is:
- (a) name of the *firm* and the *FSA firm* reference number;

...

...

#### Method of submission of notices

13.5.3 R (1) A *UK firm*, other than a *credit union*, must submit any notice under [FCA/ PRA] *SUP 13.5.1R (1), SUP 13.5.1AR or SUP 13.5.2R* online at ~~www.fsa.gov.uk~~ www.fca.org.uk using the *FSA's* ONA system.

...

- (2) ~~A *credit union* must submit any notice under *SUP 13.5.1R(1), SUP 13.5.1AR or SUP 13.5.2R* in the way set out in *SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)*. [deleted]~~

...

- (3) Where a *firm* is obliged to submit a notice in accordance with (1), if the *FSA's* information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit that notice in the way set out in *SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)*.

...

13.5.3A G A *credit union* must submit any notice under *SUP 13.5.1R(1), SUP 13.5.1AR* or *SUP 13.5.2R* in the way set out in *SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)*. [PRA]

13.5.4 G (1) If the *FSA's* information technology systems fail and online [FCA/ PRA] submission is unavailable for 24 hours or more, the *FSA appropriate UK regulator* will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)* should be used.

...

...

#### Translations

13.5.6 G (1) A *UK firm* passporting under the *Banking Consolidation Directive*, [PRA] the *Insurance Directives* or the *Reinsurance Directive* may have to submit the *requisite details* or relevant details in the language of the

*Host State* as well as in English. For a *UK firm* passporting under the *Insurance Directives* this translated document will not include the relevant UK details. Further information is available from the ~~Passport Notifications Unit~~ PRA authorisations team.

- (2) A *UK firm* may wish to discuss with the ~~Passport Notifications Unit~~ PRA authorisations team the appropriate time for providing the translations in (1), given that further information or clarification of the details provided may be required by the ~~FSA~~ PRA.

...

### 13.6 Changes to branches

...

- 13.6.3 G *UK firms* should also note that changes to the details of *branches* may lead to changes to the *applicable provisions* to which the *UK firm* is subject. These changes should be communicated to the *UK firm* either by the *Host State regulator*, or, if the *firm* is passporting under *Insurance Directives*, via the ~~FSA~~ PRA.

Firms passporting under the Banking Consolidation Directive and the UCITS Directive.

...

- 13.6.5 G Where the change arises from circumstances within the control of the *UK firm*, the requirements in regulation 11(2) are that:

- (1) the *UK firm* has given notice to the ~~FSA~~ appropriate UK regulator and to the *Host State regulator* stating the details of the proposed change;
- (2) the ~~FSA~~ appropriate UK regulator has given the *Host State regulator* a notice informing it of the details of the change; and

...

Firms passporting under MiFID

...

- 13.6.5B G The requirements of regulation 11A(2) are that:

- (1) the *UK firm* has given a notice to the ~~FSA~~ appropriate UK regulator stating the details of the proposed change; and

...

#### Firms passporting under the Insurance Directives

...

- 13.6.7 [PRA] G Where the change arises from circumstances within the control of the *UK firm*, the requirements in regulation 13(2) are that:
- (1) the *UK firm* has given notice to the *FSA PRA* and to the *Host State regulator* stating the details of the proposed change;
  - (2) the *FSA PRA* has given the *Host State regulator* a notice informing it of the details of the proposed change;
  - (3) the period of at least one *month* beginning on the day on which the *UK firm* gave the *FSA PRA* the notice in (1) has elapsed; and
  - (4) either:
    - (a) a further period of one *month* has elapsed; or
    - (b) the *FSA PRA* has informed the *UK firm* of any consequential changes in the ~~applicable provisions~~ *applicable provisions* of which the *FSA PRA* has been notified by the *Host State regulator*.
- 13.6.8 [PRA] G If a *UK firm* has exercised an *EEA right* under the *Insurance Directives* and established a *branch* in another *EEA State*, regulation 15(1) states that the *UK firm* cannot make a change in any of the *relevant UK details* unless the *UK firm* has given a notice to the *FSA PRA* stating the details of the proposed change at least one *month* before the change is effected.
- 13.6.9 [PRA] G Where a *UK firm* with ~~*Part IV permission*~~ *Part 4A permission* to carry on both *long-term* and *general insurance business*, is passporting under the *Insurance Directives* and wishes to extend its *general insurance business* to include *long term insurance business* (or vice versa), it should complete a new *notice of intention* and not a change to details notice .

...

#### Firms passporting under the Reinsurance Directive

- 13.6.9B [PRA] R A *UK firm* exercising its *EEA right* under the *Reinsurance Directive* to establish a *branch* in another *EEA State* must notify the *FSA PRA* of any changes in the information specified in *SUP 13 Annex 1R*. Whenever possible, this notification must be made as soon as the change in information is known by the *firm*.

#### Changes arising from circumstances beyond the control of a UK firm

- 13.6.10 G (1) If the change arises from circumstances beyond the *UK firm's* control, [FCA/ PRA] the *UK firm*:
- (a) is required by regulation 11(3) or regulation 13(3) to give a notice to the *FSA appropriate UK regulator* and to the *Host State regulator* stating the details of the change as soon as reasonably practicable;
  - (b) may, if it is passporting under the *Insurance Directives*, make a change to its *relevant UK details* under regulation 15(1) if it has, as soon as practicable (whether before or after the change), given notice to the *FSA PRA* stating the details of the change.
- (2) The *FSA appropriate UK regulator* believes that for a change to arise from circumstances beyond the control of a *UK firm*, the circumstances should be outside the control of the *firm* as a whole and not just the *branch* in the *EEA State*.

...

#### The process

- 13.6.11 G When the *FSA appropriate UK regulator* receives a notice from a *UK firm* [FCA/ PRA] other than a *MiFID investment firm* (see *SUP* 13.6.5G(1) and *SUP* 13.6.7G(1)) or a *pure reinsurer* (see *SUP* 13.6.9BR) it is required by regulations 11(4) and 13(4) to either refuse, or consent to the change within a period of one *month* from the day on which it received the notice.

- 13.6.12 G If the *FSA appropriate UK regulator* consents to the change, then under [FCA/ PRA] regulations 11(5) and 13(5) it will:

...

- 13.6.12 G Where the *PRA* is the *appropriate UK regulator*, it will consult the *FCA* [FCA/ PRA] *A* before deciding whether to give consent to a change (or proposed change) and where the *FCA* is the *appropriate UK regulator*, it will consult the *PRA* before deciding whether to give consent in relation to a *UK firm* whose immediate group includes a *PRA-authorised person*.

- 13.6.13 G If a *UK firm* is passporting under the *Banking Consolidation Directive*, then [PRA] regulation 11(7) states provides that the *FSA PRA* may not refuse to consent to a change unless, having regard to the change and to the EEA activities the *UK firm* is seeking to carry on, it doubts the adequacy of the administrative structure or the financial situation of the *UK firm*. In reaching its determination, the *FSA PRA* may have regard to the adequacy of management, systems and the presence of relevant skills needed for the EEA activities to be carried on.

- 13.6.14 G If a *UK firm* is passporting under the *Insurance Directives*, then regulation

[PRA] 13(7) ~~states~~ provides that the ~~FSA~~ PRA may not refuse to consent to a change unless, having regard to the change, the ~~FSA~~ PRA has reason:

...

13.6.15 G If the ~~FSA~~ appropriate UK regulator refuses to consent to a change, then  
[FCA/  
PRA]

(1) the ~~FSA~~ appropriate UK regulator will give notice of the refusal to the *UK firm*, stating its reasons and giving an indication of the *UK firm's* right to refer the matter to the *Tribunal* and the procedures on such a reference; and

(2) the *UK firm* may refer the matter to the *Tribunal*.

13.6.16 G ~~UK firms may wish to submit the standard form~~ Standard forms are available  
[FCA/  
PRA] from the ~~Passport Notifications Unit~~ FCA and PRA authorisations teams (see SUP 13.12 (Sources of further information)) to give the notices to the ~~FSA~~ appropriate UK regulator described in SUP 13.6.5G(1), SUP 13.6.5BG, SUP 13.6.7G(1), SUP 13.6.8G and SUP 13.6.10G(1).

The process: MiFID investment firms

13.6.17 G When the ~~FSA~~ appropriate UK regulator receives a notice from a *UK MiFID investment firm* (see SUP 13.6.5BG(1)), it is required by regulation 11A(3) to inform the relevant *Host State regulator* of the proposed change as soon as reasonably practicable. The *firm* in question may make the change once the period of one *month* beginning with the day on which it gave notice has elapsed.  
[FCA/  
PRA]

## 13.7 Changes to cross border services

...

Firms passporting under the UCITS Directive

13.7.3 G If a *UK firm* is passporting under the *UCITS Directive*, regulation 12(1)  
[FCA] states that the *UK firm* must not make a change in its programme of operations, or the activities to be carried on under its *EEA right*, unless the relevant requirements in regulation 12(2) have been complied with. These requirements are:

(1) the *UK firm* has given a notice to the ~~FSA~~ FCA and to the *Host State regulator* stating the details of the proposed change; or

(2) if the change arises as a result of circumstances beyond the *UK firm's* control, the *UK firm* has as soon as practicable (whether before or after the change) given a notice to the ~~FSA~~ FCA and to the *Host State*

*regulator*, stating the details of the change.

~~UK firms may wish to submit the standard form~~ Standard forms are available from the ~~Passport Notifications Unit~~ FCA authorisations team (see SUP 13.12 (Sources of further information)) to give the notices to the ~~FSA~~ FCA required by referred to in SUP 13.7.3G(1) and SUP 13.7.3AG.

#### Firms passporting under MiFID

...

13.7.3B G The requirements of regulation 12A(2) are that:  
[FCA/  
PRA]

- (1) the *UK firm* has given notice to the ~~FSA~~ appropriate UK regulator stating the details of the proposed change; and

...

#### Firms passporting under the Insurance Directives

...

13.7.5 G Regulation 16(3) provides that:  
[PRA]

- (1) the *UK firm* has given a notice to the ~~FSA~~ PRA stating the details of the proposed change; and
- (2) the ~~FSA~~ PRA has given the *Host State regulator* a notice informing it of the details of the proposed change.

13.7.6 G If the change arises from circumstances beyond the *UK firm's* control, the *UK firm* is required by regulation 16(4) to give a notice to the ~~FSA~~ PRA stating the details of the change as soon as reasonably practicable (whether before or after the change). See also SUP 13.6.10G(2), as relevant to *cross border services*.  
[PRA]

13.7.6A G For further details on giving the notices to the *appropriate UK regulator*, as described in SUP 13.7.3G(1), SUP 13.7.3AG, SUP 13.7.3BG, SUP 13.7.5G(1) and SUP 13.7.6G, UK firms may wish to refer to the standard electronic form available from the ~~Passport Notifications Unit~~ FCA and PRA authorisations teams (see SUP 13.12 (Sources of further information)) to give the notices to the ~~FSA~~ as described in SUP 13.7.3G(1), SUP 13.7.3AG, SUP 13.7.3BG, SUP 13.7.5G(1) and SUP 13.7.6G.  
[FCA/  
PRA]

13.7.7 G When the ~~FSA~~ appropriate UK regulator receives a notice from a *UK firm* (see SUP 13.7.5G(1) and SUP 13.7.6G), it is required by regulations 16(5) to (6) either to refuse or consent to the change within one *month* of receipt.  
[PRA]

13.7.7A G Where the PRA is the *appropriate UK regulator*, it will consult the FCA

[FCA/  
PRA] before deciding whether to give consent to a change (or proposed change) and where the FCA is the appropriate UK regulator, it will consult the PRA before deciding whether to give consent in relation to a UK firm whose immediate group includes a PRA-authorised person.

13.7.8 G If the ~~FSA~~ appropriate UK regulator consents to the change it will:  
[PRA]

...

13.7.9 G If the ~~FSA~~ appropriate UK regulator refuses to consent to a change it is  
[PRA] required by regulation 16(7) to give notice of the refusal to the UK firm, stating its reasons and giving an indication of the UK firm's right to refer the matter to the Tribunal and the procedures that apply to such a reference.

13.7.10 G Where a UK firm with ~~Part IV permission~~ Part 4A permission to carry on  
[PRA] both long-term and general insurance business is passporting under the Insurance Directives and wishes to extend its general insurance business to include long term insurance business (or vice versa), it should complete a new notice of intention and not a change to details notice.

...

#### Liaison between regulators

13.7.13 G Where the PRA is the appropriate UK regulator, it will consult the FCA  
A before deciding whether to give consent to a change (or proposed change)  
[FCA/  
PRA] and, where the FCA is the appropriate UK regulator, it will consult the PRA before deciding whether to give consent in relation to a UK firm whose immediate group includes a PRA-authorised person.

### **13.8 Changes of details: provision of notices to the ~~FSA~~ appropriate UK regulator**

...

13.8.1A G The effect of SUP 13.8.1R(1) is that a firm should submit any form, notice or  
[FCA/  
PRA] application under SUP 13.8.1R(1) in the following ways:

- (1) A UK firm, other than a credit union, should submit it online at ~~www.fsa.gov.uk~~ www.fca.org.uk using the FSA's ONA system.
- (2) If the FSA's information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a firm should submit it in the way set out in SUP 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification). GEN 1.3.2R (Emergency) does not apply in these circumstances.

- (3) If the ~~FSA's~~ information technology systems fail and online submission is unavailable for 24 hours or more, the ~~FSA~~ appropriate UK regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission should be used.
- (4) ~~A credit union should submit it in the way set out in SUP 13.5.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).~~  
[deleted]

13.8.1B G A credit union should submit any form, notice or application under SUP  
[PRA] 13.8.1R(1) in the way set out in SUP 13.5.3R(3) and SUP 15.7.4R to SUP  
15.7.9G (Form and method of notification).

...

### 13.10 Applicable provisions

...

13.10.2 G *UK firms* passporting under the *Banking Consolidation Directive* should note  
[PRA] that, under the Directive, the *Host State* is responsible, together with the ~~FSA~~  
PRA, for monitoring the liquidity of a *branch* established by a *UK firm* in  
another *EEA State*.

...

### 13.12 Sources of further information

13.12.1 G (1) Given the complexity of issues raised by passporting, *UK firms* are  
[FCA/  
PRA] advised to consult legislation and also to obtain legal advice at  
earliest opportunity. Firms are encouraged to contact their usual  
supervisory contact at the ~~FSA~~ appropriate UK regulator to discuss  
their proposals. However, a *UK firm* which is seeking *guidance* on  
procedural or notification issues relating to passporting should  
contact the ~~Passport Notifications Unit~~ FCA and PRA authorisations  
teams, as and where appropriate.

- (2) An applicant for ~~Part IV permission~~ Part 4A permission which is  
submitting a *notice of intention* with its application for such  
*permission* should contact the ~~Permissions department (020 7066~~  
~~3954) in the first instance~~ FCA and PRA authorisations teams, as and  
where appropriate.

13.12.2 G To contact the ~~Passport Notifications Unit~~ FCA and/or PRA authorisations  
[FCA/  
PRA] teams, please see the details provided on that regulator's website.

- (1) ~~telephone on 020 7066 1000; fax on 020 7066 9798 ; or~~
- (2) ~~write to: The Passport Notifications Unit, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS; or~~
- (3) ~~Email: [passport.notifications@fsa.gov.uk](mailto:passport.notifications@fsa.gov.uk)~~

...

## 13A Qualifying for authorisation under the Act

### 13A.1 Application and purpose

...

13A.1.2 G This chapter does not apply to:  
[FCA/  
PRA]

- (1) an *EEA firm* that wishes to carry on in the *United Kingdom* activities which are outside the scope of its *EEA right* and the scope of a *permission* granted under Schedule 4 to the *Act*; in this case the *EEA firm* requires a "*top-up permission*" under Part ~~IV~~ 4A of the *Act* (see the *FSA appropriate UK regulator's* website "How do I get authorised": <http://www.fca.org.uk/firms/about-authorisation/getting-authorised> for the *FCA* and [www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx](http://www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx) for the *PRA*); or

...

- (4) a *market operator* that operates a *regulated market* or an *MTF* in an *EEA State* other than the *UK* and wishes to make appropriate arrangements so as to facilitate access to and use of its system by remote users or participants in the *UK*. See *SUP* App 3.6.25G for guidancee guidance.

...

Purpose

...

13A.1.5 G (1) *EEA firms* should note that this chapter only addresses the procedures which the *FSA appropriate UK regulator* will follow under the *Act*. So, an *EEA firm* should consider this *guidance* in conjunction with the requirements with which it will have to comply in its *Home State*.

- (2) The *guidance* in this chapter represents the ~~FSA's~~ appropriate UK regulator's interpretation of the *Single Market Directives*, the *auction regulation*, the *Act* and the secondary legislation made under the *Act*. The *guidance* is not exhaustive and should not be seen as a substitute for a *person* consulting the legislation or taking legal advice.

...

### 13A.3 Qualifications for authorisation under the Act

EEA firms

...

- 13A.3.1C G (1) Under paragraph 15A(1) of Part II of Schedule 3 to the Act, an [FCA] *EEA UCITS management company* intending to exercise an *EEA right* to provide *collective portfolio management* services for a *UCITS scheme* must, before it undertakes that activity, obtain the ~~FSA's~~ FCA's approval to manage that *UCITS scheme*. *Firms* should use the application form set out in SUP 13A Annex 3R (EEA UCITS management companies: application for approval to manage a UCITS scheme established in the United Kingdom) for this purpose.
- (1A) If the firm's immediate group includes a PRA-authorised person, the FCA will give the PRA a copy of the application referred to in (1).
- (2) If the ~~FSA~~ FCA refuses the application referred to in (1), it will give a notice to the *firm* and the *firm's Home State regulator* in accordance with paragraph 15A of Part II of Schedule 3 to the *Act*. Before refusing an application, the ~~FSA~~ FCA will consult with the *firm's Home State regulator*.
- (3) Under paragraph 15B(1) of Part II of Schedule 3 to the *Act*, if any representations are made to the ~~FSA~~ FCA by a *firm* to which the notice referred to in (2) has been given, the ~~FSA~~ FCA is required to decide whether to withdraw that notice. If the ~~FSA~~ FCA decides not to withdraw that notice it must give the *firm* a *decision notice*.
- (4) ~~For details of the FSA's procedures for the giving of notices see DEPP 2 (Statutory notices and allocation of decision making).~~  
[deleted]
- 13A.3.1D G For details of the FCA's procedures for the giving of notices see DEPP 2 [FCA] (Statutory notices and allocation of decision making).

...

Treaty firms

...

13A.3.6 G The effect of paragraph 5(1) and 5(2) of Schedule 4 to the *Act* is that a  
[FCA/  
PRA] *Treaty firm* which qualifies for *authorisation* under that Schedule must, at least seven *days* before it carries on any of the *regulated activities* covered by its *permission*, give the *FSA appropriate UK regulator* written notice of its intention to do so. Failure to do so is a criminal offence under paragraph 6(1) of that Schedule.

13A.3.6A G Where the *PRA* receives a notification, it will give a copy to the *FCA*, and  
[FCA/  
PRA] where the *FCA* receives a notification, it will give a copy to the *PRA* where relevant.

13A.3.7 D (1) A written notice from a *Treaty firm* under paragraph 5(2) of  
[FCA/  
PRA] Schedule 4 to the *Act* must be:

(a) ~~given to a member of, or~~ addressed for the attention of, the ~~Authorisation Department~~ authorisations team in the *PRA* or *FCA*, as appropriate; and

(b) delivered to the *FSA appropriate UK regulator* by one of the methods in (2).

(2) The written notice may be delivered by:

(a) ~~post to the address in SUP 13A.3.9G below~~ either of the following addresses, as appropriate:

(i) the address for notices to the *FCA*: The Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS; or

(ii) the address for notices to the *PRA*: The Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA; or

(b) leaving the application at the address in SUP 13A.3.9G below and obtaining a time-stamped receipt; or

(c) hand delivery to a member of the ~~Authorisation Department~~ authorisations team in the *PRA* or *FCA*, as appropriate.

...

13A.3.9 G (1) For further information, a *Treaty firm* ~~may contact the~~  
[FCA/  
PRA] ~~Authorisation Department;~~ should contact the *FCA* and/or *PRA* authorisations teams using the details provided on that regulator's

website.

- (a) ~~telephone on +4420 7066 3954; or~~
- (b) ~~write to the Authorisations Department, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS; or~~
- (c) ~~email [corporate.authorisation@fsa.gov.uk](mailto:corporate.authorisation@fsa.gov.uk).~~

...

13A.3.11 G ...  
[PRA]

- (2) An insurance company with its head office in an *EEA State* other than the *United Kingdom* that is carrying on pure *reinsurance* business in that State, and which wishes to carry on such business in the *United Kingdom* and is authorised by its *Home State* but not yet under the *Reinsurance Directive*, is advised to discuss its particular requirements with the ~~Authorisation Department~~ authorisations team in the PRA. It may be entitled to exercise a *Treaty right* provided it satisfies the conditions in paragraph 3(1) of Schedule 4 to the Act (see *SUP* 13A.3.4G). Otherwise, it will have to seek a ~~Part IV permission~~ Part 4A permission (see the ~~FSA website "How do I get authorised":~~ [www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx](http://www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx)).

...

#### 13A.4 EEA firms establishing a branch in the United Kingdom

The conditions for establishing a branch

...

13A.4.1A G An *EEA UCITS management company* may not exercise an *EEA right* to provide *collective portfolio management* services for a *UCITS scheme* from a *branch* in the *United Kingdom* until approved by the ~~FSA~~ FCA to do so (see *SUP* 13A.3.1CG).  
[FCA]

...

13A.4.3 G For the purposes of paragraph 13(2)(b) of Part II of Schedule 3 to the Act, the *applicable provisions* may include ~~FSA~~ the appropriate UK regulator's rules. The *EEA firm* is required to comply with relevant *rules* when carrying on a *passported activity* through a *branch* in the *United Kingdom* as well as with relevant *UK* legislation.  
[FCA/  
PRA]

...

The notification procedure

13A.4.4 G (1) When the *FSA appropriate regulator* receives a consent notice  
[FCA/ from the *EEA firm's Home State regulator*, it will, under  
PRA] paragraphs 13(2)(b), (c) and 13(3) of Part II of Schedule 3 to the  
*Act*, notify the *applicable provisions* (if any) to:

...

(1A) The notice date is:

(a) for a *MiFID investment firm*, the date on which the *Home State* gave the consent notice; and

(b) in any other case, the date on which the *FSA appropriate UK regulator* received the consent notice.

(2) Although the *FSA appropriate UK regulator* is not required to notify the *applicable provisions* to an *EEA firm* passporting under the *Insurance Mediation Directive* or *MiFID*, these provisions are set out in *SUP 13A Annex 1G* (Application of the Handbook to Incoming EEA Firms).

13A.4.4A G (1) Where the *PRA* receives a consent notice, it will give a copy to the  
[FCA/ *FCA* without delay, and where the *FCA* receives a consent notice it  
PRA] will give a copy to the *PRA*, where relevant, without delay.

(2) In a case where the *FCA* is the *appropriate UK regulator*, the consent of the *PRA* is required for any notification by the *FCA* which relates to:

(a) a *PRA-regulated activity*;

(b) a *PRA-authorised person*; or

(c) a *person* whose immediate group includes a *PRA-authorised person*.

...

## 13A.5 EEA firms providing cross border services in the United Kingdom

...

The conditions for providing cross border services into the United Kingdom

13A.5.3 G ...  
[FCA/

PRA]

- (3) An EEA UCITS management company may not exercise an EEA right to provide collective portfolio management services for a UCITS scheme on a cross border services basis until approved by the ~~FSA~~ FCA to do so (see SUP 13A.3.1CG).
- (4) An EEA firm that has received authorisation under article 18 of the auction regulation is not subject to the service conditions in its exercise of an EEA right under the auction regulation to provide services in the United Kingdom. The notification procedure in SUP 13A.5.4 G does not apply to it and it does not need to notify the ~~FSA~~ FCA prior to providing services into the United Kingdom because there are presently no applicable provisions that apply in these circumstances. Instead, its provision of these services is supervised by its Home State regulator

The notification procedure

- 13A.5.4 [FCA/PRA] G (1) Unless the EEA firm (other than an EEA pure reinsurer or an EEA firm that received authorisation under article 18 of the auction regulation) is passporting under the Insurance Mediation Directive, if the ~~FSA~~ appropriate UK regulator receives a regulator's notice or, where no notice is required (in the case of an EEA firm passporting under the Banking Consolidation Directive), is informed of the EEA firm's intention to provide cross border services into the United Kingdom, the ~~FSA~~ appropriate UK regulator will, under paragraphs 14(2)(b) and 14(3) of Part II of Schedule 3 to the Act, notify the EEA firm of the applicable provisions (if any) within two months of the day on which the ~~FSA~~ appropriate UK regulator received the regulator's notice or was informed of the EEA firm's intention.
- (2) Although the ~~FSA~~ appropriate UK regulator is not required to notify the applicable provisions to an EEA Firm passporting under the Insurance Mediation Directive or MiFID, these provisions are set out in SUP 13A Annex 1G (Application of the Handbook to Incoming EEA Firms).
- 13A.5.4A [FCA/PRA] G Where the PRA receives a notice, it will give a copy to the FCA without delay and where the FCA receives a notice, it will give a copy to the PRA without delay, where relevant.
- 13A.5.5 [FCA/PRA] G An EEA firm (other than an EEA UCITS management company) that has satisfied the service conditions in paragraph 14 of Part II of Schedule 3 to the Act is entitled to start providing cross border services into the United Kingdom. In the case of an EEA UCITS management company, ~~FSA~~ FCA approval must first be obtained, as explained in SUP 13A.5.3G (see also SUP 13A.3.1CG). However, an EEA firm that wishes to start providing cross border services but has not yet received notification of the applicable provisions may wish to contact the ~~FSA's~~ Passport

~~Notifications Unit~~ authorisations team in the *FCA* or *PRA*, as appropriate (see *SUP* 13A.8.1G(2)).

### 13A.6 Which rules will an incoming EEA firm be subject to?

...

13A.6.4 G Under the *EEA Passport Rights Regulations*, references in section 60 of [FCA/ PRA] the Act (applications for approval for persons to perform controlled functions) to "the authorised person concerned" include:

...

- (2) any other *EEA firm* with respect to which the *FSA appropriate UK regulator* has received a consent notice or regulator's notice under paragraph 13 of Schedule 3 to the Act (see *SUP* 13A.4.1G(1) and *SUP* 13A.4.2G) or a regulator's notice under paragraph 14 of that Schedule (see *SUP* 13A.5.3G(1)), and which will be the *authorised person* concerned if the *EEA firm* qualifies for *authorisation* under that Schedule.

...

### 13A.7 Top-up permission

13A.7.1 G If a person established in the *EEA*: [FCA/ PRA]

...

to carry on a particular *regulated activity* in the *United Kingdom*, it must seek ~~Part IV permission~~ Part 4A permission from the *FSA appropriate UK regulator* to do so (see the *FSA appropriate UK regulator's* website "How do I get authorised": <http://www.fca.org.uk/firms/about-authorisation/getting-authorised> for the *FCA* and [www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx](http://www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx) for the *PRA*). This might arise if the activity itself is outside the scope of the *Single Market Directives*, or where the activity is included in the scope of a *Single Market Directive* but is not covered by the *EEA firm's Home State authorisation*. If a person also qualifies for *authorisation* under Schedules 3, 4 or 5 of the Act as a result of its other activities, the ~~Part IV permission~~ Part 4A permission is referred to in the *Handbook* as a *top-up permission*.

13A.7.2 G Where the ~~FSA~~ appropriate UK regulator grants a *top-up permission* to an  
[FCA/  
PRA] *incoming EEA firm* to carry on *regulated activities* for which it has neither  
an *EEA right* nor a *Treaty right*, the ~~FSA~~ appropriate UK regulator is  
responsible for the prudential supervision of the *incoming EEA firm*, to the  
extent that the responsibility is not reserved to the *incoming EEA firm's*  
*Home State regulator*.

...

13A.7.4 G For ~~guidance~~ on how to apply for ~~Part IV permission~~ Part 4A permission  
[FCA/  
PRA] under the *Act*, see the ~~FSA~~ appropriate UK regulator's website "~~How do I~~  
~~get authorised~~": [http://www.fca.org.uk/firms/about-authorisation/getting-  
authorised for the FCA and  
www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx](http://www.fca.org.uk/firms/about-authorisation/getting-authorised-for-the-FCA-and-www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx)  
for the *PRA*. If an *EEA firm* or *Treaty firm* wishes to make any subsequent  
changes to its *top-up permission*, it can make an application for variation  
of that *permission* (see *SUP 6* (Applications to vary and cancel Part ~~IV~~ 4A  
*permission*)).

## 13A.8 Sources of further information

13A.8.1 G For further information on *UK regulation*, an *EEA firm*, a *Treaty firm* or a  
[FCA/  
PRA] *UCITS qualifier* should contact the ~~Perimeter Guidance team at the FSA.~~  
~~Questions about the passporting notification procedures can be addressed~~  
~~to the Passport Notifications Unit.~~ authorisations team in the *FCA* or *PRA*,  
if and when appropriate. To contact the *FCA* and/or *PRA* authorisations  
teams, please see the details provided on that regulator's website.

(1) ~~To contact the Perimeter Guidance team:~~

(a) ~~telephone on +44 20 7066 0082 or fax on +44 20 7066 9719;~~

(b) ~~write to: Perimeter Guidance Team, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.~~

(2) ~~To contact the Passport Notifications Unit:~~

(a) ~~telephone on +44 20 7066 1000 or fax on +44 20 7066 9798;~~

(b) ~~write to: Passport Notifications Unit, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS;~~

(c) ~~email: [passport.notifications@fsa.gov.uk](mailto:passport.notifications@fsa.gov.uk).~~

SUP 13A.9 is deleted in its entirety. The deleted text is not shown.

...

13A G Application of the Handbook to Incoming EEA Firms

Annex 1

[FCA/  
PRA]

...		
<p>4. An <i>EEA firm</i> that exercises an <i>EEA right</i> under the <i>auction regulation</i> to establish a branch in the <i>United Kingdom</i> to provide <i>auction regulation bidding</i> is subject to a limited set of requirements in the <i>Handbook</i> that apply to that activity. These are the <i>rules</i> listed in paragraph 2.6A of <i>SYSC 1 Annex 1</i>, <i>GEN 4</i> and <i>SUP</i> (in particular, the <i>money laundering reporting function</i> in <i>SUP 10A</i> and requirements to notify the <del><i>FSA</i></del> <i>FCA</i>). Aside from this note, the table does not apply to those firms.</p>		
<p>5. An <i>EEA firm</i> that exercises an <i>EEA right</i> under <i>MiFID</i> to carry on <i>MiFID business bidding</i> is subject to the <i>applicable provisions</i> relating to its carrying on of <i>MiFID business</i>.</p>		
<b>(1) Module of Handbook</b>	<b>(2) Potential application to an incoming EEA firm with respect to activities carried on from an establishment of the firm (or its appointed representative) in the United Kingdom</b>	<b>(3) Potential application to an incoming EEA firm with respect to activities carried on other than from an establishment of the firm (or its appointed representative) in the United Kingdom</b>
...		
<i>SYSC</i>	<p>...</p> <p>(3) <i>SYSC 3</i> applies, but only in so far as responsibility for the matter in question is not reserved by an <i>EU instrument</i> to the <i>firm's Home State regulator</i>. <del><i>SYSC 1.1.7R</i></del> <i>SYSC 1 Annex 1, Part 1, 1.8R</i> (Where?) further restricts the territorial application of <i>SYSC 1</i> to <i>SYSC 3</i> for an</p>	...

	<i>incoming EEA firm...</i>	
<i>COND</i>	<p><i>COND</i> does not apply if the <i>firm</i> does not have, or apply for, a <i>top-up permission</i>.  Otherwise, <del>only the</del> <u>threshold conditions 1,3,4 and 5</u> apply in a limited way and only in so far as relevant to:</p> <p>(1) <del>an application for in the case of a top-up permission under Part IV Part 4A of the Act</del> (that is, a <i>permission</i> to carry on <i>regulated activities</i> in addition to those permitted through its <i>authorisation</i> under Schedule 3 to the <i>Act</i> (EEA Passport Rights)); and  (2) the exercise of the <del>FSA's own initiative power</del> <u>FCA's powers under sections 55J and 55L of the Act</u> in relation to the <i>top-up permission</i>. (<del>COND 1.1.1G</del> <u>COND 1.1.A.4G</u>)</p>	...
...		
<i>GEN</i>	<p><i>GEN</i> applies (<i>GEN</i> 1.1, <i>GEN</i> 2.1, <del><i>GEN</i> 3.1</del>, <i>GEN</i> 4.1, <i>GEN</i> 5.1 and <i>GEN</i> 6.1). However, (a) <i>GEN</i> 4 does not apply to the extent that the <i>firm</i> is subject to equivalent <i>rules</i> imposed by its <i>Home State</i> (<i>GEN</i> 4.1.1R(3)), and (b) <i>GEN</i> 6 only applies to business that can be regulated under <del>section 138</del> <u>sections 137A and 137G</u> of the <i>Act</i> (<del>General rule making power</del>) (<u>The FCA's General rules</u>) and (<u>The PRA's General rules</u>), respectively. It does not therefore apply if, or to the extent that, responsibility has been</p>	<p><i>GEN</i> 4 does not apply if the <i>firm</i> has <i>permission</i> only for <i>cross-border services</i> and does not carry on <i>regulated activities</i> in the <i>United Kingdom</i> (see <i>GEN</i> 4.1.1R).  The general licence to use <del>or reproduce the FSA logo in GEN 5 Annex 1G</del> does not apply (see 3.1(1) of <del>GEN 5 Annex 1G</del>).  Otherwise, as column (2).</p>

	reserved to an <i>incoming firm's Home State regulator</i> by an <i>EU instrument</i> .  ...	
<u>FEES</u>	<u>Applies to the extent a firm is required to pay a fee in regards to carrying out any regulated activity in the UK, normally this would be the case when the firm holds a top-up permission</u>	<u>As column (2)</u>
...		
<i>IPRU(BANK)</i>	Only the following apply, and only if the <i>firm</i> is a <i>credit institution</i> ( <i>IPRU(BANK) 3.2.1R</i> ): (1) <i>IPRU(BANK) 3.5.1R</i> ; and (2) <i>IPRU(BANK)</i> chapters LM and LS.	Does not apply. But if the <i>firm</i> is a <i>credit institution</i> whose notification to the <i>FSA</i> of its intention to provide services in the <i>United Kingdom</i> covers services provided through a <i>branch</i> , see column (2).
<i>IPRU(BSOC)</i>	Does not apply because an <i>incoming EEA firm</i> cannot be a <i>building society</i> ( <i>IPRU(BSOC) X.2.1R</i> ).	Does not apply because an <i>incoming EEA firm</i> cannot be a <i>building society</i> ( <i>IPRU(BSOC) X.2.1R</i> ).
...		
<i>IPRU(INS)</i>	{deleted}	{deleted}
...		
<i>MAR</i>	...	
	<b><u>MAR 8 (Benchmarks)</u></b>  <u>Applies only to firms whose top-up permission includes providing information in relation to a regulated benchmark.</u>	<b><u>MAR 8 (Benchmarks)</u></b>  <u>As column (2)</u>
...		

<i>SUP</i>	<p><b>SUP 1 (The FSA's <u>SUP 1A</u> (The FCA's approach to supervision))</b> Applies, but contains only <i>guidance</i>.</p>	<p><b>SUP 1 (The FSA's <u>SUP 1A</u> (The FCA's approach to supervision))</b> As column (2).</p>
	<p><b>SUP 2 (Information gathering by the FSA [FCA &amp; PRA] on its own initiative)</b> The application of this chapter is the same as for <i>Principle 11</i> (see under <i>PRIN</i> above).</p>	<p><b>SUP 2 (Information gathering by the FSA [FCA &amp; PRA] on its own initiative).</b> As column (2)</p>
	...	
	<p><b>SUP 5 (Skilled persons)</b> Applies only if the <i>firm</i> is required by the <del>FSA</del> <u>FCA or PRA</u> to provide a report under section 166 of the <i>Act</i> (Reports by skilled persons).</p>	<p><b>SUP 5 (Skilled persons)</b> As column (2).</p>
	<p><b>SUP 6 (Applications to vary and cancel <u>Part IV Part 4A</u> permission)</b> Applies only if the <i>firm</i> has a <i>top-up permission</i></p>	<p><b>SUP 6 (Applications to vary and cancel <u>Part IV Part 4A</u> permission)</b> As column (2).</p>
	<p><b>SUP 7 (Individual requirements)</b> Applies only if the <i>firm</i> has a <i>top-up permission</i>. It contains only <i>guidance</i> on the exercise of the <del>FSA's own initiative power to vary that permission</del> <u>FCA's powers under sections 55J and 55L of the Act</u>. The <del>FSA</del> <u>FCA</u> has similar, but more limited, powers of intervention under <b>Part XIII Part 13</b> of the <i>Act</i> in relation to the <i>permission</i> of the <i>firm</i> under Schedule 3 to the <i>Act</i> (see <del>ENF 4</del>) (see EG 8).</p>	<p><b>SUP 7 (Individual requirements)</b> As column (2).</p>

<p><b>SUP 8 (Waiver and modification of rules)</b> Applies only if the <i>firm</i> wishes to apply for, or consent to, or has been given, a <i>waiver</i> of the <i>FSA's appropriate regulator's</i> rules (SUP 8.1.1R).</p>	<p><b>SUP 8 (Waiver and modification of rules)</b> As column (2).</p>
<p><b>SUP 9 (Individual guidance)</b> Applies only if the <i>firm</i> wishes to obtain individual <i>guidance</i> from the <i>FSA FCA</i> or if the <i>FSA FCA</i> gives the <i>firm</i> individual <i>guidance</i> on its own initiative (SUP 9.1.1G).</p>	<p><b>SUP 9 (Individual guidance)</b> As column (2).</p>
<p><b><del>SUP 10</del> SUP 10A (Approved persons)</b> Applies, but the applicable <i>controlled functions</i> are limited. See <del>SUP 10.1</del> SUP 10A.1 (Application) for more detailed <i>guidance</i>.</p>	<p><b><del>SUP 10</del> SUP 10A (Approved persons)</b> Does not apply (<del>SUP 10.1.6 R</del> SUP 10A.1.6R).</p>
<p><b><u>SUP 10B (Approved Persons)</u></b>  <u>Does not apply</u></p>	<p><b><u>SUP 10B (Approved Persons)</u></b>  <u>As column (2)</u></p>
<p>...</p>	
<p><b>SUP 13A (Qualifying for authorisation under the Act)</b> SUP 13A applies to the <i>firm</i> if it: (1) is considering carrying on activities in the <i>United Kingdom</i> which may fall within the scope of the <i>Act</i> and is seeking <i>guidance</i> on whether it needs a <i>top-up permission</i>; or (2) is, or is considering, applying to the <i>FSA appropriate regulator</i> to carry on <i>regulated activities</i></p>	<p><b>SUP 13A (Qualifying for authorisation under the Act)</b> As column (2).</p>

	<p>in the <i>United Kingdom</i> under a <i>top-up permission</i>; or (3) is, or is considering, establishing a <i>branch</i> or providing <i>cross-border services</i> into the <i>United Kingdom</i> using <i>EEA rights</i>.</p>	
	...	
	<p><b>SUP 15 (Notifications to the FSA <u>FCA</u> or <u>PRA</u>)</b> Applies in full if the <i>firm</i> has a <i>top-up permission</i>. Otherwise, the application is modified as set out in <i>SUP 15 Annex 1R</i>.</p>	<p><b>SUP 15 (Notifications to the FSA <u>FCA</u> or <u>PRA</u>)</b> Does not apply if the <i>firm</i> has <i>permission</i> only for <i>cross border services</i> and does not carry on <i>regulated activities</i> in the <i>United Kingdom</i> (<i>SUP 15 Annex 1R</i>). Otherwise, as column (2).</p>
	...	
	<p><b>SUP 20 (Fees Rules)</b> Applies (<i>SUP 20.1.1R</i>) but modified (<i>SUP 20.4.7G</i> to <i>SUP 20.4.10R</i>).</p>	<p><b>SUP 20 (Fees Rules)</b> As column (2).</p>
	<p><b>SUP App 1 (Prudential categories)</b> Applies and provides <i>guidance</i> on the prudential categories used in the <i>Handbook</i>.</p>	<p><b>SUP App 1 (Prudential categories)</b> As column (2).</p>
	...	
DEPP	<p><i>DEPP</i> applies and contains a description of the <i>FSA's <u>FCA's</u></i> procedures for taking statutory notice decisions, the <i>FSA's <u>FCA's</u></i> policy on the imposition and amount of penalties and the conduct of interviews to which a direction under section 169(7) of the <del>Act</del> <i>Act</i> has been given or the <i>FSA <u>FCA</u></i></p>	<p><i>DEPP</i> applies and contains a description of the <i>FSA's <u>FCA's</u></i> procedures for taking statutory notice decisions, the <i>FSA's <u>FCA's</u></i> policy on the imposition and amount of penalties and the conduct of interviews to which a direction under section 169(7) of the <del>Act</del> <i>Act</i> has been given or the</p>

	is considering giving.	<del>FSA-FCA</del> is considering giving.
...		
<i>COMP</i>	<p>Applies, except in relation to the <i>passport activities</i> of <del>an</del> a <i>MiFID investment firm</i><sub>2</sub> or a <i>BCD credit institution</i> (see the definition of "<i>participant firm</i>") (other than an electronic money institution within the meaning of article 1(3)(a) of the <i>E-Money Directive</i> that has the right to benefit from the mutual recognition arrangements under the <i>Banking Consolidation Directive</i>), <u>an <i>IMD insurance intermediary</i> or a <i>UCITS management company</i> acting in that capacity other than in relation to a <i>UCITS scheme</i> (see the definition of "<i>participant firm</i>").</u></p> <p>However, <del>an</del> a <i>MiFID investment firm</i><sub>2</sub> or <i>BCD credit institution</i>, <u>an <i>IMD insurance intermediary</i> or a <i>UCITS management company</i> (when carrying on permitted <i>MiFID business</i>)</u> may be able to apply for <i>top-up cover</i> in relation to its <i>passport activities</i> (see <i>COMP 14</i> (Participation by EEA Firms)).</p>	<p>Does not apply in relation to the <i>passport activities</i> of an <i>MiFID investment firm</i><sub>2</sub> or a <i>BCD credit institution</i>, <u>an <i>IMD insurance intermediary</i> or a <i>UCITS management company</i> acting in that capacity other than in relation to a <i>UCITS scheme</i> (see the definition of "<i>participant firm</i>").</u> Otherwise, <i>COMP</i> may apply, but the coverage of the <i>compensation scheme</i> is limited for non-UK activities (see <i>COMP 5</i>).</p>
<i>COAF</i>	<p>Applies if the <i>firm</i> wishes to bring a <i>complaint</i> under the <i>complaints scheme</i>, <del>provided the <i>complaint</i> meets the requirements of the <i>complaints scheme</i> (<i>COAF 1.2</i>).</del></p>	As column (2).

...		
{deleted}	{deleted}	{deleted}
...		
<u>EG</u>	<i>EG</i> describes the <i>FSA's FCA's</i> approach to exercising the main enforcement powers given to it by FSMA and by regulation 12 of the <i>Unfair Terms Regulations</i> . <i>EG</i> is a Regulatory Guide and as such does not form part of the Handbook.	<u>EG (Enforcement Guide)</u> As column (2).
<u>CONRED</u>	Applies to a <i>firm</i> which made a <i>personal recommendation</i> in relation to an Arch cru fund, after which a <i>consumer</i> made an investment in the Arch cru fund, and to which the suitability requirements (specified at paragraph 5.1R of the instructions in <i>CONRED 2 Annex 13</i> ) applied ( <i>CONRED 2.1.1R</i> ).	Does not apply

**Notes to Annex 1**

Note 1: The following modules or chapters are relevant to *firms* in both the *PRA Handbook* and the *FCA Handbook*: *PRIN, SYSC, APER, FIT, GEN, FEES, GENPRU, BIPRU, MIPRU, IPRU (INV), SUP 2 to 6, 8, 11, 13 to 16, 18 & Appendix 2 and COMP*.

Note 2: The following modules or chapters are relevant in the *FCA Handbook* only: *COND, INSPRU, COBS, ICOBS, MCOB, CASS, MAR, TC, SUP 1A, 7, 9, 10A, 12 & 17, DEPP, DISP, COLL, PROF, LR, PR, DTR and EG*.

13A  
Annex 2

**G Matters reserved to a Home State regulator**

[FCA/

PRA]

Introduction	
1. [FCA/ PRA]	The application of certain provisions in the <i>Handbook</i> to an <i>incoming EEA firm</i> or <i>incoming Treaty firm</i> depends on whether responsibility for the matter in question is reserved to the <i>firm's Home State regulator</i> . This annex contains <i>guidance</i> designed to assist such <i>firms</i> in understanding the application of those provisions. This annex is not concerned with the <del>FSA's</del> <i>FCA</i> or the <i>PRA's</i> rights to take enforcement action against an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i> , which, <u>in the case of the FCA</u> , are covered in the Enforcement Guide ( <i>EG</i> ), or with the position of a <i>firm</i> with a <i>top-up permission</i>
Requirements in the interest of the general good	
2. [FCA/ PRA]	The <i>Single Market Directives</i> , and the <i>Treaty</i> (as interpreted by the European Court of Justice) adopt broadly similar approaches to reserving responsibility to the <i>Home State regulator</i> . To summarise, the <del>FSA</del> <i>FCA</i> or <i>PRA</i> , as <i>Host State regulator</i> , is entitled to impose requirements with respect to activities carried on within the <i>United Kingdom</i> if these can be justified in the interests of the "general good" and are imposed in a non-discriminatory way. This general proposition is subject to the following in relation to activities passported under the <i>Single Market Directives</i> :
	(1) the <i>Single Market Directives</i> expressly reserve responsibility for the prudential supervision of a <i>MiFID investment firm</i> , <i>BCD credit institution</i> , <i>UCITS management company</i> or passporting <i>insurance undertaking</i> to the <i>Firm's Home State regulator</i> . The <i>Insurance Mediation Directive</i> reaches the same position without expressly referring to the concept of prudential supervision. Accordingly, the <del>FSA</del> <i>FCA</i> , as <i>Host State regulator</i> , is entitled to regulate only the conduct of the firm's business within the <i>United Kingdom</i> ;
	...
	(3) for a <i>BCD credit institution</i> , the <del>FSA</del> <i>PRA</i> or <i>FCA</i> , as <i>Host State regulator</i> , is jointly responsible with the <i>Home State regulator</i> under article 41 of the <i>Banking Consolidation Directive</i> for supervision of the liquidity of a <i>branch</i> in the <i>United Kingdom</i> ;
	...
3. [FCA/ PRA]	...
Application of SYSC 2 and SYSC 3	

4. [FCA/ PRA]	SYSC 2 and SYSC 3 only apply to an <i>insurer</i> , a <i>managing agent</i> and the <i>Society</i> . See paragraph 8 below for a discussion of how the <i>common platform requirements</i> apply. SYSC 2.1.1R and SYSC 2.1.2G do not apply for a relevant <i>incoming Treaty firm</i> . The <del>FSA considers</del> <u>FCA and PRA consider that it is they are</u> entitled, in the interests of the general good, to impose the requirements in SYSC 2.1.3 R to SYSC 2.2.3G (in relation to the allocation of the function in SYSC 2.1.3R(2)) and SYSC 3 on an <i>incoming EEA firm</i> and an <i>incoming Treaty firm</i> ; but only in so far as they relate to those categories of matter responsibility for which is not reserved to the <i>firm's Home State regulator</i> .
5. [FCA/ PRA]	Should the <del>FSA</del> <u>FCA or PRA</u> become aware of anything relating to an <i>incoming EEA firm</i> or <i>incoming Treaty firm</i> (whether or not relevant to a matter for which responsibility is reserved to the <i>Home State regulator</i> ), the <del>FSA</del> <u>PRA or FCA</u> may disclose it to the <i>Home State regulator</i> in accordance with any directive and the applicable restrictions in Part 23 <del>XXIII</del> of the Act (Public Record, Disclosure of Information and Co-operation).
6. [FCA/ PRA]	This Annex represents the <del>FSA's</del> <u>FCA's and PRA's</u> views, but a <i>firm</i> is also advised to consult the relevant <i>EU</i> instrument and, where necessary, seek legal advice. The views of the European Commission in the banking and insurance sectors are contained in two Commission Interpretative Communications (Nos. 97/C209/04 and C(1999)5046).
7.	[deleted]
Application of the common platform requirements in SYSC to EEA MiFID investment firms	
8. [FCA/ PRA]	
Application of SYSC to EEA UCITS management companies	
8A. [FCA]	...
Requirements under MiFID	
9. [FCA/ PRA]	...
10. [FCA/ PRA]	...

11. [FCA/ PRA]	... The <i>FSA</i> has made certain requirements that fall within the scope of Article 4. These requirements apply to an <i>EEA MiFID investment firm</i> with an establishment in the <i>United Kingdom</i> as they apply to a <i>UK MiFID investment firm</i> , <u>in the circumstances contemplated by article 32(7) MiFID.</u>
Requirements under the UCITS Directive	
11A [FCA]	...
11B [FCA]	A <i>management company</i> which provides <i>collective portfolio management</i> services on a cross-border basis by establishing a <i>branch</i> in another <i>EEA State</i> or under the freedom to provide services must comply with the <i>rules</i> of the <i>UCITS Home State</i> which relate to the constitution and functioning of the <i>UCITS</i> . Where the <i>UCITS Home State</i> is the <i>United Kingdom</i> , the applicable <i>rules</i> that the <i>EEA UCITS management company</i> must comply with are as follows:
	(1) <i>COLL 12.3.4R</i> (Provision of documentation to the <del>FSA</del> <u>FCA</u> : <i>EEA UCITS management companies</i> );
	...
	(3) <i>COLL 12.3.6R</i> (Requirement to make information available to the public or the <del>FSA</del> <u>FCA</u> ).
11C [FCA]	...
11D [FCA]	...
	Territorial application of the <i>Handbook</i>
The auction regulation	
11E [FCA]	Where an <i>incoming EEA firm</i> exercises an <i>EEA right</i> under the <i>auction regulation</i> to provide services or establish a branch in the <i>United Kingdom</i> , it is carrying on <i>auction regulation bidding</i> . Authorisation and supervision of a <i>firm</i> under the <i>auction regulation</i> are almost exclusively matters reserved to the <i>Home State regulator</i> . The only requirements which the <del>FSA</del> <u>FCA</u> has applied as <i>Host State regulator</i> under the <i>auction regulation</i> in respect of <i>auction regulation bidding</i> is on a <i>UK branch</i> in relation to safeguards against money laundering and financial crime as well as a statutory status disclosure obligation and requirements to notify the <del>FSA</del> <u>FCA</u> (see Note 4 of <i>SUP 13A Annex 1G</i> ).

11F [FCA]	...
12. [FCA/ PRA]	...
13. [FCA/ PRA]	...

**13A EEA UCITS management companies: application for approval to manage  
Annex 3R a UCITS scheme established in the United Kingdom**

[FCA] Under paragraph 15A(1) of Part II of Schedule 3 to the *Act*, an *EEA UCITS management company* intending to exercise an *EEA right* to provide *collective portfolio management services* for a *UCITS scheme* must, before it undertakes that activity, obtain the ~~FSA~~ FCA's approval to manage that *UCITS scheme*. *Firms* should use the application form below for this purpose. *Firms* may cross refer to other sources where the information has already been provided to the ~~FSA~~ FCA.

<b>Application by an EEA UCITS management company to manage one or more UCITS schemes established in the United Kingdom (paragraph 15A(1) of Part II of Schedule 3 to the Financial Services and Markets Act 2000).</b>	
...	
Has the <i>management company</i> submitted the information required by COLL 12.3.4R (Provision of documentation to the <del>FSA</del> <u>FCA</u> : EEA UCITS management companies), including the depositary agreement and information on delegation arrangements? Provide details:	
...	
When completed send this form to: <del>CIS Authorisations</del> <u>Investment Funds Team</u> The Financial <del>Services</del> <u>Conduct</u> Authority 25 the North Colonnade London. E14 5HS  Or electronically to: <del>eis@fsa.gov.uk</del> <u>recognisedcis@fca.org.uk</u>	

**13A Annex 4R**      **Passporting: Emissions Trading. Notice of intention to exercise the right of establishment in the United Kingdom**

[FCA]      This annex consists of only one or more forms. Forms can be completed online now by visiting: <http://www.fsa.gov.uk/Pages/doing/index.shtml>  
[www.fca.org.uk](http://www.fca.org.uk)

The forms are also to be found through the following address: *Passporting: Emissions Trading. Notice of intention to exercise the right of establishment in the United Kingdom - SUP 13A Annex 4R*

**14**      **Incoming EEA firms changing details, and cancelling qualification for authorisation**

**14.1**      **Application and purpose**

...

Purpose

...

14.1.8      G      The FCA and PRA will share with each other relevant information received, as necessary, in order to perform their respective functions.  
[FCA/  
PRA]

**14.2**      **Changes to branch details**

...

Firms passporting under the Banking Consolidation Directive and the UCITS Directive

...

14.2.3      G      Where the change arises from circumstances within the control of the  
[FCA/  
PRA]      *incoming EEA firm*, the requirements in regulation 4(4) are that:

- (1) the *incoming EEA firm* has given notice to the *FSA appropriate UK regulator* (see SUP 14.4.1G) and to its *Home State regulator* stating the details of the proposed change;
- (2) the *FSA appropriate UK regulator* has received a notice stating those details; and
- (3) either:

- (a) the *FSA appropriate UK regulator* has informed the firm that it may make the change; or
- (b) the period of one month beginning with the date on which the *incoming EEA firm* gave the *FSA appropriate UK regulator* the notice mentioned in (1) has elapsed.

14.2.4 [FCA/  
PRA] G Changes to the *requisite details* may lead to changes to the *applicable provisions* to which the *incoming EEA firm* is subject. The *FSA appropriate UK regulator* will, as soon as practicable after receiving a notice in SUP 14.2.3G or SUP 14.2.8G, inform the *incoming EEA firm* of any consequential changes in the *applicable provisions* (regulation 4(6)).

#### Firms passporting under the Insurance Directives

...

14.2.6 PRA G Where the change arises from circumstances within the control of the *incoming EEA firm*, the relevant requirements in regulation 6(4) are that:

- (1) the *incoming EEA firm* has given a notice to the *FSA PRA* (see SUP 14.4.1G) and to its *Home State regulator* stating the details of the proposed change;
- (2) the *FSA PRA* has received from the *Home State regulator* a notice stating that it has approved the proposed change;
- (3) the period of at least one month beginning with the day on which the *incoming EEA firm* gave the *FSA PRA* the notice in (1) has elapsed; and
- (4) either:
  - (a) a further period of one month has elapsed; or
  - (b) the *FSA PRA* has informed the *Home State regulator* of any consequential changes in the *applicable provisions*.

...

Changes arising from circumstances beyond the control of an *incoming EEA firm* passporting under the Banking Consolidation Directive, UCITS Directive or Insurance Directive

14.2.8 [FCA/  
PRA] G If the change arises from circumstances beyond the *incoming EEA firm's* control, the *firm* is required by regulation 4(5) (see SUP 14.2.2G) or regulation 6(5) (see SUP 14.2.5G(2)) to give a notice to the *FSA appropriate UK regulator* (see SUP 14.4.1G) and to its *Home State regulator* stating the details of the change as soon as reasonably practicable.

14.2.9 [FCA/ PRA] G The *FSA appropriate UK regulator* believes that for a change to arise from circumstances beyond the control of an *incoming EEA firm*, the

PRA] circumstances should be outside the control of the *firm* as a whole and not just its UK branch. For example, the *FSA appropriate UK regulator* considers that this provision would be unlikely to apply to circumstances in which lack of planning at the *incoming EEA firm's* head office resulted in a problem arising in a *UK branch* which was outside its control. In practice, therefore, use of this provision is likely to be rare.

#### Firms passporting under MiFID

...

14.2.12 G Changes to the *requisite details* may lead to changes to the applicable provisions to which the *EEA MiFID investment firm* is subject. The *FSA appropriate UK regulator* will, as soon as practicable after receiving a notice in SUP 14.2.11G inform the *EEA MiFID investment firm* of any consequential changes in the applicable provisions.

[FCA/  
PRA]

...

### 14.3 Changes to cross border services

...

#### Firms passporting under the UCITS Directive

...

14.3.3 G The relevant requirements in regulation 5(3) are that:

[FCA]

- (1) the *incoming EEA firm* has given a notice to the *FSA FCA* (see SUP 14.4.1G) and to its *Home State regulator* stating the details of the proposed change;
- (2) if the change arises from circumstances beyond the *incoming EEA firm's* control, that firm has, as soon as practicable, given to the *FSA appropriate UK regulator* and to its *Home State regulator* the notice in (1).

14.3.3A G [deleted]

14.3.4 G Under regulation 5(4), the *FSA FCA* is required, as soon as practicable after receiving the notice in SUP 14.3.3G, to inform the *incoming EEA firm* of any consequential changes in the *applicable provisions*.

[FCA/  
PRA]

#### Firms passporting under MiFID

...

14.3.4C G Under regulation 5(4), the *FSA FCA* is required, as soon as practicable after

[FCA] receiving the notice in SUP 14.3.4BG, to inform the *incoming EEA firm* of any consequential changes in the applicable provisions.

...

Firms passporting under the Insurance Directives

...

14.3.6 G The relevant provisions are those set out in regulation 7(4), namely that:  
PRA

...

(2) the *Home State regulator* has passed on to the ~~FSA~~ PRA the information contained in that notice.

...

#### 14.4 Notices of proposed changes: form and delivery

14.4.1 G (1) Regulation 7 to 9 of the Financial Services and Markets Act 2000  
[FCA/ (Services of Notices) Regulations 2001 (SI 2001/1420) govern the  
PRA] manner in which notices may be submitted to the ~~FSA~~ regulators  
under the *EEA Passport Rights Regulations*. In summary, they should  
be delivered or posted to the ~~FSA's~~ appropriate UK regulator's  
address (See ~~(2)~~ below) and will be treated as given when received by  
the ~~FSA~~ appropriate UK regulator. They should not be sent by fax or  
electronic mail.

(2) ~~The address for notices is: The Passport Notifications Unit, The  
Financial Services Authority, 25 The North Colonnade, Canary  
Wharf, London, E14 5HS [deleted]~~

14.4.1A G The address for FCA notices is: The Passport Notifications Unit, The  
FCA Financial Conduct Authority, 25 The North Colonnade, Canary Wharf,  
London, E14 5HS.

14.4.1B G The address for PRA notices is: PRA authorisations team, The Prudential  
PRA Regulation Authority, 20 Moorgate, London, EC2R 6DA.

#### 14.5 Variation of a top-up permission to carry on regulated activities outside the scope of the Single Market Directives or the auction regulation

14.5.1 G Where an *incoming EEA firm* has been granted *top-up permission* by the  
[FCA/ ~~FSA~~ appropriate UK regulator and wishes to vary that *permission*, the *Act*  
PRA] requires it to apply to the ~~FSA~~ appropriate UK regulator for a variation of  
the *top-up permission*.

14.5.2 G ~~Guidance~~ Guidance on the procedures for applying for a variation of a  
[FCA/ *permission* granted under Part IV 4A of the Act, including a *top-up*  
PRA] *permission*, is given in SUP 6 (Applications to vary and cancel Part IV 4A  
Permission).

## 14.6 Cancelling qualification for authorisation

Incoming EEA firms

...

14.6.2 G In addition, under section 34(2) an *incoming EEA firm* may ask the ~~FSA~~  
[FCA/ appropriate UK regulator to give a direction cancelling its *authorisation*  
PRA] under Schedule 3 to the Act.

...

14.6.3 G Regulation 8 states that where an *incoming EEA firm* which qualifies for  
[FCA/ *authorisation* under Schedule 3:  
PRA]

(1) has ceased, or is to cease, to carry on *regulated activities* in the *United Kingdom*; and

(2) gives notice of that fact to the ~~FSA~~ appropriate UK regulator;

the notice is treated under regulation 8 as a request for cancellation of the *incoming EEA firm's* qualification for *authorisation* under Schedule 3 to the Act and so as a request under section 34(2) of the Act.

Auction regulation bidding: notification rule

14.6.3A R An *EEA firm* that has exercised an *EEA right* under the *auction regulation*  
[FCA] to establish a branch in the *United Kingdom* must notify the ~~FSA~~ FCA by  
email to ~~emissionstrading@fsa.gov.uk~~ emissionstrading@fca.org.uk when  
it ceases to carry on *regulated activities* through a branch passport in the  
*United Kingdom* or whenever possible thereafter.

14.6.3B G The sole purpose of the notification in SUP 14.6.3AR is to inform the ~~FSA~~  
[FCA] FCA that it may discontinue its supervision of the *UK* branch of the  
*incoming EEA firm's* compliance with the *applicable provisions*. The  
*applicable provisions* that apply to that branch are set out in SUP 13A  
Annex 1G (Application of the Handbook to Incoming EEA Firms).

14.6.4 G Where a *financial institution* (that is, a subsidiary of a *credit institution*) is  
PRA] passporting under the *Banking Consolidation Directive* (see SUP  
14.6.1G(2)), regulation 9(1) states that the *incoming EEA firm* may request  
the ~~FSA~~ PRA to direct that its qualification for *authorisation* under Schedule  
3 to the Act is cancelled from such date as may be specified in the direction.

- 14.6.5 PRA G The *FSA PRA* may not, however, give a direction referred to in *SUP* 14.6.4G unless:
- ...
- (2) the *FSA PRA* has agreed with the *Home State regulator* that the direction should be given.
- 14.6.6 PRA G Regulation 9(3) requires that the date specified by the *FSA PRA* in a direction referred to in *SUP* 14.6.4G:
- ...
- (2) subject to (1), is as agreed between the *FSA PRA* and the *incoming EEA firm's Home State regulator*.
- 14.6.7 PRA G The *FSA PRA* is required to send, as soon as practicable, a copy of the direction to the *incoming EEA firm* and to its *Home State regulator* (regulation 9(4)).
- 14.6.8 PRA G Where the *FSA PRA* gives a direction referred to in *SUP* 14.6.4G, the *incoming EEA firm* may apply for *Part IV permission Part 4A permission* (see the *FSA PRA* website "[How do I get authorised](http://www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx)": [www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx](http://www.bankofengland.co.uk/pr/Pages/authorisations/newfirm/default.aspx) to take effect not earlier than the date that its qualification for *authorisation* is cancelled (as specified in the direction).

#### Incoming Treaty firms

- 14.6.9 [FCA/PRA] G ...
- 14.6.10 [FCA/PRA] G In addition, under section 35(2) an *incoming Treaty firm* may ask the *FSA appropriate UK regulator* to give a direction cancelling its *authorisation* under Schedule 4 to the *Act*.

#### UCITS qualifiers

- 14.6.11 FCA G Section 36 of the *Act* states that a *UCITS qualifier* may ask the *FSA FCA* to give a direction cancelling its *authorisation* under paragraph 1(1) of Schedule 5 to the *Act*. *UCITS qualifiers* should also refer to *COLLG* 3.1.11G (Revocation of recognition of overseas schemes (section 279)).

### 14.7 Cancellation of a top-up permission to carry on regulated activities outside the scope of the Single Market Directives or the auction regulation

- 14.7.1 [FCA/ G Where an *incoming EEA firm*, an *incoming Treaty firm* or a *UCITS qualifier* wishes to cancel its *top-up permission*, either with or without cancellation of its qualification for *authorisation* under Schedule 3, 4, or 5 to the *Act*, it

PRA] should make an application following the procedures set out in *SUP 6* (Applications to vary and cancel Part ~~IV~~ 4A Permission).

## 14.8 Further guidance

14.8.1 G For further *guidance* on passporting procedures, an *incoming EEA firm*  
[FCA/ ~~should~~ may contact the ~~FSA's Passport Notifications Unit~~ FCA or PRA  
PRA] authorisations team, or their usual supervisory contact at the ~~FSA~~  
appropriate UK regulator. *Incoming Treaty firms* and *UCITS qualifiers*  
~~should~~ may speak to their ~~usual~~ supervisory contact at the ~~FSA~~ appropriate  
UK regulator in the first instance.

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
competent authority)		
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
business: regulations supplementing Authority's rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Education Body)	Education Body)	
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(SI 2009/209)	(SI 2009/209).	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2008 (SI 2008/346)	legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None



**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
or waiver of rules)		
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 9

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# Legal Cutover (Notifications) Instrument 2013

**LEGAL CUTOVER (NOTIFICATIONS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
  - (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
  - (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
  - (10) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
  - (11) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;

- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

**Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
- (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

**Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) Identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:

- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
- (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification of rules etc. by the Prudential Regulation Authority**

18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 20; and
- (2) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.

20 The conditions referred to in paragraph 19(1) are that a provision is:

- (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
- (2) Identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.

21 The conditions referred to in paragraph 19(2) are that a provision is:

- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
- (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.

22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:

- (1) section 137G (The PRA’s general rules); and
- (2) section 137T (General supplementary powers).

23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

24 The Prudential Regulation Authority gives as guidance:

- (1) each provision in Annex A to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is marked with a G in Column 1 of Annex B to this Instrument; and
- (2) each provision listed in Annex B to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is (a) marked with a G in Column 1 of Annex B to this Instrument and (b) not in Annex A to this Instrument.

**Commencement: Prudential Regulation Authority**

25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013

- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The Supervision manual (SUP) of the FCA's and PRA's Handbooks of rules and guidance is amended in accordance with Annex A to this Instrument.

**Citation**

- 29 This Instrument may be cited as the Legal Cutover (Notifications) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 15 Notifications to the ~~FSA~~ FCA or PRA

...

#### 15.2 Purpose

- 15.2.1 G A *firm* is required to provide the ~~FSA~~ appropriate regulator with a wide range of information to enable the ~~FSA~~ appropriate regulator to meet its responsibilities for monitoring the *firm's* compliance with requirements imposed by or under the *Act*. Some of this information is provided through regular reports, including those set out in *SUP* 16 (Reporting requirements) and *SUP* 17 (Transaction reporting). In addition, other chapters in the *Handbook* set out specific notification and reporting requirements. *Principle* 11 includes a requirement for a *firm* to disclose to the ~~FSA~~ appropriate regulator appropriately anything relating to the *firm* of which the ~~FSA~~ appropriate regulator would reasonably expect notice.
- 15.2.2 G This chapter sets out:
- (1) ...
  - (2) *rules* on events and changes in condition that a *firm* must notify; these are the types of event that the ~~FSA~~ appropriate regulator must be informed about, usually as soon as possible, if it is to be able to carry out its monitoring function effectively and react in good time to developments that may require a regulatory response;
  - (3) *rules* on the core information that a *firm* must provide to the ~~FSA~~ appropriate regulator, for example its name and address and the names of its other regulators, so that the ~~FSA~~ appropriate regulator is able to maintain a relationship with the *firm* and with those regulators;
  - (4) *rules* requiring a *firm* to ensure that information provided to the ~~FSA~~ appropriate regulator is accurate and complete; section 398 of the *Act* makes it an offence knowingly or recklessly to provide the ~~FSA~~ appropriate regulator with information which is false or misleading in a material particular, in purported compliance with any requirement imposed by or under the *Act*; the purpose of the *rules* in *SUP* 15.6 is to ensure that *firms* take due care to ensure the accuracy of information and to require them to ensure that information is not

only accurate but also complete; and

- (5) material (in *SUP* 15.10 (Notification of suspicious transactions (market abuse))) to implement the provisions of the *Market Abuse Directive* for the reporting of transactions about which there is reasonable suspicion of *market abuse*.

15.2.3 [FCA/PRA] G *Rules and guidance* have also been included to set out how *firms* should make a notification and to determine when it may be appropriate to discuss matters with their usual supervisory contact at the *appropriate regulator* by telephone (*SUP* 15.7).

...

15.2.5 [PRA] G Where a *PRA-authorised person* is required to notify (a) the *appropriate regulator* by a *PRA Handbook* provision and (b) the *FCA* by the equivalent provision in the *FCA Handbook*, the *PRA-authorised person* is expected to comply with both provisions.

### 15.3 General notification requirements

Matters having a serious regulatory impact

15.3.1 [FCA/PRA] R A *firm* must notify the ~~*FSA*~~ *appropriate regulator* immediately it becomes aware, or has information which reasonably suggests, that any of the following has occurred, may have occurred or may occur in the foreseeable future:

...

15.3.2 [FCA/PRA] G The circumstances which may give rise to any of the events in *SUP* 15.3.1R are wide-ranging and the probability of any matter resulting in such an outcome, and the severity of the outcome, may be difficult to determine. However, the ~~*FSA*~~ *appropriate regulator* expects *firms* to consider properly all potential consequences of events.

15.3.3 [FCA/PRA] G In determining whether the *appropriate regulator* should be notified of an event that may occur in the foreseeable future ~~should be notified to the *FSA*~~, a *firm* should consider both the probability of the event happening and the severity of the outcome should it happen.

...

15.3.5 [FCA/PRA] G A *firm* making a notification in accordance with *SUP* 15.3.1R should consider the *guidance* in *SUP* 15.7.2G and notify the ~~*FSA*~~ *appropriate regulator* by telephone if appropriate.

15.3.6 G An insurer or friendly society making a notification under SUP 15.3.1R(1)  
[PRA] relating to satisfaction of the threshold condition 4 (Adequate resources) set out in paragraph 4D of Schedule 6 to the Act should be aware of the requirements in SUP App 2 (Scheme of operations).

Communication with the FSA appropriate regulator in accordance with Principle 11

15.3.7 G Principle 11 requires a firm to deal with its regulators in an open and  
[FCA/ cooperative way and to disclose to the FSA appropriate regulator  
PRA] appropriately anything relating to the firm of which the FSA appropriate regulator would reasonably expect notice. Principle 11 applies to unregulated activities as well as regulated activities and takes into account the activities of other members of a group.

15.3.7A G Although PRIN does not apply to a firm in relation to its carrying on of  
[FCA] auction regulation bidding, the FSA FCA expects to be given notice of events that are material to the FSA's FCA's supervision of that business and so firms carrying on that business should have regard to the guidance in SUP 15.3.8G to SUP 15.3.10G.

15.3.8 G Compliance with Principle 11 includes, but is not limited to, giving the FSA  
[FCA/ appropriate regulator notice of:  
PRA]

(1) ...

...

- (i) in relation to a dormant account fund operator, notify the FSA appropriate regulator when the operator intends to rely on a third party for the performance of operational functions which are critical or important for the performance of relevant services and activities in connection with operating a dormant account fund on a continuous and satisfactory basis;

...

15.3.9 G The period of notice given to the FSA appropriate regulator will depend on  
[FCA/ the event, although the FSA appropriate regulator expects a firm to discuss  
PRA] relevant matters with it at an early stage, before making any internal or external commitments.

15.3.10 G A notification under Principle 11 may be given orally or in writing (as set  
[FCA/ out in SUP 15.7.1R and SUP 15.7.2G), although the FSA appropriate  
PRA] regulator may request written confirmation of a matter. However, it is the responsibility of a firm to ensure that matters are properly and clearly communicated to the FSA appropriate regulator. A firm should provide a written notification if a matter either is complex or may be such as to make it necessary for the FSA appropriate regulator to take action. A firm should also have regard to Principle 11 and the guidance in SUP 15.7.2G in respect

of providing important information promptly.

Breaches of rules and other requirements in or under the Act

15.3.11 R (1) A *firm* must notify the *FSA appropriate regulator* of:  
[FCA/  
PRA] ...

...

15.3.13 G In assessing whether an event that may occur in the foreseeable future  
[FCA/  
PRA] should be notified to the *FSA appropriate regulator*, a *firm* should consider the *guidance* in SUP 15.3.3G.

...

Civil, criminal or disciplinary proceedings against a firm

15.3.15 R A *firm* must notify the *FSA appropriate regulator* immediately if:  
[FCA/  
PRA] ...

(3) disciplinary measures or sanctions have been imposed on the *firm* by any statutory or regulatory authority, professional organisation or trade body (other than the *FSA appropriate regulator*) or the *firm* becomes aware that one of those bodies has started an investigation into its affairs; or

...

...

Fraud, errors and other irregularities

15.3.17 R A *firm* must notify the *FSA appropriate regulator* immediately if one of the  
[FCA/  
PRA] following events arises and the event is significant:

...

15.3.19 G The notifications under SUP 15.3.17R are required as the *FSA appropriate  
[FCA/  
PRA] regulator* needs to be aware of the types of fraudulent and irregular activity which are being attempted or undertaken, and to act, if necessary, to prevent effects on *consumers* or other *firms*. A notification under SUP 15.7.3G should provide all relevant and significant details of the incident or suspected incident of which the *firm* is aware.

15.3.20 G In addition, the *firm* may have suffered significant financial losses as a result  
[FCA/  
PRA] of the incident, or may suffer reputational loss, and the *FSA appropriate regulator* will wish to consider this and whether the incident suggests weaknesses in the *firm's internal controls*.

Insolvency, bankruptcy and winding up

15.3.21 R A *firm* must notify the *FSA appropriate regulator* immediately of any of the  
[FCA/ following events:  
PRA]

...

Lloyd's of London

15.3.22 D SUP 15.3.23D to SUP 15.3.25D are given in relation to the exercise of the  
[FCA/ powers of the *Society* and of the *Council* generally, with a view to achieving  
PRA] the objective of enabling the *FSA appropriate regulator* to:

(1) comply with its general duty under section 314 of the *Act* (~~Authority's~~  
Regulators' general duty);

...

(3) enforce the provisions of the *Act*, or requirements made under the *Act*,  
by enabling the *FSA appropriate regulator* to consider, where  
appropriate, whether it should use its powers, for example, to:

(a) vary or cancel the *permission* of an *underwriting agent*, under  
section ~~45~~ 55J of the *Act* (~~Variation etc on the Authority's own~~  
or cancellation on initiative of regulator);

...

(d) require an *underwriting agent* to make restitution, under section  
384 of the *Act* (Power of ~~Authority~~ FCA or PRA to require  
restitution) (see *EG 11*);

...

(g) prosecute any criminal offence that the *FSA appropriate*  
regulator has power to prosecute under the *Act* (see *EG 12*).

15.3.23 D The *Society* must immediately inform the *FSA appropriate regulator* in  
[FCA/ writing if it becomes aware that any matter likely to be of material concern  
PRA] to the *FSA appropriate regulator* may have arisen in relation to:

...

15.3.24 D The *Society* must inform the *FSA appropriate regulator* if it commences  
[FCA/ investigations or disciplinary proceedings relating to apparent breaches:  
PRA]

...

15.3.25 D The *Society* must inform the *FSA appropriate regulator* if it commences  
[FCA/ investigations or disciplinary proceedings which do not fall within the scope

PRA] of SUP 15.3.24D but which:

...

#### 15.4 Notified persons

15.4.1 R (1) An *overseas firm*, which is not an *incoming firm*, must notify the ~~FSA~~  
[FCA/appropriate regulator within 30 *business days* of any *person* taking  
PRA] up or ceasing to hold the following positions:

...

(b) the *person* within the *overseas firm* with a purely strategic responsibility for *UK* operations (see SUP 10.7.4G);

...

(2) The notification in (1) must be submitted in the form set out in Form F (SUP 15 Ann 2R). However, if the *person* is an *approved person*, notification giving details of his name, the *approved person's* ~~FSA~~ individual reference number and the position to which the notification relates, is sufficient.

15.4.2 G SUP 15.4.1R is not made under the powers conferred on the ~~FSA~~  
[FCA/appropriate regulator by Part V of the *Act* (Performance of Regulated  
PRA] Activities). A *person* notified to the ~~FSA~~ appropriate regulator under SUP 15.4.1R is not subject to the *Statements of Principle* or *Code of Practice for Approved Persons*, unless he is also an *approved person*.

15.4.3 R (1) A *firm* other than a *credit union* must submit the form in SUP 15 Ann  
[FCA/appropriate regulator's ONA system.  
PRA] online at ~~www.fsa.gov.uk~~ using the ~~FSA's~~ appropriate regulator's

...

(3) Where a *firm* is obliged to submit an application online under (1), if the ~~FSA~~ appropriate regulator's information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit the form in SUP 15 Ann 2R, in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).

15.4.3A G (1) If the ~~FSA's~~ appropriate regulator's information technology systems  
[FCA/appropriate regulator will endeavour to publish a notice on its  
PRA] website confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 15.4.3R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used.

...

- 15.4.4 [FCA/PRA] G If adverse information is revealed about a *person* notified to the ~~FSA~~ appropriate regulator under SUP 15.4.1R, the ~~FSA~~ appropriate regulator may exercise its *own-initiative power* against the *firm* (see SUP 7 (Individual requirements)).

## 15.5 Core information requirements

### Change in name

- 15.5.1 [FCA/PRA] R A *firm* must give the ~~FSA~~ appropriate regulator reasonable advance notice of a change in:

...

...

- 15.5.3 [FCA/PRA] G *Firms* are reminded that certain name changes (for example, to include 'Limited') may also require a notification under SUP ~~15.5.5R~~ 5.5.1R.

### Change in address

- 15.5.4 [FCA/PRA] R A *firm* must give the ~~FSA~~ appropriate regulator reasonable advance notice of a change in any of the following addresses, and give details of the new address and the date of the change:

...

### Change in telephone numbers

- 15.5.5 [FCA/PRA] R A *firm* must give the ~~FSA~~ appropriate regulator reasonable advance notice of a change in any of the following telephone numbers, and give details of the new telephone number and the date of the change:

...

- 15.5.6 [FCA/PRA] G SUP 15.5.4R and SUP 15.5.5R mean that a *firm* should notify the ~~FSA~~ appropriate regulator of a change in telephone number even if the address of the office is not changing.

### Other regulators

- 15.5.7 [FCA/PRA] R A *firm* must notify the ~~FSA~~ appropriate regulator immediately if it becomes subject to or ceases to be subject to the supervision of any *overseas regulator* (including a *Home State regulator*).

- 15.5.8 G The ~~FSA's~~ appropriate regulator's approach to the supervision of a *firm* is

[FCA/  
PRA] influenced by the regulatory regime and any legislative or foreign provisions to which that *firm*, including its branches, is subject.

Submitting notifications to the ~~FSA~~ appropriate regulator

15.5.9 R (1) A *firm* other than a *credit union* must submit any notice under SUP 15.5.1R, SUP 15.5.4R, ~~and SUP 15.5.5R and SUP 15.5.7R~~ by [FCA/  
PRA] submitting the form in SUP 15 Ann 3R online at ~~www.fsa.gov.uk~~ the appropriate regulator's website.

(2) ...

(3) Where a *firm* is obliged to submit a notice online under (1), if the ~~FSA's~~ appropriate regulator's information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit any notice under SUP 15.5.1R, SUP 15.5.4R, ~~and SUP 15.5.5R and SUP 15.5.7R~~ in the form in SUP 15 Ann 3R and in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).

(4) A *firm* must submit any notice required under SUP 15.5.7R by submitting the form in SUP 15 Annex 4R in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).

15.5.10 G (1) If the ~~FSA's~~ appropriate regulator's information technology systems fail and online submission is unavailable for 24 hours or more, the ~~FSA~~ appropriate regulator will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 15.5.9R(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used. [FCA/  
PRA]

(2) Where SUP 15.5.9R(3)(2) applies to a *firm*, GEN 1.3.2R (Emergency) does not apply.

**15.6 Inaccurate, false or misleading information**

15.6.1 R A *firm* must take reasonable steps to ensure that all information it gives to the ~~FSA~~ appropriate regulator in accordance with a *rule* in any part of the [FCA/  
PRA] *Handbook* (including *Principle 11*) is:

(1) ...

(2) complete, in that it should include anything of which the ~~FSA~~ appropriate regulator would reasonably expect notice.

15.6.2 G ...

- [FCA/  
PRA]
- (1) *Principle 11*, and the guidance on *Principle 11* in *SUP 2* (Information gathering by the ~~FSA~~ FCA and PRA on ~~its~~ their own initiative);
- (2) *SUP 15* (Notifications to the ~~FSA~~ appropriate regulator);
- ...
- 15.6.3 [FCA/  
PRA] G If a *firm* is unable to obtain the information required in *SUP 15.6.1R(2)*, then it should inform the ~~FSA~~ appropriate regulator that the scope of the information provided is, or may be, limited.
- 15.6.4 [FCA/  
PRA] R If a *firm* becomes aware, or has information that reasonably suggests that it has or may have provided the ~~FSA~~ appropriate regulator with information which was or may have been false, misleading, incomplete or inaccurate, or has or may have changed in a material particular, it must notify the ~~FSA~~ appropriate regulator immediately. Subject to *SUP 15.6.5R*, the notification must include:
- ...
- ...
- 15.6.6 [FCA/  
PRA] G The ~~FSA~~ appropriate regulator may request the *firm* to provide revised documentation containing the correct information, if appropriate.
- 15.6.7 [FCA/  
PRA] G *Firms* are reminded that section 398 of the *Act* (Misleading the Authority ~~FCA or PRA~~: residual cases) makes it an *offence* for a *firm* knowingly or recklessly to provide the ~~FSA~~ appropriate regulator with information which is false or misleading in a material particular in purported compliance with the ~~FSA's~~ appropriate regulator's rules or any other requirement imposed by or under the *Act*. An offence by a *body corporate, partnership* or unincorporated association may be attributed to an *officer* or certain other *persons* (section 400 of the *Act* (Offences by bodies corporate etc)).

## 15.7 Form and method of notification

Form of notification: oral or written

- 15.7.1 [FCA/  
PRA] R A notification required from a *firm* under any *notification rule* must be given in writing, and in English, and must be submitted on the form specified for that *notification rule*, or if no form is specified, on the form in *SUP 15 Ann 4R* (Notification form), and must give the *firm's* ~~FSA~~ Firm Reference Number unless:
- ...
- 15.7.2 [FCA/  
PRA] G A *firm* should have regard to the urgency and significance of a matter and, if appropriate, should also notify its usual supervisory contact at the ~~FSA~~

PRA] *appropriate regulator* by telephone or by other prompt means of communication, before submitting a written notification. Oral notifications should be given directly to the *firm's* usual supervisory contact at the *appropriate regulator*. An oral notification left with another person or left on a voicemail or other automatic messaging service is unlikely to have been given appropriately.

15.7.3 [FCA/PRA] G The *FSA appropriate regulator* is entitled to rely on any information it receives from a *firm* and to consider any notification received as being made by a *person* authorised by the *firm* to do so. A *firm* should therefore consider whether it needs to put procedures in place to ensure that only appropriate *employees* make notifications to the *FSA appropriate regulator* on its behalf.

Method of notification

15.7.4 [FCA/PRA] R Unless stated in the *notification rule*, or on the relevant form (if specified), a written notification required from a *firm* under any *notification rule* must be:

- (1) given to or addressed for the attention of the *firm's* usual supervisory contact at the *FSA appropriate regulator*; and
- (2) delivered to the *FSA appropriate regulator* by one of the methods in SUP 15.7.5AR or SUP 15.7.5BR as applicable:

15.7.5 R ~~Methods of notification [deleted]~~

Method of delivery	
1.	<del>Post to the appropriate address in SUP 15.7.6G</del>
2.	<del>Leaving the notification at the appropriate address in SUP 15.7.6G and obtaining a time-stamped receipt</del>
3.	<del>Electronic mail to an address for the <i>firm's</i> usual supervisory contact at the <i>FSA</i> and obtaining an electronic confirmation of receipt</del>
4.	<del>Hand delivery to the <i>firm's</i> usual supervisory contact at the <i>FSA</i></del>
5.	<del>Fax to a fax number for the <i>firm's</i> usual supervisory contact at the <i>FSA</i> and receiving a successful transmission report for all pages of the notification.</del>
6.	<del>Online submission via the <i>FSA's</i> website at <a href="http://www.fsa.gov.uk">www.fsa.gov.uk</a>.</del>

15.7.5A [FCA] R Methods of notification

---

<u>Method of delivery</u>	
<u>1.</u>	<u>Post to the appropriate address in SUP 15.7.6AG</u>
<u>2.</u>	<u>Leaving the notification at the appropriate address in SUP 15.7.6AG and obtaining a time-stamped receipt</u>
<u>3.</u>	<u>Electronic mail to an address for the <i>firm's</i> usual supervisory contact at the <i>FCA</i> and obtaining an electronic confirmation of receipt</u>
<u>4.</u>	<u>Hand delivery to the <i>firm's</i> usual supervisory contact at the <i>FCA</i></u>
<u>5.</u>	<u>Fax to a fax number for the <i>firm's</i> usual supervisory contact at the <i>FCA</i> and receiving a successful transmission report for all pages of the notification.</u>
<u>6.</u>	<u>Online submission via the <i>FCA's</i> website at <a href="http://www.fca.org.uk">www.fca.org.uk</a>.</u>

15.7.5B R Methods of notification  
[PRA]

<u>Method of delivery</u>	
<u>1.</u>	<u>Post to the appropriate address in SUP 15.7.6BG</u>
<u>2.</u>	<u>Leaving the notification at the appropriate address in SUP 15.7.6BG and obtaining a time-stamped receipt</u>
<u>3.</u>	<u>Electronic mail to an address for the <i>firm's</i> usual supervisory contact at the <i>PRA</i> and obtaining an electronic confirmation of receipt</u>
<u>4.</u>	<u>Hand delivery to the <i>firm's</i> usual supervisory contact at the <i>PRA</i></u>
<u>5.</u>	<u>Fax to a fax number for the <i>firm's</i> usual supervisory contact at the <i>PRA</i> and receiving a successful transmission report for all pages of the notification.</u>
<u>6.</u>	<u>Online submission via the <i>PRA's</i> website at <a href="http://www.bankofengland.co.uk/pr">www.bankofengland.co.uk/pr</a>.</u>

15.7.6 G ~~The current published address of the *FSA* for postal submission or hand delivery of notifications is: [deleted]~~

(1) The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

if the *firm's* usual supervisory contact at the *FSA* is based in London,  
or

(2) The Financial Services Authority  
Quayside House  
127 Fountainbridge  
Edinburgh EH3 8DJ

if the *firm's* usual supervisory contact at the *FSA* is based in  
Edinburgh.

15.7.6A G The current published address of the *FCA* for postal submission or hand  
[FCA] delivery of notifications is:

(1) The Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

if the *firm's* usual supervisory contact at the *FCA* is based in London,  
or

(2) The Financial Conduct Authority  
Quayside House  
127 Fountainbridge  
Edinburgh EH3 8DJ

if the *firm's* usual supervisory contact at the *FCA* is based in  
Edinburgh.

15.7.6B G The current published address of the *PRA* for postal submission or hand  
[PRA] delivery of notifications is:

The Prudential Regulation Authority  
20 Moorgate  
London EC2R 6DA

15.7.7 G If the *firm* or its *group* is subject to lead supervision arrangements by the  
[FCA/ *FSA appropriate regulator*, the *firm* or *group* may give or address a notice  
PRA] *regulator*, designated as lead supervisor, if the *firm* has chosen to make use  
of the lead supervisor as a central point of contact (see *SUP* 1.5).

15.7.8 G If a *firm* is a member of a *group* which includes more than one *firm*, any one  
[FCA/ *undertaking* in the *group* may notify the *FSA appropriate regulator* on  
behalf of all *firms* in the *group* to which the notification applies. In this way,

PRA] that *undertaking* may satisfy the obligation of all relevant *firms* in the *group* to notify the *FSA appropriate regulator*. Nevertheless, the obligation to make the notification remains the responsibility of the individual *firm* itself. See also SUP 15.7.3G.

15.7.9 G *Firms* wishing to communicate with the *FSA appropriate regulator* by  
[FCA/ electronic mail or fax should obtain the appropriate address or number from  
PRA] the *FSA appropriate regulator*.

#### Timely notification

15.7.10 R If a *notification rule* requires notification within a specified period:  
[FCA/ (1) the *firm* must give the notification so as to be received by the *FSA*  
PRA] *appropriate regulator* no later than the end of that period; and  
(2) if the end of that period falls on a *day* which is not a *business day*, the notification must be given so as to be received by the *FSA appropriate regulator* no later than the first *business day* after the end of that period.

...

#### Underwriting agents: notification to the Society of Lloyd's

15.7.12 R (1) ~~Paragraph (2) applies in relation to notifications required under this chapter within the scope of any arrangements made by the *FSA* with the *Society of Lloyd's* under paragraph 6(2) of Schedule 1 to the *Act*. [deleted]~~

(2) ~~An *underwriting agent* must submit the notifications in (1) to the *Society of Lloyd's* rather than to the *FSA*. [deleted]~~

15.7.13 G ~~Paragraph 6(2) of Schedule 1 to the *Act* enables the *FSA* to make arrangements which provide for monitoring functions to be performed by any body or *person* who, in its opinion, is competent to perform them. Arrangements made under this provision are published by the *FSA*. [deleted]~~

15.7.14 G The *FSA appropriate regulator* has made arrangements with the *Society of Lloyd's* with respect to the monitoring of *underwriting agents*. *Underwriting agents* should check whether these arrangements provide for any notifications required under this chapter to be sent to the *Society* instead of to the *FSA appropriate regulator*. For further details see the *FSA appropriate regulator's* website.  
[FCA/  
PRA]

...

#### Service of Notices Regulations

15.7.16 G The Financial Services and Markets Act 2000 (Service of Notices) Regulations 2001 (SI 2001/1420) contain provisions relating to the service of documents on the *FSA appropriate regulator*. They do not apply to  
[FCA/

PRA] notifications required under *notification rules* because of the specific *rules* in this section.

## 15.8 Notification in respect of particular products and services

### Management of occupational pension scheme assets

15.8.1 R A *firm* which manages the assets of an *occupational pension scheme* must  
[FCA] notify the ~~FSA~~ FCA as soon as reasonably practicable if it receives any request or instruction from a trustee which it:

...

### Individual Pension Accounts

15.8.2 R If a *firm* begins or ceases to administer *individual pension accounts*, it must  
[FCA] notify the ~~FSA~~ FCA as soon as reasonably practicable that it has done so.

### Insurers' commission clawback

15.8.3 R (1) An *insurer* must notify the ~~FSA~~ FCA in respect of any *firm* (the  
[FCA] "intermediary") as soon as reasonably practicable if:

...

...

### Money service business and trust or company service providers

15.8.4 G (1) In accordance with article 31 of the *Money Laundering Regulations*,  
[FCA] with effect from 15 December 2007, a *firm* is required to notify the ~~FSA~~ FCA:

...

...

15.8.5 G A *firm* which is already operating a money service business or a trust or  
[FCA] company service provider as at 15 December 2007 is required by the *Money Laundering Regulations* to notify the ~~FSA~~ FCA of that fact and should do so in the manner specified in *SUP* 15.8.4G(2) before 15 January 2008.

### Delegation by UK UCITS management companies

15.8.6 R If a *UK UCITS management company* intends to delegate to a third party any  
[FCA] one or more of its functions for the more efficient conduct of its business, it must first inform the ~~FSA~~ FCA in an appropriate manner.

[Note: article 13(1)(a) of the *UCITS Directive*]

...

CTF providers

- 15.8.8 [FCA] R (1) If a *firm* begins or ceases to hold itself out as acting as a *CTF provider*, it must notify the ~~FSA~~ FCA as soon as reasonably practicable that it has done so.
- (2) A *firm* that acts as a *CTF provider* must provide the ~~FSA~~ FCA, as soon as reasonably practicable, with details of:

...

- 15.8.9 [FCA/PRA] R A *BIPRU firm* must report to the ~~FSA~~ appropriate regulator immediately any case in which its counterparty in a *repurchase agreement* or *reverse repurchase agreement* or *securities or commodities lending or borrowing transaction* defaults on its obligations.

**15.9 Notifications by members of financial conglomerates**

- 15.9.1 [FCA/PRA] R A *firm* that is a *regulated entity* must notify the ~~FSA~~ appropriate regulator immediately it becomes aware that any *consolidation group* of which it is a member:

...

...

- 15.9.4 [FCA/PRA] R A *firm* does not have to give notice to the ~~FSA~~ appropriate regulator under SUP 15.9.1R if it or another member of the *consolidation group* has already given notice of the relevant fact to:

- (1) the ~~FSA~~ appropriate regulator; or

...

**15.10 Reporting suspicious transactions (market abuse)**

...

Notification of suspicious transactions: general

- 15.10.2 [FCA] R A *firm* which *arranges* or *executes* a transaction with or for a client in a *qualifying investment* admitted to trading on a *prescribed market* and which has reasonable grounds to suspect that the transaction might constitute *market abuse* must notify the ~~FSA~~ FCA without delay.

[Note: Article 6(9) *Market Abuse Directive*]

Notification of suspicious transactions: investment firms and credit institutions

...

- 15.10.4 G (1) Notification of suspicious transactions to the ~~FSA~~ FCA requires sufficient indications (which may not be apparent until after the transaction has taken place) that the transaction might constitute *market abuse*. In particular a *firm* will need to be able to explain the basis for its suspicion when notifying the ~~FSA~~ FCA (see *SUP* 15.10R). Certain transactions by themselves may seem completely devoid of anything suspicious, but might deliver such indications of possible *market abuse*, when seen in perspective with other transactions, certain behaviour or other information (though *firms* are not expected to breach effective information barriers put in place to prevent and avoid conflicts of interest so as actively to seek to detect suspicious transactions). [Note: Recital 9 2004/72/EC]

...

...

Content of notification: investment firms and credit institutions

- 15.10.6 R (1) If an *investment firm* or a *credit institution* is obliged to make a notification to the ~~FSA~~ FCA under this section, it must transmit to the ~~FSA~~ FCA the following information:

...

- (2) In addition the following information must be provided to the ~~FSA~~ FCA as soon as it becomes available:

...

Means of notification: investment firms and credit institutions

- 15.10.7 R An *investment firm* or a *credit institution* making a notification to the ~~FSA~~ FCA under this section may do so:

[FCA]

- (1) by mail to:  
Market Conduct Team  
25 The North Colonnade  
Canary Wharf  
London E14 5HS; or
- (2) by electronic mail to ~~market.abuse@fsa.gov.uk~~  
market.abuse@fca.org.uk;
- (3) by facsimile to the Market Conduct Team on 020 7066 ~~4099~~ 4091; or
- (4) by telephone to the market abuse helpline 020 7066 4900. [Note:

Article 10 2004/72/EC]

- 15.10.8 G (1) If a notification is made by telephone, the ~~FSA~~ FCA may subsequently request confirmation of the notification in writing. [FCA] [Note: Article 10 2004/72/EC]
- (2) When making a notification in writing it may be convenient to use the form for suspicious transaction reports provided on the ~~FSA's~~ FCA's website. This form follows the common standard approved by ESMA (formerly known as CESR).

Liability and professional secrecy: investment firms and credit institutions

- 15.10.9 R (1) An *investment firm* or a *credit institution* which notifies the ~~FSA~~ FCA under this section must not inform any other *person*, in particular the *persons* on behalf of whom the transaction has been carried out or parties related to those persons, of this notification, except in accordance with an obligation imposed by or under statute. [FCA]
- (2) Notwithstanding any other provision of the *Handbook* a notification in good faith under this section to the ~~FSA~~ FCA does not constitute a breach of any restriction on disclosure of information imposed by the *Handbook*. [Note: Article 11 2004/72/EC]

**Note:** Section 131A of the *Act* sets out additional protections from liability for a *person* who makes a notification to the ~~FSA~~ FCA under this section (or who passes the relevant information to someone designated by his employer to do so).

**15 Annex 1R Application of SUP 15 to incoming EEA firms and incoming Treaty firms**  
[FCA/ PRA]

1 .	<i>SUP 15 applies in full to an incoming EEA firm, or incoming Treaty firm, which has a top-up permission.</i>
2 .	<del><i>SUP 15 does not apply to an incoming EEA firm which has permission for cross border services only and which does not carry on regulated activities in the United Kingdom. [deleted]</i></del>
2 A	<del><i>SUP 15 does not apply to an EEA pure reinsurer which does not have a top-up permission. [deleted]</i></del>
3 .	For any other <i>incoming EEA firm</i> or <i>incoming Treaty firm</i> , SUP 15 applies as set out in the following table.

Applicable sections	Application
---------------------	-------------

...		
SUP 15.3.7G to SUP 15.3.10G	Communication with the <del>FSA</del> <u>appropriate regulator</u> in accordance with Principle 11	Apply in so far as responsibility for the matter in question is not reserved by an <i>EU</i> instrument to the <i>firm's Home State regulator</i>
...		

15  
Annex 1A R  
[FCA]

1. SUP 15 does not apply to an *incoming EEA firm* which has *permission for cross border services only* and which does not carry on *regulated activities* in the *United Kingdom*.
2. SUP 15 does not apply to an *EEA pure reinsurer* which does not have a *top-up permission*.

**15 Annex  
2R**  
[FCA/PRA]

**Form F: Changes in notified persons**

- R This annex consists only of one or more forms. Forms can be completed online now by visiting: <http://www.fsa.gov.uk/Pages/doing/index.shtml> the *appropriate regulator's website*.

The forms are also to be found through the following address:

*Supervision forms - SUP 15 Annex 2*

**15 Annex 3**  
[FCA/PRA]

**Standing data form**

- R This annex consists only of one or more forms. Forms can be completed online now by visiting: <http://www.fsa.gov.uk/Pages/doing/index.shtml> the *appropriate regulator's website*.

The forms are also to be found through the following address:

*Standing Data - SUP 15 Annex 3*

...

**Annex B**

**Designations & Regulator making new provision**

<b>Handbook Provision</b>	<b>Made, designated or not in force after legal cutover</b>	<b>Relevant regulator</b>
SUP 15.1.1 R	Designated	FCA/PRA
SUP 15.1.2 R	Designated	FCA/PRA
SUP 15.1.3 G	Designated	FCA/PRA
SUP 15.1.4 R	Designated	FCA/PRA
SUP 15.1.5 G	Designated	FCA/PRA
SUP 15.1.6 R	Designated	FCA
SUP 15.2.1 G	Designated	FCA/PRA
SUP 15.2.2 G	Designated	FCA/PRA
SUP 15.2.3 G	Designated	FCA/PRA
SUP 15.2.4 G	Designated	FCA/PRA
SUP 15.2.5 G	Made	PRA
SUP 15.3.1 R	Designated	FCA/PRA
SUP 15.3.2 G	Designated	FCA/PRA
SUP 15.3.3 G	Designated	FCA/PRA
SUP 15.3.4 G	Designated	FCA
SUP 15.3.5 G	Designated	FCA/PRA
SUP 15.3.6 G	Designated	PRA
SUP 15.3.7 G	Designated	FCA/PRA
SUP 15.3.8 G	Designated	FCA/PRA
SUP 15.3.9 G	Designated	FCA/PRA
SUP 15.3.10 G	Designated	FCA/PRA
SUP 15.3.11 R	Designated	FCA/PRA
SUP 15.3.11A G	Designated	FCA/PRA
SUP 15.3.12 G	Designated	FCA/PRA
SUP 15.3.13 G	Designated	FCA/PRA

SUP 15.3.14 G	Designated	FCA/PRA
SUP 15.3.15 R	Designated	FCA/PRA
SUP 15.3.16 G	Designated	FCA/PRA
SUP 15.3.17 R	Designated	FCA/PRA
SUP 15.3.18 G	Designated	FCA/PRA
SUP 15.3.19 G	Designated	FCA/PRA
SUP 15.3.20 G	Designated	FCA/PRA
SUP 15.3.21 R	Designated	FCA/PRA
SUP 15.3.22 D	Designated	FCA/PRA
SUP 15.3.23 D	Designated	FCA/PRA
SUP 15.3.24 D	Designated	FCA/PRA
SUP 15.3.25 D	Designated	FCA/PRA
SUP 15.4.1 R	Designated	FCA/PRA
SUP 15.4.2 G	Designated	FCA/PRA
SUP 15.4.3 R	Designated	FCA/PRA
SUP 15.4.3A G	Designated	FCA/PRA
SUP 15.4.4 G	Designated	FCA/PRA
SUP 15.5.1 R	Designated	FCA/PRA
SUP 15.5.2 G	Designated	FCA/PRA
SUP 15.5.3 G	Designated	FCA/PRA
SUP 15.5.4 R	Designated	FCA/PRA
SUP 15.5.5 R	Designated	FCA/PRA
SUP 15.5.6 G	Designated	FCA/PRA
SUP 15.5.7 R	Designated	FCA/PRA
SUP 15.5.8 G	Designated	FCA/PRA
SUP 15.5.9 R	Designated	FCA/PRA
SUP 15.5.10 G	Designated	FCA/PRA
SUP 15.6.1 R	Designated	FCA/PRA
SUP 15.6.2 G	Designated	FCA/PRA

SUP 15.6.3 G	Designated	FCA/PRA
SUP 15.6.4 R	Designated	FCA/PRA
SUP 15.6.5 R	Designated	FCA/PRA
SUP 15.6.6 G	Designated	FCA/PRA
SUP 15.6.7 G	Designated	FCA/PRA
SUP 15.7.1 R	Designated	FCA/PRA
SUP 15.7.2 G	Designated	FCA/PRA
SUP 15.7.3 G	Designated	FCA/PRA
SUP 15.7.4 R	Designated	FCA/PRA
SUP 15.7.5 R	Not in force after legal cutover	
SUP 15.7.5A R	Made	FCA
SUP 15.7.5B R	Made	PRA
SUP 15.7.6 G	Not in force after legal cutover	
SUP 15.7.6A G	Made	FCA
SUP 15.7.6B G	Made	PRA
SUP 15.7.7 G	Designated	FCA/PRA
SUP 15.7.8 G	Designated	FCA/PRA
SUP 15.7.9 G	Designated	FCA/PRA
SUP 15.7.10 R	Designated	FCA/PRA
SUP 15.7.11 G	Designated	FCA/PRA
SUP 15.7.12 R	Not in force after legal cutover	
SUP 15.7.13 G	Not in force after legal cutover	
SUP 15.7.14 G	Designated	FCA/PRA
SUP 15.7.15 G	Designated	FCA/PRA
SUP 15.7.16 G	Designated	FCA/PRA
SUP 15.8.1 R	Designated	FCA
SUP 15.8.2 R	Designated	FCA
SUP 15.8.3 R	Designated	FCA
SUP 15.8.4 G	Designated	FCA

SUP 15.8.5 G	Designated	FCA
SUP 15.8.6 R	Designated	FCA
SUP 15.8.7 G	Designated	FCA
SUP 15.8.8 R	Designated	FCA
SUP 15.8.9 R	Designated	FCA/PRA
SUP 15.9.1 R	Designated	FCA/PRA
SUP 15.9.2 R	Designated	FCA/PRA
SUP 15.9.3 G	Designated	FCA/PRA
SUP 15.9.4 R	Designated	FCA/PRA
SUP 15.10.1 R	Designated	FCA
SUP 15.10.2 R	Designated	FCA
SUP 15.10.3 R	Designated	FCA
SUP 15.10.4 G	Designated	FCA
SUP 15.10.5 R	Designated	FCA
SUP 15.10.6 R	Designated	FCA
SUP 15.10.7 R	Designated	FCA
SUP 15.10.8 G	Designated	FCA
SUP 15.10.9 R	Designated	FCA
SUP 15 Annex 1 R	Designated	FCA/PRA
SUP 15 Annex 1A R	Made	FCA
SUP 15 Annex 2 R	Designated	FCA/PRA
SUP 15 Annex 3 R	Designated	FCA/PRA
SUP 15 Annex 4 R	Designated	FCA/PRA
SUP 15 Annex 5 G	Designated	FCA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory)	Section 300B	Section 300B

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
provision)		
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None

SCHEDULE A

Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement)	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	None.
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2009/209)	2009/209).	
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

SCHEDULE A

Part 6

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

SCHEDULE A

Part 10

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000(Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 10

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# Legal Cutover (Reporting Requirements) Instrument 2013

**LEGAL CUTOVER (REPORTING REQUIREMENTS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;

- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) Identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

### **Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

### **Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:

- (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification of rules etc. by the Prudential Regulation Authority**

- 18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

- 19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 20; and
  - (2) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.
- 20 The conditions referred to in paragraph 19(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) Identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 21 The conditions referred to in paragraph 19(2) are that a provision is:

- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137G (The PRA’s general rules); and
  - (2) section 137T (General supplementary powers).
- 23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives as guidance:
- (1) each provision in Annex A to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is marked with a G in Column 1 of Annex B to this Instrument; and
  - (2) each provision listed in Annex B to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is (a) marked with a G in Column 1 of Annex B to this Instrument and (b) not in Annex A to this Instrument.

#### **Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

#### **Amendments to the Handbooks**

- 28 The Supervision manual (SUP) of the FCA’s and PRA’s Handbooks of rules and guidance is amended in accordance with Annex A to this Instrument.

#### **Citation**

- 29 This Instrument may be cited as the Legal Cutover (Reporting Requirements) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

## 16 Reporting requirements

### 16.1 Application

...

16.1.3 R Application of different sections of SUP 16 (excluding SUP 16.13 ~~and~~ SUP 16.15, SUP 16.16 and SUP 16.17)  
[FCA/  
PRA]

(1) Section(s)	(2) Categories of firm to which section applies		(3) Applicable rules and guidance
SUP 16.1, SUP 16.2 and SUP 16.3	All categories of <i>firm</i> except:		Entire sections
	(a)	an <i>ICVC</i> ;	
	(b)	an <i>incoming EEA firm</i> or <i>incoming Treaty firm</i> , which is not:	
		(i)	a <i>firm</i> of a type to which SUP 16.6 or SUP 16.12 applies; or
		(ii)	an <i>insurer</i> with <i>permission to effect or carry out life policies</i> ; or
		(iii)	a <i>firm</i> with <i>permission to establish, operate or wind up a personal pension scheme</i> or a <i>stakeholder pension scheme</i> ;
	(c)	a <i>UCITS qualifier</i> .	

<i>SUP 16.4 and SUP 16.5</i>	All categories of <i>firm</i> except:	Entire sections
	(-a) a <i>credit union</i> ;	
	(a) an <i>ICVC</i> ;	
	(b) an <i>incoming EEA firm</i> ;	
	(c) an <i>incoming Treaty firm</i> ;	
	(d) a <i>non-directive friendly society</i> ;	
	(e) [deleted]	
	(f) a <i>sole trader</i> ;	
	(g) a <i>service company</i> ;	
	(h) a <i>UCITS qualifier</i> ;	
	(i) a <i>firm with permission to carry on only retail investment activities</i> ;	
	(j) a <i>firm with permission to carry on only insurance mediation activity, home finance mediation activity, or both</i> ;	
	(k) a <i>firm falling within both (i) and (j)</i>	
<i>SUP 16.6</i>	<i>Bank</i>	<i>SUP 16.6.4R to SUP 16.6.5R</i>
	<i>Depositary of an ICVC</i>	<i>SUP 16.6.6R to SUP 16.6.9G</i>
	<i>OPS firm</i>	<i>SUP 16.6.6R to SUP 16.6.8R</i>
	<i>Trustee of an AUT</i>	<i>SUP 16.6.6R to SUP 16.6.9G</i>
<i>SUP 16.8</i>	<i>Insurer with permission to effect or carry out life policies, unless it is a non-directive friendly society</i>	Entire section

	<i>Firm with permission to establish, operate or wind up a personal pension scheme or a stakeholder pension scheme</i>	Entire section
<i>SUP 16.9</i>	<i>Firm with permission to advise on investments; arrange (bring about) deals in investments; make arrangements with a view to transactions in investments; or arrange safeguarding and administration of assets</i>	Entire section
<i>SUP 16.10</i>	All categories of <i>firm</i> except:	Entire section
	(a) an <i>ICVC</i> ;	
	(b) a <i>UCITS</i> <i>qualifier</i> ;	
	(c) a <i>credit union</i> ; and	
	(d) a <i>dormant account fund operator</i> .	
<i>SUP 16.11</i>	A <i>firm</i> , other than a <i>managing agent</i> , which is:	Entire section
	(1) a <i>home finance provider</i> ; or	
	(2) an <i>insurer</i> ; or	
	(3) the operator of a <i>regulated collective investment scheme</i> or an <i>investment trust savings scheme</i> ; or	
	(4) a <i>person</i> who issues or manages the relevant assets of the issuer of a <i>structured capital-at-risk product</i> .	
<i>SUP 16.12</i>	A <i>firm</i> undertaking the <i>regulated activities</i> as listed in <i>SUP 16.12.4R</i> , unless exempted in <i>SUP 16.12.1G</i>	Sections as relevant to <i>regulated activities</i> as listed in <i>SUP 16.12.4R</i>
<i>SUP 16.14</i>	A <i>CASS large firm</i> and a <i>CASS medium firm</i>	Entire section
Note 1 [deleted]		

Note 2 = The application of *SUP* 16.13 is set out under *SUP* 16.13.1G and; the application of *SUP* 16.15 is set out under *SUP* 16.15.1G-; the application of *SUP* 16.16 is set out *SUP* 16.16.1R and *SUP* 16.16.2R and the application of *SUP* 16.17 is set out in *SUP* 16.17.3R and *SUP* 16.17.4R.

- 16.1.4 [FCA/PRA] G (1) This chapter contains requirements to report to the *FSA appropriate regulator* on a regular basis. These requirements include reports relating to a *firm's* financial condition, and to its compliance with other *rules* and requirements which apply to the *firm*. Where the relevant requirements are set out in another section of the *Handbook*, this chapter contains cross references. An example of this is financial reporting for *insurers* and *friendly societies*.
- (2) Where such requirements already apply to a *firm* under legislation other than the *Act*, they are not referred to in this chapter. An example of this is reporting to the *FSA appropriate regulator* by *building societies* under those parts of the Building Societies Act 1986 which have not been repealed.
- (3) ...

...

- 16.1.7 [FCA/PRA] G Where a *PRA-authorised person* is required to notify or provide any information to (a) the *appropriate regulator* by a *PRA Handbook* provision and (b) the *FCA* by the equivalent provision in the *FCA Handbook*, the *PRA-authorised person* is expected to comply with both provisions.

## 16.2 Purpose

- 16.2.1 [FCA/PRA] G (1) In order to discharge its functions under the *Act*, the *FSA appropriate regulator* needs timely and accurate information about *firms*. The provision of this information on a regular basis enables the *FSA appropriate regulator* to build up over time a picture of *firms'* circumstances and behaviour.
- (2) *Principle 11* requires a *firm* to deal with its regulators in an open and cooperative way, and to ~~to~~ disclose to the *FSA appropriate regulator* appropriately anything relating to the *firm* of which the *FSA appropriate regulator* would reasonably expect notice. The reporting requirements are part of the *FSA's appropriate regulator's* approach to amplifying *Principle 11* by setting out in more detail the information that the *FSA appropriate regulator* requires. They supplement the provisions of *SUP* 2 (Information gathering by the *FSA appropriate regulator* on its own initiative) and *SUP* 15 (Notifications to the *FSA FCA* or *PRA*). The reports required under these *rules* help the *FSA appropriate regulator* to monitor *firms'* compliance with *Principles* governing relationships between *firms* and their *customers*, with *Principle 4*, which requires *firms* to

maintain adequate financial resources, and with other requirements and standards under the *regulatory system*.

...

### 16.3 General provisions on reporting

...

Structure of the chapter

- 16.3.2 [FCA/PRA] G This chapter has been split into the following sections, covering:
- ...
- (10) reporting under the *Payment Services Regulations (SUP 16.13)*;
  - (11) ...
  - (12) reporting under the *Electronic Money Regulations (SUP 16.15)*;
  - (13) prudent valuation reporting (SUP 16.16);
  - (14) remuneration reporting (SUP 16.17).

...

- 16.3.7 [FCA/PRA] R A report or *data item* must:
- (1) give the ~~firm's FSA~~ firm reference number (or all the ~~firms' FSA~~ firm reference numbers in those cases where a report is submitted on behalf of a number of *firms*, as set out in *SUP 16.3.25G*); and
  - (2) if submitted in paper form, be submitted with the cover sheet contained in *SUP 16 Annex 13R* fully completed.

- 16.3.8 [FCA/PRA] R A written report must be delivered to the ~~FSA~~ appropriate regulator by one of the methods listed in *SUP 16.3.9R*.

- 16.3.9 [FCA/PRA] R Method of submission of reports (see *SUP 16.3.8R*)

Method of delivery	
1.	<i>Post</i> to the published address of the <del>FSA</del> <u>FCA</u> for postal submission of reports
2.	Leaving the report marked for the attention of "Central Reporting" at the published address of the <del>FSA</del> <u>FCA</u> for hand delivery of reports and obtaining a dated receipt

3.	Electronic mail or fax to the published e-mail address or fax number of the <del>FSA's</del> <u>FCA's</u> Central Reporting team
4.	Online submission via the appropriate systems accessible from the <del>FSA's</del> <u>appropriate regulator's</u> website at <del>www.fsa.gov.uk</del> .

16.3.10  
[FCA/  
PRA]

- G (1) The current published address of the ~~FSA~~ FCA for postal submission of reports is:

Central Reporting  
The Financial ~~Services~~ Conduct Authority  
PO BOX 35747  
London E14 5WP

- (2) The current published address of the ~~FSA~~ FCA for hand delivery of reports is:

(a) Central Reporting  
The Financial ~~Services~~ Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS

if the *firm's* usual supervisory contact at the ~~FSA~~ appropriate regulator is based in London, or:

(b) The Financial ~~Services~~ Conduct Authority  
Quayside House  
127 Fountainbridge  
Edinburgh EH3 8DJ

if the *firm's* usual supervisory contact at the ~~FSA~~ FCA is based in Edinburgh.

- (3) The current published email address and fax number for the ~~FSA's~~ FCA's Central Reporting team is ~~regulatory.reports@fsa.gov.uk~~ regulatory.reports@fca.org.uk and 020 7066 3905. The Central Reporting team does not handle general correspondence between *firms* and the ~~FSA~~ appropriate regulator. Accordingly, *firms* should not make submissions to the Central Reporting team's email address or fax number other than as directed in SUP 16.3.8R.

#### Complete reporting

16.3.11  
[FCA/  
PRA]

- R A *firm* must submit reports required under this chapter to the ~~FSA~~ appropriate regulator containing all the information required.

16.3.12  
[FCA/

- G SUP 15.6 refers to and contains requirements regarding the steps that *firms* must take to ensure that information provided to the ~~FSA~~ appropriate regulator is accurate and complete. Those requirements apply to reports

PRA] required to be submitted under this chapter.

Timely reporting

- 16.3.13 [FCA/  
PRA] R (1) A *firm* must submit a report required by this chapter in the frequency, and so as to be received by the *FSA appropriate regulator* no later than the due date, specified for that report.
- (2) If the due date for submission of a report required by this chapter falls on a day which is not a *business day*, the report must be submitted so as to be received by the *FSA appropriate regulator* no later than the first *business day* after the due date.

...

Failure to submit reports

- 16.3.14 [FCA/  
PRA] R (1) If a *firm* does not submit a complete report by the date on which it is due in accordance with the *rules* in, or referred to in, this chapter or the provisions of relevant legislation and any prescribed submission procedures, the *firm* must pay an administrative fee of £250.
- (2) The administrative fee in (1) does not apply in respect of quarterly reports required to be submitted by *credit unions* whose liability to pay a periodic fee under *FEES 4.2.1R* in respect of the A.1 activity group in ~~*FEES 4 Annex 1R*~~ *FEES 4 Annex 1AR* or *FEES 4 Annex 1BR*, for the financial year prior to the due date for submission of the report, was limited to the payment of the minimum fee.

16.3.14A [FCA/  
PRA] G Failure to submit a report in accordance with the *rules* in, or referred to in, this chapter or the provisions of relevant legislation may also lead to the imposition of a financial penalty and other disciplinary sanctions (see ~~*DEPP 6.6.1G*~~ *DEPP 6.6.5G*). A *firm* may be subject to reporting requirements under relevant legislation other than the *Act*, not referred to in this chapter. An example of this is reporting to the *FSA appropriate regulator* by *building societies* under those parts of the Building Societies Act 1986 which have not been repealed (see *SUP 16.1.4G*). If it appears to the *FSA appropriate regulator* that, in the exceptional circumstances of a particular case, the payment of any fee would be inequitable, the *FSA appropriate regulator* may reduce or remit all or part of the fee in question which would otherwise be payable (see *FEES 2.3*).

16.3.15 [FCA/  
PRA] G The *FSA appropriate regulator* may from time to time send reminders to *firms* when reports are overdue. *Firms* should not, however, assume that the *FSA appropriate regulator* has received a report merely because they have not received a reminder.

16.3.16 [FCA/  
PRA] G The *firm* is responsible for ensuring delivery of the required report ~~at the *FSA's* offices~~ by the due date. If a report is received by the *FSA appropriate regulator* after the due date and the *firm* believes its delivery arrangements were adequate, it may be required to provide proof of those

arrangements. Examples of such proof would be:

- (1) "proof of posting" receipts from a *UK* post office or overseas equivalent which demonstrates that the report was posted early enough to allow delivery by the due date in accordance with the delivery service standards prescribed by the relevant postal authority; or
- (2) recorded postal delivery receipts showing delivery on the required day; or
- (3) records of a courier service provider showing delivery on the required day.

Change of accounting reference date

- |                          |   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|--------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16.3.17<br>[FCA/<br>PRA] | R | <p>(1) <i>A firm</i> must notify the <i>FSA appropriate regulator</i> if it changes its <i>accounting reference date</i>.</p> <p>...</p> <p>(4) <i>SUP 16.10.4AR to SUP 16.10.4CG (Method of reporting Requirement to check the accuracy of standing data and to report changes to the FSA appropriate regulator changes in standing data)</i> apply to any notification made under (1).</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 16.3.18<br>[FCA/<br>PRA] | G | <p><i>SUP 16.2.1G</i> emphasises the importance to the <i>FSA appropriate regulator</i> of timely and accurate information. The extension of a <i>firm's</i> accounting period to more than 15 months may hinder the timely provision of relevant and important information to the <i>FSA appropriate regulator</i>. This is because many due dates for reporting to the <i>FSA appropriate regulator</i> are linked to <i>firms' accounting reference dates</i>. Indeed, for some categories of <i>firm</i>, the only reports required by the <i>FSA appropriate regulator</i> have due dates for submission which are linked to the <i>firm's accounting reference date</i>. If the extension of a <i>firm's</i> accounting period appears likely to impair the effectiveness of the <i>FSA's appropriate regulator's</i> supervisory work, the <i>FSA appropriate regulator</i> may take action to ensure that it continues to receive the information it requires on a timely basis. This may include the use of any of the tools of supervision set out in <i>SUP 1.4.5G</i>.</p> |
| 16.3.19<br>[FCA/<br>PRA] | G | <p>If more than one <i>firm</i> in a <i>group</i> intends to change its <i>accounting reference date</i> at the same time, a single notification may be given to the <i>FSA appropriate regulator</i>, as described in <i>SUP 15.7.8G</i>.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

~~Underwriting agents: submission to the Society of Lloyd's~~

- |         |   |                                                                                                                                                                                                                                          |
|---------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 16.3.20 | R | <p>(1) <del>Paragraph (2) applies in relation to reports required under this chapter within the scope of any arrangements made by the FSA with the Society of Lloyd's under paragraph 6(2) of Schedule 1 to the Act. [deleted]</del></p> |
|---------|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

- (2) ~~An underwriting agent must submit the reports in (1) to the Society of Lloyd's rather than to the FSA. [deleted]~~

- 16.3.21 G See ~~SUP 15.7.13G and SUP 15.7.14G for guidance on arrangements in SUP 16.3.20R. [deleted]~~

#### Service of Notices Regulations

- 16.3.22 G The Financial Services and Markets Act 2000 (Service of Notices) [FCA/ PRA] Regulations 2001 (SI 2001/1420) contain provisions relating to the service of documents on the *FSA appropriate regulator*. They do not apply to reports required under SUP 16, because of the specific *rules* in this section.

#### Confidentiality and sharing of information

- 16.3.23 G When the *FSA appropriate regulator* receives a report which contains [FCA/ PRA] confidential information and whose submission is required under this chapter, it is obliged under Part ~~XXIII~~ 23 of the Act (Public Record, Disclosure of Information and Co-operation) to treat that information as confidential. (See SUP 2.2.4G for the FCA and SUP 2.2.4AG for the PRA)

- 16.3.24 G ~~SUP 2.3.12G states~~ SUP 2.3.12AG and SUP 2.3.12BG state that the *FSA appropriate regulator* may pass to other regulators information which it [FCA/ PRA] has in its possession. Such information includes information contained in reports submitted under this chapter. The *FSA's appropriate regulator's* disclosure of information to other regulators is subject to SUP 2.2.4G or SUP 2.2.4AG (Confidentiality of information).

#### Reports from groups

...

- 16.3.26 G Examples of reports covering a *group* are: [FCA/ PRA]

- (1) ...  
(2) annual controllers reports required under ~~SUP 16.5.4R~~ 16.4.5R;  
...

## 16.4 Annual controllers report

...

#### Purpose

- 16.4.4 G A *firm* and its *controllers* are required to notify certain changes in *control* [FCA/ (see SUP 11 (Controllers and close links)). The purpose of the *rules* and

PRA] *guidance* in this section is:

- (1) to ensure that, in addition to such notifications, the *FSA appropriate regulator* receives regular and comprehensive information about the identities of all of the *controllers* of a *firm*, which is relevant to a *firm's* continuing to satisfy the effective supervision threshold conditions (see *COND 2.3*);
- (2) ...
- (3) to support the *FSA's* regulatory functions under Part ~~XII~~ 12 of the *Act* (Notices of acquisitions of control over UK authorised persons) (see *SUP 11* (Controllers and close links)).

Reporting requirement

16.4.5  
[FCA/  
PRA]

- R
- (1) A *firm* must submit a report to the *FSA appropriate regulator* annually, containing the information in (3) or (4) (as applicable).
  - (2) A *firm* must submit the report in (1) to the *FSA appropriate regulator* within four months of the *firm's* accounting reference date.
  - ...
  - (4A) A *firm* that is a *regulated entity* must include in its report to the *FSA appropriate regulator* under (1) whether any *consolidation group* of which it is a member is a *third-country banking and investment group*.
  - (4B) A *firm* does not have to give notice to the *FSA appropriate regulator* under (4A) if it, or another member of the *third-country banking and investment group*, has already given notice to the *FSA appropriate regulator* of the relevant fact.
  - ...

...

16.4.7  
[FCA/  
PRA]

- G
- If a *group* includes more than one *firm*, a single annual controllers report may be submitted, and so satisfy the requirements of all *firms* in the *group*. Such a report should contain the information required from all of them, meet all relevant due dates, indicate all the *firms* on whose behalf it is submitted and give their *FSA* firm reference numbers. Nevertheless, the requirement to provide a report, and the responsibility for the report, remain with each *firm* in the *group*.

...

Exception: insurers

16.4.12 [FCA/PRA] R An *insurer* need not submit a report under SUP 16.4.5R to the extent that the information has already been provided to the *FSA appropriate regulator* under IPRU(INS) 9.30R (Additional information on controllers).

## 16.5 Annual Close Links Reports

...

### Purpose

16.5.2 [FCA/PRA] G A *firm* is required to notify the *FSA appropriate regulator* of changes to its *close links* (see SUP 11.9). ~~Threshold condition 3 (Close links) provides~~ The effective supervision threshold conditions provide that, if a *firm* has *close links* with another *person*, the *FSA* must be satisfied that the matters which are relevant in determining whether a *firm* satisfies the condition of being capable of being effectively supervised include:

- (1) ~~those *close links* are not likely to prevent the *FSA's* effective supervision of the *firm*; and~~ the nature of the relationship between the *firm* and that *person*;
- (2) ~~where it appears to the *FSA* that the *person* is subject to the laws, regulations or administrative provisions of a territory which is not an *EEA State*, neither the foreign provisions, nor any deficiency in their enforcement, would prevent the *FSA's* effective supervision of the *firm*. whether those links or that relationship are likely to prevent the *appropriate regulator's* effective supervision of the *firm*; and~~
- (3) if the *person* is subject to the laws, regulations or administrative provisions of a territory which is not an *EEA State*, whether those foreign provisions, or any deficiency in their enforcement, would prevent the *appropriate regulator's* effective supervision of the *firm*.

16.5.3 [FCA/PRA] G The purposes of the *rules* and *guidance* in this section are:

- (1) to ensure that, in addition to such notifications, the *FSA appropriate regulator* receives regular and comprehensive information about the identities of all persons with whom a *firm* has *close links*, which is relevant to a *firm's* continuing to satisfy the effective supervision threshold conditions ~~condition 3 (Close links) (see SUP 2.3)~~ and to the protection of *consumers*; and
- (2) to implement certain requirements relating to the provision of information on *close links* which must be imposed on *firms* under the '*Post-BCCI Directive*'.

### Report

- 16.5.4 [FCA/PRA] R (1) A *firm* must submit a report to the *FSA appropriate regulator* annually by completing the Close Links Notification Form (see ~~SUP 11.9.3AG~~ *SUP 11.9.3BG* for the *FCA* and *SUP 11.9.3CG* for the *PRA*) and must include the information in (3) or (4) (as applicable) and (5).
- (2) A *firm* must submit the report in (1) to the *FSA appropriate regulator* within four months of the ~~firm's~~ *firm's* *accounting reference date*.

...

- 16.5.6 [FCA/PRA] G If a *group* includes more than one *firm*, a single annual close links report may be submitted and so satisfy the requirements of all *firms* in the *group*. Such a report should contain the information required from all of them, meet all relevant due dates, indicate all the *firms* on whose behalf it is submitted and give their ~~FSA~~ firm reference numbers. Nevertheless, the requirement to provide a report, and the responsibility for the report, remain with each *firm* in the *group*.

...

## 16.6 Compliance reports

...

### Purpose

- 16.6.3 G ~~The *FSA* performs part of its supervision work by reviewing and analysing information about *firms'* records of compliance with the requirements and standards under the *regulatory system*. The type of report the *FSA* requires will vary, depending on the type of business a *firm* undertakes. The requirements in *SUP 16.6* represent an interim approach to compliance reporting, based mainly on the reporting requirements, which *previous regulators* applied to *firms*. This information helps the *FSA* to determine whether a *firm* is complying with the requirements applicable to its business, and what procedures it is operating to ensure its compliance.~~  
[deleted]

- 16.6.3A [FCA] G The *FCA* performs part of its supervision work by reviewing and analysing information about *firms'* records of compliance with the requirements and standards under the *regulatory system*. The type of report the *FCA* requires will vary, depending on the type of business a *firm* undertakes. This information helps the *FCA* to determine whether a *firm* is complying with the requirements applicable to its business, and what procedures it is operating to ensure its compliance.

- 16.6.3B [PRA] G The *PRA* performs part of its supervision work by reviewing and analysing information about *firms'* records of compliance with prudential

requirements and standards. The type of report the PRA requires will vary, depending on the type of business a firm undertakes. This information helps the PRA to determine whether a firm is complying with the requirements applicable to its business, and what procedures it is operating to ensure its compliance.

Banks

16.6.4 [FCA/PRA] R A bank must submit compliance reports to the FSA appropriate regulator in accordance with SUP 16.6.5R.

16.6.5 [FCA/PRA] R Compliance reports from a bank (see SUP 16.6.4R)

Report	Frequency	Due date
List of all <i>overseas regulators</i> for each legal entity in the <i>firm's group</i>	Annually	6 months after the <i>firm's accounting reference date</i> <i>firm's accounting reference date</i>
Organogram showing the <i>authorised</i> entities in the <i>firm's group</i>	Annually	6 months after the <i>firm's accounting reference date</i> <i>firm's accounting reference date</i>

...

16.6.7 [FCA] R Compliance reports from trustees of AUTs, depositaries of ICVCs, and OPS firms (see SUP 16.6.6R)

Report	Frequency	Due date
Report from a <i>trustee</i> of an AUT on <i>manager's</i> failures as set out in SUP 16.6.8R(1)	Quarterly	1 month after quarter end (Note)
Report from a <i>depository</i> of an ICVC on failures by the <i>authorised corporate director</i> as set out in SUP 16.6.8R(2)	Quarterly	1 month after quarter end (Note)
<i>OPS firms</i> only: Annual accounts of each <i>occupational pension scheme</i> in respect of which the <i>firm</i> is acting	Annually	7 months after end of the scheme year
<i>OPS firms</i> only:	Annually	7 months after end

Audited annual accounts of each <i>OPS collective investment scheme</i> in respect of which the <i>firm</i> is acting		of the scheme year
Note = The quarter ends are 31 March, 30 June, 30 September, 31 December.		

16.6.8  
[FCA]

- R (1) The report from a *trustee* of an *AUT* to the ~~FSA~~ FCA must state, in relation to the *manager* of each *AUT* for which it is a *trustee*, the number of times during the quarter in which facts came to the *firm's* knowledge from which it appeared, or might have appeared, that the *manager* had failed (materially or otherwise) to:
- (a) give correct instructions ... and the error:
    - ...
    - (ii) was not corrected in accordance with the ~~FSA's~~ FCA's guidance as set out in *COLL 6.2.12G*;
    - ...
- (2) The report from a *depository* of an *ICVC* to the ~~FSA~~ FCA must state, in relation to the *authorised corporate director* of each *ICVC* for which the *firm* is a *depository*, the number of times during the quarter in which facts came to the *firm's* knowledge from which it appeared, or might have appeared, that the *authorised corporate director* had failed (materially or otherwise) to:
- (a) ... and the error:
    - ...
    - (ii) was not corrected in accordance with the ~~FSA's~~ FCA's guidance as set out in *COLL 6.2.12G*;
    - ...
- (3) An *OPS firm* must notify the ~~FSA~~ FCA of any change in the date of commencement of the scheme year of an *OPS* or *OPS collective investment scheme*, in respect of which the *firm* is acting, not less than 15 *business days* before the date on which such a change is to become effective.

...

## 16.8 Persistency reports from insurers and data reports on stakeholder pensions

...

Purpose

- 16.8.2 [FCA] G The purpose of this section is to enable information on the persistency of life policies and data on stakeholder pensions to be prepared and provided to the ~~FSA~~ FCA in a standard format. This information is used in the monitoring of *firms* both individually and collectively.

Requirement to submit persistency and data reports

- 16.8.3 [FCA] R (1) An *insurer* with *permission to effect or ~~carry out~~ life* carry out life policies must submit to the ~~FSA~~ FCA a persistency report in respect of *life policies* by 30 April each year in accordance with this section.
- (2) A *firm* with *permission* to establish, operate or wind up a *stakeholder pension scheme* must submit to the ~~FSA~~ FCA:

...

...

- 16.8.9 [FCA] G *Life policies* and stakeholder pensions falling within SUP 16.8.8R(2)(c) are those which have been transferred from another *firm*, for example under an insurance business transfer scheme under Part ~~VII~~ 7 of the *Act* (Control of Business Transfers).

...

- 16.8.20 [FCA] R If, in relation to any Form, a *firm* has no *life policies* or stakeholder pensions to report on in a copy of that Form, the *firm* need not submit that copy provided that it confirms in writing to the ~~FSA~~ FCA, as part of the persistency or data report, that it is not doing so and the reason for not doing so.

...

- 16.8.23 [FCA] R A *firm* must make and retain such records as will enable it to:
- (1) ...
- (2) make persistency reports or data reports to the ~~FSA~~ FCA in accordance with SUP 16.8.3R.

...

## 16.9 Appointed representatives annual report

### Application

16.9.1 [FCA] G The effect of *SUP* 16.1.1R is that this section applies to every *firm* with a ~~Part IV 4A~~ permission to advise on investments, arrange (bring about) deals in investments, making arrangements with a view to transactions in investments, or arrange safeguarding and administration of assets.

Purpose

16.9.2 [FCA] G The purpose of the *rules* and *guidance* in this section is to ensure that, in addition to the notifications made under *SUP* 12.7 (Appointed representatives; notification requirements), the ~~FSA~~ FCA receives regular and comprehensive information about the *appointed representatives* engaged by a *firm*, so that the ~~FSA~~ FCA is in a better position to pursue the ~~regulatory objective~~ statutory objective of the protection of *consumers*.

16.9.3 [FCA] R (1) A *firm* must:

- (a) submit a report to the ~~FSA~~ FCA annually, in the form of an amended copy of the relevant extract from the ~~FSA Register~~ Financial Services Register, containing the information in (2);
- (b) submit the report in (1) to the ~~FSA~~ FCA within four *months* of the ~~firm's accounting~~ firm's accounting reference date.

(2) The report in (1) must contain a list of all the current *appointed representatives* of the *firm* as at the ~~firm's accounting~~ firm's accounting reference date.

(3) The report in (1) is not required if:

- (a) ...
- (b) this is reflected in the relevant extract from the ~~FSA Register~~ Financial Services Register.

16.9.4 [FCA] G The ~~FSA Register~~ Financial Services Register is maintained under section 347 of the *Act* (The record of authorised persons, etc.) and may be viewed at the ~~FSA's website at [www.fsa.gov.uk/register/](http://www.fsa.gov.uk/register/)~~ FCA's website.

...

16.9.6 [FCA] G If a group includes more than one *firm*, a single annual *appointed representatives* report may be submitted on behalf of all *firms* in the *group*. Such a report should contain the information required from all the *firms*, meet all relevant due dates, indicate all the *firms* on whose behalf it is submitted and give their ~~FSA~~ Financial Services Register firm reference numbers. The requirement to provide a report, and the responsibility for the report remains with each *firm* in the *group*.

**16.10 Verification of standing data**

...

Purpose

- 16.10.2 [FCA/  
PRA] G *Standing data* is used by the ~~FSA~~ appropriate regulator:
- (1) to ensure that a *firm* is presented with the correct regulatory return when it seeks to report electronically;
  - (2) in order to communicate with a *firm*;
  - (3) as the basis for some sections of the ~~FSA Register~~ Financial Services Register; and
  - (4) in order to carry out thematic analysis across sectors and groups of *firms*.

...

Requirement to check the accuracy of standing data and to report changes to the ~~FSA~~ appropriate regulator

- 16.10.4 [FCA/  
PRA] R (1) Within 30 *business days* of its *accounting reference date*, a *firm* must check the accuracy of its *standing data* through the relevant section of the ~~FSA~~ appropriate regulator's website.
- (2) ...
- (3) If any *standing data* is incorrect, the *firm* must submit the corrected *standing data* to the ~~FSA~~ appropriate regulator, using the appropriate form set out in SUP 15 Ann 3R and in accordance with SUP 16.10.4AR.
- 16.10.4A [FCA/  
PRA] R (1) A *firm* other than a *credit union* must submit any corrected *standing data* under SUP 16.10.4R(3) online at ~~www.fsa.gov.uk~~ the appropriate regulator's website using the ~~FSA's~~ ONA ONA system.
- (2) A *credit union* must submit any corrected *standing data* under SUP 16.10.4R(3) ~~in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)~~ to [static.data@fca.org.uk](mailto:static.data@fca.org.uk) or via post or hand delivery to the FCA marked for the attention of the 'Static Data team'.
- (3) Where a *firm* is obliged to submit corrected *standing data* online under (1), if the ~~FSA's~~ FCA's information technology systems fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored, a *firm* must submit its corrected *standing data* ~~in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)~~ to

[static.data@fca.org.uk](mailto:static.data@fca.org.uk) or via post or hand delivery to the FCA marked for the attention of the 'Static Data team'.

16.10.4B G If the ~~FSA's~~ FCA's information technology systems fail and online [FCA/ PRA] submission is unavailable for 24 hours or more, the ~~FSA~~ FCA will endeavour to publish a notice on its website confirming that online submission is unavailable and that the alternative methods of submission set out in ~~SUP 16.10.4AR(3) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification)~~ SUP 16.3.9R should be used.

...

16.10.5 G The *standing data* is made available to the *firm* when the *firm* logs into the [FCA/ PRA] appropriate section of the ~~FSA~~ appropriate regulator's website. The *firm* should check the *standing data* and send any corrections to the ~~FSA~~ appropriate regulator. The ~~FSA's~~ appropriate regulator's preferred method of receiving corrections to *standing data* is by the online forms available at the ~~FSA's~~ appropriate regulator's website.

...

## 16.11 Product Sales Data Reporting

...

### Purpose

16.11.2 G (1) The purpose of this section is to set out the requirements for *firms* [FCA] in the retail mortgage, investment, and *pure protection contract* markets specified in SUP 16.11.1R to report individual product sales data to the ~~FSA~~ FCA. In the case of *firms* in the sale and rent back market, there is a requirement to record, but not to submit, the data. These requirements apply whether the *regulated activity* has been carried out by the *firm*, or through an intermediary which has dealt directly with the *firm*.

(2) The purpose of collecting this data is to assist the ~~FSA~~ FCA in the ongoing supervision of *firms* engaged in retail activities and to enable the ~~FSA~~ FCA to gain a wider understanding of market trends in the interests of protecting *consumers*.

...

16.11.4 G (1) ... [FCA]  
(2) If it is easier and more practical for a *firm* to submit additional data relating to products other than those specified in SUP 16.11.5R, it may submit that additional data to the ~~FSA~~ FCA in a data report.

...

- 16.11.9 R A *firm* must provide the data report to the ~~FSA~~ FCA electronically in a  
[FCA] standard format provided by the ~~FSA~~ FCA.
- 16.11.10 G A data report will have been provided to the ~~FSA~~ FCA in accordance with  
[FCA] *SUP* 16.11.9R only if all mandatory data reporting fields (as set out in *SUP*  
16 Annex 21~~RR~~) have been completed correctly and the report has been  
accepted by the relevant ~~FSA~~ FCA reporting system.

Use of reporting agents

- 16.11.11 R (1) A *firm* may appoint another *person* to provide the data report on  
[FCA] the *firm's* behalf if the *firm* has informed the ~~FSA~~ FCA of that  
appointment in writing.

...

## 16.12 Integrated Regulatory Reporting

...

Purpose

- 16.12.2 G (1) *Principle 4* requires *firms* to maintain adequate financial  
[FCA/  
PRA] resources. The Interim Prudential sourcebooks, *PRU*, *BIPRU* and  
*GENPRU* set out the ~~FSA's~~ appropriate regulator's detailed  
capital adequacy requirements. By submitting regular data, *firms*  
enable the ~~FSA~~ appropriate regulator to monitor their compliance  
with *Principle 4* and their prudential requirements in the ~~FSA~~  
~~Handbook~~ Handbook.
- (2) The *data items* submitted help the ~~FSA~~ appropriate regulator  
analyse *firms'* financial and other conditions and performance and  
to understand their business. By means of further collation and  
review of the data which the *data items* provide, the ~~FSA~~  
appropriate regulator also uses the *data items* to identify  
developments across the financial services industry and its  
constituent sectors.
- (3) The requirements in this section differ according to a *firm's*  
*regulated activity group (RAG)*, as different information is  
required to reflect different types of business. Standard formats are  
used for reporting, to assist compatibility between *firms* which  
carry on similar types of business. Timely submission is important  
to ensure the ~~FSA~~ appropriate regulator has up-to-date  
information.

Reporting requirement

- 16.12.3 R (1) Any *firm* permitted to carry on any of the activities within each of

[FCA/  
PRA]

the RAGs set out in column (1) of the table in SUP 16.12.4R must:

- (a) (i) unless (ii) or (iii) applies, submit to the *FSA appropriate regulator* the duly completed *data items* or other items applicable to the *firm* as set out in the provision referred to in column (2) of that table;
- (ii) unless (iii) applies, where a *firm* is required to submit completed *data items* for more than one RAG, that *firm* must only submit the *data item* of the same name and purpose in respect of the lowest numbered RAG applicable to it, RAG 1 being the lowest and RAG 10 the highest;
- (iii) where a *firm* is, but for this rule, required to submit *data items* for more than one RAG and this includes the submission of *data items* in respect of *FSA* fees, the *FOS* or *FSCS* levy, or threshold conditions, that *firm* must only submit these *data items* if they belong to the lowest numbered of the RAGs applicable to it;
- (iv) in the case of a *non-EEA bank*, or an *EEA bank* (whether or not it has *permission* for *accepting deposits*) other than one with *permission* for *cross border services* only, any *data items* submitted should, unless indicated otherwise, only cover the activities of the branch operation in the *United Kingdom*;

in the format specified as applicable to the *firm* in the provision referred to in column (2);

...

- (2) Unless (3) applies, any *data item* in (1) must be submitted by electronic means made available by the *FSA*; *appropriate regulator*.
- (3) Paragraph (2) does not apply to:
  - (a) *credit unions* solely in relation to the reporting requirement for RAG 1 activities, ~~where SUP 16.3.6R to SUP 16.3.10G will apply;~~ where the following submission methods apply:
    - (i) Post to the Bank of England for postal submission:  
Regulatory Data Group  
Statistics and Regulatory Data Division (HO5 A-B)  
Bank of England  
Threadneedle Street  
London

EC2R 8AH

- (ii) Leaving the report marked for the attention of “Regulatory Data Group, Statistics and Regulatory Data Division (HO 5 A-B) at the Bank of England, Threadneedle Street, London, EC2R 8AH, and obtaining a dated receipt
  - (iii) Electronic mail (CreditUnionReporting@BankofEngland.co.uk) or fax (020 7601 3334) to the Regulatory Data Group of the Bank of England
  - (iv) Online submission via the appropriate systems accessible from the appropriate regulator’s website;
- (b) *firms* in RAG 2 in relation to the reporting requirements for RAG 2 activities; and
- (c) those data items specified as "No standard format", where SUP 16.3.6R to SUP 16.3.10G will apply.
- (4) A *firm* that is a member of a *financial conglomerate* must also submit financial reports as required by SUP 16.12.32R.

...

16.12.4 R Table of applicable rules containing *data items*, frequency and submission periods  
[FCA/  
PRA]

(1)		(2)	(3)	(4)
RAG number	Regulated Activities	Provisions containing		
		applicable <i>data items</i>	reporting frequency/ period	due date
...				
RAG 10	• the activities of an <del>RIE/RCH</del> <u>RIE</u>	SUP 16.12.29G	SUP 16.12.29G	SUP 16.12.29G
...				

...

16.12.9 R ...  
[FCA]

	<i>Member's adviser</i> (note 3)	the <i>Society</i> (note 1)
--	----------------------------------	-----------------------------

...		
...		
Note 3	<del>A member's adviser must prepare its reports in accordance with, and in the format set out in, SUP 16 Annex 10R and as required by section 6 of that annex. Guidance notes for the completion of the reports is contained in SUP 16 Annex 11G. [deleted]</del>	
...		

...

16.12.29 G *Recognised bodies (RIEs and RCHs)* RIEs have separate reporting requirements agreed between the *recognised body* and the *FSA* as set out in REC.  
[FCA]

...

16.12.30 R ...  
[FCA]

(3) An authorised professional firm must also, where applicable, submit the other report to the ~~FSA~~ FCA in accordance with SUP 16.12.31R in respect of the other regulated activities it undertakes under (1)(a) .

...

16.12.32 R (1) A firm that is a member of a financial conglomerate must submit financial reports to the ~~FSA~~ appropriate regulator in accordance with the table in SUP 16.12.33R if:  
[FCA/  
PRA]

(a) it is at the head of an ~~FSA regulated EEA financial conglomerate~~ a UK-regulated EEA financial conglomerate;  
or

(b) its ~~Part IV 4A~~ permission contains a relevant requirement.

(2) ...

16.12.33 R Financial reports from a member of a financial conglomerate (see SUP 16.12.32R)  
[FCA/  
PRA]

...			
...			
Note 2	If Part 1 of GENPRU 3 Annex 1R (method 1), Part 2 of GENPRU 3 Annex 1R (method 2), or Part 3 of GENPRU 3 Annex 1R (method 3) applies, there is no specific form. Adequate		

	<p>information must be provided, and each <i>financial conglomerate</i> for which the <i>FSA appropriate regulator</i> is the <i>co-ordinator</i> must discuss with the <i>FSA appropriate regulator</i> how to do this.</p> <p>...</p>
Note 3	<p>Rather than specifying a standard format for each <i>financial conglomerate</i> to use, each <i>financial conglomerate</i> for which the <i>FSA appropriate regulator</i> is the <i>co-ordinator</i> must discuss with the <i>FSA appropriate regulator</i> the form of the information to be reported. This should mean that usual information management systems of the <i>financial conglomerate</i> can be used to the extent possible to generate and analyse the information required. When reviewing the <i>risk concentration</i> levels, the <i>FSA appropriate regulator</i> will in particular monitor the possible risk of contagion in the <i>financial conglomerate</i>, the risk of a conflict of interests, the risk of circumvention of sectoral <i>rules</i>, and the level or volume of risks.</p>
Note 4	<p>For the purposes of this reporting requirement, an <i>intra-group transaction</i> will be presumed to be significant if its amount exceeds 5% of the total amount of capital adequacy requirements at the level of the <i>financial conglomerate</i>.</p> <p>Rather than specifying a standard format for each <i>financial conglomerate</i> to use, each <i>financial conglomerate</i> for which the <i>FSA appropriate regulator</i> is the <i>co-ordinator</i> must discuss with the <i>FSA appropriate regulator</i> the form of the information to be reported. This should mean that usual information management systems of the <i>financial conglomerate</i> can be used to the extent possible to generate and analyse the information required. When reviewing the <i>intra-group transactions</i>, the <i>FSA appropriate regulator</i> will in particular monitor the possible risk of contagion in the <i>financial conglomerate</i>, the risk of a conflict of interest, the risk of circumvention of <i>sectoral rules</i>, and the level or volume of risks.</p>
...	

## 16.13 Reporting under the Payment Services Regulations

...

### Purpose

16.13.2 [FCA] G The purpose of this section is to give directions to *authorised payment institutions* and *small payment institutions* under regulation 82 (Reporting requirements) of the *Payment Services Regulations* in relation to:

- (1) the information in respect of their provision of *payment services*

and their compliance with requirements imposed by or under Parts 2 to 6 of the *Payment Services Regulations* that they must provide to the ~~FSA~~ FCA; and

(2) ...

...

#### Reporting requirement

16.13.3 [FCA] D (1) An *authorised payment institution* or a *small payment institution* must submit to the ~~FSA~~ FCA the duly completed return applicable to it as set out in column (2) of the table in *SUP* 16.13.4D.

(2) An *authorised payment institution* or a *small payment institution* must submit the return referred to in (1):

...

(d) by electronic means made available by the ~~FSA~~ FCA.

...

### 16.14 Client money and asset return

...

#### Purpose

16.14.2 [FCA] G The purpose of the *rules* and *guidance* in this section is to ensure that the ~~FSA~~ FCA receives regular and comprehensive information from a *firm* which is able to hold *client money* and *safe custody assets* on behalf of its *clients*.

#### Report

16.14.3 [FCA] R (1) Subject to (3), a *firm* must submit a completed *CMAR* to the ~~FSA~~ FCA within 15 *business days* of the end of each month.

...

(3) A *firm* which changes its 'CASS firm type' and notifies the ~~FSA~~ FCA that it is a *CASS medium firm* or a *CASS large firm* in accordance with *CASS* 1A.2.9R is not required to submit a *CMAR* in respect of the month in which the change to its 'CASS firm type' takes effect in accordance with *CASS* 1A.2.12R, unless it was a *firm* to which the requirement in (1) applied immediately prior to that change taking effect.

...

Method of submission

- 16.14.6 [FCA] R A *CMAR* must be submitted by electronic means made available by the ~~FSA~~ FCA.

**16.15 Reporting under the Electronic Money Regulations**

...

Purpose

- 16.15.2 [FCA] G The purpose of this section is to give directions to the *electronic money issuers* referred to in *SUP* 16.1.1BD under regulation 49 (Reporting requirements) of the *Electronic Money Regulations* in relation to:
- (1) the information in respect of their issuance of *electronic money* and provision of *payment services* and their compliance with requirements imposed by or under Parts 2 to 5 of the *Electronic Money Regulations* that they must provide to the ~~FSA~~ FCA; and
  - (2) ...

...

Reporting requirement

- 16.15.4 [FCA] D An *electronic money issuer* that is not a *credit institution* must submit to the ~~FSA~~ FCA:
- (1) the duly completed return applicable to it ...;
  - (2) the return referred to in (1):
    - ...
    - (d) by electronic means made available by the ~~FSA~~ FCA where necessary.

...

**16.16 Prudent valuation reporting**

...

Purpose

- 16.16.3 [FCA/ G (1) The purpose of this section is to set out the requirements for a *firm* specified in *SUP* 16.16.1R to report the outcomes of its prudent

PRA] valuation assessments under the prudent valuation rules, in *GENPRU* 1.3.4R and *GENPRU* 1.3.14R to *GENPRU* 1.3.34R, to the *FSA appropriate regulator* and to do so in a standard format.

- (2) The purpose of collecting this data on the prudent valuation assessments made by a *firm* under *GENPRU* 1.3.4R and *GENPRU* 1.3.14R to *GENPRU* 1.3.34R is to assist the *FSA appropriate regulator* in assessing the capital resources of *firms*, to enable the *FSA appropriate regulator* to gain a wider understanding of the nature and sources of measurement uncertainty in fair-valued financial instruments, and to enable comparison of the nature and level of that measurement uncertainty across *firms* and over time.

#### Reporting requirement

16.16.4 R (1) A *firm* to which this section applies must submit to the *FSA appropriate regulator* quarterly (on a calendar year basis and not [FCA/ PRA] from a *firm's accounting reference date*), within six weeks of each quarter end, a Prudent Valuation Return in respect of its fair-value assessments under *GENPRU* 1.3.4R and *GENPRU* 1.3.14R to *GENPRU* 1.3.34R in the format set out in *SUP* 16 Annex 31AR.

- (2) A PRA-authorised person to which this section applies must submit the report via electronic mail to [prudentvaluationreturns@bankofengland.co.uk](mailto:prudentvaluationreturns@bankofengland.co.uk) or via post or hand delivery to Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of England, Threadneedle Street, London EC2R 8AH; or via fax to the Regulatory Data Group of the Bank of England (020 7601 3334)

...

## 16.17 Remuneration reporting

### Purpose

16.17.1 G The purpose of this section is to ensure that the *FSA appropriate regulator* [FCA/ PRA] receives regular and comprehensive information about *remuneration* in a standard format to assist it to benchmark *remuneration* trends and practices and to collect *remuneration* information on *high earners*. It also takes account of the Capital Requirements (Amendment) Regulations 2012 (SI 2012/917) together with the European Banking Authority's Guidelines to article 22(3) and (5) of the *Banking Consolidation Directive*.

...

16.17.3 R (1) A *firm* to which this *rule* applies must submit a Remuneration [PRA] Benchmarking Information Report to the *FSA PRA* annually.

...

- (3) The *firm* must submit that report to the ~~FSA~~ PRA within four months of the *firm's accounting reference date*.

...

#### High Earners Reporting Requirements

- 16.17.4 [FCA/  
PRA] R (1) A *firm* to which this *rule* applies must submit a High Earners Report to the ~~FSA~~ appropriate regulator annually.
- (2) The *firm* must submit that report to the ~~FSA~~ appropriate regulator within four months of the end of the *firm's accounting reference date*.
- ...

...

Delete the following two Annexes in their entirety. The deleted text is not shown.

**16 Annex 10R Securities and Futures firms' reporting forms and requirements applying to their completion** [deleted]

**16 Annex 11G Guidance Notes on Completion of Securities and Futures Firms Reporting Forms** [deleted]

Amend the following as shown.

**16 Annex 16A Standing data (See SUP 16.10.4 R)**  
[FCA/PRA]

- 16 Annex R A: Communications with a *firm*  
16A.1
1. Name of the *firm*
  2. Trading name(s) of the *firm*
  - 3.
  4. Registered office
  5. Principal place of business
  6. Website address
  7. Complaints contact and complaints officer
  8. The name and email address of the primary compliance contact
- B: Information about a *firm* on the ~~FSA Register~~ Financial Services Register
- 9.
  - 10.

- 11.
- C: Other information about a *firm*
- 12.
- 13.
- 14. Name and address of *firm's* auditor
- 15.
- 16. *Accounting reference date*
- 17. Locum

...

**16 Annex 26G Guidance on designated liquidity groups in SUP 16.12**  
[PRA]

...		
8.	G	The definition applies automatically. It does not depend, for example, on the <i>firm</i> getting a <i>waiver</i> under BIPRU 12 (Liquidity). However, in practice it is likely that the <i>firm</i> and the <del>FSA</del> <u>PRA</u> will agree who is in the <i>firm's DLG by default</i> .
...		
13.	G	The <del>FSA</del> <u>PRA</u> recognises that a <i>firm</i> may be part of a wider <i>group</i> which manages its liquidity on a <i>group-wide</i> basis. This is recognised by an <i>intra-group liquidity modification</i> . A <i>DLG by modification</i> arises out of the <i>intra-group liquidity modification</i> .
...		

Annex B

Designations & Regulator making new provision

<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
<u>Handbook Provision</u>	<u>Made, designated or no longer in force after legal cutover</u>	<u>Relevant regulator</u>
SUP 16.1.1R	Designated	FCA/PRA
SUP 16.1.1AD	Designated	FCA
SUP 16.1.1BD	Designated	FCA
SUP 16.1.2G	Designated	FCA/PRA
SUP 16.1.3R	Designated	FCA/PRA
SUP 16.1.4G	Designated	FCA/PRA
SUP 16.1.5G	Deleted	
SUP 16.1.6G	Deleted	
SUP 16.1.7G	Made	FCA/PRA
SUP 16.2.1G	Designated	FCA/PRA
SUP 16.3.1G	Designated	FCA/PRA
SUP 16.3.2G	Designated	FCA/PRA
SUP 16.3.3G	Designated	FCA/PRA
SUP 16.3.4G	Designated	FCA/PRA
SUP 16.3.5G	Designated	FCA/PRA
SUP 16.3.6R	Designated	FCA/PRA
SUP 16.3.7R	Designated	FCA/PRA
SUP 16.3.8R	Designated	FCA/PRA
SUP 16.3.9R	Designated	FCA/PRA
SUP 16.3.10G	Designated	FCA/PRA
SUP 16.3.11R	Designated	FCA/PRA
SUP 16.3.12G	Designated	FCA/PRA
SUP 16.3.13R	Designated	FCA/PRA
SUP 16.3.14R	Designated	FCA/PRA

SUP 16.3.14AG	Designated	FCA/PRA
SUP 16.3.15G	Designated	FCA/PRA
SUP 16.3.16G	Designated	FCA/PRA
SUP 16.3.17R	Designated	FCA/PRA
SUP 16.3.18G	Designated	FCA/PRA
SUP 16.3.19G	Designated	FCA/PRA
SUP 16.3.20G	No longer in force after LCO	
SUP 16.3.21G	No longer in force after LCO	
SUP 16.3.22G	Designated	FCA/PRA
SUP 16.3.23G	Designated	FCA/PRA
SUP 16.3.24G	Designated	FCA/PRA
SUP 16.3.25G	Designated	FCA/PRA
SUP 16.3.26G	Designated	FCA/PRA
SUP 16.4.1G	Designated	FCA/PRA
SUP 16.4.2G	Designated	FCA/PRA
SUP 16.4.2AG	Designated	FCA/PRA
SUP 16.4.3G	Designated	FCA/PRA
SUP 16.4.4G	Designated	FCA/PRA
SUP 16.4.5R	Designated	FCA/PRA
SUP 16.4.6G	Designated	FCA/PRA
SUP 16.4.7G	Designated	FCA/PRA
SUP 16.4.8G	Designated	FCA/PRA
SUP 16.4.9G	Designated	FCA/PRA
SUP 16.4.10R	Designated	FCA/PRA
SUP 16.4.11R	Designated	FCA/PRA
SUP 16.4.12R	Designated	FCA/PRA
SUP 16.5.1G	Designated	FCA/PRA
SUP 16.5.2G	Designated	FCA/PRA
SUP 16.5.3G	Designated	FCA/PRA

SUP 16.5.4R	Designated	FCA/PRA
SUP 16.5.5G	Deleted	
SUP 16.5.6G	Designated	FCA/PRA
SUP 16.5.7G	Designated	FCA/PRA
SUP 16.5.8R	Designated	FCA/PRA
SUP 16.6.1G	Designated	FCA/PRA
SUP 16.6.1AD	Designated	FCA
SUP 16.6.2G	Designated	FCA/PRA
SUP 16.6.3G	No longer in force after legal cutover	
SUP 16.6.3AG	Made	FCA
SUP 16.6.3BG	Made	PRA
SUP 16.6.4R	Designated	FCA/PRA
SUP 16.6.5R	Designated	FCA/PRA
SUP 16.6.6R	Designated	FCA
SUP 16.6.7R	Designated	FCA
SUP 16.6.8R	Designated	FCA
SUP 16.6.9R	Designated	FCA
SUP 16.7	not in force anymore	
SUP 16.8.1G	Designated	FCA
SUP 16.8.2G	Designated	FCA
SUP 16.8.3R	Designated	FCA
SUP 16.8.4R	Designated	FCA
SUP 16.8.5G	Designated	FCA
SUP 16.8.6G	Designated	FCA
SUP 16.8.7R	Designated	FCA
SUP 16.8.8R	Designated	FCA
SUP 16.8.9G	Designated	FCA
SUP 16.8.10R	Designated	FCA

SUP 16.8.11R	Designated	FCA
SUP 16.8.12G	Designated	FCA
SUP 16.8.13R	Designated	FCA
SUP 16.8.14R	Designated	FCA
SUP 16.8.15R	Designated	FCA
SUP 16.8.16R	Designated	FCA
SUP 16.8.17R	Designated	FCA
SUP 16.8.18R	Designated	FCA
SUP 16.8.19R	Designated	FCA
SUP 16.8.20R	Designated	FCA
SUP 16.8.21R	Designated	FCA
SUP 16.8.22G	Designated	FCA
SUP 16.8.23R	Designated	FCA
SUP 16.8.24G	Designated	FCA
SUP 16.9.1G	Designated	FCA
SUP 16.9.2G	Designated	FCA
SUP 16.9.3R	Designated	FCA
SUP 16.9.4G	Designated	FCA
SUP 16.9.5G	Deleted	
SUP 16.9.6G	Designated	FCA
SUP 16.10.1G	Designated	FCA/PRA
SUP 16.10.2G	Designated	FCA/PRA
SUP 16.10.3G	Designated	FCA/PRA
SUP 16.10.4R	Designated	FCA/PRA
SUP 16.10.4AR	Designated	FCA/PRA
SUP 16.10.4BG	Designated	FCA/PRA
SUP 16.10.4CG	Designated	FCA/PRA
SUP 16.10.5G	Designated	FCA/PRA
SUP 16.10.6G	Designated	FCA/PRA

SUP 16.10.7G	Deleted	
SUP 16.11.1R	Designated	FCA
SUP 16.11.2G	Designated	FCA
SUP 16.11.3R	Designated	FCA
SUP 16.11.4G	Designated	FCA
SUP 16.11.5R	Designated	FCA
SUP 16.11.6G	Designated	FCA
SUP 16.11.7R	Designated	FCA
SUP 16.11.8R	Designated	FCA
SUP 16.11.8AG	Designated	FCA
SUP 16.11.9R	Designated	FCA
SUP 16.11.10G	Designated	FCA
SUP 16.11.11R	Designated	FCA
SUP 16.12.1G	Designated	FCA/PRA
SUP 16.12.2G	Designated	FCA/PRA
SUP 16.12.3R	Designated	FCA/PRA
SUP 16.12.3AG	Designated	FCA/PRA
SUP 16.12.3BG	Designated	FCA/PRA
SUP 16.12.4R	Designated	FCA/PRA
SUP 16.12.4AG	Designated	PRA
SUP 16.12.4BG	Designated	FCA/PRA
SUP 16.12.5R	Designated	FCA/PRA
SUP 16.12.6R	Designated	FCA/PRA
SUP 16.12.7R	Designated	FCA/PRA
SUP 16.12.8R	Designated	PRA
SUP 16.12.9R	Designated	FCA/PRA
SUP 16.12.9AG	Designated	FCA
SUP 16.12.10R	Designated	FCA/PRA
SUP 16.12.11R	Designated	FCA/PRA

SUP 16.12.11AG	Designated	FCA/PRA
SUP 16.12.12R	Designated	FCA/PRA
SUP 16.12.13R	Designated	FCA/PRA
SUP 16.12.14R	Designated	FCA
SUP 16.12.15R	Designated	FCA/PRA
SUP 16.12.15AG	Designated	FCA/PRA
SUP 16.12.16R	Designated	FCA/PRA
SUP 16.12.17R	Designated	FCA/PRA
SUP 16.12.18R	Designated	FCA/PRA
SUP 16.12.18AR	Designated	FCA/PRA
SUP 16.12.19R	Designated	FCA
SUP 16.12.19AR	Designated	FCA
SUP 16.12.20R	Designated	FCA
SUP 16.12.21R	Designated	FCA
SUP 16.12.22R	Designated	FCA
SUP 16.12.22AR	Designated	FCA/PRA
SUP 16.12.22BG	Designated	FCA/PRA
SUP 16.12.23R	Designated	FCA/PRA
SUP 16.12.24R	Designated	FCA/PRA
SUP 16.12.25R	Designated	FCA
SUP 16.12.25AR	Designated	FCA/PRA
SUP 16.12.25BG	Designated	FCA/PRA
SUP 16.12.26R	Designated	FCA/PRA
SUP 16.12.27R	Designated	FCA/PRA
SUP 16.12.28R	Designated	FCA
SUP 16.12.28AR	Designated	FCA
SUP 16.12.29G	Designated	FCA
SUP 16.12.29AR	Designated	FCA/PRA
SUP 16.12.30AR	Designated	FCA

SUP 16.12.31R	Designated	FCA
SUP 16.12.32R	Designated	FCA/PRA
SUP 16.12.33R	Designated	FCA/PRA
SUP 16.13.1G	Designated	FCA
SUP 16.13.2G	Designated	FCA
SUP 16.13.2AG	Designated	FCA
SUP 16.13.3D	Designated	FCA
SUP 16.13.3AD	Designated	FCA
SUP 16.13.3BD	Designated	FCA
SUP 16.13.4D	Designated	FCA
SUP 16.14.1R	Designated	FCA
SUP 16.14.2G	Designated	FCA
SUP 16.14.3R	Designated	FCA
SUP 16.14.4R	Designated	FCA
SUP 16.14.5G	Designated	FCA
SUP 16.14.6R	Designated	FCA
SUP 16.15.1G	Designated	FCA
SUP 16.15.2G	Designated	FCA
SUP 16.15.3G	Designated	FCA
SUP 16.15.4D	Designated	FCA
SUP 16.15.5D	Designated	FCA
SUP 16.15.6D	Designated	FCA
SUP 16.15.7R	Designated	FCA
SUP 16.15.8D	Designated	FCA
SUP 16.16.1 R	Designated	FCA/PRA
SUP 16.16.2R	Designated	FCA/PRA
SUP 16.16.3G	Designated	FCA/PRA
SUP 16.16.4R	Designated	FCA/PRA
SUP 16.16.5R	Designated	FCA/PRA

SUP 16.17.1G	Designated	FCA/PRA
SUP 16.17.2R	Designated	FCA/PRA
SUP 16.17.3R	Designated	PRA
SUP 16.17.4R	Designated	FCA/PRA
SUP 16.17.5G	Designated	FCA/PRA
SUP 16 Annex 1R	Deleted	
SUP 16 Annex 2G	Deleted	
SUP 16 Annex 3R	deleted	
SUP 16 Annex 4G	deleted	
SUP 16 Annex 5R	deleted	
SUP 16 Annex 6R	Designated	FCA
SUP 16 Annex 7R	deleted	
SUP 16 Annex 8G	deleted	
SUP 16 Annex 9R	Designated	FCA
SUP 16 Annex 10R	Deleted at LCO	
SUP 16 Annex 11G	Deleted at LCO	
SUP 16 Annex 12G	Designated	FCA
SUP 16 Annex 13R	Designated	FCA/PRA
SUP 16 Annex 14R	Designated	PRA
SUP 16 Annex 15G	Made	PRA
SUP 16 Annex 16R	deleted	
SUP 16 Annex 16AR	Designated	FCA/PRA
SUP 16 Annex 16A.1R	Designated	FCA/PRA
SUP 16 Annex 17	Deleted	
SUP 16 Annex 18	deleted	
SUP 16 Annex 18AR	Designated	FCA
SUP 16 Annex 18BG	Designated	FCA
SUP 16 Annex 19R	deleted	
SUP 16 Annex 19AR	Designated	FCA/PRA

SUP 16 Annex 19BG	Designated	FCA/PRA
SUP 16 Annex 20G	Designated	FCA
SUP 16 Annex 21R	Designated	FCA
SUP 16 Annex 22R	deleted	
SUP 16 Annex 23G	deleted	
SUP 16 Annex 24R	Designated	FCA/PRA
SUP 16 Annex 25G	Designated	FCA/PRA
SUP 16 Annex 26G	Designated	PRA
SUP 16 Annex 27	deleted	
SUP 16 Annex 27AD	Designated	FCA
SUP 16 Annex 27BG	Designated	FCA
SUP 16 Annex 28	deleted	
SUP 16 Annex 28AD	Designated	FCA
SUP 16 Annex 28BG	Designated	FCA
SUP 16 Annex 29R	Designated	FCA
SUP 16 Annex 29AG	Designated	FCA
SUP 16 Annex 30	Designated	FCA
SUP 16 Annex 30AD	Designated	FCA
SUP 16 Annex 30BD	Designated	FCA
SUP 16 Annex 30CD	Designated	FCA
SUP 16 Annex 30DD	Designated	FCA
SUP 16 Annex 30ED	Designated	FCA
SUP 16 Annex 30FD	Designated	FCA
SUP 16 Annex 30G	Designated	FCA
SUP 16 Annex 31AR	Designated	FCA/PRA
SUP 16 Annex 31BG	Designated	FCA/PRA
SUP 16 Annex 32R	Designated	FCA/PRA
SUP 16 Annex 33AR	Designated	PRA
SUP 16 Annex 33BG	Made	PRA

SUP 16 Annex 34AR	Designated	FCA/PRA
SUP 16 Annex 34BG	Designated	FCA/PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
competent authority)		
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory	Section 226	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))		
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify)	Section 300B	Section 300B

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
proposal to make regulatory provision)		
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of	Regulation 59 (Costs of	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by	Section 316	Section 316

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Authority)		
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 11

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# Legal Cutover (Transfer of Business) Instrument 2013

**LEGAL CUTOVER (TRANSFER OF BUSINESS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
- (10) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2;

- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15;

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
- (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex A to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, amends or imposes:
- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
  - (2) Identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.

- 8 The conditions referred to in paragraph 6(2) are that a provision is:
  - (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) identified as “FCA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives, amends or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
  - (1) section 137A (The FCA’s general rules);
  - (2) section 137T (General supplementary powers); and
  - (3) section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013..
- 12 The Financial Conduct Authority directs that paragraph 6 of this instrument comes into effect on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Designation of rules etc. by the Prudential Regulation Authority**

- 14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the rules, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:
  - (1) “Designated” in Column 2 of Annex B to this Instrument; and
  - (2) “PRA” or “FCA/PRA” in Column 3 of Annex B to this Instrument.
- 15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.
- 16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:
  - (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 10 of Schedule A to this Instrument.

17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification of rules etc. by the Prudential Regulation Authority**

18 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in Annex A to this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

19 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 22, the Prudential Regulation Authority makes, issues, gives, amends or imposes:

- (1) each provision in Annex A to this Instrument that meets all of the conditions in paragraph 20; and
- (2) any amendment that is not a modification made in accordance with paragraph 18 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 21.

20 The conditions referred to in paragraph 19(1) are that a provision is:

- (1) Identified as “Made” in Column 2 of Annex B to this Instrument; and
- (2) Identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.

21 The conditions referred to in paragraph 19(2) are that a provision is:

- (1) identified as “Designated” in Column 2 of Annex B to this Instrument; and
- (2) identified as “PRA” or “PRA/FCA” in Column 3 of Annex B to this Instrument.

22 The Prudential Regulation Authority makes, gives, amends or imposes the provisions in paragraph 19 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:

- (1) section 137G (The PRA’s general rules); and
- (2) section 137T (General supplementary powers).

23 The rule-making powers in paragraph 22 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

24 The Prudential Regulation Authority gives as guidance:

- (1) each provision in Annex A to this instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is marked with a G in Column 1 of Annex B to this Instrument; and
- (2) each provision listed in Annex B to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex B that is (a) marked with a G in Column 1 of Annex B to this Instrument and (b) not in Annex A to this Instrument.

**Commencement: Prudential Regulation Authority**

25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 14) and the modification (in paragraph 18) of each PRA Relevant Instrument comes into effect on 1 April 2013.

- 26 The Prudential Regulation Authority directs that paragraph 18 of this Instrument comes into effect on 1 April 2013.
- 27 The Prudential Regulation Authority directs that paragraph 19 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 14 and the modifications in paragraph 18.

**Amendments to the Handbooks**

- 28 The Supervision manual (SUP) of the FCA's and PRA's Handbooks of rules and guidance is amended in accordance with Annex A to this Instrument.

**Citation**

- 29 This Instrument may be cited as the Legal Cutover (Transfer of Business) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

#### 18 Transfers of business

##### 18.1 Application

18.1.1 G This chapter provides *guidance* in relation to business transfers.

[FCA/  
PRA]

- (1) *SUP* 18.2 applies to any *firm* or to any *underwriting member* or any *former member* of Lloyd's proposing to transfer the whole or part of its business by an *insurance business transfer scheme* or to accept such a transfer. Some of the *guidance* in this chapter, for example, at *SUP* 18.2.31G to *SUP* 18.2.41G also ~~apply~~ applies to the *independent expert* making the *scheme report*.

...

- (3) *SUP* 18.4 applies to any *friendly societies* proposing to amalgamate under section 85 of the Friendly Societies Act 1992, to any *friendly society* proposing to transfer engagements under section 86 of that Act to another body and to any body (whether or not it is a *friendly society*) proposing to accept such a transfer. *SUP* 18.4 also provides *guidance* to those wishing to make representations to the ~~FSA~~ appropriate authority about an application for confirmation of an amalgamation or transfer.

##### Interpretation

18.1.1A G The 'appropriate authority' in this chapter means the regulator within the meaning of section 119 of the Friendly Societies Act 1992.  
[FCA/  
PRA]

18.1.1B G References to the 'regulator' and 'regulators' in this chapter means the FCA and/or the PRA.  
[FCA/  
PRA]

18.1.1C G References to the 'Memorandum of Understanding' in this chapter is to the memorandum of understanding in force between the regulators under section 3E of the Act.  
[FCA/  
PRA]

18.1.2 G ~~*Guidance on building society transfers and mergers is given in the Building Societies Regulatory Guide. [deleted]*~~

##### Introduction

18.1.3 G *Insurance business transfers* are subject to Part VII of the *Act* and must be

[FCA/  
PRA]

approved by the court under section 111. ~~The Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (SI 2001/3625), also apply. These regulations set out minimum requirements for publicising schemes, notifying certain interested parties directly (subject to the discretion of the court), and giving information to anyone who requests it. The following statutory pieces of legislation also apply:~~

- (1) The Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (SI 2001/3625), as amended by the Financial Services and Markets Act 2000 (Control of Business Transfers)(Requirements on Applicants) (Amendment) Regulations 2008 (SI 2008/1467) and the Financial Services and Markets Act 2000 (Amendments to Part 7) Regulations 2008 (SI 2008/1468);
- (2) the Financial Services and Markets Act 2000 (Control of Transfers of Business Done at Lloyd's) Order 2001(SI 2001/3626), as amended by The Financial Services and Markets Act 2000 (Control of Transfers of Business Done at Lloyd's) (Amendment) Order (2008/1725); and
- (3) the Reinsurance Directive Regulations 2007 (SI 2007/3253) and the Financial Services and Markets Act 2000 (Reinsurance Directive) Regulations 2007 (SI 2007/3255),

These regulations set out minimum requirements for publicising schemes, notifying certain interested parties directly (subject to the discretion of the court), and giving information to anyone who requests it.

18.1.4  
[FCA/  
PRA]

G An *insurance business transfer scheme* is defined in section 105 of the Act and the definition has been extended to transfers from *underwriting members* and *former members* of Lloyd's, ~~to reflect the effect of the Financial Services and Markets Act 2000 (Control of Transfers of Business Done at Lloyd's) Order 2001(SI 2001/3626). With certain exclusions (relating to some schemes approved under foreign legislation, some novations of reinsurance or some captive *insurers*), it includes, in broad terms, any scheme to transfer *insurance business* from one *firm* (other than a *friendly society*) or *members* of Lloyd's to another body (which may be a *friendly society*), if:~~

- (1) [deleted]
  - (a) the transferor is an "UK authorised person" and the business is being carried on in one or more *EEA States*; or [deleted]
  - (b) the business is reinsurance carried on in the *United Kingdom*; or [deleted]
  - (c) the business is carried on in the *United Kingdom* and the transferor is not an *EEA firm*; and [deleted]

- (2) ~~in each case, the transferred business will be carried on from an establishment in the EEA. [deleted]~~

The business transferred may include liabilities and potential liabilities on expired *policies*, liabilities on current *policies* and liabilities on contracts to be written in the period until the transfer takes effect. The parties to schemes approved under foreign legislation or involving novations of reinsurance or a captive *insurer* can apply to the court for an order sanctioning the scheme.

- 18.1.5 [FCA/  
PRA] G ~~In the opinion of the FSA, The regulators are likely to consider~~ a novation or a number of novations ~~would constitute as amounting to an insurance business transfer~~ only if their number or value were such that the novation was to be regarded as a transfer of part of the business. A novation is an agreement between the *policyholder* and two *insurers* whereby a contract with one *insurer* is replaced by a contract with the other. ~~In the opinion of the FSA, where~~ If an *insurer* agrees to meet the liabilities (this may include undertaking the administration of the *policies*) of another *insurer* by means of a reinsurance contract, including Lloyd's *reinsurance to close*, this would not constitute an *insurance business transfer* because the contractual liability remains with the original *insurer*; nor would an arrangement whereby an *insurer* offers to renew the *policies* of another *insurer* on their expiry date.

- 18.1.6 [FCA/  
PRA] G Under section 112 of the *Act*, the court has wide discretion to transfer property and liabilities to the transferee and to make orders in relation to incidental, consequential and supplementary matters. ~~In the opinion of the FSA, the court has the power in such cases and on such terms as may be appropriate, to transfer the benefit of reinsurance contracts protecting the transferred business and to make such amendments to the terms of those contracts as may be necessary to give effect to that transfer of benefit.~~

...

- 18.1.8 [FCA/  
PRA] G Legislation in respect of other transactions, for example, cross-border mergers, does not negate the requirements under Part VII of the *Act*. It is for the *firms* participating in such transactions to determine whether or not the proposed transfer gives rise to an *insurance business transfer*. The regulators expect *firms* proposing such transactions to discuss the proposal with them as soon as practicable.

## 18.2 Insurance business transfers

### Purpose

- 18.2.1 [FCA/  
PRA] G Transfers may enable *firms* to manage their affairs more effectively, ~~both for their own benefit and for that of their *customers*~~. However they represent an interference in the contracts between a *firm* and its *customers*, without the consent of each ~~unless *customers* customer consent~~, and may also affect the rights of third parties. An important protection is the requirement for the consent of the court. ~~Under section 110 of the *Act*, the FSA is entitled to be~~

~~heard by the court. In deciding whether it should appear, the FSA will consider the potential risk to its *regulatory objectives* of the scheme compared to not implementing the scheme.~~

The regulators

- 18.2.1A [FCA/  
PRA] G (1) Part VII of the Act prescribes certain statutory functions in relation to *insurance business transfer schemes* for both the PRA and the FCA. In accordance with the Act, the PRA and the FCA maintain a Memorandum of Understanding, which describes each regulator's role in relation to the exercise of its functions under the Act relating to matters of common regulatory interest and how each regulator intends to ensure the coordinated exercise of such functions. Under the Memorandum of Understanding, the PRA will lead the process for *insurance business transfers* and will be responsible for specific regulatory functions connected with Part VII applications, including the provision of certificates under section 111 of the Act. Further, the PRA will consult with the FCA both at the outset and throughout the *insurance business transfer* process. As such, the scheme promoters should first approach the PRA but should also consider whether any aspect of their proposals should be discussed with the FCA at an early stage. Scheme promoters should also consider SUP 18.2.13G.
- (2) By virtue of section 110 of the Act, both the PRA and the FCA are entitled to be heard in the proceedings. The Memorandum of Understanding confirms that both the PRA and the FCA may provide the court with written representations setting out their views on the proposed transfer scheme, for example, by way of a report to the court. Each regulator will decide in relation to each *insurance business transfer* whether it is necessary or appropriate to prepare a report bearing in mind its objectives and other relevant matters.
- (3) As set out in the Memorandum of Understanding, before nominating or approving an *independent expert* under section 109(2)(b) of the Act or approving the form of a *scheme report* under section 109(3) the PRA will first consult the FCA. Further, where the PRA is the *appropriate regulator* it will consult appropriately with the FCA before approving the notices required under the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001(SI 2001/3625).
- 18.2.1B [FCA/  
PRA] G In exercising its functions under the Act, each regulator will, so far as is reasonably possible, act in a way which is compatible with, and most appropriate for advancing, its *statutory objectives* as set out in the Act and will have regard to the regulatory principles in section 3B of the Act.
- 18.2.2 G ~~The FSA's *regulatory objectives* include market confidence, financial stability and the protection of *consumers*. Any or all of these might be impaired if a transfer were approved that led to loss, or perceived loss, to *consumers* or other market participants. On the other hand a transfer that led to improved security or benefits for *consumers* would promote the FSA's~~

~~regulatory objectives. When considering a transfer, the FSA needs to take into account the interests of existing consumers of the transferee and of consumers remaining with the transferor as well as of those whose contracts are being transferred. The guidance in this section is intended to protect consumers. By so doing it promotes the market confidence objective.~~  
[deleted]

- 18.2.3 G Under section 5(2) of the Act, in considering what degree of protection may be appropriate for consumers, the FSA must have regard to their need for accurate information. Under Principle 7, a firm must pay due regard to the information needs of clients (the scope of the Principle is not precisely consumers). The extent and nature of the information provided to consumers about a proposed scheme will therefore be a factor for the FSA in determining its attitude to the scheme. For the court process to be an effective protection, consumers and others affected need to learn of the proposed transfer and receive sufficient information on the transfer and its effects in such a form as to enable them to decide if they are likely to be adversely affected, and whether they wish to be heard by the court. The information needed depends on the circumstances and cannot be precisely specified in advance but this chapter contains guidance aimed at ensuring that consumers, the FSA and the court receive adequate information. [deleted]
- 18.2.4 G Under Principle 11, a firm must deal with the FSA in an open and cooperative way and disclose to the FSA appropriately anything relating to the firm of which the FSA would reasonably expect notice. This chapter contains guidance on the information that the FSA expects to receive from firms and members of Lloyd's in the context of insurance business transfer schemes. [deleted]
- 18.2.5 [FCA/  
PRA] G Under Principle 6, a firm must treat customers fairly (the scope of the Principle is not precisely consumers) and, under Principle 8, manage conflicts of interest fairly. A criterion for the FSA in considering a proposed scheme would be whether it appears that either Principle is not being followed. Transfers may have positive and negative effects on individual consumers. In such circumstances it is for consumers to balance these effects and assess whether, the proposed scheme as a whole is in their interests and whether to make representations to the court about the scheme. The FSA's main A key concern then becomes to ensure that consumers have in this regard for each regulator will be to be satisfy itself that each consumer has appropriate adequate information and not set its judgement over theirs reasonable time within which to determine whether or not he is adversely affected and, if adversely affected, whether to make representations to the court.
- 18.2.6 G A scheme may have a material effect on the transferor or the transferee. The FSA will take any scheme into account in its future regulation of the firms, where it continues to regulate them. This could include, for instance, the exercise of own initiative powers under section 45 of the Act to vary a firm's Part IV permission, for instance, by requiring a scheme of operations (SUP 7 contains guidance on criteria for varying a firm's Part IV permission).

[deleted]

- 18.2.7 G For many transfers it is necessary to cooperate with *overseas regulators*. This section contains *guidance* on such cooperation. [deleted]
- 18.2.8 G Section ~~86(8)~~ of the Friendly Societies Act 1992 requires, where a transferee is a *friendly society*, that consent to accept the engagements is passed by special resolution in accordance with paragraph 7 of Schedule 12 to that Act. This section includes *guidance* about the information needed in these circumstances. [deleted]
- 18.2.9 G Under section 109 of the Act, an *insurance business transfer scheme* must be accompanied by a *scheme report* in a form approved by the FSA. This section contains *guidance* on the form of a *scheme report*. [deleted]
- 18.2.10 G Also under section 109 of the Act, the *scheme report* must be made by a *person* nominated or approved by the FSA. This section contains *guidance* on the procedures and general criteria that the FSA proposes to adopt for this purpose. [deleted]
- 18.2.11 G The FSA has a duty under section 2(3) of the Act "to have regard to the need to use its resources in the most efficient and economic way". The extent to which (if at all) it examines and considers the details of a scheme and the resources it devotes to such consideration will depend on the potential risk to its *regulatory objectives*. [deleted]

Procedure: initial steps

- 18.2.12 G When an *insurance business transfer scheme* is being considered, the scheme promoters (including the transferor and, except possibly if it is a new *company*, the transferee) should discuss the scheme with the FSA *appropriate regulator* as soon as reasonably practical, to enable the FSA regulators to consider what issues are likely to arise, and to enable a practical timetable for the scheme to be agreed established. The FSA will wish to consider material issues relating to *policyholder* rights (such as the reasonable expectations of with profits *policyholders*) or *policyholder* security at the earliest opportunity. In any case the FSA will need time to:
- [FCA/  
PRA]
- (1) consider the application, if an application by the transferee for a *Part IV 4A permission* or a variation of *permission* is necessary (*SUP 6* provides *guidance* on this); [deleted]
  - (2) seek information or approvals from other supervisors (where this applies); [deleted]
  - (3) consider what skills are needed to make a proper report on the scheme and what criteria should therefore be applied to the choice of *independent expert*; [deleted]
  - (4) consider whether the promoters' nominee for *independent expert* is suitable for approval or, if the FSA proposes to nominate someone,

~~who the FSA should nominate; and [deleted]~~

- (5) ~~consider whether to object to the scheme in the light of the report and other circumstances. [deleted]~~

18.2.13 G The initial documentary information on the scheme ~~provided to the FSA~~  
[FCA/ under SUP 18.2.12G should be provided to the PRA, who will share it with  
PRA] the FCA, and should include its broad outline and its purpose. ~~The FSA will~~  
Each regulator may indicate to the promoters how closely it wishes to  
monitor the progress of the scheme, including the extent to which it wishes to  
see draft documentation.

Independent expert: qualifications

18.2.14 G Under section 109(2) of the Act a *scheme report* may only be made by a  
[FCA/ *person*:  
PRA]

- (1) appearing to the ~~FSA~~ appropriate regulator to have the skills  
necessary to enable him to make a proper report; and
- (2) nominated or approved for the purpose by the ~~FSA~~ appropriate  
regulator.

18.2.14 G The promoters should ensure that any relevant fees are paid before any  
A application will be considered.  
[FCA/  
PRA]

18.2.15 G The general principles set out in SUP 5.4.8G, for suitability of a *skilled*  
[FCA/ *person*, apply also to the *independent expert*. The ~~FSA regulators~~ expects  
PRA] expect the *independent expert* making the *scheme report* to be a natural  
person, who:

...

...

Independent expert: appointment

18.2.19 G The suitability of a *person* to act as an *independent expert* depends on the  
[FCA/ nature of the scheme and the *firms* concerned. On the basis of the preliminary  
PRA] information supplied by the scheme promoters (and any other knowledge it  
has of the circumstances and the *firms*), the ~~FSA~~ appropriate regulator will  
consider what skills are needed to make a proper report on the scheme and  
what criteria should therefore be applied to the choice of *independent expert*.  
The ~~FSA~~ appropriate regulator will inform the promoters of any such criteria  
it is minded to apply.

18.2.20 G Under section 107(2) of the Act, the application to the court may be made by  
[FCA/ the transferor or the transferee or both. As soon as reasonably practical, the  
PRA] intended applicant should choose their nominee for *independent expert* in the

PRA] light of any criteria advised by the ~~FSA~~ and advise the ~~FSA~~ of their choice, appropriate regulator. The intended applicant(s) should then advise the appropriate regulator of their choice, unless the ~~FSA~~ appropriate regulator wishes them to defer nomination or to make its own nomination. The notification should be accompanied by reasons why the party considers the nominee to be a suitable *person* to act as *independent expert*; ~~together with relevant details of his~~. Relevant details provided should usually include information about the nominee's experience and qualifications; the proposed terms and conditions of the nominee's appointment, including any remuneration arrangements; and any current or previous professional or commercial arrangements with the transferor or transferee or their associated companies, including the remuneration (direct or indirect) for those arrangements with the nominee and/or with any professional firm or company in which the nominee has or has had any interest.

18.2.21 G The ~~FSA~~ regulators may wish to have preliminary discussions with the nominee about the transfer to ~~help the FSA determine whether~~ before the appropriate regulator determines if he is suitably qualified to address issues arising from the transfer. The ~~FSA~~ regulators will consider the suitability of the nominee and the appropriate regulator will inform the *firm* that nominated him whether ~~it approves him~~ he has been approved. Since the nature of the scheme is a factor in determining the suitability of the nominee, the ~~FSA~~ appropriate regulator cannot approve a nominee before the broad outlines of the scheme have been determined. ~~If the FSA rejects a nominee, it will normally inform him and, with the agreement of the nominee, the applicant of the reasons for the rejection.~~

18.2.22 G The ~~FSA~~ appropriate regulator may itself nominate the *independent expert*, either where it indicates that a nomination is not required by the parties, or where it does not approve the parties' own nomination. In either case ~~it~~ the appropriate regulator will inform the promoters of its nominee.

...

#### Consultation with EEA regulators and/or other foreign regulators

18.2.23 G Under the terms of the Memorandum of Understanding, the PRA will lead when carrying out consultation with EEA regulators and/or other foreign regulators.  
A  
[FCA/  
PRA]

18.2.24 G The *guidance* set out in SUP 18.2.25G to SUP 18.2.30G derives from the requirements of the *Insurance Directives*, the *Reinsurance Directive* and the associated agreements between *EEA regulators*. Schedule 12 of the *Act* implements some of these requirements.

18.2.25 G (1) If the transferee is (or will be) an *EEA firm* (authorised in its *Home State* to carry on *insurance business* under the *Insurance Directives*) or a *Swiss general insurance company*, then the ~~FSA~~ appropriate regulator has to consult the transferee's *Home State regulator*, who has 3 months to respond. It will be necessary for the ~~FSA~~

appropriate regulator to obtain from the transferee's *Home State regulator* a certificate confirming that the transferee will meet the *Home State's* solvency margin requirements (if any) after the transfer.

- (1A) If the transferee is (or will be) an EEA firm (authorised in its Home State to carry on insurance business under the Reinsurance Directive) it will be necessary for the appropriate regulator to obtain from the transferee's Home State regulator a certificate confirming that the transferee will meet the Home State's solvency margin requirements (if any) after the transfer.
- (2) If the transferee is *authorised* in the *United Kingdom*, the ~~FSA~~ appropriate regulator will need to certify that the transferee will meet its solvency margin requirements after the transfer. If the ~~FSA~~ appropriate regulator has required of a *UK firm* a financial recovery plan of the kind mentioned in paragraph 1 of article 38 of the ~~Life Directive~~ Consolidated Life Directive (2002/83/EC) or paragraph 1 of article 20a of the *First Non-Life Directive*, or paragraphs 1 and 2 of article 43 of the Reinsurance Directive, the ~~FSA~~ appropriate regulator will not issue a certificate for so long as it considers that *policyholders'* rights are threatened within the meaning of ~~paragraph~~ these paragraphs.

18.2.26 [FCA/  
PRA] G The transferor will need to provide the ~~FSA~~ appropriate regulator with the information that the *Home State regulator* requires from ~~FSA~~ the appropriate regulator. This information includes:

...

- (4) details of any guarantees (including reinsurance arrangements), whether provided by the transferor or a third party, to protect the provisions for the business transferred against deterioration; and
- (5) the *states of the risks* or the *states of the commitments* of the business being transferred.

18.2.27 [FCA/  
PRA] G If the transferee is not (and will not be) *authorised* and will be neither an *EEA firm* nor a *Swiss general insurance company*, then the ~~FSA~~ appropriate regulator will need to consult ~~its~~ the transferee's insurance supervisor in the place where the business is to be transferred. The ~~FSA~~ appropriate regulator will need confirmation from this supervisor that the transferee will meet his solvency margin requirements there (if any) after the transfer.

18.2.28 [FCA/  
PRA] G If the transferor is ~~an~~ a *UK insurer* (other than a pure reinsurer) and the business to be transferred includes business carried on from a branch in another *EEA State*, then the ~~FSA~~ appropriate regulator has to consult the *Host State regulator*, who has 3 months to respond. The ~~FSA~~ appropriate regulator will need to be given the information that the *Host State regulator* requires from it. This information should identify the parties to the transfer and include the transfer agreement or draft transfer agreement or a summary

containing relevant information, and describe arrangements for settling *claims* if the branch is to be closed.

18.2.29 G If the transferor is ~~an~~ a *UK insurer* and the business to be transferred includes a long-term insurance contract (other than reinsurance) for which the *state of the commitment* is an *EEA state* other than the *United Kingdom*, then the ~~FSA~~ appropriate regulator has to consult the *Host State regulator*. If the transferor is ~~an~~ a *UK insurer* and the business to be transferred includes a general insurance contract (other than reinsurance) for which the *state of the risk* is an *EEA state* other than the *United Kingdom*, then the ~~FSA~~ appropriate regulator must consult the *Host State regulator*. The ~~FSA~~ appropriate regulator will need to be given the information that the *Host State regulator* requires from it. This information should identify the parties to the transfer and include the transfer agreement or draft transfer agreement or a summary containing relevant information. It would be helpful (especially for *long-term insurance business*) if a draft of the *scheme report* was also available. The appropriate regulator will also need to have sufficient information about the business proposed to be transferred to be satisfied that the applicants have undertaken sufficient steps to identify the state of the risk or the state of the commitment, as the case may be. The consent of the *Host State regulator* to the transfer is required, unless he does not respond within 3 months.

18.2.30 G Where the transferor is ~~an~~ a *UK-deposit insurer* and, following the transfer, it will no longer be carrying on *insurance business* in the *United Kingdom*, the ~~FSA~~ appropriate regulator will need to collaborate with *regulatory bodies* in the other *EEA States* in which it is carrying on business to ensure that effective supervision of the business carried on in the *EEA* continues. The transferor should cooperate with the ~~FSA~~ appropriate regulator and the other *regulatory bodies* in this process and demonstrate that it will meet the requirements of its regulators following the transfer.

#### Form of scheme report

18.2.31 G Under section 109 of the *Act*, a *scheme report* must accompany an application to the court to approve an *insurance business transfer scheme*. This report must be made in a form approved by the ~~FSA~~ appropriate regulator. The appropriate regulator would generally expect a scheme report to contain at least the information specified in SUP 18.2.33G before giving its approval ~~The FSA would not expect to approve the form of a scheme report that complies. SUP 18.2.32G and SUP 18.2.34G to SUP 18.2.41G provide additional guidance for the independent expert.~~

18.2.31  
A  
[FCA/  
PRA] G When the appropriate regulator has approved the form of a scheme report, the scheme promoter may expect to receive written confirmation to that effect from that regulator.

18.2.32 G There may be matters relating to the scheme or the parties to the transfer that the ~~FSA~~ wishes regulators wish to draw to the attention of the *independent expert*. The ~~FSA~~ regulators may also wish the report to address particular issues. The *independent expert* should therefore contact the ~~FSA~~ regulators at

an early stage to establish whether there are any such matters or issues. The *independent expert* should form his own opinion on any such issues, which may differ from the opinion of the *FSA regulators*.

- 18.2.33 G The *scheme report* should comply with the applicable rules on expert evidence and contain the following information:  
[FCA/  
PRA]
- ...
- (2) confirmation that the *independent expert* has been approved or nominated by the *FSA appropriate regulator*;
- (3) a statement of the *independent expert's* professional qualifications and (where appropriate) descriptions of the experience that fits him for the role;
- ...
- (11A) his opinion on the likely effects of the scheme on any *reinsurer* of a transferor, any of whose contracts of *reinsurance* are to be transferred by the scheme;
- ...
- 18.2.34 G The purpose of the *scheme report* is to inform the court and the *independent expert*, therefore, has a duty to the court. However reliance will also be placed on it by *policyholders*, by *reinsurers*, by others affected by the scheme and by the *FSA regulators*. The amount of detail that it is appropriate to include will depend on the complexity of the scheme, the materiality of the details themselves and the circumstances. ~~For instance where it is clear that no one will be adversely affected by the transfer, a simple explanation for this conclusion plus the details required by SUP 18.2.33G might be an adequate report.~~  
[FCA/  
PRA]
- ...
- 18.2.40 G Where the transfer forms part of a wider chain of events or corporate restructuring, it may not be appropriate to consider the transfer in isolation and the *independent expert* should seek sufficient explanations on corporate plans to enable him to understand the wider picture. Likewise he will need information on the operational plans of the transferee and, if only part of the business of the transferor is transferred, of the transferor. These will need to have sufficient detail to allow him to understand in broad terms how the business will be run. ~~He would not normally be expected to assess the adequacy of systems and controls in detail.~~  
[FCA/  
PRA]
- 18.2.41 G A transfer may provide for benefits to be reduced for some or all of the *policies* being transferred. This might happen if the transferor is in financial difficulties. If there is such a proposal, the *independent expert* should report on what reductions he considers ought to be made, unless either:  
[FCA/  
PRA]

...

Under such circumstances, the transfer might be urgent and it might be appropriate for the reduction in benefits to take place after the event, by means of an order under section 112 of the *Act*. ~~The FSA~~ Each regulator would wish to consider ~~the fairness of~~ any such reduction against its *statutory objectives* and section 113 of the *Act* allows the court, on the application of either regulator, to appoint an independent *actuary* to report ~~to the FSA~~ on any such post-transfer reduction in benefits.

#### Notice provisions

- 18.2.42 G Under the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001 (SI 2001/3625), [FCA/ unless the court directs otherwise, notice of the application must be sent to all PRA] *policyholders* of the parties *and reinsurers* (or a person acting on its behalf) *any of whose contracts of reinsurance are proposed to be transferred as part of the insurance business transfer scheme.*

It may also be appropriate to give notice to others affected, ~~in particular~~ for example, to:

- (1) ~~reinsurers of the transferor where it is proposed that benefits or liabilities under their contracts should pass to the transferee; and~~
- (2) anyone with an interest in the *policies* being transferred who has notified the transferor of their interest.

- 18.2.43 G The regulations referred to in SUP 18.2.42G require that notice of the [FCA/ application must be published in: PRA]

...

- (2) unless the court directs otherwise, in: accordance with requirements in those regulations.
  - (a) ~~two national newspapers in the *United Kingdom*; and~~
  - (b) ~~in two national newspapers in any other *EEA State* that is the *state of the risk* or the *state of the commitment*.~~

Wider publication may be appropriate in some circumstances (~~especially if not all *policyholders* are sent notices~~).

- 18.2.44 G The regulations referred to in SUP ~~18.2.44G~~ 18.2.42G require that the ~~FSA~~ [FCA/ *appropriate regulator* approves in advance the notices sent to *policyholders* PRA] and published in the press.

- 18.2.45 G Where a transfer involves *underwriting members* of Lloyd's as transferor or [FCA/ transferee, any notice requirements of the *Society* will also apply.

PRA]

- 18.2.46 [FCA/  
PRA] G The ~~FSA~~ regulators are entitled to be heard by the court on any application for a transfer. A consideration for the ~~FSA~~ regulators in determining whether to oppose a transfer would be ~~its~~ their view on whether adequate steps had been taken to tell policyholders and, as appropriate, other affected persons, about the transfer and whether they had adequate information and time to consider it. The ~~FSA~~ regulators would not normally consider adequate a period of less than six weeks between sending notices to policyholders and the date of the court hearing. Therefore it would be sensible, before requesting from the court ~~for~~ a waiver of the publication requirements or the requirement to send statements direct to policyholders, to consult the ~~FSA~~ regulators on ~~its~~ their views about what waivers might be appropriate and what substitute arrangements might be made. The ~~FSA~~ regulators will take into account the practicality and costs of sending notices to policyholders (especially for firms in financial difficulty), the likely benefits for policyholders of receiving notices and the efficacy of other arrangements proposed for informing policyholders (including additional advertising or, where appropriate, electronic communication). ~~For instance, the FSA would be unlikely to object to a transfer on the grounds that policyholders had not been sent notices, if cover for the policies concerned had expired and the probability of them making a claim was so small as to make the sending disproportionately expensive (particularly if there had been additional advertising). A firm may not be able to send notices to some or all of its policyholders, because it does not have their address, or may not even know their identity. This situation is not uncommon for business written through brokers or other agents. In such a case, alternative ways of informing policyholders need to be considered.~~

...

Statement to policyholders

...

- 18.2.49 [FCA/  
PRA] G Where the transferee is a *friendly society*, the notice should include information about the meeting at which a special resolution in accordance with paragraph 7 of Schedule 12 to the Friendly Societies Act 1992 is to be voted on, including the date of the meeting, how notice of the meeting is to be given to members and the terms of the special resolution. After the meeting the *friendly society* should inform the ~~FSA~~ appropriate regulator whether the special resolution has been passed. The court will also need to be informed, so ~~an appropriate one~~ way of informing the ~~FSA~~ appropriate regulator may be to include it in the affidavit to the court.
- 18.2.50 [FCA/  
PRA] G The ~~FSA~~ regulators should be given the opportunity to comment on the statement referred to in SUP 18.2.48G before it is sent, unless ~~the FSA has informed the promoters have been informed in writing that it does not wish to do so~~ this is not necessary.

~~FSA assessment~~ Assessment of scheme and the regulators' report(s) to the court

- 18.2.51 G The assessment is a continuing process, starting when the scheme promoters first approach the *FSA appropriate regulator* about a proposed scheme. Each regulator will have an interest in assessing the scheme. Among the considerations that may be relevant to both the depth of consideration ~~given~~ each gives to, and ~~the FSA's~~ each regulator's opinion on, a scheme are:
- (1) the potential risk posed by the transfer to ~~the regulatory objectives~~ its statutory objectives;
  - ...
  - (4) how the scheme compares with possible alternatives, particularly those that do not require approval (whether by the court or the *FSA appropriate regulator*);
  - ...
  - (6A) how any reinsurer of a transferor, any of whose contracts of reinsurance are to be transferred by the scheme may be affected;
  - (7) how for other *persons* (besides *policyholders* and *reinsurers*) who have an interest in *policies*, their rights and the security of those rights appear to be affected;
  - (8) the opportunity given to *policyholders* and other persons affected by the scheme to consider the scheme, that is whether they have been properly notified, whether they have had adequate information and whether they have had adequate time to consider that information;
  - ...
  - (10) for a transfer that involves *underwriting members* or *former members* of Lloyd's as transferor or transferee, the effect on the *Society*;
  - ...
  - (12) any views expressed by *policyholders*, *reinsurers* or any other affected parties.
- 18.2.52 G The *scheme report* will be an important factor in the view ~~the FSA~~ each of the regulators forms on a scheme. ~~The FSA will place considerable reliance~~ Considerable reliance will be placed on the opinions of the *independent expert* and the reasons for them. However ~~it~~ each regulator will form its own view taking into account other relevant information and having regard to its ~~regulatory~~ statutory objectives.
- 18.2.53 G The ~~FSA is~~ regulators are likely to object to a scheme if ~~it~~ they ~~concludes~~ conclude that it is unfair to a class of *policyholders*, unless the *policyholders* of that class have approved the scheme on the basis of information the *FSA* ~~considers~~ regulators consider to be adequate, clear and accurate. ~~Policyholders are not required to vote on a scheme but would, for instance,~~

~~normally vote on a demutualisation or on a scheme of arrangement under the Companies Act 2006. The FSA is also likely to object to a scheme if it concludes that it has a material adverse effect on *policyholders*' security. The FSA may wish to satisfy itself that questions of systems and controls are properly addressed. There may also be conduct of business issues, particularly if the market has not fully absorbed the impact of the scheme by its effective date. The FSA would seek to resolve such issues through discussion with the scheme promoters in advance of the application to the court for approval, giving them the opportunity to amend the scheme or documentation, or otherwise to allay the FSA's concerns. Scheme promoters should keep the FSA informed to allow this discussion.~~

- 18.2.53 A [FCA/PRA] G If at any time the regulators, or either of them, conclude that *policyholders* and/or, as appropriate, other relevant affected *persons* have not had adequate information and/or sufficient time to consider information, they will seek to resolve such issues with the scheme promoters. This may require further notification. If either regulator remains unsatisfied that such *policyholders* and/or other persons have received adequate information and sufficient time to consider it they are likely to object to a transfer.
- 18.2.54 [FCA/PRA] G ~~The FSA~~ Either regulator may exercise its other powers under the *Act*, if it considers this a more effective method of achieving its *regulatory objectives*.  
~~advancing its *statutory objectives*.~~
- 18.2.55 [FCA/PRA] G ~~The FSA~~ Neither regulator is ~~not~~ required under its *regulatory statutory objectives* to object to a scheme merely because some other scheme might have been in the better interests of *policyholders*, if the scheme itself is not adverse to their interests. However there may be circumstances where ~~treating *customers* fairly would~~ either regulator might require a *firm* to consider or to implement an alternative scheme.
- 18.2.56 [FCA/PRA] G Where a transfer involves *underwriting members* or *former members* of Lloyd's as transferor or transferee, the ~~FSA~~ appropriate regulator will consult the *Society*. Where the business of a *syndicate* is being transferred, the transfer involves all *members* participating in the relevant *syndicate years*.
- 18.2.57 [FCA/PRA] G Regulations require that copies of the application to the court, the *scheme report* and the statement for *policyholders* referred to in SUP 18.2.48G are also given to the ~~FSA~~ appropriate regulator. ~~This enables the FSA to consider these and determine whether it wishes to be heard by the court. It might assist the FSA if these items were given to the FSA in draft, in the first instance. This would enable:~~
- (1) ~~the FSA to seek clarification before the documents were finalised;~~  
and
  - (2) ~~if the promoters so choose, allow them to amend the scheme to meet any concerns of the FSA.~~
- 18.2.57 A G The provision of reports from one or other (or both) regulators to assist the court is common practice. In most cases, a first report will be provided to the

- [FCA/  
PRA] court in advance of the directions hearing and a second report will be provided to the court in advance of the final hearing. Where additional information needs to be given to the court by either regulator, this will be provided using the most appropriate format for the circumstances in each case, and may include the provision of one or more additional reports to the court.
- 18.2.57 G When assessing a proposed scheme under Part VII of the Act each regulator will, taking into account all relevant matters in each case, consider whether it should provide a report to the court. As it will lead the Part VII process for insurance business transfers, the PRA will usually provide such a report.  
B  
[FCA/  
PRA]
- 18.2.57 G In order to enable each of the regulators to assess the scheme and to facilitate the process, the parties to the proposed scheme will need to ensure timely provision of all relevant information to each regulator for its consideration of that scheme.  
C  
[FCA/  
PRA]
- 18.2.57 G In relation to the matters at SUP 18.2.57AG to SUP 18.2.57CG above and to facilitate the provision to the court of a first report in advance of a directions hearing, near final versions of relevant documents will need to be made available to each of the regulators as soon as practicable. Scheme promoters should be aware that where such documents are produced less than six weeks before the date set for the hearing the regulators will be less likely to be in a position to complete their assessment in advance of the hearing. Final versions of any such documents should be provided as soon as they are available.  
D  
[FCA/  
PRA]
- 18.2.57 G Relevant documents in SUP 18.2.57DG above will usually include:  
E  
[FCA/  
PRA]
- (1) the scheme report;
  - (2) if the business to be transferred includes long-term insurance business, copies of reports on the transfer by the actuarial function holder and (if the insurance business includes with-profits business) the with-profits actuary of both firms;
  - (3) draft notices under article 3 of the Financial Services and Markets Act 2000 (Control of Business Transfers)(Requirements on Applicants) Regulations 2001(SI 2001/3625), as amended by the Financial Services and Markets Act 2000 (Control of Business Transfers)(Requirements on Applicants) (Amendment) Regulations 2008 (SI 2008/1467) and the Financial Services and Markets Act 2000 (Amendments to Part 7) Regulations 2008 (SI 2008/1468);
  - (4) where a proposed transfer involves an underwriting member or former underwriting member of the Society as transferor or transferee, a copy of the resolution or certificate required by article 4 of the Financial Services and Markets Act 2000(Control of Transfers

of Business Done at Lloyd's) Order 2001 (SI 2001/3626), as amended by the Financial Services and Markets Act 2000 (Control of Transfers of Business Done at Lloyd's) (Amendment) Order 2008 (SI 2008/1725;

- (5) any witness statements or other evidence which the parties to the proposed transfer intend to submit to the court for the directions hearing;
- (6) the draft order.

18.2.57 G Matters included at *SUP* 18.2.57EG(5) should include sufficient information  
F to enable:  
[FCA/  
PRA]

- (1) the appropriate regulator to decide which other non-UK regulators must be consulted. This information should be provided to the appropriate regulator as soon as it is available;
- (2) the appropriate regulator to decide whether to approve the notices at *SUP* 18.2.57EG(3); and
- (3) each regulator to form an opinion on any matters arising in connection with press advertising and notifications, including in relation to any waivers the parties to the proposed transfer intend to seek from the court under article 4 of those regulations.

18.2.57 G A copy of any order made at the directions hearing should be provided by the  
G applicant to the *appropriate regulator* as soon as it is available.  
[FCA/  
PRA]

18.2.57 G In relation to the matters at *SUP* 18.2.57A to *SUP* 18.2.57CG and to facilitate  
H the provision to the court of a second or final report in advance of the final  
[FCA/  
PRA] hearing, near-final versions of relevant documents will need to be made available to each of the regulators as soon as practicable. Scheme promoters should be aware that where such documents are produced less than six weeks before the date set for that hearing, the regulators will be less likely to be in a position to complete their assessment in advance of the hearing. Final versions of any such documents should be provided as soon as they are available.

18.2.58 G ~~For long-term insurance business, the affidavit evidence to the court would normally include copies of reports on the transfer by the actuarial function holder and (if the insurance business includes with profits business) the with-profits actuary of both firms, which should be provided to the FSA at an early stage. *SUP* 4.3.17R (4) requires a firm to request the advice of its with-profits actuary about the likely effect of material changes in its business plans on the rights and reasonable expectations of the relevant classes of its with-profits policyholders. A transfer would be material unless the liabilities transferred~~

~~were not material relative to the total liabilities of the firm. The advice on a transfer would normally be in the form of a formal report by the *with profits actuary*. [deleted]~~

- 18.2.58 G Relevant documents in SUP 18.2.57HG will usually include:  
A  
[FCA/  
PRA]
- (1) any witness statements or other evidence which the parties to the proposed transfer intend to submit to the court for the final hearing;
  - (2) the notice or notices published and sent in accordance with the order of the court at SUP 18.2.57GG;
  - (3) proof of publication of the notice or notices at (2);
  - (4) any final and/or additional reports of the *independent expert*;
  - (5) any objections or other representations received from *policyholders* and/or other affected persons together with any responses to any such objections or representations;
  - (6) the draft final order.
- 18.2.59 G ~~The scheme promoters should advise the FSA about any material representations made to them in response to the transfer scheme. Where it is proposed that reinsurance arrangements should pass to the transferee under the scheme, the FSA should also be informed about the steps being taken to consult with, or seek the consent of, the reinsurers and the reactions received. [deleted]~~
- 18.2.59 G Provided that any necessary consents have been obtained in respect of confidential information, where either regulator has made a report it will give a copy of its report to the court and will give a copy of its report as filed with the court to each of the parties to the proposed transfer as soon as practicable after such filing.  
A  
[FCA/  
PRA]
- 18.2.59 G Provided that any necessary consents have been obtained in respect of confidential information, the parties to the proposed transfer should give a copy of any report at SUP 18.2.59AG to the *independent expert*.  
B  
[FCA/  
PRA]
- 18.2.59 G The parties to the proposed transfer should, in each case, consider whether it would facilitate the effective running of the process to give copies to any other person, including any person who alleges that he would be adversely affected by the carrying out of the scheme and intends to be heard in accordance with section 110 of the Act. Where any such provision is to be made, any necessary consents should first be obtained in respect of confidential information.  
C  
[FCA/  
PRA]

- 18.2.59 G The court is likely to wish to know the opinion of each of the regulators.  
D Each regulator will decide in each case, taking all relevant matters into  
[FCA/ account, the most effective method to make known to the court its opinion.  
PRA]
- 18.2.59 G Where either regulator has indicated to the parties to the proposed transfer  
E that it intends to appear at any hearing before the court in relation to a  
[FCA/ proposed scheme under Part VII of the Act a copy set of the bundle of  
PRA] documents filed with the court should be provided to it as soon as practicable.

#### Post-transfer advertising

- 18.2.60 G ~~The court is likely to wish to know the FSA's opinion on the scheme and, if the FSA does not intend to be heard, the affidavit may include a summary of the views expressed by the FSA. The applicants to the court should provide the FSA with a copy of all the affidavit evidence that they intend to submit to the court. [deleted]~~
- 18.2.61 G Under section 114 of the Act the court must direct that notice of the transfer  
[FCA/ be published by the transferee in any EEA State other than the United  
PRA] Kingdom which is the state of the commitment or the state of the risk as  
regards any policy included in the transfer which evidences a contract of  
insurance (other than a contract of reinsurance). The regulators would expect  
the transferee to publish notice in at least one national newspaper in each  
relevant EEA State. Such publication should include the notification of the  
transfer to the policyholders in the state of the commitment or the state of the  
risk. The parties should also be mindful of relevant provisions of the national  
laws of the relevant state of the commitment or the state of the risk.
- 18.2.62 G Under section 114A of the Act the court may direct that notice of a transfer  
[FCA/ be published by the transferee in any EEA State which is the state of the  
PRA] commitment or the state of the risk as regards any policy included in the  
transfer which evidences a contract of reinsurance.

### **18.3 Insurance business transfers outside the United Kingdom**

#### Purpose

- 18.3.1 G Under section 115 of the Act, the ~~FSA~~ appropriate regulator has the power to  
[FCA/ give a certificate confirming that a firm possesses any required minimum  
PRA] margin, to facilitate an insurance business transfer to the firm under overseas  
legislation from a firm authorised in another EEA State or from a Swiss  
general insurance company. This section provides guidance on how the FSA  
appropriate regulator would exercise this power and on related matters.

#### FSA Appropriate regulator response to proposal

- 18.3.1A G Unless otherwise expressly stated by the appropriate regulator, all the  
[FCA/ procedural aspects for dealing with insurance business transfers outside the

- PRA] United Kingdom should be discussed by firms with the PRA in the first instance.
- 18.3.2 G Under cooperation agreements between *EEA regulators*, if it has serious  
[FCA/ concerns about the proposed transferee, the FSA appropriate regulator  
PRA] should inform the *regulatory body* of the transferor within 3 months of the original request from that *regulatory body*. The FSA appropriate regulator is not obliged to reply, but if it does not, its opinion is taken to be ~~favorable~~ favourable. Although the protocol does not apply to Switzerland, the FSA appropriate regulator is required to cooperate with the Swiss *regulatory body* and would apply similar principles to a proposed transfer from a *Swiss general insurance company*.
- 18.3.3 G The information that the *regulatory body* of the transferor is required to  
[FCA/ supply will normally be sufficient for the FSA appropriate regulator  
PRA] to determine whether the transfer is likely to have a material effect on the transferee.
- 18.3.4 G If the effect of the transfer is not likely to be material and the FSA  
[FCA/ appropriate regulator does not already have serious concerns about the  
PRA] transferee, the FSA appropriate regulator can reply ~~favorably~~ favourably.
- 18.3.5 G If the effect of the transfer may be material, the FSA appropriate regulator  
[FCA/ will need to consider whether to request a *scheme of operations* or other  
PRA] information from the proposed transferee to assist in determining whether the likely effect of the transfer is such that the FSA appropriate regulator should have serious concerns.
- 18.3.6 G If the effect of the transfer may have a material adverse effect on the  
[FCA/ transferee or the security of *policyholders*, the FSA appropriate regulator  
PRA] will consider whether it is appropriate to exercise its powers under the *Act* to achieve its ~~regulatory~~ statutory objectives.

## 18.4 Friendly Society transfers and amalgamations

...

### General considerations

- 18.4.1A G In general, although the legislation governing transfers of engagements  
[FCA/ involves friendly societies is the Friendly Societies Act 1992, similar issues  
PRA] arise in these transfers as in insurance business transfers under Part VII of the Act and so the regulators would expect firms to be subject to a similar process followed under the Act. Accordingly, firms should usually first discuss the procedural aspects for dealing with friendly society transfers and amalgamations with the PRA. The PRA will consult the FCA as required by the Friendly Societies Act 1992, or as may otherwise appear to be appropriate.

- 18.4.2 [FCA/PRA] G *Friendly societies* are encouraged to discuss a proposed transfer or amalgamation with the FSA appropriate authority, at an early stage to help ensure that a workable timetable is developed. This is particularly important where there are notification requirements for supervisory authorities in *EEA States* other than the *United Kingdom*, or for an amalgamation where additional procedures are required.
- 18.4.3 [FCA/PRA] G The FSA regulators will want to satisfy ~~itself~~ themselves that after an amalgamation or a transfer the business will be prudently managed and continue to comply with the *Principles*. ~~It may therefore require prudential information to be provided. It may request prudential information at an early stage to provide itself with adequate time to assess the information all~~ applicable requirements.
- 18.4.4 [FCA/PRA] G For a transfer to another *friendly society*, if the conditions of 87(1) and 87(2) of the Friendly Societies Act 1992 are met a report is required from the *appropriate actuary* of the transferee to confirm that it will meet the ~~required minimum margin~~ necessary margin of solvency. Where the conditions of 87(1) and 87(3) are met the FSA appropriate authority may require a report from the *appropriate actuary* of the transferee to confirm that it will have an excess of assets over liabilities.
- 18.4.5 [FCA/PRA] G For a transfer of *long-term insurance business*, the FSA appropriate authority may, under section 88 of the Friendly Societies Act 1992, require a report from an independent *actuary* on the terms of the proposed transfer and on his opinion of the likely effects of the transfer on long-term *policyholder* members of either the transferor or (if it is a *friendly society*) the transferee. A summary is included in the statement sent to members (see SUP 18.4.13G) and the full report is required to be made available to anyone on payment of a reasonable fee. The general principles in SUP 18.2.32G to SUP 18.2.40G apply to the independent *actuary's* report.
- 18.4.6 [FCA/PRA] G Under the Friendly Societies Act 1992 the FSA appropriate authority ~~may not~~ is required to confirm a proposed transfer of engagements, ~~unless it is~~ It will do so only where it is satisfied that the transfer is in the interests of the members of each *friendly society* participating in the transfer (see SUP 18.4.25G(2)(b)). ~~It~~ The appropriate authority will therefore ask that the participating societies' *actuaries* confirm that the transfer is in the interests of the members.
- 18.4.7 [FCA/PRA] G Under the Friendly Societies Act 1992, members will normally have the opportunity to vote on a proposed transfer or amalgamation (SUP 18.4.11G and SUP 18.4.12G describe exceptions). A *friendly society* has to ensure that, before casting their votes, its members are clearly and fully informed of the terms on which the amalgamation or transfer of engagements is to take place and that they have all the information needed to understand how their interests will be affected. If the society's rules permit, delegates can vote except on an "affected members' resolution" under section 86. The FSA appropriate authority may not confirm an amalgamation or a transfer if it considers that information material to the members' decision was not made

available to all the members eligible to vote.

- 18.4.8 [FCA/  
PRA] G Amendments to a *friendly society's* registered rules may be necessary to permit a transfer to it. The ~~FSA~~ FCA will need to be consulted in the usual way about registration of the appropriate rules. Similarly for an amalgamation, each of the amalgamating societies has to approve the memorandum and rules of the new society and the requirements of schedule 3 to the Friendly Societies Act 1992 have to be met. It will be necessary to allow adequate time for these processes.
- 18.4.9 [FCA/  
PRA] G For an amalgamation the successor society, and for a transfer the transferee, may need to apply for *permission*, or to vary its *permission*, under Part ~~IV~~ 4A of the *Act*. The ~~FSA~~ regulators will need sufficient time before ~~confirming~~ a transfer is confirmed to consider whether any necessary *permission* or variation should be given. If the transferee is an *EEA firm* or a *Swiss general insurance company*, then confirmation will be needed from its *Home State regulator* that it meets the *Home State's* solvency margin requirements (see *SUP* 18.4.25G(3)).
- 18.4.10 [FCA/  
PRA] G It is likely that the information sent to members will include a statement explaining the reasons for the amalgamation or transfer and the choice of partner. Although this is not a statutory statement and not subject to ~~FSA~~ either regulator's approval, the ~~FSA~~ regulator's views on the content of the statement will be a factor that the appropriate authority will take the statement into account when before considering whether to confirm the amalgamation or transfer. A *friendly society* will therefore find it helpful to consult the ~~FSA~~ regulators about the content of such a statement.

FSA Exercise of discretion by the appropriate authority

- 18.4.11 [FCA/  
PRA] G The ~~FSA~~ appropriate authority has discretion under section 86(3)(b) of the Friendly Societies Act 1992 to allow a transferee society to resolve to undertake to fulfil the engagements of a transferor society by resolution of the committee of management, rather than by special resolution. Among the issues on which the ~~FSA~~ appropriate authority will wish to ~~satisfy itself be~~ satisfied before exercising this discretion, are that the transfer will be in the interests of the members of both societies and that the transfer will not mean a change of policy by the transferee society. The ~~FSA~~ appropriate authority is unlikely to exercise this discretion unless the transferee is significantly larger than the business to be transferred.
- 18.4.12 [FCA/  
PRA] G The ~~FSA~~ appropriate authority has discretion under section 89 of the Friendly Societies Act 1992 to modify some of the requirements for a transfer of engagements from a *friendly society*, on the application of a specified number of its members, if it is satisfied that it is expedient to do so in the interests of its members or potential members.

Schedule 15 statement to members

- 18.4.13 [FCA/  
PRA] G Schedule 15 to the Friendly Societies Act 1992 requires a statement to be sent to every member of a *friendly society* entitled to vote on a transfer or

PRA] amalgamation. Among other matters this statement has to cover the financial position of the *friendly society* and every other participant in the transfer or amalgamation. The members should be provided with sufficient financial information about the respective financial positions of the participants to gain an understanding of the relative financial strengths and *key features* of the participants. The statement has to include a summary of any *actuary's* report under section 88, though the FSA appropriate authority may direct that the summary is to be provided separately if inclusion appears impractical.

...

18.4.16 G The information should state whether any of the participants has any  
[FCA/ significant future capital commitments. The FSA appropriate authority will  
PRA] require it to state that the transfer of engagements or amalgamation will not conflict with any contractual commitment by a society, any *subsidiary* or any body jointly controlled by it and others.

18.4.17 G Brief details should be given of the date of the last actuarial valuation and  
[FCA/ the position revealed (surplus/deficit, ~~required minimum margin~~ necessary  
PRA] margin of solvency and free assets) for each participant.

18.4.18 G The FSA appropriate authority may require confirmation from the auditors  
[FCA/ of either *friendly society* involved in the transfer or amalgamation about the  
PRA] reasonableness of any part of the information in the statement. For instance such confirmation would normally be required if the financial information relates to a date more than six months previously.

...

18.4.20 G Under schedule 15 to the Friendly Societies Act 1992, the FSA appropriate  
[FCA/ authority may require the statement to include any other matter. ~~The FSA~~  
PRA] ~~would normally require~~ Under this provision, inclusion of the terms on which the amalgamation or the transfer of engagements is to be made will usually be required.

18.4.21 G The statement should be clearly separate from other information sent to  
[FCA/ members. It has to be approved by the FSA appropriate authority and if it is  
PRA] not in a self-contained document, the approved element should appear in a separate section.

...

#### Confirmation procedures and criteria

18.4.23 G Under the Friendly Societies Act 1992:  
[FCA/  
PRA]

- (1) when the members of a transferor society have approved the transfer of its engagements by passing a special resolution and the transferee has approved the transfer (by passing a resolution where the

transferee is a *friendly society*); or

- (2) when two or more societies have approved a proposed amalgamation by passing a special resolution;

it, or they jointly, must then obtain confirmation by the FSA appropriate authority of the transfer. Notice of the application will need to be published in one or more of the London, Edinburgh or Belfast Gazettes and other newspapers as directed by the FSA appropriate authority. If the FSA appropriate authority confirms a transfer, then ~~it~~ the FCA will register the society's instrument of transfer after receiving an application on the appropriate form by the transferor society and the transferee. If the FSA appropriate authority confirms an amalgamation, ~~it~~ the FCA will register the successor society. All the property, rights and liabilities pass on the transfer date specified by the FSA appropriate authority.

- 18.4.24 [FCA/  
PRA] G For a *directive friendly society*, if the transfer or amalgamation includes *policies* where the *state of the risk* or the *state of the commitment* is an *EEA State* other than the *United Kingdom*, consultation with the *Host State regulator* is required and SUP 18.2.25G to SUP 18.2.29G apply (for an amalgamation they apply as if the business of the amalgamating societies is to be transferred to the successor society). Paragraph 6(1) of Schedule 15 to the Friendly Societies Act 1992 requires publication of the application to the FSA appropriate authority for confirmation of an amalgamation or transfer and the FSA appropriate authority may require the notice of the application to be published in two national newspapers in the *Host State*.

- 18.4.25 [FCA/  
PRA] G The criteria that the FSA appropriate authority must use in determining whether to confirm a proposed amalgamation or transfer are set out in schedule 15 to the Friendly Societies Act 1992. These criteria include that:
- (1) confirmation must not be given if the FSA appropriate authority considers that:  
...
  - (2) the FSA appropriate authority must be satisfied that:
    - (a) the transferee or successor society will have any *permissions* necessary under Part ~~IV~~ 4A of the *Act*;
    - ...
  - (3) for a transfer, the transferee possesses the ~~*required minimum margin*~~ necessary margin of solvency after taking the proposed transfer into account or, where it is not required to maintain a ~~*required minimum margin*~~ necessary margin of solvency, possesses an excess of assets over liabilities (for a transferee that is a *Swiss general insurance company* or an *EEA firm*, this is evidenced by a certificate from its *home state regulator*).

- 18.4.26 [FCA/  
PRA] G If *authorisation* or a *Part IV 4A permission* is needed, the FSA appropriate authority will need to consider the application for *authorisation* or *permission* in the usual way. If the *authorisation* or *permission* is refused, confirmation cannot be given even if all the other criteria are met. ~~As part of the regulatory objective to protect consumers, the FSA may consider whether an amalgamation is in the interests of members.~~
- 18.4.27 [FCA/  
PRA] G The FSA appropriate authority may (as an alternative to refusing confirmation) direct the society or societies to remedy certain procedural defects in a proposed transfer or amalgamation, and after they have been remedied confirm the application. If it appears to the FSA appropriate authority that failure to meet a "relevant requirement" of the Friendly Societies Act 1992 or the rules of the *friendly society* could not be material to the members' decision, then it may direct that this failure is to be disregarded.
- Confirmation procedures: representations
- 18.4.28 [FCA/  
PRA] G Any interested party has the right to make representations to the FSA appropriate authority about an application for confirmation of a transfer or amalgamation. This includes any *person* (whether a member of the *friendly society* or not) who claims that he would be adversely affected by the amalgamation or transfer. The *person* making the representations should state clearly why he or she claims to be an interested party and the ground or grounds to which the representations are directed.
- 18.4.29 [FCA/  
PRA] G Written representations, or written notice of a *person's* intention to make oral representations, or both, are required to reach the FSA appropriate authority by the date published in the relevant Gazette and other newspapers. Those giving notice of intent to make oral representations are advised to state the nature and general grounds of the oral representations they intend to make. *Persons* who make written representations but subsequently decide also to make oral representations are required, nevertheless, to give notice of that intention, in writing, to the FSA appropriate authority by the same date.
- 18.4.30 [FCA/  
PRA] G The FSA appropriate authority will send copies of all written representations to the society(ies), and will afford them an opportunity to comment on the representations. It may consider the written representations and a society's response to them, before the date set for hearing oral representations. A synopsis of the written representations (probably in the form of a summary of each of the points made and the numbers of *persons* making each point) and a society's responses will be made available to those participating in the hearing. This is intended to inform those making oral representations of the points already being considered by the FSA appropriate authority.
- 18.4.31 [FCA/  
PRA] G The ~~FSA expects~~ regulators expect that any documents referred to in a society's comments will be made available by the society for inspection at its registered office and, if reasonably possible, at the venue of the hearing on the date of the hearing. However if a society applies to put documents

which it considers to be sensitive to the FSA to the regulator(s) in confidence, the FSA regulators will balance any disadvantage this might cause interested parties in making representations against the commercial damage that publication of the documents might cause, and the appropriate authority may permit the documents or sensitive parts of them not to be available for inspection.

Confirmation hearing

- 18.4.32 [FCA/PRA] G Interested parties may be represented and may make collective representations. Such arrangements should be notified to the FSA appropriate authority in advance to enable it to make appropriate arrangements.
- 18.4.33 [FCA/PRA] G The hearing referred to in *SUP* 18.4.30G will be at a time and place that will be notified to the participants and will be conducted by FSA the appropriate authority's representatives. The hearing may last longer than one day and may be adjourned. The FSA appropriate authority will try to tell participants when they may expect to make their representations and when the society may be expected to respond.
- 18.4.34 [FCA/PRA] G The FSA appropriate authority expects that oral hearings will be held in public though this is not required. At the start, members of the general public and the press will be asked to wait outside while participants are asked if any of them has good reason to object to the admission of the general public or the press. Unless an objection by a participant is upheld by the FSA appropriate authority's representatives, the press and the general public will then be admitted, within the limits of the space available. However, the FSA appropriate authority's representatives may decide that parts of the hearing will be in private if that appears to them to be desirable.
- 18.4.35 [FCA/PRA] G The procedure will be informal. All participants will be expected to speak concisely and avoid repetition. The FSA appropriate authority will, as far as practicable, help those who are not professionally represented. Those taking the hearing may question the participants. The sequence of events will normally be broadly:
- ...
- (4) the other participants will be invited to speak to their representations. The FSA appropriate authority expects to call them in order of a list arranged, so far as possible, by subject matter;
- ...
- 18.4.36 [FCA/PRA] G The above procedure may be varied according to the circumstances at the hearing, and is intended only as a guide. The hearing may be adjourned if the FSA appropriate authority's representatives consider that necessary to enable facts to be checked or additional information to be obtained.
- 18.4.37 G The FSA appropriate authority will not decide whether to confirm the

[FCA/  
PRA]

transfer or amalgamation at the hearing. A copy of its written decision, including its findings on the points made in representations, will be sent to the society(ies) and to those making representations. It will also be available to any other *person* on request and may be published.

**Annex  
1G**

**Friendly Society transfer or amalgamation (Information requirements related to Schedule 15 Friendly Societies Act 1992) (This belongs to SUP 18.4.22G)**

...

**Annex B**

**Designations & Regulator making new provision**

<b>Handbook Provision</b>	<b>Made, designated or not in force after legal cutover</b>	<b>Relevant regulator</b>
SUP 18.1.1	Designated	FCA/PRA
SUP 18.1.1A	Made	FCA/PRA
SUP 18.1.1B	Made	FCA/PRA
SUP 18.1.1C	Made	FCA/PRA
SUP 18.1.4	Designated	FCA/PRA
SUP 18.1.5	Designated	FCA/PRA
SUP 18.1.6	Designated	FCA/PRA
SUP 18.1.7	Designated	FCA/PRA
SUP 18.1.8	Made	FCA/PRA
SUP 18.2.1	Designated	FCA/PRA
SUP 18.2.1A	Made	FCA/PRA
SUP 18.2.1B	Made	FCA/PRA
SUP 18.2.2	Not in force after legal cutover	
SUP 18.2.3	Not in force after legal cutover	
SUP 18.2.4	Not in force after legal cutover	
SUP 18.2.5	Designated	FCA/PRA
SUP 18.2.6	Not in force after legal cutover	
SUP 18.2.7	Not in force after legal cutover	

SUP 18.2.8	Not in force after legal cutover	
SUP 18.2.9	Not in force after legal cutover	
SUP 18.2.10	Not in force after legal cutover	
SUP 18.2.11	Not in force after legal cutover	
SUP 18.2.12	Designated	FCA/PRA
SUP 18.2.13	Designated	FCA/PRA
SUP 18.2.14	Designated	FCA/PRA
SUP 18.2.14A	Made	FCA/PRA
SUP 18.2.15	Designated	FCA/PRA
SUP 18.2.16	Designated	FCA/PRA
SUP 18.2.17	Designated	FCA/PRA
SUP 18.2.18	Designated	FCA/PRA
SUP 18.2.19	Designated	FCA/PRA
SUP 18.2.20	Designated	FCA/PRA
SUP 18.2.21	Designated	FCA/PRA
SUP 18.2.22	Designated	FCA/PRA
SUP 18.2.23	Designated	FCA/PRA
SUP 18.2.23A	Made	FCA/PRA
SUP 18.2.24	Designated	FCA/PRA
SUP 18.2.25	Designated	FCA/PRA
SUP 18.2.26	Designated	FCA/PRA
SUP 18.2.27	Designated	FCA/PRA
SUP 18.2.28	Designated	FCA/PRA
SUP 18.2.29	Designated	FCA/PRA

SUP 18.2.30	Designated	FCA/PRA
SUP 18.2.31	Designated	FCA/PRA
SUP 18.2.31A	Made	FCA/PRA
SUP 18.2.32	Designated	FCA/PRA
SUP 18.2.33	Designated	FCA/PRA
SUP 18.2.34	Designated	FCA/PRA
SUP 18.2.35	Designated	FCA/PRA
SUP 18.2.36	Designated	FCA/PRA
SUP 18.2.37	Designated	FCA/PRA
SUP 18.2.38	Designated	FCA/PRA
SUP 18.2.39	Designated	FCA/PRA
SUP 18.40	Designated	FCA/PRA
SUP 18.2.41	Designated	FCA/PRA
SUP 18.2.42	Designated	FCA/PRA
SUP 18.2.43	Designated	FCA/PRA
SUP 18.2.44	Designated	FCA/PRA
SUP 18.2.45	Designated	FCA/PRA
SUP 18.2.46	Designated	FCA/PRA
SUP 18.2.47	Designated	FCA/PRA
SUP 18.2.48	Designated	FCA/PRA
SUP 18.2.49	Designated	FCA/PRA
SUP 18.2.50	Designated	FCA/PRA
SUP 18.2.51	Designated	FCA/PRA
SUP 18.2.52	Designated	FCA/PRA
SUP 18.2.53	Designated	FCA/PRA
SUP 18.2.53A	Made	FCA/PRA

SUP 18.2.54	Designated	FCA/PRA
SUP 18.2.55	Designated	FCA/PRA
SUP 18.2.56	Designated	FCA/PRA
SUP 18.2.57	Designated	FCA/PRA
SUP 18.2.57A	Made	FCA/PRA
SUP 18.2.57B	Made	FCA/PRA
SUP 18.2.57C	Made	FCA/PRA
SUP 18.2.57D	Made	FCA/PRA
SUP 18.2.57E	Made	FCA/PRA
SUP 18.2.57F	Made	FCA/PRA
SUP 18.2.57G	Made	FCA/PRA
SUP 18.2.57H	Made	FCA/PRA
SUP 18.2.58	Not in force after legal cutover	
SUP 18.2.58A	Made	FCA/PRA
SUP 18.2.59	Not in force after legal cutover	
SUP 18.2.59A	Made	FCA/PRA
SUP 18.2.59B	Made	FCA/PRA
SUP 18.2.59C	Made	FCA/PRA
SUP 18.2.59D	Made	FCA/PRA
SUP 18.2.59E	Made	FCA/PRA
SUP 18.2.60	Not in force after legal cutover	
SUP 18.2.61	Made	FCA/PRA
SUP 18.2.62	Made	FCA/PRA
SUP 18.3.1	Designated	FCA/PRA
SUP 18.3.1A	Made	FCA/PRA
SUP 18.3.2	Designated	FCA/PRA

SUP 18.3.3	Designated	FCA/PRA
SUP 18.3.4	Designated	FCA/PRA
SUP 18.3.5	Designated	FCA/PRA
SUP 18.3.6	Designated	FCA/PRA
SUP 18.4.1	Designated	FCA/PRA
SUP 18.4.1A	Made	FCA/PRA
SUP 18.4.2	Designated	FCA/PRA
SUP 18.4.3	Designated	FCA/PRA
SUP 18.4.4	Designated	FCA/PRA
SUP 18.4.5	Designated	FCA/PRA
SUP 18.4.6	Designated	FCA/PRA
SUP 18.4.7	Designated	FCA/PRA
SUP 18.4.8	Designated	FCA/PRA
SUP 18.4.9	Designated	FCA/PRA
SUP 18.4.10	Designated	FCA/PRA
SUP 18.4.11	Designated	FCA/PRA
SUP 18.4.12	Designated	FCA/PRA
SUP 18.4.13	Designated	FCA/PRA
SUP 18.4.14	Designated	FCA/PRA
SUP 18.4.15	Designated	FCA/PRA
SUP 18.4.16	Designated	FCA/PRA
SUP 18.4.17	Designated	FCA/PRA
SUP 18.4.18	Designated	FCA/PRA
SUP 18.4.19	Designated	FCA/PRA

SUP 18.4.20	Designated	FCA/PRA
SUP 18.4.21	Designated	FCA/PRA
SUP 18.4.22	Designated	FCA/PRA
SUP 18.4.23	Designated	FCA/PRA
SUP 18.4.24	Designated	FCA/PRA
SUP 18.4.25	Designated	FCA/PRA
SUP 18.4.26	Designated	FCA/PRA
SUP 18.4.27	Designated	FCA/PRA
SUP 18.4.28	Designated	FCA/PRA
SUP 18.4.29	Designated	FCA/PRA
SUP 18.4.30	Designated	FCA/PRA
SUP 18.4.31	Designated	FCA/PRA
SUP 18.4.32	Designated	FCA/PRA
SUP 18.4.33	Designated	FCA/PRA
SUP 18.4.34	Designated	FCA/PRA
SUP 18.4.35	Designated	FCA/PRA
SUP 18.4.36	Designated	FCA/PRA
SUP 18.4.37	Designated	FCA/PRA
SUP 18 Annex 1A	Designated	FCA/PRA

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about	Section 224F	Section 224F

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
relevant schemes)		
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 295 (Notification: overseas investment exchanges and overseas	Section 295	Section 295

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
clearing houses)		
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006

Column 1	Column 2	Column 3
<p><b>Provisions of other enactments under which the Authority made rules</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>Mesothelioma Claims) Regulations 2006 (SI 2006/3259)</p>		<p>(Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).</p>
<p>Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)</p>	<p>Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).</p>	<p>None</p>

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 93 (Statement of policy)	Section 93	None
Section 124 (Statement of policy)	Section 124	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53	Section 210	Section 210

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(6) of the Electronic Money Regulations 2011 (SI 2011/99).)		
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 12

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# Legal Cutover (Approved Persons) Instrument 2013

**LEGAL CUTOVER (APPROVED PERSONS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance, directions, statements of principle and codes of practice.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- F. The Financial Conduct Authority and the Prudential Regulation Authority wish to replace chapter 10 of the Supervision Manual in the Handbook and so that chapter is not being designated by either of them and will cease to have effect on the 1 April 2013. It will be replaced by a new Chapter 10A in the case of the Financial Conduct Authority and a new Chapter 10B in the case of the Prudential Regulation Authority.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;

- (8) “Handbook” means the Authority’s Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority’s Handbook website at 11h59 pm on 27 February 2013;
- (9) “Relevant Instrument” has the meaning in section 119(6)(b) of the 2012 Act;
- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2; and
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority Limited under paragraph 14 and excludes any Relevant Instrument falling within paragraph 15.

#### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the guidance, statements of principle and codes of practice, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 3 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 3 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

#### **Modification and amendment of rules etc. by the Financial Conduct Authority**

- 5 The Financial Conduct Authority:
  - (1) in accordance with Article 3(1) of the Designation Order, modifies each FCA Relevant Instrument (or part of such instrument); and

- (2) in accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9 and to the extent not covered by paragraph 5(1) of this Instrument, amends each FCA Relevant Instrument (or part thereof);

as specified in Annex E to this Instrument, except for those provisions dealt with by paragraph 6 of this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, or imposes each provision in Annex E to this Instrument that meets all of the conditions in paragraph 7.
- 7 The conditions referred to in paragraph 6 are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 8 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, or imposes:
- (1) each provision in Annex B to this Instrument; and
  - (2) each provision in Annex D to this Instrument identified as “FCA” or “FCA/PRA” in that Annex.
- 9 The Financial Conduct Authority makes, issues, gives amends or imposes the provisions in paragraphs 5(2), 6 and 8 in exercise of the following powers and related provisions (which are powers and related provisions of the 2000 Act, as amended by the 2012 Act, unless otherwise stated):
- (1) Section 59 (Approval for particular arrangements);
  - (2) Section 60 (Applications for approval);
  - (3) Section 64 (Conduct: statements and codes);
  - (4) Section 137A (The FCA’s general rules);
  - (5) Section 137T (General supplementary powers);
  - (6) Article 13 of the Financial Services Act 2012 (Transitional Provisions) (Permission and Approval) Order 2013; and
  - (7) Section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

### **Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5(1)) of each FCA Relevant Instrument comes into effect on the 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraphs 5(2) and 6 of this Instrument come into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5(1).

13 The Financial Conduct Authority directs that paragraphs 5(2), 6 and 8 of this Instrument come into force on the 1 April 2013..

**Designation of rules etc. by the Prudential Regulation Authority**

14 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority designates the statements of principle and codes of practice, set out in each FSA Instrument (or part of such instrument) by which the Authority made, gave or amended the part or provision of the Handbook identified as:

- (1) “Designated” in Column 2 of Annex A to this Instrument; and
- (2) “PRA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.

15 The designation by the Prudential Regulation Authority in paragraph 14 excludes any provision designated as guidance in an FSA Instrument.

16 As required by Article 3(1)(c) and (d) of the Designation Order, the Prudential Regulation Authority specifies that:

- (1) The PRA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
- (2) The PRA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 3 of Schedule A to this Instrument; and
- (3) The PRA Relevant instruments collectively are treated as made, issued, given or imposed by the Prudential Regulation Authority under the corresponding provisions set out in column 3 of Parts 1 to 3 of Schedule A to this Instrument.

17 In accordance with Article 2(2)(a) of the Designation Order, each PRA Relevant Instrument is treated as having been made, issued, given or imposed by the Prudential Regulation Authority.

**Modification and amendment of rules etc. by the Prudential Regulation Authority**

18 The Prudential Regulation Authority:

- (1) in accordance with Article 3(1) of the Designation Order, modifies each PRA Relevant Instrument (or part of such instrument); and
- (2) in accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9 and to the extent not covered by paragraph 23(1) of this Instrument, amends each PRA Relevant Instrument (or part thereof);

as specified in Annex E to this Instrument, except for those provisions dealt with by paragraph 19 of this Instrument.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

19 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 21(1), the Prudential Regulation

Authority makes, issues, gives, or imposes each provision in Annex E to this Instrument that meets all of the conditions in paragraph 20.

- 20 The conditions referred to in paragraph 19 are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument;
  - (2) Identified as “PRA” or “FCA/PRA” in Column 3 of Annex A to this Instrument; and
  - (3) Not identified as guidance in Column 1 of Annex A to this Instrument.
- 21 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph(1), the Prudential Regulation Authority makes, issues, gives, or imposes:
- (1) each provision in Annex C to this Instrument; and
  - (2) each provision in Annex D to this Instrument identified as “PRA” or “FCA/PRA” in that Annex;  
except for any provision identified as guidance in the relevant Annex.
- 22 The Prudential Regulation Authority makes, gives, issues, amends or imposes the provisions in paragraphs 18(2), 19 and 21 in exercise of the following powers and related provisions (which are powers and related provisions of the 2000 Act, as amended by the 2012 Act, unless otherwise stated):
- (1) Section 59 (Approval for particular arrangements);
  - (2) Section 60 (Applications for approval);
  - (3) Section 64 (Conduct: statements and codes);
  - (4) Section 137G (The PRA’s general rules);
  - (5) Section 137T (General supplementary powers);
  - (6) Section 138D (Actions for damages); and
  - (7) Article 13 of the Financial Services Act 2012 (Transitional Provisions) (Permission and Approval) Order 2013.
- 23 The rule-making powers in paragraph 21(1) are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 24 The Prudential Regulation Authority gives:
- (1) each provision in Annex A to this Instrument identified as “PRA” or “FCA/PRA” in Column 3 of Annex A that is marked with a G in Column 1 of Annex A to this Instrument;
  - (2) each provision in Annex C to this Instrument that is marked (in that Annex) with a G; and
  - (3) each provision in Annex D to this Instrument identified as “PRA” or “FCA/PRA” in Annex D that is marked (in that Annex) with a G;  
as guidance.

**Commencement: Prudential Regulation Authority**

- 25 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the designation (in paragraph 144) and the modification (in paragraph 188(1)) of each PRA Relevant Instrument comes into effect on the 1 April 2013.
- 26 The Prudential Regulation Authority directs that paragraphs 18(2) and 19 of this Instrument come into force immediately after the coming into force of the designations in paragraph 144 and the modifications in paragraph 18(1).

27 The Prudential Regulation Authority directs that paragraph 18(2), 19 and 21 of this Instrument come into force on the 1 April 2013..

28 The Prudential Regulation Authority directs that:

(1) paragraph 24(1) of this Instrument comes into force at the time specified by paragraph 25 of this Instrument except in the case of provisions identified as “Made” in Column 2 of Annex A to this Instrument, in which case they come into force at the time specified by paragraph 26 of this Instrument; and

(2) paragraphs 24(2) and 24(3) of this Instrument come into force at the time specified by paragraph 25 of this Instrument.

#### **Amendments to the Handbooks**

29 The modules of the FCA’s and PRA’s Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Statements of Principle and Code of Practice for Approved Persons (APER)	Annex B
Supervision manual (SUP)	Annex C

#### **Citation**

30 This Instrument may be cited as the Legal Cutover (Approved Persons) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

**Annex A**

**Designation of the Statements of Principle and Code of Practice for Approved Persons (APER)**

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
APER 1.1.1G	No longer in force after legal cutover	
APER 1.1.2G	No longer in force after legal cutover	
APER 1.1.3G	No longer in force after legal cutover	
APER 1.1.4G	No longer in force after legal cutover	
APER 1.1.5G	No longer in force after legal cutover	
APER 1.1A.1P	Made	FCA
APER 1.1A.2P	Made	FCA
APER 1.1A.3G	Made	FCA
APER 1.1A.4G	Made	FCA
APER 1.1A.5G	Made	FCA
APER 1.1A.6G	Made	FCA
APER 1.1A.7G	Made	FCA
APER 1.1A.8G	Made	FCA
APER 1.1A.9G	Made	FCA
APER 1.1A.10E	Made	FCA

APER 1.1A.11G	Made	FCA
APER 1.1B.1P	Made	PRA
APER 1.1B.2P	Made	PRA
APER 1.1B.3G	Made	PRA
APER 1.1B.4G	Made	PRA
APER 1.1B.5G	Made	PRA
APER 1.1B.6G	Made	PRA
APER 1.1B.7G	Made	PRA
APER 1.1B.8G	Made	PRA
APER 1.1B.9G	Made	PRA
APER 1.1B.10E	Made	PRA
APER 1.1B.11G	Made	PRA
APER 1.2.1	No longer in force after legal cutover	
APER 1.2.1AG	Made	FCA
APER 1.2.1BG	Made	PRA
APER 1.2.2G	Designated	FCA/PRA
APER 1.2.3G	Designated	FCA
APER 1.2.3AG	Made	PRA
APER 1.2.4G	No longer in force after legal cutover	
APER 1.2.5G	Designated	FCA
APER 1.2.6G	No longer in force after legal cutover	
APER 1.2.7G	No longer in force after legal cutover	
APER 1.2.8G	No longer in force after legal cutover	

APER 1.2.9G	No longer in force after legal cutover	
GEN 2.1.1G	No longer in force after legal cutover	
APER 2.1.1AP	No longer in force after legal cutover	
APER 2.1.2P	No longer in force after legal cutover	
APER 2.1A.1G	Made	FCA
APER 2.1A.2P	Made	FCA
APER 2.1A.3P	Made	FCA
APER 2.1B.1G	Made	PRA
APER 2.1B.2P	Made	PRA
APER 2.1B.3P	Made	PRA
APER 3.1.1G	No longer in force after legal cutover	
APER 3.1.1AG	Made	FCA
APER 3.1.1BG	Made	PRA
APER 3.1.2G	Designated	FCA/PRA
APER 3.1.3G	Designated	FCA/PRA
APER 3.1.4G	Designated	FCA
APER 3.1.4AG	Made	PRA
APER 3.1.5G	Designated	FCA/PRA
APER 3.1.6G	Designated	FCA/PRA
APER 3.1.7G	No longer in force after legal cutover	
APER 3.1.7AG	Made	FCA
APER 3.1.7BG	Made	PRA
APER 3.1.8G	No longer in force after	

	legal cutover	
APER 3.1.8AG	Made	FCA
APER 3.1.8BG	Made	PRA
APER 3.1.9G	Designated	FCA/PRA
APER 3.2.1E	Designated	FCA/PRA
APER 3.3.1E	Designated	FCA
APER 3.3.2E	Made	PRA
APER 4.1.1G	No longer in force after legal cutover	
APER 4.1.1AG	Made	FCA
APER 4.1.1BG	Made	PRA
APER 4.1.2E	Designated	FCA/PRA
APER 4.1.3E	Designated	FCA/PRA
APER 4.1.4E	Designated	FCA/PRA
APER 4.1.5E	Designated	FCA/PRA
APER 4.1.6E	Designated	FCA/PRA
APER 4.1.7E	Designated	FCA/PRA
APER 4.1.8E	Designated	FCA/PRA
APER 4.1.9E	Designated	FCA/PRA
APER 4.1.10E	Designated	FCA/PRA
APER 4.1.11E	Designated	FCA/PRA
APER 4.1.12E	Designated	FCA/PRA
APER 4.1.13E	Designated	FCA/PRA
APER 4.1.14E	Designated	FCA/PRA
APER 4.1.15E	Designated	FCA/PRA
APER 4.2.1G	No longer in force after legal cutover	

APER 4.2.1AG	Made	FCA
APER 4.2.1BG	Made	PRA
APER 4.2.2E	Designated	FCA/PRA
APER 4.2.2AE	Made	FCA
APER 4.2.3E	Designated	FCA/PRA
APER 4.2.4E	Designated	FCA/PRA
APER 4.2.5E	Designated	FCA/PRA
APER 4.2.6E	Designated	FCA/PRA
APER 4.2.7E	Designated	FCA/PRA
APER 4.2.8E	Designated	FCA/PRA
APER 4.2.9E	Designated	FCA/PRA
APER 4.2.10E	Designated	FCA/PRA
APER 4.2.11E	Designated	FCA/PRA
APER 4.2.12E	Designated	FCA/PRA
APER 4.2.13E	Designated	FCA
APER 4.2.14E	Designated	FCA/PRA
APER 4.3.1G	Designated	FCA/PRA
APER 4.3.2G	No longer in force after legal cutover	
APER 4.3.3E	Designated	FCA
APER 4.3.4E	Designated	FCA
APER 4.4.1G	No longer in force after legal cutover	
APER 4.4.1AG	Made	FCA
APER 4.4.1BG	Made	PRA
APER 4.4.2G	No longer in force after legal cutover	

APER 4.4.2AG	Made	FCA
APER 4.4.2BG	Made	PRA
APER 4.4.3E	Designated	FCA/PRA
APER 4.4.4E	Designated	FCA/PRA
APER 4.4.5G	Designated	FCA/PRA
APER 4.4.6E	Designated	FCA/PRA
APER 4.4.7E	Designated	FCA/PRA
APER 4.4.8E	Designated	FCA/PRA
APER 4.4.9E	Designated	FCA/PRA
APER 4.5.1G	No longer in force after legal cutover	
APER 4.5.1AG	Made	FCA
APER 4.5.1BG	Made	PRA
APER 4.5.2E	Designated	FCA/PRA
APER 4.5.3E	Designated	FCA/PRA
APER 4.5.4E	Designated	FCA/PRA
APER 4.5.5E	Designated	FCA/PRA
APER 4.5.6E	Designated	FCA/PRA
APER 4.5.7E	Designated	FCA/PRA
APER 4.5.8E	Designated	FCA/PRA
APER 4.5.9E	Designated	FCA/PRA
APER 4.5.10G	Designated	FCA/PRA
APER 4.5.11G	Designated	FCA/PRA
APER 4.5.12G	Designated	FCA/PRA
APER 4.5.13G	Designated	FCA/PRA
APER 4.5.13AG	Designated	FCA/PRA

APER 4.5.14G	Designated	FCA/PRA
APER 4.5.15G	Designated	FCA/PRA
APER 4.6.1G	No longer in force after legal cutover	
APER 4.6.1AG	Made	FCA
APER 4.6.1BG	Made	PRA
APER 4.6.2E	Designated	FCA/PRA
APER 4.6.3E	Designated	FCA/PRA
APER 4.6.4E	Designated	FCA/PRA
APER 4.6.5E	Designated	FCA/PRA
APER 4.6.6E	Designated	FCA/PRA
APER 4.6.7E	Designated	FCA/PRA
APER 4.6.8E	Designated	FCA/PRA
APER 4.6.9E	Designated	FCA/PRA
APER 4.6.10E	Designated	FCA/PRA
APER 4.6.11G	Designated	FCA/PRA
APER 4.6.12G	Designated	FCA/PRA
APER 4.6.13G	Designated	FCA/PRA
APER 4.6.14G	Designated	FCA/PRA
APER 4.7.1G	No longer in force after legal cutover	
APER 4.7.1AG	Made	FCA
APER 4.7.1BG	Made	PRA
APER 4.7.2E	Designated	FCA/PRA
APER 4.7.2AE	Made	FCA
APER 4.7.3E	Designated	FCA/PRA
APER 4.7.4E	Designated	FCA/PRA

APER 4.7.5E	Designated	FCA/PRA
APER 4.7.6E	Designated	FCA/PRA
APER 4.7.7E	Designated	FCA/PRA
APER 4.7.8E	Designated	FCA/PRA
APER 4.7.9E	Designated	FCA
APER 4.7.10E	Designated	FCA
APER 4.7.11G	Designated	FCA/PRA
APER 4.7.11AE	Designated	FCA
APER 4.7.12G	Designated	FCA/PRA
APER 4.7.13G	Designated	FCA/PRA
APER 4.7.14G	Designated	FCA/PRA
APER TP 1.1 (Note: marked as a rule in the FSA's Handbook)	Made as guidance	FCA/PRA
APER Sch 1.1G	Designated	FCA/PRA
APER Sch 2.1G	Designated	FCA/PRA
APER Sch 2.2G	Designated	FCA/PRA
APER Sch 2.3G	Designated	FCA
APER Sch 2.4	Made	PRA
APER Sch 3.1	Designated	FCA/PRA
APER Sch 4G	No longer in force after legal cutover	
APER Sch 5.1G	Designated	FCA
APER Sch 6.1G	Designated	FCA/PRA

## Annex B

### New Chapter 10A of the Supervision manual (SUP)

After SUP 10 (deleted) insert the following new section. The text is not underlined.

#### 10A FCA Approved Persons

##### 10A.1 Application

###### General

- 10A.1.1 R This chapter applies to every *firm*.
- 10A.1.2 G This chapter is also relevant to every *FCA-approved person*.
- 10A.1.3 G The *rules* in this chapter specify descriptions of *FCA controlled functions* under section 59 of the *Act* (Approval for particular arrangements).
- 10A.1.4 G The directions in this chapter relate to the manner in which a *firm* must apply for the *FCA's* approval under section 59 of the *Act* and other procedures.

###### Overseas firms: UK services

- 10A.1.5 R This chapter does not apply to an *overseas firm* in relation to *regulated activities* which are carried on in the *United Kingdom* other than from an establishment maintained by it or its *appointed representative* in the *United Kingdom*.

###### Overseas firms: UK establishments

- 10A.1.6 R Only the following *FCA controlled functions* apply to an *overseas firm* which maintains an establishment in the *United Kingdom* from which *regulated activities* are carried on:
- (1) the *director function* where the *person* performing that function:
    - (a) has responsibility for the *regulated activities* of a *UK branch* which are likely to enable him to exercise significant influence over that *branch*; or
    - (b) is someone whose decisions or actions are regularly taken into account by the *governing body* of that *branch*;
  - (2) the *non-executive director function* where the *person* performing one of those functions:

- (a) has responsibility for the *regulated activities* of a *UK branch* which is likely to enable him to exercise significant influence over that *branch*; or
  - (b) is someone whose decisions or actions are regularly taken into account by the *governing body* of that *branch*;
- (3) the *chief executive function*;
  - (4) the *FCA required functions*;
  - (5) the *systems and controls function*;
  - (6) the *significant management function* in so far as the function relates to:
    - (a) *designated investment business* other than *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order*; or
    - (b) processing confirmations, payments, settlements, insurance claims, *client money* and similar matters in so far as this relates to *designated investment business*; and
  - (7) the *customer function*.

Incoming EEA firms, incoming Treaty firms and UCITS qualifiers

10A.1.7 R This chapter does not apply to:

- (1) an *incoming EEA firm*; or
- (2) an *incoming Treaty firm*; or
- (3) a *UCITS qualifier*;

if and in so far as the question of whether a *person* is fit and proper to perform a particular function in relation to that *firm* is reserved, under any of the *Single Market Directives*, the *Treaty*, the *UCITS Directive* or the *auction regulation*, to an authority in a country or territory outside the *United Kingdom*.

- 10A.1.8 G *SUP* 10A.1.7R reflects the provisions of section 59(8) of the *Act* and, in relation to an incoming *Treaty firm* and a *UCITS qualifier*, the *Treaty* and the *UCITS Directive*. It preserves the principle of *Home State* prudential regulation. In relation to an incoming *EEA firm* exercising an *EEA right*, or an incoming *Treaty firm* exercising a *Treaty right*, the effect is to reserve to the *Home State regulator* the assessment of the fitness and propriety of a *person* performing a function in the exercise of that right. A member of the *governing body*, or the notified *UK branch manager*, of an incoming *EEA firm*, acting in that capacity, will not therefore have to be approved by the *FCA* under the *Act*.
- 10A.1.9 G Notwithstanding *SUP* 10A.1.8G, an incoming *EEA firm* (other than an *EEA pure reinsurer*) or incoming *Treaty firm* will have had to consider the impact of the *Host State* rules with which it is required to comply when carrying on a *passport activity* or *Treaty activity* through a *branch* in the *United Kingdom*. An incoming *EEA firm* (other than an *EEA pure reinsurer*) will have been notified of those provisions under Part II of Schedule 3 to the *Act* in the course of satisfying the conditions for *authorisation* in the *United Kingdom*.
- 10A.1.10 G An incoming *EEA firm* will have to consider, for example, the position of a *branch manager* based in the *United Kingdom* who may also be performing a function in relation to the carrying on of a *regulated activity* not covered by the *EEA right* of the *firm*. In so far as the function is within the description of an *FCA controlled function*, the *firm* will need to seek approval for that *person* to perform that *FCA controlled function*.

Incoming EEA firms: passported activities from a branch

- 10A.1.11 R Only the following *FCA controlled functions* apply to an incoming *EEA firm* with respect to its *passport activities* carried on from a *branch* in the *United Kingdom*:
- (1) the *money laundering reporting function*;
  - (2) the *significant management function*, in so far as the function relates to:
    - (a) *designated investment business* other than *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order*; or
    - (b) processing confirmations, payments, settlements, insurance claims, client money and similar matters, in so far as this relates to *designated investment business*; or
    - (c) the activity of *accepting deposits* from *banking customers* and activities substantially connected to that activity to the extent that it does not fall within (a) or (b); and

- (3) the *customer function* other than where this relates to the function in SUP 10A.10.7R(4) and (7).

10A.1.12 R If an *incoming EEA firm* is an *EEA pure reinsurer*, then SUP 10A.1.11R does not apply. Instead, none of the *FCA controlled functions* apply with respect to its *passport activities* carried on from a *branch* in the *United Kingdom*.

Incoming EEA firms etc with top-up permission activities from a UK branch

10A.1.13 R In relation to the activities of a *firm* for which it has a *top-up permission*, only the following *FCA controlled functions* apply:

- (1) the *FCA required functions*, other than the *apportionment and oversight function* and the *compliance oversight function*;
- (2) the *significant management function*, in so far as it relates to:
  - (a) *designated investment business* other than *dealing in investments as principal*, disregarding article 15 of the *Regulated Activities Order*; or
  - (b) processing confirmations, payments, settlements, insurance claims, *client money* and similar matters, in so far as this relates to *designated investment business*; or
  - (c) the activity of *accepting deposits* from *banking customers* and activities substantially connected to that activity to the extent that it does not fall within (a) or (b); and
- (3) the *customer function*.

10A.1.14 R A *person* does not perform the *significant management function* for a *firm* under SUP 10A.1.11R or SUP 10A.1.13R if that *person* would not have been treated as performing any *FCA controlled function* for that *firm* if that *firm* had been a *UK firm*.

Appointed representatives

10A.1.15 R The descriptions of the following *FCA controlled functions* apply to an *appointed representative* of a *firm*, except an *introducer appointed representative*, as they apply to an *FCA-authorised person*:

- (1) the *FCA governing functions*, subject to SUP 10A.1.16R and except for a *tiered agent* of an *EEA MiFID investment firm*; and
- (2) the *customer function* other than in relation to acting in the capacity of an *investment manager* (see SUP 10A.10.7R(6)).

- 10A.1.16 R (1) *SUP* 10A.1.15R is modified in relation to an *appointed representative* meeting the conditions in (2) so that only one of the following *FCA-governing functions*:
- (a) *director function*; or
  - (b) *chief executive function*; or
  - (c) *partner function*; or
  - (d) *director of unincorporated association function*;
- applies, as appropriate, to an individual within that *appointed representative* who will be required to be an *FCA-approved person*.
- (2) The conditions are that:
- (a) the scope of appointment of the *appointed representative* includes *insurance mediation activity* in relation to *non-investment insurance contracts*, but no other *regulated activity*; and
  - (b) the principal purpose of the *appointed representative* is to carry on activities other than *regulated activities*.

Members of a profession

- 10A.1.17 R (1) This chapter, except in respect of the *FCA required functions*, does not apply to an *authorised professional firm* in respect of its *non-mainstream regulated activities*, subject to (2).
- (2) Where the *authorised professional firm* has appointed *FCA-approved persons* to perform the *FCA governing functions* with equivalent responsibilities for the *firm's non-mainstream regulated activities* and other *regulated activities*, for the *firm's non-mainstream regulated activities* this chapter applies with respect to the *FCA governing functions* and the *FCA required functions* (other than the *apportionment and oversight function*) only.

Oil market participants, service companies, energy market participants, subsidiaries of local authorities or registered social landlords and insurance intermediaries.

- 10A.1.18 R The descriptions of *FCA significant-influence functions*, other than the *FCA required functions*, and, if the *firm* is a *MiFID investment firm*, the *FCA governing functions* do not extend to activities carried on by a *firm* whose principal purpose is to carry on activities other than *regulated activities* and which is:
- (1) an *oil market participant*; or

- (2) a *service company*; or
- (3) an *energy market participant*; or
- (4) a wholly owned *subsidiary* of:
  - (a) a local authority; or
  - (b) a registered social landlord; or
- (5) a *firm* with *permission* to carry on *insurance mediation activity* in relation to *non-investment insurance contracts* but no other *regulated activity*.

10A.1.19 G It will be a matter of fact in each case whether, having regard to all the circumstances, including in particular where the balance of the business lies, a *firm's* principal purpose is to carry on activities other than *regulated activities*. If a *firm* wishes to rely on SUP 10A.1.18R, it should be in a position to demonstrate that its principal purpose is to carry on activities other than *regulated activities*.

#### Insolvency practitioners

- 10A.1.20 R This chapter does not apply to a function performed by:
- (1) a *person* acting as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986; or
  - (2) a *person* acting as a nominee in relation to a voluntary arrangement under Parts I (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency Act 1986; or
  - (3) a *person* acting as an insolvency practitioner within the meaning of Article 3 of the Insolvency (Northern Ireland) Order 1989; or
  - (4) a *person* acting as a nominee in relation to a voluntary arrangement under Parts II (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

#### Bidders in emissions auctions

- 10A.1.21 G For a *firm* that is exempt from *MiFID* under article 2(1)(i) and whose only *permission* is *bidding in emissions auctions*, the only *FCA controlled functions* that apply to it are:
- (1) the *FCA governing functions*;
  - (2) the *money laundering reporting function*;
  - (3) the *customer function*; and

- (4) (where it has exercised an opt-in to CASS in accordance with CASS 1.4.9R and is a *CASS medium firm* or a *CASS large firm*) the *CASS operational oversight function*.

This is because the *FCA approved persons* regime specifies a number of functions by incorporation of requirements in SYSC; however, a *firm* carrying on *auction regulation bidding* is only subject to SYSC to a limited extent in relation to that activity. This means that the *FCA required functions* do not apply to *auction regulation bidding*, except for the *money laundering reporting function*. Similarly, the *significant management function* does not apply in relation to *auction regulation bidding* because, in carrying on that activity, a *firm* is not subject to SYSC 2.1.1R or SYSC 4.1.1R and is not undertaking *proprietary trading*.

## 10A.2 Purpose

- 10A.2.1 G The immediate purpose of SUP 10A.3 to SUP 10A.11 is to specify, under section 59 of the *Act*, descriptions of the *FCA controlled functions* which are listed in SUP 10A.4.4R. The underlying purpose is to establish, and mark the boundaries of, the "FCA-approved persons regime".
- 10A.2.2 G SUP 10A does not deal with the *PRA's approved persons* regime.
- 10A.2.3 G The *FCA* has certain powers in relation to *PRA-approved persons*, such as the requirement to give its consent in certain cases to the *PRA* granting approval for the performance of a *PRA controlled function*. SUP 10A does not deal with these.

## 10.3 Provisions related to the Act

- 10A.3.1 R A function is an *FCA controlled function* only to the extent that it is performed under an *arrangement* entered into by:
- (1) a *firm*; or
  - (2) a contractor of the *firm*;
- in relation to the carrying on by the *firm* of a *regulated activity*.
- 10A.3.2 G Sections 59(1) and (2) of the *Act* provide that approval is necessary in respect of an *FCA controlled function* which is performed under an *arrangement* entered into by a *firm*, or its contractor (typically an *appointed representative*), in relation to a *regulated activity*.

- 10A.3.3 G *Arrangement* is defined in section 59(10) of the *Act* as any kind of arrangement for the performance of a function which is entered into by a *firm* or any of its contractors with another *person* and includes the appointment of a *person* to an office, his becoming a *partner*, or his employment (whether under a contract of service or otherwise). For the provisions in this chapter relating to outsourcing, see *SUP* 10A.13.5G and *SUP* 10A.13.6G.
- 10A.3.4 G If, however, a *firm* is a member of a group, and the *arrangements* for the performance of an *FCA controlled function* of the *firm* are made by, for instance, the *holding company*, the *person* performing the function will only require approval if there is an arrangement (under section 59(1)) or a contract (under section 59(2)) between the *firm* and *holding company* permitting this. This need not be a written contract but could arise, for example, by conduct, custom and practice.
- 10A.3.5 G The *arrangement* must be “in relation to” the carrying on of a *regulated activity*. *Regulated activities* are defined in the *Glossary* by reference to the *Regulated Activities Order*. This order prescribes the activities which are *regulated activities* for the purposes of the *Act*.

#### 10A.4 Specification of functions

- 10A.4.1 R Each of the functions described in *SUP* 10A.4.4R (the table of FCA controlled functions) is an *FCA controlled function*.
- 10A.4.2 R Part 1 of the table of *FCA controlled functions* applies in relation to an *FCA-authorised person*. It also applies in relation to an *appointed representative* for the purposes of *SUP* 10A.1.15R (Appointed representatives) whether its *principal* is an *FCA-authorised person* or a *PRA-authorised person*. Part 2 applies in relation to a *PRA-authorised person*.
- 10A.4.3 G The fact that a *person* may be *FCA*-approved for one purpose does not have the effect of bringing all his activities within that *FCA controlled function*.
- 10A.4.4 R FCA controlled functions

<b>Part 1 (FCA controlled functions for FCA-authorised persons and appointed representatives)</b>		
<b>Type</b>	<b>CF</b>	<b>Description of FCA controlled function</b>
<i>FCA governing functions*</i>	1	<i>Director function</i>
	2	<i>Non-executive director function</i>
	3	<i>Chief executive function</i>

	4	<i>Partner function</i>
	5	<i>Director of unincorporated association function</i>
	6	<i>Small friendly society function</i>
<i>FCA required functions*</i>	8	<i>Apportionment and oversight function</i>
	10	<i>Compliance oversight function</i>
	10A	<i>CASS operational oversight function</i>
	11	<i>Money laundering reporting function</i>
<i>Systems and controls function*</i>	28	<i>Systems and controls function</i>
<i>Significant management function*</i>	29	<i>Significant management function</i>
<i>Customer-dealing functions</i>	30	<i>Customer function</i>
<i>*FCA significant-influence functions</i>		

<b>Part 2 (FCA controlled functions for PRA-authorised persons)</b>		
<b>Type</b>	<b>CF</b>	<b>Description of FCA controlled function</b>
<i>FCA required functions*</i>	8	<i>Apportionment and oversight function</i>
	10	<i>Compliance oversight function</i>
	10A	<i>CASS operational oversight function</i>
	11	<i>Money laundering reporting function</i>
<i>Significant management function*</i>	29	<i>Significant management function</i>
<i>Customer-dealing functions</i>	30	<i>Customer function</i>
<i>*FCA significant-influence functions</i>		

## 10A.5 Significant-influence functions

What are the FCA significant-influence functions?

- 10A.5.1 G The *FCA significant-influence functions*, which are specified in SUP 10A.4.1R, comprise the *FCA governing functions* (SUP 10A.6), the *FCA required functions* (SUP 10A.7), the *systems and controls function* (SUP 10A.8) and the *significant management function* (SUP 10A.9). SUP 10A.5 applies to each of the *FCA significant influence functions*.

Definition of FCA significant-influence function

- 10A.5.2 R Each *FCA significant-influence function* is one which comes within the definition of a *significant-influence function*.
- 10A.5.3 G Section 59(7B) of the *Act* says that a *significant-influence function*, in relation to the carrying on of a *regulated activity* by a *firm*, means a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *firm's* affairs, so far as relating to the activity.
- 10A.5.4 G SUP 10A.5.2R gives effect to section 59(5)(b) of the *Act*.
- 10A.5.5 G Whether an *FCA controlled function* is likely to result in the *person* responsible for its performance exercising significant influence on the conduct of the *firm's* affairs is a question of fact in each case. The *FCA* has identified the *FCA significant influence functions* as satisfying this condition.

Periods of less than 12 weeks

- 10A.5.6 R If:
- (1) a *firm* appoints an individual to perform a function which, but for this *rule*, would be an *FCA significant influence function*;
  - (2) the appointment is to provide cover for an *approved person* whose absence is:
    - (a) temporary; or
    - (b) reasonably unforeseen; and
  - (3) the appointment is for less than 12 weeks in a consecutive 12-month period;

the description of the relevant *FCA significant influence function* does not relate to those activities of that individual.

- 10A.5.7 G *SUP* 10A.5.6R enables cover to be given for, as an example, holidays and emergencies and avoids the need for the precautionary approval of, for example, a deputy. However, as soon as it becomes apparent that a *person* will be performing an *FCA controlled function* for more than 12 weeks, the *firm* should apply for approval.

## 10A.6 FCA governing functions

### Introduction

- 10A.6.1 G Every *firm* will have one or more *persons* responsible for directing its affairs. These *persons* will be performing the *FCA governing functions* and will be required to be *FCA-approved persons* unless the application provisions in *SUP* 10A.1, or the particular description of an *FCA controlled function*, provide otherwise. For example, each *director* of a *company* incorporated under the Companies Acts will perform an *FCA governing function*. However, if the *firm* is a *PRA-authorized person*, the *governing functions* do not apply. Instead, those *persons* will be performing the *PRA governing functions* and will be required to be *PRA-approved persons* instead.

- 10A.6.2 G A *sole trader* does not fall within the description of the *governing functions*.

### What the FCA governing functions include

- 10A.6.3 R Each of the *FCA governing functions* includes:
- (1) (where apportioned under SYSC 2.1.1R or SYSC 4.3.1R and SYSC 4.4.3R):
    - (a) the *systems and controls function* (if it applies to the *firm*);  
and
    - (b) the *significant management function*;
  - (2) (in respect of *bidding in emissions auctions*) that part of the *customer function* specified in *SUP* 10A.10.7R(7) (bidder's representative).

This does not apply to the *non-executive director function* or the function described in *SUP* 10A.6.8R.

- 10A.6.4 G (1) The effect of SUP 10A.6.3R is that a *person* who is approved to perform an *FCA governing function* will not have to be specifically *FCA*-approved to perform the *systems and controls function* or the *significant management function* or the part of the *customer function* specified in SUP 10A.10.7R(7). However, a *person* who is approved to perform an *FCA governing function* will have to be additionally *FCA*-approved before he can perform any of the *FCA required functions* or the *customer function* (except the part specified in SUP 10A.10.7R(7)).
- (2) SUP 10A.6.3R does not apply to the *non-executive director function*. It does not apply to the *director function* if the only part of that function that the *FCA-approved person* is performing is the function described in SUP 10A.6.8R.
- 10A.6.5 G A *firm* carrying on *insurance mediation activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance mediation activity* (MIPRU 2.2.1R). MIPRU 2.2.2R(1) provides that the *firm* may allocate this responsibility to one or more of the *persons* performing an *FCA governing function* (other than the *non-executive director function*).
- 10A.6.6 G Where a *person* performing a *governing function* is also responsible for the *firm's insurance mediation activity*, the words “(insurance mediation)” will be inserted after the relevant *FCA controlled function* (see MIPRU 2.2.5G).
- Director function (CF1)
- 10A.6.7 R If a *firm* is a *body corporate* (other than a *limited liability partnership*), the *director function* is the function of acting in the capacity of a *director* (other than *non-executive director*) of that *firm*.
- 10A.6.8 R (1) If a *firm* is a *body corporate* (other than a *limited liability partnership*), the *director function* is also the function of acting in the capacity of a *person*:
- (a) who is a *director*, partner, officer, member (if the *parent undertaking* or *holding company* is a *limited liability partnership*), *senior manager*, or employee of a *parent undertaking* or *holding company* of the *firm*; and
- (b) whose decisions or actions are regularly taken into account by the *governing body* of the *firm*.
- (2) (1) does not apply if that *parent undertaking* or *holding company* has a *Part 4A permission* or is regulated by an *EEA regulator*.
- (3) (1) does not apply to the function falling into SUP 10A.6.13R (*non-executive director* of the *parent undertaking* or *holding company*).

- 10A.6.9 G Examples of where SUP 10A.6.8R might apply include (but are not limited to):
- (1) a chairman of an audit committee of a *parent undertaking* or *holding company* of a *UK firm* where that audit committee is working for that *UK firm* (that is, functioning as the audit committee for the *group*);  
or
  - (2) a *director* (other than a *non-executive director*) of a *parent undertaking* or *holding company* of a *UK firm* exercising significant influence by way of his involvement in taking decisions for that *UK firm*; or
  - (3) an individual (such as a *senior manager*) of a *parent undertaking* or *holding company* of a *UK firm* who is responsible for and/or has significant influence in setting the objectives for and the remuneration of executive *directors* of that *UK firm*; or
  - (4) an individual who is a *director* (other than a *non-executive director*) or a *senior manager* of a *parent undertaking* or *holding company* of a *UK firm* who is accustomed to influencing the operations of that *UK firm*, and acts in a manner in which it can reasonably be expected that an executive *director* or *senior manager* of that *UK firm* would act; or
  - (5) an individual of an *overseas firm* which maintains an establishment in the *United Kingdom* from which *regulated activities* are carried on, where that individual has responsibilities for those *regulated activities* which are likely to enable him to exercise significant influence over the *UK branch*.

10A.6.10 G A *director* can be a *body corporate* and may accordingly require approval as an *FCA-approved person* in the same way as a natural *person* may require approval.

10A.6.11 G The *director function* does not apply in relation to a *PRA-authorised person*. *PRA* approval is required instead.

#### Non-executive director function (CF2)

10A.6.12 R If a *firm* is a *body corporate*, the *non-executive director function* is the function of acting in the capacity of a *non-executive director* of that *firm*.

- 10.A.6.13 R (1) If a *firm* is a *body corporate*, the *non-executive director function* is also the function of acting in the capacity of a *person*:
- (a) who is a *non-executive director* of a *parent undertaking* or *holding company*; and
  - (b) whose decisions or actions are regularly taken into account by the *governing body* of the *firm*.

- (2) However, (1) does not apply if that *parent undertaking* or *holding company* has a *Part 4A permission* or is regulated by an *EEA regulator*.

10A.6.14 G Examples of where *SUP 10A.6.13R* might apply include (but are not limited to):

- (1) an individual who is a *non-executive director* of a *parent undertaking* or *holding company* who takes an active role in the running of the business of a *UK firm*, for example, as a member of a board or committee (on audit or remuneration) of that *firm*; or
- (2) an individual who is a *non-executive director* of a *parent undertaking* or *holding company* having significant influence in setting and monitoring the business strategy of the *UK firm*; or
- (3) an individual who is a *non-executive director* of a *parent undertaking* or *holding company* of a *UK firm* involved in carrying out responsibilities such as scrutinising the approach of executive management, performance, or standards of conduct of the *UK firm*; or
- (4) an individual who is a *non-executive director* of a *parent undertaking* or *holding company* of a *UK firm* who is accustomed to influence the operations of the *UK firm*, and acts in a way in which it can reasonably be expected that a *non-executive director* of the *UK firm* would act; or
- (5) an individual who is a *non-executive director* of an *overseas firm* which maintains a *branch* in the *United Kingdom* from which *regulated activities* are carried on where that individual has responsibilities for those *regulated activities* which are likely to enable him to exercise significant influence over the *UK branch*.

10A.6.15 G The *non-executive director function* does not apply in relation to a *PRA-authorised person*. *PRA* approval is required instead.

Guidance on persons in a parent undertaking or holding company exercising significant influence

10A.6.16 G (1) This paragraph explains the basis on which the *director function* and the *non-executive director function* are applied to *persons* who have a position with the *firm's parent undertaking* or *holding company* under *SUP 10A.6.8R* or *SUP 10A.6.13R*.

- (2) The basic position is set out in *SUP* 10A.3.4G. As is the case with all *controlled functions*, *SUP* 10A.6.8R and *SUP* 10A.6.13R are subject to the overriding provisions in *SUP* 10A.3.1R, which sets out the requirements of section 59(1) and (2) of the *Act*. This means that unless the *firm* has an *arrangement* permitting the performance of these roles by the *persons* concerned, these *persons* will not be performing these *controlled functions*. Therefore, the *FCA* accepts that there will be cases in which a *person* performing these roles will not require approval. However where there is such an *arrangement* the function may apply.

#### Chief executive function (CF3)

- 10A.6.17 R The *chief executive function* is the function of acting in the capacity of a *chief executive* of a *firm*.
- 10A.6.18 G This function is having the responsibility, alone or jointly with one or more others, under the immediate authority of the *governing body*: ,
- (1) for the conduct of the whole of the business (or relevant activities);  
or
- (2) in the case of a *branch* in the *United Kingdom* of an *overseas firm*, for the conduct of all of the activities subject to the *UK regulatory system*.
- 10A.6.19 G For a *branch* in the *United Kingdom* of an *overseas firm*, the *FCA* would not normally expect the overseas *chief executive* of the *firm* as a whole to be *FCA*-approved for this function where there is a *senior manager* under him with specific responsibility for those activities of the *branch* which are subject to the *UK regulatory system*. In some circumstances, the *person* within the *firm* responsible for *UK* operations may, if the function is likely to enable him to exercise significant influence over the *branch*, also perform the *chief executive function* (see *SUP* 10A.7.4G).
- 10A.6.20 G A *person* performing the *chief executive function* may be a member of the *governing body* but need not be. If the chairman of the *governing body* is also the *chief executive*, he will be discharging this function. If the responsibility is divided between more than one *person* but not shared, there is no *person* exercising the *chief executive function*. But if that responsibility is discharged jointly by more than one *person*, each of those *persons* will be performing the *chief executive function*.
- 10A.6.21 G Note that a *body corporate* may be a *chief executive*. If so, it will need to be approved (if the *firm* in question is an *FCA-authorised person*) to perform the *chief executive function*.
- 10A.6.22 G The *chief executive function* does not apply in relation to a *PRA-authorised person*. *PRA* approval is required instead.

#### Partner function (CF4)

- 10A.6.23 R (1) If a *firm* is a *partnership*, the *partner function* is the function of acting in the capacity of a *partner* in that *firm*.
- (2) If the principal purpose of the *firm* is to carry on one or more *regulated activities*, each *partner* performs the *partner function*.
- (3) If the principal purpose of the *firm* is other than to carry on *regulated activities*:
- (a) a *partner* performs the *partner function* to the extent only that he has responsibility for a *regulated activity*; and
- (b) a *partner* in a *firm* will be taken to have responsibility for each *regulated activity* except where the *partnership* has apportioned responsibility to another *partner* or group of *partners*.
- 10A.6.24 G Any apportionment referred to in SUP 10A.6.23R(3)(b) will have taken place under SYSC 2.1.1R or SYSC 4.3.1R and SYSC 4.4.3R. The FCA may ask to see details of the apportionment but will not require, as a matter of course, a copy of the material which records this (see SYSC 2.2).
- 10A.6.25 G The effect of SUP 10A.1.17R is that *regulated activity* in SUP 10A.6.23R (and elsewhere) is to be taken as not including an activity that is a *non-mainstream regulated activity*. Therefore, a *partner* whose only *regulated activities* are incidental to his professional services, in a *partnership* whose principal purpose is to carry on other than *regulated activities*, need not be an FCA-approved person. What amounts to the principal purpose of the *firm* is a matter of fact in each case having regard to all the circumstances, including the activities of the *firm* as a whole. Any *regulated activities* which such a partner carries on are not within the description of the *partner function*.
- 10A.6.26 R If a *firm* is a *limited liability partnership*, the *partner function* extends to the *firm* as if the *firm* were a *partnership* and a member of the *firm* were a *partner*.
- 10A.6.27 R If a *partnership* is registered under the Limited Partnership Act 1907, the *partner function* does not extend to any function performed by a limited partner.
- 10A.6.28 G The *partner function* does not apply in relation to a PRA-*authorised person*. PRA approval is required instead.

Director of unincorporated association function (CF5)

- 10A.6.29 R If a *firm* is an unincorporated association, the *director of unincorporated association function* is the function of acting in the capacity of a *director* of the unincorporated association.

10A.6.30 G The *director of unincorporated association function* does not apply in relation to a *PRA-authorised person*. *PRA* approval is required instead.

Small friendly society function (CF6)

10A.6.31 R (1) If a *firm* is a *non-directive friendly society*, the *small friendly society function* is the function of directing its affairs, either alone or jointly with others.

(2) If the principal purpose of the *firm* is to carry on *regulated activities*, each *person* with responsibility for directing its affairs performs the *FCA controlled function*.

(3) If the principal purpose of the *firm* is other than to carry on *regulated activities*, a *person* performs the *small friendly society function* only to the extent that he has responsibility for a *regulated activity*.

10A.6.32 R (1) Each *person* on the *non-directive friendly society's governing body* will be taken to have responsibility for its *regulated activities*, unless the *firm* has apportioned this responsibility to one particular individual to whom it is reasonable to give this responsibility.

(2) The individual need not be a member of the *governing body*.

10A.6.33 G Typically a *non-directive friendly Society* will appoint a “committee of management” to direct its affairs. However, the governing arrangements may be informal and flexible. If this is the case, the *FCA* would expect the society to resolve to give responsibility for the carrying on of *regulated activities* to one individual who is appropriate in all the circumstances. That individual may, for example, have the title of *chief executive* or similar. The individual would have to be an *FCA-approved person* under *SUP* 10A.6.31R.

10A.6.34 G In practice, the *FCA* expects that most *non-directive friendly societies* will be *PRA-authorised persons*. Where that is the case, the *small friendly society function* will not apply. *PRA* approval is required instead.

## 10A.7 FCA required functions

Apportionment and oversight function (CF8)

10A.7.1 R The *apportionment and oversight function* is the function of acting in the capacity of a *director* or *senior manager* responsible for either or both of the apportionment function and the oversight function set out in *SYSC* 2.1.3R or *SYSC* 4.4.5R.

- 10A.7.2 G In requiring someone to apportion responsibility, a *common platform firm* should not apply for that *person* or *persons* to be *FCA*-approved to perform the *apportionment and oversight function* (see *SUP* 10A.7.1R, *SYSC* 2.1.3R and *SYSC* 1 Annex 1).
- 10A.7.3 G The fact that there is a *person* performing the *apportionment and oversight function*, and who has responsibility for activities subject to regulation by the *FCA*, may have a bearing on whether a manager who is based overseas will be performing an *FCA controlled function*. It is a factor to take into account when assessing the likely influence of the overseas manager.
- 10A.7.4 G Generally, in relation to a *UK* establishment of an *overseas firm* or a *firm* which is part of an overseas *group*, where an overseas manager's responsibilities in relation to the *United Kingdom* are strategic only, he will not need to be an *FCA-approved person*. However, where, in accordance with *SYSC* 3 or *SYSC* 4 to *SYSC* 10, he is responsible for implementing that strategy in the *United Kingdom*, and has not delegated that responsibility to a *senior manager* in the *United Kingdom*, he is likely to be performing an *FCA controlled function* for example, the *chief executive function* or a *PRA controlled function*.
- 10A.7.5 G A *firm* carrying on *insurance mediation activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance mediation activity* (*MIPRU* 2.2.1R). *MIPRU* 2.2.2R(2) provides that the *firm* may allocate this responsibility to the *person* performing the *apportionment and oversight function*.
- 10A.7.6 G Where the *person* performing the *apportionment and oversight function* is also responsible for the *firm's insurance mediation activity*, the words "(insurance mediation)" will be inserted after this *FCA controlled function* (see *MIPRU* 2.2.5G).
- 10A.7.7 G As explained in *SUP* 10A.11 (Minimising overlap with the *PRA* approved persons regime), the application of the *apportionment and oversight function* is sometimes disapplied for a *PRA-authorised person*.

#### Compliance oversight function (CF10)

- 10A.7.8 R The *compliance oversight function* is the function of acting in the capacity of a *director* or *senior manager* who is allocated the function set out in *SYSC* 3.2.8R or *SYSC* 6.1.4R(2).

#### CASS operational oversight function (CF10a)

- 10A.7.9 R In relation to a *CASS medium firm* and a *CASS large firm*, the *CASS operational oversight function* is the function of acting in the capacity of a *person* to whom is allocated the function set out in *CASS* 1A.3.1AR.

#### Money laundering reporting function (CF11)

- 10A.7.10 R The *money laundering reporting function* is the function of acting in the capacity of the *money laundering reporting officer* of a *firm*.
- 10A.7.11 G A *firm's* obligations in respect of its *money laundering reporting officer* are set out elsewhere in the *Handbook* (see SYSC 3.2.6IR and SYSC 6.3.9R and for their scope, see the application provisions in SYSC 1 Annex 1).

## 10A.8 Systems and controls functions

Systems and controls function (CF28)

- 10A.8.1 R The *systems and controls function* is the function of acting in the capacity of an *employee* of the *firm* with responsibility for reporting to the *governing body* of a *firm*, or the audit committee (or its equivalent) in relation to:
- (1) its financial affairs;
  - (2) setting and controlling its risk exposure (see SYSC 3.2.10G and SYSC 7.1.6R);
  - (3) adherence to internal systems and controls, procedures and policies (see SYSC 3.2.16G and SYSC 6.2).
- 10A.8.2 R The *systems and controls function* does not apply in relation to *bidding in emissions auctions* carried on by a *firm* that is exempt from *MiFID* under article 2(1)(i).
- 10A.8.3 G The *systems and controls function* does not apply in relation to a *PRA-authorized person*. *PRA* approval is required instead.
- 10A.8.4 G Where an *employee* performs the *systems and controls function* the *FCA* would expect the *firm* to ensure that the *employee* had sufficient expertise and authority to perform that function effectively. A *director* or *senior manager* would meet this expectation.

## 10A.9 Significant management functions

Application

- 10A.9.1 R *SUP* 10A.9 applies only to a *firm* which:
- (1) under SYSC 2.1.1R or, SYSC 4.1.1R, apportions a significant responsibility, within the description of the *significant management function*, to a *senior manager* of a significant business unit; or
  - (2) undertakes *proprietary trading*; or

- (3) (in the case of an *EEA firm*) undertakes the activity of *accepting deposits* from *banking customers* and activities connected with this.
- 10A.9.2 G The *FCA* anticipates that there will be only a few *firms* needing to seek approval for an individual to perform the *significant management function* set out in *SUP* 10A.9.1R(1). In most *firms*, those approved for the *FCA governing functions*, *FCA required functions* and, where appropriate, the *systems and controls function* or the equivalent *PRA controlled functions*, are likely to exercise all the significant influence at senior management level.
- 10A.9.3 G A *proprietary trader* undertakes activities with the *firm's money* and has the ability to commit the *firm*. By virtue of this role, all *proprietary traders* have potential to be able to exercise significant influence on the *firm* for the purposes of the definition of *significant-influence function*. Therefore, it is the *FCA's* expectation that all *firms* will assess all their *proprietary traders* to ascertain the ones for whom approval is required.
- 10A.9.4 G The scale, nature and complexity of the *firm's* business may be such that a *firm* apportions, under *SUP* 10A.9.1R(1), a significant responsibility to an individual who is not approved to perform the *FCA governing functions*, *FCA required functions* or, where appropriate, the *systems and controls function* or the equivalent *PRA controlled functions*. If so, the *firm* should consider whether the functions of that individual fall within the *significant management function*. For the purposes of the description of the *significant management functions*, the following additional factors about the *firm* should be considered:
- (1) the size and significance of the *firm's* business in the *United Kingdom*; for example, a *firm* carrying on *designated investment business* may have a large number of *approved persons* (for example, in excess of 100 individuals); or a *firm* carrying on *general insurance business* may have gross written *premiums* in excess of £100m;
  - (2) the number of *regulated activities* carried on, or proposed to be carried on, by the *firm* and (if relevant) other members of the *group*;
  - (3) its *group* structure (if it is a member of a *group*);
  - (4) its management structure (for example, matrix management); and
  - (5) the size and significance of its international operations, if any.
- 10A.9.5 G When considering whether a business unit is significant, the *firm* should take into account all relevant factors in the light of the *firm's* current circumstances and its plans for the future, including:
- (1) the risk profile of the unit; or
  - (2) its use or commitment of a *firm's* capital; or

- (3) its contribution to the profit and loss account; or
  - (4) the number of *employees* or *approved persons* in the unit; or
  - (5) the number of *customers* of the unit; or
  - (6) any other factor which makes the unit significant to the conduct of the *firm's* affairs so far as relating to the *regulated activity*.
- 10A.9.6 G The question may arise whether a manager who is based overseas will be performing the *significant management function* under SUP 10A.9.9R and should, therefore, be an *FCA-approved person*. This is especially true where the *firm* operates matrix management. The fact there is a *person* performing the *apportionment and oversight function*, and who has responsibility for activities subject to regulation by the *FCA*, may have a bearing on this. It is a factor to take into account when assessing the likely influence of the overseas manager.
- 10A.9.7 G Generally, in relation to a *branch* of a *firm*, or a *firm* which is part of an overseas *group*, where an overseas *manager* is responsible for strategy, he will not need to be approved for the *significant management function*. However, where he is responsible for implementing that strategy in the *United Kingdom*, and has not delegated that responsibility to a *senior manager* in the *United Kingdom*, he is likely to be performing that *FCA controlled function*.
- 10A.9.8 G See also SUP 10A.7.3G to SUP 10A.7.6G in relation to matrix management.
- Significant management function (CF29)
- 10A.9.9 R The *significant management function* is the function of acting as a *senior manager* with significant responsibility for a significant business unit that:
- (1) carries on *designated investment business* or other activities not falling within (2) to (4);
  - (2) *effects contracts of insurance* (other than *contractually based investments*);
  - (3) makes material decisions on the commitment of a *firm's* financial resources, its financial commitments, its assets acquisitions, its liability management and its overall cash and capital planning;
  - (4) processes confirmations, payments, settlements, insurance claims, *client money* and similar matters;
  - (5) (in the case of an *EEA firm*) undertakes the activity of *accepting deposits* from *banking customers* and activities connected with this.
- 10A.9.10 R The *significant management function* also includes the function of acting as a *proprietary trader*.

- 10A.9.11 R The *significant management function* does not include any of the activities described in any other *FCA controlled function* or *PRA controlled function* if that other *controlled function* applies to the *firm*.
- 10A.9.12 G A *senior manager* carrying on the *significant management function* under SUP 10A.9.9R with significant responsibility for a significant business unit that carries on activities other than *designated investment business* for the purposes of SUP 10A.9.9R(1) could, for example, be the head of a unit carrying on the activities of: retail banking, personal lending, corporate lending, salvage or loan recovery, or *proprietary trading*, or a member of a committee (that is, a *person* who, together with others, has authority to commit the *firm*) making decisions in these functions.
- 10A.9.13 G A *proprietary trader* also undertakes activities which may have a significant influence on the *firm*. Such activities may require approval for CF29 under SUP 10A.9.10R.
- 10A.9.14 G A *firm* carrying on *insurance mediation activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance mediation activity* (MIPRU 2.2.1R). MIPRU 2.2.2R(3) provides that the *firm* may allocate this responsibility to the *person* performing the *significant management function*.
- 10A.9.15 G Where the *person* performing the *significant management function* is also responsible for the *firm's insurance mediation activity*, the words “(insurance mediation)” will be inserted after this *FCA controlled function* (see MIPRU 2.2.5G).

## 10A.10 Customer-dealing functions

### Introduction

- 10A.10.1 R SUP 10A.10 applies with respect to activities carried on from an establishment maintained by the *firm* (or by its *appointed representative*) in the *United Kingdom*.
- 10A.10.2 G Without SUP 10A.10.1R, the description of the *customer function* would extend to this function wherever it was performed. The effect of SUP 10A.10.1R is that the description is limited, in relation to *regulated activities* with an overseas element, in a manner which is broadly consistent with the scope of conduct of business regulation.
- 10A.10.3 G The *customer function* has to do with giving advice on, *dealing* and arranging deals in and *managing investments*; it has no application to banking business such as deposit taking and lending, nor to *general insurance business*.

The basic rule about the customer function

- 10A.10.4 R The *customer function* is one which comes within the definition of a *customer-dealing function*.
- 10A.10.5 G Section 59(7A) of the *Act* (Approval for particular arrangements) says that the customer-dealing function, in relation to the carrying on of a *regulated activity* by a *firm* (“A”), means a function that will involve the *person* performing it in dealing with:
- (1) customers of A; or
  - (2) property of customers of A;
- in a manner substantially connected with the carrying on of the activity.
- 10A.10.6 G The *FCA* interprets the phrase “dealing with” as including having contact with *customers* and extending beyond “dealing” as used in the phrase “dealing in investments”. “Dealing in” is used in Schedule 2 to the *Act* to describe in general terms the *regulated activities* which are specified in Part II of the *Regulated Activities Order*.

Customer function (CF 30)

- 10A.10.7 R The *customer function* is the function of:
- (1) *advising on investments* other than a *non-investment insurance contract* (but not where this is *advising on investments* in the course of carrying on the activity of giving *basic advice* on a *stakeholder product*) and performing other functions related to this such as *dealing* and *arranging*;
  - (2) giving advice to *clients* solely in connection with *corporate finance business* and performing other functions related to this;
  - (3) giving advice or performing related activities in connection with *pension transfers* or opt-outs for *retail clients*;
  - (4) giving advice to a *person* to become, or continue or cease to be, a member of a particular *Lloyd’s syndicate*;
  - (5) *dealing*, as principal or as agent, and *arranging (bringing about) deals in investments* other than a *non-investment insurance contract* with, for, or in connection with *customers* where the *dealing* or *arranging deals* is governed by *COBS 11 (Dealing and managing)*;
  - (6) acting in the capacity of an *investment manager* and carrying on functions connected to this;
  - (7) in relation to *bidding in emissions auctions*, acting as a ‘bidder’s representative’ within the meaning of subparagraph 3 of article 6(3) of the *auction regulation*.

- 10A.10.8 R The *customer function* does not extend to an individual who is performing the functions in SUP 10A.10.7R(1) to (2) or SUP 10A.10.7R(5) to (7) and who is based overseas and who, in a 12-month period, spends no more than 30 days in the *United Kingdom* to the extent that he is appropriately supervised by a *person* approved for this function.
- 10A.10.9 G The *FCA* would expect an individual from overseas to be accompanied on a visit to a *customer*. TC 2.1.9R(2) provides that the *firm* will have to be satisfied that the individual has at least three years of up-to-date, relevant experience obtained outside the *United Kingdom*. However, the remaining provisions of TC 2.1.9R(2) are disapplied in these circumstances (except for an individual who gives advice to *retail clients* on *retail investment products* or is a *broker fund adviser*). The effect of this is that such individuals need not attain the relevant regulatory module of an appropriate qualification (see TC 2.1.9R(2)).
- 10A.10.10 G The *customer function* in SUP 10A.10.7R(5) does not extend to the individual who, on the instructions of the *customer*, simply inputs the *customer's* instructions into an automatic execution system where no discretion is or may be exercised by the individual performing the activity. Nor does it extend to merely introducing a *customer* to a *firm* or distributing advertisements.
- 10A.10.11 G An individual may *advise on investments* prior to being assessed as competent in accordance with the *rules* in the Senior Management Arrangements, Systems and Controls sourcebook (*SYSC*) and, where relevant, the Training and Competence sourcebook (*TC*). The *firm* should record when that *person* subsequently becomes competent.

## 10A.11 Minimising overlap with the PRA approved persons regime

### Introduction

- 10A.11.1 G SUP 10A.11 deals with how the *FCA's approved persons* regime applies to *PRA-authorised persons*. SUP 10A.11 therefore only applies if the *firm* in question is a *PRA-authorised person*.
- 10A.11.2 G Both the *FCA* and the *PRA* may specify a function as a *controlled function* in relation to a *PRA-authorised person*. However, only the *FCA* has power to specify a *customer-dealing function* as a *controlled function*.
- 10A.11.3 G Therefore, if a *person's* job for a *firm* involves:
- (1) an *FCA controlled function*, the *firm* should apply to the *FCA* for approval;
  - (2) a *PRA controlled function*, the *firm* should apply to the *PRA* for approval;

(3) both an *FCA controlled function* and a *PRA controlled function*, the *firm* should apply to both the *FCA* and the *PRA* for approval (the purpose of *SUP* 10A.11 is to cut down the need for this sort of dual approval).

10A.11.4 G The *PRA* cannot give its approval for the performance of a *PRA controlled function* without the consent of the *FCA*. The *firm* does not need to apply to the *FCA* for that consent. The *PRA* must as soon as practicable notify the *FCA* of the receipt or withdrawal of an application to the *PRA*.

10A.11.5 G Under section 59B of the *Act* (Role of *FCA* in relation to *PRA* decisions) the *FCA* may arrange with the *PRA* that in agreed cases the *PRA* may give approval without obtaining the consent of the *FCA*. No such arrangements are currently in force.

10A.11.6 G The *FCA* and *PRA* have coordinated their *approved persons* regime to reduce the amount of overlap. These arrangements relate to *significant-influence functions* only.

10A.11.7 G The *FCA* is under a duty under section 59A of the *Act* (Specifying functions as controlled functions: supplementary) to exercise the power to specify any *significant-influence function* as an *FCA controlled function* in a way that it considers will minimise the likelihood that approvals fall to be given by both the *FCA* and the *PRA* in respect of the performance by a *person* of *significant-influence functions* in relation to the same *PRA-authorised person*.

Guidance on how *SUP* 10A.11 works

10A.11.8 G *SUP* 10A.11 disapplies the *apportionment and oversight function* for a *person* who is the subject of an application for approval to perform a *PRA governing function*, subject to certain conditions set out in *SUP* 10A.11.11R. Where this is the case the *apportionment and oversight function* is included in the *PRA governing function* for which the *person* has approval. *SUP* 10B.7 of the *PRA's Handbook* deals with this.

10A.11.9 G *SUP* 10A.11.10G gives some examples of how *SUP* 10A.11 works.

10A.11.10 G Table: Examples of how the need for dual *FCA* and *PRA* approval in relation to *PRA-authorised persons* is reduced

Example	Whether <i>FCA</i> approval required	Whether <i>PRA</i> approval required	Comments
(1) A is being appointed <i>chief executive</i> and the <i>person</i> performing the <i>apportionment</i>	No.	Yes	The <i>PRA chief executive function</i> is expanded to include the <i>apportionment and</i>

<i>and oversight function.</i>			<i>oversight function.</i> To avoid the need for <i>FCA</i> approval, A's appointment as the <i>person</i> performing the <i>apportionment and oversight function</i> should not take effect before <i>PRA</i> approval for the <i>chief executive</i> role.
(2) Same as (1) but the application to the <i>PRA</i> does not mention that it is also intended that A is perform what would otherwise be the <i>apportionment and oversight function</i>	Yes	Yes	<i>SUP</i> 10A.11 does not apply if the application for <i>PRA</i> approval does not say that A will also be performing what would otherwise be the <i>apportionment and oversight function</i> .
(3) A is appointed as <i>chief executive</i> . Later, he is appointed to perform the <i>apportionment and oversight function</i> while carrying on as <i>chief executive</i> .	Yes, when he is appointed to perform the <i>apportionment and oversight function</i>	Yes, when he takes up the <i>chief executive</i> role	
(4) A is appointed to perform the <i>apportionment and oversight function</i> . He later becomes the <i>chief executive</i> .	Yes, when he is appointed to perform the <i>apportionment and oversight function</i> .	Yes, when he becomes the <i>chief executive</i>	When A is appointed as <i>chief executive</i> he retains his status as an <i>FCA-approved person</i> .
(5) A is being appointed as <i>director</i> and as the <i>person</i> performing the <i>apportionment and oversight function</i> . Later, he becomes <i>chief</i>	On being appointed <i>director</i> , see the answers to (1) and (2). No <i>FCA</i> approval is needed when A becomes <i>chief</i>	Yes	

<p><i>executive</i> (but carries on with the <i>apportionment and oversight function</i>).</p>	<p><i>executive</i>; the <i>apportionment and oversight function</i> remains switched off when A takes up the role of <i>chief executive</i>. The application to the <i>PRA</i> should say that A is performing what would otherwise be the <i>apportionment and oversight function</i>.</p>		
<p>(6) A is appointed as <i>chief executive</i> and to perform the <i>apportionment and oversight function</i> at the same time. Later, A gives up his role as <i>chief executive</i> but carries on performing the <i>apportionment and oversight function</i> role.</p>	<p>On A's first appointment, No. But when A gives up the role as <i>chief executive</i>, <i>FCA</i> approval is needed to perform the <i>apportionment and oversight function</i>. Form E should be used. The application should state that it is being made as a result of ceasing to perform a <i>PRA controlled function</i> when the rule in <i>SUP</i> 10B.7.4R of the <i>PRA's Handbook</i> applies.</p> <p>Form A should be used if there have been changes in</p>	<p>On his first appointment, Yes.</p>	<p>Performing the <i>apportionment and oversight function</i> requires <i>FCA</i> approval. A does not have that approval because A did not need it when he was first appointed. The combined effect of <i>SUP</i> 10A.11 and <i>SUP</i> 10B.7 of the <i>PRA's Handbook</i> is that the <i>firm</i> has three months to secure approval by the <i>FCA</i> for A's performance of the <i>apportionment and oversight function</i>. During that interim period, A keeps his status as a <i>PRA-approved person</i> performing the <i>apportionment and oversight element</i> of the <i>PRA chief executive function</i> which is included in that function</p>

	<p>fitness of the <i>approved person</i> (<i>SUP</i> 10A.14.4D(3)).</p>		<p>under <i>SUP</i> 10B.7 of the <i>PRA's Handbook</i>. This is because <i>SUP</i> 10B.7.4R in the <i>PRA's Handbook</i> says that during this transitional period he is still treated as performing the <i>PRA chief executive function</i> and <i>SUP</i> 10A.11 says that for as long as he is performing a <i>PRA governing function</i> he does not perform the <i>apportionment and oversight function</i>.</p>
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The main rule

- 10A.11.11 R A *person* (referred to as A in this *rule*) is not performing the *apportionment and oversight function* in relation to a *PRA-authorized person* (referred to as B in this *rule*), at a particular time, if:
- (1) A has been approved by the *PRA* to perform any *PRA governing function* in relation to B;
  - (2) throughout the whole of the period between the time of the *PRA* approval in (1) and the time in question A has been the subject of a *current PRA approved person approval* to perform a *PRA governing function* in relation to B;
  - (3) at the time of the *PRA* approval referred to in (1), A was not subject to a *current FCA approved person approval* to perform the *apportionment and oversight function* in relation to B; and
  - (4) at the time of the *PRA* approval referred to in (1), A had not started to perform what would otherwise have been the *apportionment and oversight function* (the *FCA function*) and, as part of the application for the *PRA* approval referred to in (1), B notified the *PRA* that A would start to perform the *FCA function* at or around the time of the *PRA* approval in (1).

**10A.12 Procedures relating to FCA-approved persons**

Forms

10A.12.1 G The forms listed in *SUP* 10A.12.2G are referred to in *SUP* 10A.12 (Procedures relating to FCA-approved persons) to *SUP* 10A.17 (Further questions).

10A.12.2 G Table: FCA-approved persons forms

<b>Form</b>		<b>Purpose</b>	<b>Handbook requirement</b>
the relevant Form A	The relevant online form on the <i>FCA</i> and <i>PRA</i> 's ONA system or the form in <i>SUP</i> 10A Annex 4D (See Note)	Application to perform controlled functions under the approved persons regime	<i>SUP</i> 10A.13.3D
Form B	<i>SUP</i> 10A Annex 5R	Notice to withdraw an application to perform controlled functions under the approved persons regime	<i>SUP</i> 10A.13.19R
Form C	<i>SUP</i> 10A Annex 6R	Notice of ceasing to perform controlled functions	<i>SUP</i> 10A.14.8R
Form D	<i>SUP</i> 10A Annex 7R	Notification of changes in personal information or application details	<i>SUP</i> 10A.14.15R

Form E	The relevant online form on the <i>FCA</i> and <i>PRA</i> 's ONA system or the form in <i>SUP</i> 10A Annex 8D (See Note)	Internal transfer of an <i>approved person</i>	<i>SUP</i> 10A.14.4D
Note: The form in the <i>SUP</i> annex shown is to be used by <i>credit unions</i> , and by other <i>firms</i> only in the event of a failure of the information technology systems used by the <i>FCA</i> . See the relevant "Handbook requirement"			

10A.12.3 G A summary of the forms and their purposes is in *SUP* 10A Annex 2G.

10A.12.4 G Unless the context otherwise requires, in *SUP* 10A.12 (Procedures relating to *FCA*-approved persons) to *SUP* 10A.17 (Further questions) where reference is made to a *firm*, this also includes an applicant for *Part 4A permission*, and other *persons* seeking to carry on *regulated activities* as an *authorised person*.

10A.12.5 G Forms B, C, D and E can only be submitted in respect of an *FCA-approved person* by the *firm* that submitted an *FCA-approved person's* original application (the relevant Form A).

10A.12.6 G Copies of Forms A, B, C, D and E may be obtained from the *FCA* website. *Credit unions* can obtain copies from the *FCA's* Firm Contact Centre. To contact the *FCA's* Customer Contact Centre for *approved persons* enquiries:

- (1) telephone 0845 606 9966; or
- (2) e-mail [fcc@fca.org.uk](mailto:fcc@fca.org.uk); or
- (3) fax 020 7066 0017; or
- (4) write to:

Customer Contact Centre  
The Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON E14 5HS.

## 10A.13 Application for approval and withdrawing an application for approval

### When to apply for approval

- 10A.13.1 G In accordance with section 59 of the *Act* (Approval for particular arrangements), where a *candidate* will be performing one or more *FCA controlled functions*, a *firm* must take reasonable care to ensure that the *candidate* does not perform these functions unless he has prior approval from the *FCA*.

### Failure to apply for approval

- 10A.13.2 G If a *person* performs an *FCA controlled function* without approval it is not only the *firm* that is accountable. Under section 63A of the *Act* (Power to impose penalties), if the *FCA* is satisfied that:
- (1) a *person* (“P”) has at any time performed an *FCA controlled function* without approval; and
  - (2) at that time P knew, or could reasonably be expected to have known, that P was performing an *FCA controlled function* without approval;
- it may impose a penalty on P of such amount as it considers appropriate.

### How to apply for approval

- 10A.13.3 D An application by a *firm* for the *FCA*'s approval under section 59 of the *Act* (Approval for particular arrangements) must be made by completing Form A (except where *SUP* 10A.14.4D requires a Form E).
- 10A.13.4 G *SUP* 10A.16.1D explains how applications should be submitted.

### Who should make the application?

- 10A.13.5 G (1) In accordance with section 60 of the *Act* (Applications for approval), applications must be submitted by, or on behalf of, the *firm* itself, not by:
- (a) the *FCA candidate*; or
  - (b) (where the *FCA candidate* works for the *firm*'s parent undertaking or holding company) by the *firm*'s parent undertaking or holding company.

- (2) Usually this will be the *firm* that is employing the *FCA candidate* to perform the *FCA controlled function*. Where a *firm* has outsourced the performance of an *FCA controlled function*, the details of the outsourcing determine where responsibility lies and whom the *FCA* anticipates will submit *FCA-approved persons* application forms. *SUP 10A.13.6G* describes some common situations. The *firm* which is outsourcing is referred to as "A" and the *person* to whom the performance of the *FCA controlled function* has been outsourced, or which makes the arrangement for the *FCA controlled function* to be performed, is referred to as "B". In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the Act, no *person* performs an *FCA controlled function* under an arrangement entered into by its contractor in relation to the carrying on by A of a *regulated activity*, without approval from the *FCA*. See also *SYSC 3.2.4G* and *SYSC 8.1.1R*, and *SYSC 13.9* for *insurers*.

10A.13.6 G Outsourcing arrangements

<b>Outsourcing arrangements</b>		<b>Submitting form</b>
<i>Firm A to firm B</i>	The <i>FCA</i> will consider A to have taken reasonable care if it enters into a contract with B under which B is responsible for ensuring that the relevant <i>FCA controlled functions</i> are performed by <i>FCA-approved persons</i> , and that it is reasonable for A to rely on this	<i>Firm B</i> submits <i>FCA-approved persons</i> forms on behalf of <i>firm A</i>
Outsourcing by A to B (both being a member of the same <i>United Kingdom group</i> and each having its registered office in the <i>United Kingdom</i> )	See <i>SUP 10A.3.4G</i>	See <i>SUP 15.7.8G</i>

<p>(i) A to B, where B is a non-<i>authorised person</i> not part of the same <i>group</i> as A  (ii) A to B, where A is a <i>branch</i> of an <i>overseas firm</i> in the <i>United Kingdom</i>, and B is an <i>overseas undertaking</i> of the same <i>group</i>  (iii) A to B, where A is a <i>UK authorised subsidiary</i> of an <i>overseas firm</i> and B is an <i>overseas undertaking</i> of the same <i>group</i></p>	<p>Responsibility for (as opposed to the performance of) any activity <i>outsourced</i> to B will remain with A. See <i>SYSC 3.2.4G</i> and <i>SYSC 8</i></p>	<p>A ensures that an individual approved by the <i>FCA</i> or the <i>PRA</i> under a <i>controlled function</i> that is a <i>significant-influence function</i> has responsibility for the <i>outsourced arrangement</i> and A submits a form in relation to that individual</p>
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- 10A.13.7 G Where the notification of an *appointed representative* (*SUP 12.7.1R*) is linked to an application for approval (*SUP 10A.13* (Applications for approval and withdrawing an application for approval)), any delay in receiving the notification under *SUP 12.7.1R* may delay the *FCA*'s approval of the individuals employed by that *appointed representative* who will be performing *FCA controlled functions* for the *firm*.

Processing an application

- 10A.13.8 G The *Act* sets out the time that the *FCA* has to consider an application and come to a decision.
- 10A.13.9 G In any case where the application for approval is made by a *person* applying for *permission* under Part 4A of the *Act*, the *FCA* has until the end of whichever of the following periods ends last:
- (1) the period within which an application for that *permission* must be determined; and
  - (2) the period of three months from the time it receives a properly completed application.
- 10A.13.10 G In any other case it is the period of three months from the time it receives a properly completed application.

- 10A.13.11 G The *FCA* must either grant the application or, if it proposes not to grant an application, issue a *warning notice* (see *DEPP 2*). The *FCA* will deal with cases more quickly than this whenever circumstances allow and will try to meet the standard response times published on the website and in its Annual Report. However, if an application is incomplete when received, or the *FCA* has knowledge that, or reason to believe that, the information is incomplete, then the processing time will be longer than the published standard response times.
- 10A.13.12 G Application forms must always be completed fully and honestly. Further notes on how to complete the form are contained in each form. If forms are not completed fully and honestly, applications will be subject to investigation and the *FCA candidate's* suitability to be approved to undertake an *FCA controlled function* will be called into question. A *person* who provides information to the *FCA* that is false or misleading may commit a criminal offence, and could face prosecution under section 398 of the *Act* regardless of the status of their application.
- 10A.13.13 G If there is a delay in processing the application within the standard response time, the *FCA* will tell the *firm* making the application as soon as this becomes apparent.
- 10A.13.14 G Before making a decision to grant the application or give a *warning notice*, the *FCA* may ask the *firm* for more information about the *FCA candidate*. If it does this, the three-month period in which the *FCA* must determine a completed application:
- (1) will stop on the day the *FCA* requests the information; and
  - (2) will start running again on the day on which the *FCA* finally receives all the requested information.
- 10A.13.15 G The *FCA* may grant an application only if it is satisfied that the *FCA candidate* is a fit and proper *person* to perform the *FCA controlled function* stated in the application form. Responsibility lies with the *firm* making the application to satisfy the *FCA* that the *FCA candidate* is fit and proper to perform the *FCA controlled function* applied for.
- 10A.13.16 G For further *guidance* on criteria for assessing whether a *FCA candidate* is fit and proper, see *FIT*.

#### Decisions on applications

- 10A.13.17 G Whenever it grants an application, the *FCA* will confirm this in writing to all *interested parties*.
- 10A.13.18 G If the *FCA* proposes to refuse an application in relation to one or more *FCA controlled functions*, it must follow the procedures for issuing *warning* and *decision notices* to all *interested parties*. The requirements relating to *warning* and *decision notices* are in *DEPP 2*.

#### Withdrawing an application for approval

- 10A.13.19 R A *firm* applying to withdraw an application for approval must notify the *FCA*, using Form B, in the form set out in *SUP* 10A Annex 5R.
- 10A.13.20 G Under section 61(5) of the *Act* (Determination of applications), the *firm* may withdraw an application only if it also has the consent of the *candidate* and the *person* by whom the *candidate* is or would have been employed, if this is not the *firm* making the application.

### 10A.14 Changes to an FCA-approved person's details

#### Moving within a firm

- 10A.14.1 G An *FCA-approved person's* job may change from time to time as a result, for instance, of a change in personal job responsibilities or a *firm's regulated activities*. Where the changes will involve the *person* performing one or more *FCA controlled functions* different from those for which approval has already been granted, then an application must be made to the *FCA* for approval for the *person* to perform those *FCA controlled functions*. The *firm* must take reasonable care to ensure that an individual does not begin performing an *FCA controlled function* until the *FCA* has granted *FCA-approved person* status to that individual in respect of that *FCA controlled function*. Similarly, a *firm* must get the *FCA's* approval if a *person* is to start performing an *FCA controlled function* in relation to that *firm* when he already has the *PRA's* approval to perform a *PRA controlled function* in relation to that *firm*.
- 10A.14.2 G If an *FCA-approved person* or a *PRA-approved person* is ceasing to perform *FCA controlled functions* or *PRA controlled functions*, as well as applying for approval in respect of *FCA controlled functions*, *SUP* 10A.14.4D generally applies. Further details can be found in *SUP* 10A Annex 2G.
- 10A.14.3 G If a *person* is to perform an *FCA controlled function* for a *firm* for which he already performs a *PRA controlled function* or *FCA controlled function* as an *approved person* but he is not at the same time ceasing to perform an *FCA controlled function* or *PRA controlled function*, a *firm* should use Form A. It is not mandatory to complete all parts of the form. See the notes relevant to each form for full details.
- 10A.14.4 D (1) A *firm* must use Form E where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *FCA controlled functions* within the same *firm* or *group*.

- (2) A *firm* must not use Form E if the *approved person* has never before been approved to perform a *significant-influence function* for any *firm* or has not been subject to a *current approved person approval* from the *FCA* or *PRA* to perform a *significant-influence function* in relation to any *firm* for more than six months.
- (3) A *firm* must not use Form E if a notification has been made or should be made under *SUP* 10A.14.17R (Changes in fitness to be notified under Form D) or *SUP* 10B.12.18R (the equivalent *PRA rule*) in relation to any *controlled functions* that that *person* is ceasing to perform (as referred to in (1)) or any *controlled function* that he is continuing to perform in relation to that *firm* or a *firm* in the same *group*.

10A.14.5 G *SUP* 10A.16.1D explains how applications should be submitted.

#### Moving between firms

10A.14.6 G If it is proposed that an *FCA-approved person* will no longer be performing an *FCA controlled function* under an *arrangement* entered into by one *firm* or one of its contractors, but will be performing the same or a different *FCA controlled function* under an *arrangement* entered into by a new *firm* or one of its contractors (whether or not the new *firm* is in the same *group* as the old *firm*), the new *firm* will be required to make a fresh application for the performance of the *FCA controlled function* by that *person*.

10A.14.7 G In certain circumstances, when the *FCA* already has the information it would usually require, a shortened version of the relevant Form A may be completed. See the notes relevant to each form for full details.

#### Ceasing to perform an FCA controlled function

10A.14.8 R A *firm* must submit to the *FCA* a completed Form C, in the form set out in *SUP* 10A Annex 6R, no later than seven *business days* after an *FCA-approved person* ceases to perform an *FCA controlled function*. This does not apply if the *firm* has already notified the *FCA* of the proposal to do that using Form E in accordance with this chapter or has notified the *PRA* of the proposal to do that using the *PRA's* Form E in accordance with *SUP* 10B of the *PRA's* Handbook.

10A.14.9 G *SUP* 10A.16.2R explains how notifications should be submitted.

- 10A.14.10 R
- (1) A *firm* must notify the *FCA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C in respect of an *FCA-approved person*.
  - (2) Form C is qualified if the information it contains:
    - (a) relates to the fact that the *firm* has dismissed, or suspended, the *FCA-approved person* from its employment; or

- (b) relates to the resignation by the *FCA-approved person* while under investigation by the *firm*, the *FCA* or any other *regulatory body*; or
  - (c) otherwise reasonably suggests that it may affect the *FCA*'s assessment of the *FCA-approved person*'s fitness and propriety.
- 10A.14.11 G Notification under *SUP* 10A.14.10R may be made by telephone, email or fax and should be made, where possible, within one *business day* of the *firm* becoming aware of the information. If the *firm* does not submit Form C, it should inform the *FCA* in due course of the reason. This could be done using Form D, if appropriate.
- 10A.14.12 G A *firm* is responsible for notifying the *FCA* if any *FCA-approved person* has ceased to perform an *FCA controlled function* under an arrangement entered into by its *appointed representative* or former *appointed representative*
- 10A.14.13 G A *firm* can submit Form C or Form E to the *FCA* in advance of the cessation date. When a *person* ceases the arrangement under which he performs an *FCA controlled function*, he will automatically cease to be an *FCA-approved person* in relation to that *FCA controlled function*. A *person* can only be an *FCA-approved person* in relation to a specific *FCA controlled function*. Therefore, a *person* is not an *FCA-approved person* during any period between ceasing to perform one *FCA controlled function* (when he is performing no other *FCA controlled function*) and being approved in respect of another *FCA controlled function*.
- 10A.14.14 G Sending forms promptly will help to ensure that any fresh application can be processed within the standard response times.

Changes to an approved person's personal details

- 10A.14.15 R If an *FCA-approved person*'s title, name or national insurance number changes, the *firm* for which the *person* performs an *FCA controlled function* must notify the *FCA* on Form D, in the form set out in *SUP* 10A Annex 7R, of that change within seven *business days* of the *firm* becoming aware of the matter.
- 10A.14.16 G The duty to notify in *SUP* 10A.14.15R does not apply to changes to an *FCA-approved person*'s private address.
- 10A.14.17 R If a *firm* becomes aware of information which would reasonably be material to the assessment of an *FCA-approved person*'s, or a *FCA candidate*'s, fitness and propriety (see *FIT*), it must inform the *FCA* on Form D, or (if it is more practical to do so and with the prior agreement of the *FCA*) by e-mail or fax, as soon as practicable.
- 10A.14.18 G *SUP* 10A.16.2R applies to the submission of Form D.

- 10A.14.19 G Failing to disclose relevant information to the *FCA* may be a criminal offence under section 398 of the *Act*.
- 10A.14.20 G The duty to notify in *SUP* 10A.14.17R extends to any circumstances that would normally be declared when giving the information required for section 5 of Form A or matters considered in *FIT* 2.
- 10A.14.21 R (1) If, in relation to a *firm* which has completed the relevant Form A (*SUP* 10A Annex 4D), any of the details relating to arrangements and *FCA controlled functions* are to change, the *firm* must notify the *FCA* on Form D (*SUP* 10A Annex 7R).
- (2) The notification under (1) must be made as soon as reasonably practicable after the *firm* becomes aware of the proposed change.
- (3) This also applies in relation to an *FCA controlled function* for which an application was made using Form E.
- (4) This *rule* also applies to a *firm* in respect of an *approved person*, to whom the grandfathering arrangements relating to the coming into force of the *Act* applied as if the *firm* had completed the relevant Form A for that *person*.
- 10A.14.22 G *SUP* 10A.16.2R also applies to the submission of Form D under *SUP* 10A.14.21R.
- 10A.14.23 G An example of where a *firm* should use Form D is when an individual who is appointed by one *appointed representative* becomes employed by another *appointed representative* but continues to perform the *customer function* for the *firm*. The *firm* should notify the *FCA* by completing Section 1.07 of Form D.

#### Ongoing alerts for retail adviser complaints

- 10A.14.24 R (1) A *firm* must notify the *FCA*, in the form set out in *SUP* 10 Annex 9R, where:
- (a) in any twelve-month period, it has upheld three *complaints* about matters relating to the *retail investment activities* carried out by any one *retail investment adviser*; or
- (b) it has upheld a *complaint* about matters relating to the *retail investment activities* carried out by a *retail investment adviser*, where the redress paid exceeds £50,000.
- (2) (a) Notifications made under (1)(a) must be made by the end of the period of 20 *business days*, beginning on the day in which the *firm* has upheld the third complaint.

- (b) Notifications made under (1)(b) must be made by the end of the period of 20 *business days*, beginning on the day in which the *firm* has upheld the complaint.

10A.14.25 G For the purpose of *SUP* 10A.14.24R:

- (1) when calculating the number of *complaints* in *SUP* 10A.14.24R(1)(a), the *firm* should exclude complaints previously notified to the *FCA* under this *rule*;
- (2) redress, under *SUP* 10A.14.24R(1)(b), should be interpreted to include an amount paid, or cost borne, by the *firm*, where a cash value can be readily identified, and should include:
  - (a) amounts paid for distress and inconvenience;
  - (b) a free transfer out to another provider which transfer would normally be paid for;
  - (c) goodwill payments and goodwill gestures;
  - (d) interest on delayed settlements;
  - (e) waiver of an excess on an insurance policy; and
  - (f) payments to put the consumer back into the position the consumer should have been in had the act or omission not occurred; and
- (3) if a *firm* reports on the amount of redress paid under *SUP* 10A.14.24R(1)(b), the redress should not include repayments or refunds of premiums which had been taken in error (for example where a *firm* had been taking, by direct debit, twice the actual premium amount due under a policy); the refund of the overcharge would not count as redress.

[**Note:** See *DISP* 1.10.2AR for the duty to notify *complaints* under the *complaints reporting rules*]

10A.14.26 R Notifications under *SUP* 10A.14.24R must be made electronically using a method of notification prescribed by the *FCA*.

## **10A.15 References and accurate information**

### References

10A.15.1 R (1) If a *firm* (A):

- (a) is considering appointing a *person* to perform any *FCA controlled function*;
- (b) requests another *firm* (B), as a current or former employer of that *person*, for a reference or other information in connection with that appointment; and
- (c) indicates to B the purpose of the request;

B must, as soon as reasonably practicable, give to A all relevant information of which it is aware.

- (2) When giving the information to A under (1), B must have regard to the purpose of the request and, in particular, to:
  - (a) any outstanding liabilities of that *person* from commission payments;
  - (b) any relevant outstanding or upheld complaint from an *eligible complainant* against that *person*;
  - (c) section 5 of the relevant Form A in SUP 10A Annex 4 (Application to perform controlled functions under approved persons regime);
  - (d) FIT 2 (Main assessment criteria); and
  - (e) if SUP 16.8.1G(1) (Persistency reports from insurers) applies to B, the persistency of any *life policies* sold by that *person*.

10A.15.2 G The requirement in SUP 10A.15.1R(1) for *firm* (B) to give to *firm* (A) all relevant information of which it is aware concerning a *person* *firm* A is considering appointing to perform any of the *FCA controlled functions*, also applies where *firm* A has outsourced the collection of that information to another (unregulated) third party, where *firm* B has been made aware that the unregulated third party is acting on behalf of *firm* A.

10A.15.3 G A *firm* supplying a reference in accordance with SUP 10A.15.1R owes a duty to its former *employee* and the recipient *firm* to exercise due skill and care in the preparation of the reference. The reference should be accurate and based on documented fact. The *firm* may give frank and honest views, but only after taking reasonable care both as to factual content, and as to the opinions expressed, and verifying the information upon which they are based.

The need for complete and accurate information

10A.15.4 G The obligations to supply information to:

- (1) the *FCA* under either SUP 10A.14.8R or SUP 10A.14.10R;

(2) another *firm* under SUP 10A.15.1R;

apply notwithstanding any agreement (for example a 'COT 3' Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a *firm* and an *employee* upon termination of the *employee's* employment. A *firm* should not enter into any such arrangements or agreements that could conflict with its obligations under this section.

10A.15.5 G Failing to disclose relevant information to the *FCA* may be a criminal offence under section 398 of the Act.

## 10.16 How to apply for approval and give notifications

- 10A.16.1 D (1) This direction applies to an application under Form A or Form E.
- (2) An application by a *firm* other than a *credit union* must be made by submitting the Form online at [fca.org.uk](http://fca.org.uk) using the form specified on the *FCA's* and *PRA's* ONA system.
- (3) An application by a *credit union* must be made using the form in SUP 10A Annex 4D or SUP 10A Annex 8D and must be submitted in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- (4) Where a *firm* is obliged to submit an application online under (2), if the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must use the form in SUP 10A Annex 4D or SUP 10A Annex 8D and submit it in the way set out in SUP 15.7.4R to SUP 15.7.9G (Form and method of notification).
- 10A.16.2 R (1) This rule applies to a notification under Form C or Form D.
- (2) A notification must be made in accordance with SUP 10A.16.1D, except that the annexes to SUP 10A in which the forms are to be found are SUP 10A Annex 6R or SUP 10A Annex 7R, rather than the Annexes mentioned in SUP 10A.16.1D.
- 10A.16.3 G If the information technology systems used by the *FCA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that online submission is unavailable and that the alternative methods of submission set out in SUP 10A.16.1D(4) and SUP 15.7.4R to SUP 15.7.9G (Form and method of notification) should be used.
- 10A.16.4 G Where SUP 10A.16.1D(4) or the equivalent situation under SUP 10A.16.2R applies to a *firm*, GEN 1.3.2R (Emergency) does not apply.

**10A.17 Further questions**

- 10A.17.1 G A list of frequently asked questions and answers is at *SUP* 10A Annex 1.
- 10A.17.2 G If the *firm* or its advisers have further questions, they should contact the *FCA's* Contact Centre (see *SUP* 10A.12.6G).

**10A Annex 1G Frequently asked questions**

	<b>Question</b>	<b>Answer</b>
	<b>Requirements of the regime</b>	
1	Does pre-approval apply to individuals taking up a new <i>FCA controlled function</i> within the same <i>firm</i> ?	Yes. Pre-approval applies in all circumstances (see section 59 of the <i>Act</i> (Approval for particular arrangements)) except under the temporary (12 weeks) provision. See <i>SUP</i> 10A.5.6R and question 2.
2	What are the procedures for 'emergency situations'?	Individuals may perform an <i>FCA significant-influence function</i> for up to 12 weeks in any consecutive 12-month period without requiring approval. When it becomes clear that a <i>person</i> will be performing the function on a permanent basis, then an application for approval should be made. However, there is no provision for individuals to perform the <i>customer function</i> on a continuing basis without approval ( <i>SUP</i> 10A.5.6R).
3	Can a <i>person</i> be approved for more than one <i>FCA controlled function</i> ?	Yes. A <i>firm</i> will need to seek approval in respect of each <i>FCA controlled function</i> a <i>person</i> is to perform.

4	Do the <i>FCA controlled functions</i> apply to an <i>incoming EEA firm</i> that is providing <i>cross border services</i> into the <i>United Kingdom</i> ?	No. The <i>FCA-approved persons</i> regime does not apply to <i>cross border services</i> ( <i>SUP 10A.1.5R</i> ).
5	May any activity be outsourced by a <i>firm</i> ?	Yes. But if that activity constitutes a <i>regulated activity</i> , the <i>person</i> to whom it is outsourced will itself need permission.
6	Can an <i>FCA significant-influence function</i> be outsourced?	It is a question of fact in each case as to who is performing an <i>FCA significant-influence function</i> . These functions are mostly described at a high level of responsibility, for example, the <i>director</i> of a <i>company</i> or a <i>partner</i> in a <i>partnership</i> . The <i>persons</i> performing these functions cannot avoid their ultimate responsibility and, therefore, the need for approval. However, some of the <i>FCA significant-influence functions</i> may be performed by a <i>person</i> who is specifically brought in to do the job, for example the <i>chief executive function</i> (where it is to be performed by a <i>body corporate</i> ).
7	Do Lloyd's underwriting agents still require registration with Lloyd's?	Yes. Approval for a <i>controlled function</i> is not sufficient.
8	What should a <i>firm</i> do if it is unsure whether an individual needs approval?	The <i>firm</i> should contact the <i>FCA's</i> Customer Contact Centre. See <i>SUP 10A.12.6G</i> .
	<b>Submitting an application</b>	
9	Who applies for approval?	The <i>firm</i> . See section 60 of the <i>Act</i> (Applications for approval).

10	What is the role of the <i>FCA candidate</i> in the application process?	Before the <i>firm</i> submits the relevant Form A or Form E, it must verify the information contained in it. As part of this verification, the Form provides for the <i>FCA candidate</i> to confirm the accuracy of the information given by the <i>firm</i> so far as it relates to him.
11	What checks should a <i>firm</i> make on a <i>FCA candidate</i> before submitting an application for approval from the <i>FCA</i> ?	The <i>FCA</i> expects <i>firms</i> to perform due and diligent enquiries into their <i>FCA candidates</i> before they submit an application to the <i>FCA</i> for approval. The <i>FCA</i> 's approval process is not a substitute for the checks that a <i>firm</i> should be carrying out on its prospective recruits. It is for the <i>firm</i> to determine what checks are appropriate but, in making its decision, a <i>firm</i> should have regard to the <i>FCA controlled function</i> to which the application relates. <i>Firms</i> ' enquiries should include checks to verify relevant qualifications and previous employment. Note also the provisions of <i>EG 6</i> .
12	Should these checks include a check of criminal records?	It is for senior management to decide what checks should be made. In deciding if it is necessary to carry out a check of criminal records, the <i>firm</i> should consider that the <i>FCA</i> does not routinely carry out these checks during the approval process. By virtue of the <i>rehabilitation exceptions orders</i> , the <i>FCA</i> and the industry also have a right to ask about the spent criminal convictions specified in those Orders, as well as any unspent criminal convictions, in order to assess the suitability of <i>FCA candidates</i> for <i>approved person</i> status (see section 5 of the relevant Form A (Application to perform controlled functions under the approved persons regime)). Note also the provisions of <i>EG 6</i> (Publicity).
13	What is the "fit and proper" test for approval?	Section 61(1) of the <i>Act</i> (Determination of applications) provides that the <i>FCA</i> may grant an application only if it is satisfied that the <i>FCA candidate</i> is a fit and proper <i>person</i> to perform the relevant function. In determining this question, the <i>Act</i> sets out the matters to which the <i>FCA</i> may have regard (section 61(2)) and the <i>FCA</i> has given guidance on this in <i>FIT</i> .

14	If a <i>firm</i> is unsure whether or not something may have an impact upon an individual's fitness and propriety, should it be disclosed?	Yes, always. The deliberate non-disclosure of material facts is taken very seriously by the <i>FCA</i> as it is seen as possible evidence of current dishonesty. Therefore, if in doubt, disclose.
15	What happens if adverse information comes to light after the application form has been submitted or after the individual has been <i>FCA</i> -approved?	The <i>firm</i> must inform the <i>FCA</i> at the earliest opportunity. See <i>SUP</i> 10A.14.17R.
16	Will the <i>FCA</i> consider an application in respect of a <i>FCA candidate</i> who has not yet signed a contract with the <i>firm</i> ?	Yes, as the <i>FCA</i> will consider the arrangement under which the <i>FCA candidate</i> will perform the function. However, the <i>FCA</i> will not consider speculative or provisional applications - such as for the <i>FCA candidates</i> in an election to a mutual society Board. The <i>FCA</i> must be informed immediately of any material changes to the information provided on the application form which arises before the application has been determined. All changes must be communicated to the <i>FCA</i> by the <i>firm</i> making the application (see <i>SUP</i> 15.6.4R). Failure to notify the <i>FCA</i> may result in a delay in processing or rejection or both.
17	How can <i>credit unions</i> get a supply of application forms (Forms A to F)?	These can be ordered from the <i>FCA</i> 's Customer Contact Centre. There is no charge for an application form.

18	Is there a separate fee for making an application for <i>FCA-approved person</i> status?	No.
19	Must all gaps in previous employment be explained?	Yes.
	<b>FCA procedure</b>	
20	Does the <i>FCA</i> verify the information provided to it?	Yes, as far as possible, information is verified.
21	Will the <i>FCA</i> handle information confidentially?	Yes. The <i>FCA</i> is obliged to handle all information confidentially and is subject to the provisions of the Data Protection Act 1998.
22	How long will the <i>FCA</i> take to process an application for <i>FCA-approved person</i> status?	The length of time taken to process the application will vary as it is dependent upon the application under consideration. The <i>FCA</i> publishes standard response times on its website at <a href="http://www.fca.org.uk">www.fca.org.uk</a> setting out how long the application process is expected to take in practice. From time to time, the <i>FCA</i> also publishes its performance against these times. However, if, for example, information is missing from the application, or the information provided gives the <i>FCA</i> cause for concern, or the <i>FCA</i> already has in its possession relevant information which gives rise to concerns, processing time will almost always be longer. In each case, the <i>FCA</i> will notify the <i>firm</i> of any extension to the processing times.
23	Will the <i>firm</i> and individual be notified if there is a delay in processing the application form?	Yes. The <i>FCA</i> will contact the <i>firm</i> explaining the position and, where appropriate, giving the reasons for delay. It will then be the responsibility of the <i>firm</i> to keep the <i>FCA candidate</i> and any other <i>interested party</i> informed.

24	How are non-routine cases handled?	Refer to <i>DEPP 2</i> .
25	Can the <i>FCA</i> apply conditions to an <i>FCA-approved person</i> ?	No. The application can either be granted or refused. The <i>Act</i> provides no equivalent to the limitations or requirements which may be included in <i>permissions</i> . If the application is refused, the <i>firm</i> may re-apply in respect of the same individual but a different <i>FCA controlled function</i> . If it is considering doing this, the <i>firm</i> is encouraged to discuss the matter with the <i>FCA</i> . Where there are reasonable grounds for doing so, the <i>FCA</i> may require a <i>firm</i> to provide information about an <i>FCA-approved person</i> (see section 165 of the <i>Act</i> (Power to require information)).
26	Will the <i>firm</i> be issued with confirmation of approval?	Yes. The <i>firm</i> will be sent a letter setting out the effective date of approval together with the <i>FCA controlled function</i> for which the individual has been <i>FCA-approved</i> . It will then be the <i>firm's</i> responsibility to inform the individual and any other <i>interested party</i> , for example any <i>appointed representative</i> .
	<b>Withdrawing an application</b>	
27	Can a <i>firm</i> withdraw its application?	Yes, but only with the consent of the <i>FCA candidate</i> . See section 61(5) of the <i>Act</i> (Determination of applications).
28	What happens if the individual refuses to consent to the withdrawal of the application?	The <i>FCA</i> will consider with all <i>interested parties</i> what to do. If it proposes to refuse the application, it will give a <i>warning notice</i> to all <i>interested parties</i> . See section 62 of the <i>Act</i> (Applications for approval: procedure and right to refer to the Tribunal).
29	Can the <i>firm</i> withdraw only part of an application – for instance, in relation to a specific <i>FCA controlled function</i> ?	The <i>FCA</i> will allow the <i>firm</i> to amend its application at any time before determination with the consent of all other <i>interested parties</i> . Whether the amendment will have the effect of amounting to a fresh application will be considered on a case by case basis.

	<b>Conduct of FCA-approved persons</b>	
30	How and when must the <i>firm</i> report to the <i>FCA</i> potentially adverse information about an <i>FCA-approved person's</i> fitness and propriety?	Normally, the <i>firm</i> should report such matters to the <i>FCA</i> on Form D once it is reasonably satisfied as to the information's validity ( <i>SUP</i> 10A.14.17R). (See also, Chapter 11 of the Principle for Businesses sourcebook ( <i>PRIN</i> ) and Statement of Principle 4 in Chapter 2 of the Statements of Principle and Code of Practice for Approved Persons ( <i>APER</i> .) However, if an <i>FCA-approved person</i> is dismissed, is suspended, or resigns while under investigation by the <i>firm</i> , the <i>FCA</i> or another <i>regulatory body</i> , or there are any other matters that might affect the individual's fitness and propriety to perform an <i>FCA controlled function</i> , the <i>firm</i> should inform the <i>FCA</i> ( <i>SUP</i> 10A.14.10R) that it will be submitting a Form C containing adverse information. Full details must then be provided within seven business days, on the Form C ( <i>SUP</i> 10A.14.8R).
31	For how long are individuals accountable to the <i>FCA</i> after ceasing to be an <i>FCA-approved person</i> ?	A <i>person</i> is guilty of misconduct if, while an <i>FCA-approved person</i> , he fails to comply with a <i>Statement of Principle</i> or is knowingly concerned in the contravention by a <i>firm</i> of a requirement in the <i>Act</i> or the <i>Handbook</i> or certain other requirements. But the <i>FCA</i> may not bring proceedings after three years from when it first knew of the misconduct.

<b>How does the customer function relate to the training and competence requirements?</b>			
<b>Activity</b>	<b>Products/sectors in TC Appendix 1</b>	<b>FCA controlled function</b>	<b>SUP</b>
Advising only,	2-9	<i>customer function</i> (CF 30)	10A.10.4R
Undertaking an activity	10-11		
Advising and dealing	12-13		

Managing investments	14		
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**10A Annex 2 Approved person regime: summary of forms and their use for applications for approval to perform an FCA-controlled function**

<b>Function</b>	<b>Form</b>	<b>Submission</b>
<i>Person about to perform an FCA controlled function if he has never been approved by the FCA or PRA before.</i>	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate is to perform an FCA significant-influence function and either has current approval to perform an FCA significant-influence function or a PRA controlled function, or has had such an approval within the previous six months.</i>	Shortened Form A if conditions met	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate is to perform the customer function and is either an FCA-approved person or a PRA-approved person, or was one within the previous six months.</i>	Shortened Form A if conditions met	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate ceased to be an approved person more than six months ago.</i>	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate is seeking to perform a significant-influence function for the first time or ceased to have approval from the FCA or PRA to perform such function more than six months ago.</i>	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Firm applying for an outstanding application to perform an FCA controlled function to be withdrawn.</i>	B	Submitted by the <i>firm</i> : signed by all <i>interested parties</i> .
<i>Person ceasing to perform an FCA controlled function.</i>	C (unless it should be notified under Form E)	Submitted by the <i>firm</i> within seven <i>business days</i> of <i>approved person</i> ceasing to perform <i>controlled function(s)</i> .

<p>If an <i>FCA-approved person's</i> title, name or national insurance number changes, or there is information which may be material to the continuing assessment of an <i>approved person's</i> fitness and propriety.</p>	<p>D</p>	<p>Submitted by <i>firm</i> within seven <i>business days</i> of the firm becoming aware of the matter.</p>
<p><i>Person</i> remaining with the same <i>firm</i> but changing <i>FCA controlled functions</i> (excluding where the <i>person</i> is changing from a <i>customer function</i> to a <i>significant-influence function</i>).</p>	<p>E</p>	<p>Submitted by <i>firm</i> to the <i>FCA</i> before changes take place.</p>
<p><i>Person</i> remaining with the same <i>firm</i> but changing from a <i>customer function</i> to an <i>FCA significant-influence function</i>.</p>	<p>A</p>	<p>See examples in this table relating to the use of Form A</p>
<p><i>Person</i> remaining with the same <i>firm</i> but giving up a <i>PRA controlled function</i> and taking up an <i>FCA controlled function</i>.</p>	<p>E</p>	<p>Submitted by <i>firm</i> to the <i>FCA</i> before changes take place.</p>
<p><i>Person</i> remaining with the same <i>firm</i> in the circumstances described in Example 6 in the table in SUP 10A.11.10G (giving up a <i>PRA controlled function</i> triggering need for <i>FCA</i> approval).</p>	<p>E</p>	<p>Submitted by <i>firm</i> to the <i>FCA</i> in hard copy in advance of giving up the <i>PRA governing function</i>.</p>
<p><i>Person</i> remaining with the same <i>firm</i> but giving up an <i>FCA significant-influence function</i> and taking up a <i>PRA controlled function</i>.</p>	<p>E</p>	<p>Submitted by <i>firm</i> to the <i>PRA</i> before changes take place (see the <i>PRA's Handbook</i>).</p>

## Annex C

### New Chapter 10B of the Supervision manual (SUP)

Insert the following new chapter in the appropriate place in the Supervision manual. The text is not underlined.

#### **10B PRA Approved Persons**

##### **10B.1 Application**

General

- 10B.1.1 R This chapter applies to every *PRA-authorised person*.
- 10B.1.2 G This chapter is also relevant to every *PRA-approved person*.
- 10B.1.3 G The *rules* in this chapter specify descriptions of *PRA controlled functions* under section 59 of the *Act* (Approval for particular arrangements).
- 10B.1.4 G The directions in this chapter relate to the manner in which a *firm* must apply for the *PRA's* approval under section 59 of the *Act* and other procedures.

Overseas firms: UK services

- 10B.1.5 R This chapter does not apply to an *overseas firm* in relation to *regulated activities* which are carried on in the *United Kingdom* other than from an establishment maintained by it or its *appointed representative* in the *United Kingdom*.

Overseas firms: UK establishments

- 10B.1.6 R Only the following *PRA controlled functions* apply to an *overseas firm* which maintains an establishment in the *United Kingdom* from which *regulated activities* are carried on:
- (1) the *director function* where the *person* performing that function:
    - (a) has responsibility for the *regulated activities* of a *UK branch* which are likely to enable him to exercise significant influence over that branch; or
    - (b) is someone whose decisions or actions are regularly taken into account by the *governing body* of that branch;
  - (2) the *non-executive director function* where the *person* performing that function:

- (a) has responsibility for the *regulated activities* of a *UK branch* which is likely to enable him to exercise significant influence over that branch; or
- (b) is someone whose decisions or actions are regularly taken into account by the *governing body* of that *branch*;
- (3) the *chief executive function*;
- (4) the *PRA required functions*;
- (5) the *systems and controls function*.

Incoming EEA firms and incoming Treaty firms

10B.1.7 R This chapter does not apply to:

- (1) an *incoming EEA firm*; or
- (2) an *incoming Treaty firm*;

if and in so far as the question of whether a *person* is fit and proper to perform a particular function in relation to that *firm* is reserved, under any of the *Single Market Directives*, the *Treaty* or the *auction regulation*, to an authority in a country or territory outside the *United Kingdom*.

10B.1.8 G *SUP 10B.1.7R* reflects the provisions of section 59(8) of the *Act* and, in relation to an *incoming Treaty firm* the *Treaty*. It preserves the principle of *Home State* prudential regulation. In relation to an *incoming EEA firm* exercising an *EEA right*, or an *incoming Treaty firm* exercising a *Treaty right*, the effect is to reserve to the *Home State regulator* the assessment of the fitness and propriety of a *person* performing a function in the exercise of that right. A member of the *governing body*, or the notified UK branch manager, of an *incoming EEA firm*, acting in that capacity, will not therefore have to be approved by the *PRA* under the *Act*.

10B.1.9 G Notwithstanding *SUP 10B.1.8G*, an *incoming EEA firm* (other than an *EEA pure reinsurer*) or *incoming Treaty firm* will have had to consider the impact of the *Host State* rules with which it is required to comply when carrying on a *passport activity* or *Treaty activity* through a *branch* in the *United Kingdom*. An *incoming EEA firm* (other than an *EEA pure reinsurer*) will have been notified of those provisions under Part II of Schedule 3 to the *Act* in the course of satisfying the conditions for *authorisation* in the *United Kingdom*.

10B.1.10 G An *incoming EEA firm* will have to consider, for example, the position of a *branch manager* based in the *United Kingdom* who may also be performing a function in relation to the carrying on of a *regulated activity* not covered by the *EEA right* of the *firm*. In so far as the function is within the description of a *PRA controlled function*, the *firm* will need to seek approval for that *person* to perform that *PRA controlled function*.

Incoming EEA firms: passported activities from a branch

- 10B.1.11 R None of the *PRA controlled functions* apply to an *incoming EEA firm* with respect to its *passported activities* carried on from a *branch* in the *United Kingdom*.

Incoming EEA firms etc with top-up permission activities from a UK branch

- 10B.1.12 R In relation to the activities of a *firm* for which it has a *top-up permission*, only the *PRA required functions* apply.

Committees of the Society of Lloyd's

- 10B.1.13 R For the purpose of *SUP* 10B.6.1R (the *director function*), "director" includes an executive member of a committee to which the *Council* of the *Society of Lloyd's* directly delegates authority to carry out the *Society's* regulatory functions.

- 10B.1.14 R For the purpose of *SUP* 10B.6.3R (the non-executive director function ), "*non-executive director*" includes a non-executive member of a committee to which the *Council* of the *Society of Lloyd's* directly delegates authority to carry out the *Society's* regulatory functions.

Insolvency practitioners

- 10B.1.15 R This chapter does not apply to a function performed by:
- (1) a *person* acting as an insolvency practitioner within the meaning of section 388 of the Insolvency Act 1986; or
  - (2) a *person* acting as a nominee in relation to a voluntary arrangement under Parts I (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency Act 1986; or
  - (3) a *person* acting as an insolvency practitioner within the meaning of Article 3 of the Insolvency (Northern Ireland) Order 1989; or
  - (4) a *person* acting as a nominee in relation to a voluntary arrangement under Parts II (Company Voluntary Arrangements) and VIII (Individual Voluntary Arrangements) of the Insolvency (Northern Ireland) Order 1989.

Appointed representatives

- 10B.1.16 G The *PRA* has no special *rule* relating to *appointed representatives*. Therefore, *SUP* 10B applies to an *appointed representative* of a *firm* in the same way as it does to any other contractor of the *firm* (see *SUP* 10B.3.1R). In practice in *SUP* 10B the main application to *appointed representatives* of a *firm* will be to people seconded by the *appointed representative* to the *firm*.

## 10.2 Purpose

- 10B.2.1 G The immediate purpose of *SUP* 10B.3 to *SUP* 10B.9 is to specify, under section 59 of the *Act*, descriptions of the *PRA controlled functions* which are listed in *SUP* 10B.4.3R. The underlying purpose is to establish, and mark the boundaries of, the *PRA*'s "approved persons regime".

## 10.3 Basic rules for all PRA controlled functions

The need for an arrangement

- 10B.3.1 R A function is a *PRA controlled function* only to the extent that it is performed under an *arrangement* entered into by:
- (1) a *firm*; or
  - (2) a contractor of the *firm*;
- in relation to the carrying on by the *firm* of a *regulated activity*.
- 10B.3.2 G Sections 59(1) and (2) of the *Act* provide that approval is necessary in respect of a *PRA controlled function* which is performed under an *arrangement* entered into by a *firm*, or its contractor (typically an *appointed representative*), in relation to a *regulated activity*.
- 10B.3.3 G *Arrangement* is defined in section 59(10) of the *Act* as any kind of arrangement for the performance of a function which is entered into by a *firm* or any of its contractors with another *person* and includes the appointment of a *person* to an office, his becoming a *partner*, or his employment (whether under a contract of service or otherwise). For the provisions in this chapter relating to outsourcing, see *SUP* 10B.11.6G and *SUP* 10B.11.7G.
- 10B.3.4 G If, however, a *firm* is a member of a group, and the *arrangements* for the performance of a *PRA controlled function* of the *firm* are made by, say, the *holding company*, the *person* performing the function will only require approval if there is an arrangement (under section 59(1)) or a contract (under section 59(2)) between the *firm* and *holding company* permitting this. This need not be a written contract but could arise, for example, by conduct, custom and practice.
- 10B.3.5 G The *arrangement* must be "in relation to" the carrying on of a *regulated activity*. *Regulated activities* are defined in the *Glossary* by reference to the *Regulated Activities Order*. This order prescribes the activities which are *regulated activities* for the purposes of the *Act*.

Significant-influence functions

- 10B.3.6 R Each *PRA controlled function* is one which comes within the definition of a *significant-influence function*.
- 10B.3.7 G Section 59(6) of the *Act* says that the *PRA* may specify a description of function as a *PRA controlled function* only if, in relation to the carrying on of a *regulated activity* by a *firm*, it is satisfied that the function is a *significant-influence function*.
- 10B.3.8 G Section 59(7B) of the *Act* says that a significant-influence function, in relation to the carrying on of a *regulated activity* by a *firm*, means a function that is likely to enable the *person* responsible for its performance to exercise a significant influence on the conduct of the *firm's* affairs, so far as relating to the activity.
- 10B.3.9 G *SUP* 10B.3.6R gives effect to sections 59(6) and 59(7B) of the *Act*.
- 10B.3.10 G Whether a function is likely to result in the *person* responsible for its performance exercising significant influence on the conduct of the *firm's* affairs is a question of fact in each case. The *PRA* has identified the *PRA controlled functions* as satisfying this condition.

#### Actions for damages

- 10B.3.11 R A contravention of the *rules* in *SUP* 10B (other than *SUP* 10B.1 to *SUP* 10B.9) gives rise to a right of action by a *private person* under section 138D of the *Act* (and each of those *rules* is specified under section 138D(1) of the *Act* as a provision giving rise to such a right of action).

#### 10.4 Specification of functions

- 10B.4.1 R Each of the functions described in *SUP* 10B.4.3R (the table of *PRA controlled functions*) is a *PRA controlled function*.
- 10B.4.2 G The fact that a *person* may be approved for one purpose does not have the effect of bringing all his activities within that *PRA controlled function*.
- 10B.4.3 R *PRA controlled functions*

Type	CF	Description of <i>PRA controlled function</i>
<i>PRA governing functions</i>	1	<i>Director function</i>
	2	<i>Non-executive director function</i>
	3	<i>Chief executive function</i>

	4	<i>Partner function</i>
	5	<i>Director of unincorporated association function</i>
	6	<i>Small friendly society function</i>
<i>PRA required functions</i>	12	<i>Actuarial function</i>
	12A	<i>With-profits actuary function</i>
	12B	<i>Lloyd's actuary function</i>
<i>Systems and controls function</i>	28	<i>Systems and controls function</i>

## 10.5 Temporary vacancies

### 10B.5.1 R If:

- (1) a *firm* appoints an individual to perform a function which, but for this *rule*, would be a *PRA controlled function*;
- (2) the appointment is to provide cover for an *approved person* whose absence is:
  - (a) temporary; or
  - (b) reasonably unforeseen; and
- (3) the appointment is for less than 12 weeks in a consecutive 12-month period;

the description of the relevant *PRA controlled function* does not relate to those activities of that individual.

- ### 10B.5.2 G
- SUP* 10B.5.1R enables cover to be given for holidays and emergencies and avoids the need for the precautionary approval of, for example, a deputy. However, as soon as it becomes apparent that a *person* will be performing a *PRA controlled function* for more than 12 weeks, the *firm* should apply for approval.

## 10B.6 PRA governing functions

Director function (CF1)

10B.6.1 R If a *firm* is a *body corporate* (other than a *limited liability partnership*), the *director function* is the function of acting in the capacity of a *director* (other than *non-executive director*) of that *firm*.

10B.6.2 R (1) If a *firm* is a *body corporate* (other than a *limited liability partnership*), the *director function* is also the function of acting in the capacity of a *person*:

- (a) who is a *director*, partner, officer, member (if the *parent undertaking* or *holding company* is a *limited liability partnership*), *senior manager*, or employee of a *parent undertaking* or *holding company* of the *firm*; and
- (b) whose decisions or actions are regularly taken into account by the *governing body* of the *firm*.

(2) (1) does not apply if that *parent undertaking* or *holding company* has a *Part 4A permission* or is regulated by an *EEA regulator*.

(3) (1) does not apply to the function falling into SUP 10B.6.4R (*non-executive director* of the *parent undertaking* or *holding company*).

#### Non-executive director function

10B.6.3 R If a *firm* is a *body corporate*, the *non-executive director function* is the function of acting in the capacity of a *non-executive director* of that *firm*.

10B.6.4 R (1) If a *firm* is a *body corporate*, the *non-executive director function* is also the function of acting in the capacity of a *person*:

- (a) who is a *non-executive director* of a *parent undertaking* or *holding company*; and
- (b) whose decisions or actions are regularly taken into account by the *governing body* of the *firm*.

(2) However, (1) does not apply if that *parent undertaking* or *holding company* has a *Part 4A permission* or is regulated by an *EEA regulator*.

10B.6.5 R If a *firm* is a *long-term insurer*, the *non-executive director function* is also the function of acting in the capacity of an individual who, as a member of a committee having the purpose of a *with-profits committee*, has responsibility in relation to governance arrangements for *with-profits business* under COBS 20.3 (Principles and Practices of Financial Management). This does not apply to an individual performing the *director function*.

10B.6.6 G A *firm* should notify the *PRA* if a *person* moves between certain roles making up the *non-executive director function* (SUP 10B.12.6R).

#### Chief executive function (CF3)

- 10B.6.7 R The *chief executive function* is the function of acting in the capacity of a *chief executive* of a *firm*.
- 10B.6.8 G This function is having the responsibility, alone or jointly with one or more others, under the immediate authority of the *governing body*:
- (1) for the conduct of the whole of the business (or relevant activities); or
  - (2) in the case of a *branch* in the *United Kingdom* of an *overseas firm*, for the conduct of all of the activities subject to the *UK regulatory system*.
- 10B.6.9 G For a *branch* in the *United Kingdom* of an *overseas firm*, the *PRA* would not normally expect the overseas *chief executive* of the *firm* as a whole to be approved for this function where there is a *senior manager* under him with specific responsibility for those activities of the *branch* which are subject to the *UK regulatory system*. In some circumstances, the *person* within the *firm* responsible for *UK* operations may, if the function is likely to enable him to exercise significant influence over the *branch*, also perform the *chief executive function*.
- 10B.6.10 G A *person* performing the *chief executive function* may be a member of the *governing body* but need not be. If the chairman of the *governing body* is also the *chief executive*, he will be discharging this function. If the responsibility is divided between more than one *person* but not shared, there is no *person* exercising the *chief executive function*. But if that responsibility is discharged jointly by more than one *person*, each of those *persons* will be performing the *chief executive function*.
- 10B.6.11 G Note that a *body corporate* may be a *chief executive*. If so, it will need to be approved to perform the *chief executive function*.

Partner function (CF4)

- 10B.6.12 R If a *firm* is a *partnership*, the *partner function* is the function of acting in the capacity of a *partner* in that *firm*.
- 10B.6.13 R If a *firm* is a *limited liability partnership*, the *partner function* extends to the *firm* as if the *firm* were a *partnership* and a member of the *firm* were a *partner*.
- 10B.6.14 R If a *partnership* is registered under the Limited Partnership Act 1907, the *partner function* does not extend to any function performed by a limited partner.

Director of unincorporated association function (CF5)

- 10B.6.15 R If a *firm* is an unincorporated association, the *director of unincorporated association function* is the function of acting in the capacity of a *director* of the unincorporated association.

Small friendly society function (CF6)

- 10B.6.16 R (1) If a *firm* is a *non-directive friendly society*, the *small friendly society function* is the function of directing its affairs, either alone or jointly with others.
- (2) If the principal purpose of the *firm* is to carry on *regulated activities*, each *person* with responsibility for directing its affairs performs the *PRA controlled function*.
- (3) If the principal purpose of the *firm* is other than to carry on *regulated activities*, a *person* performs the *small friendly society function* only to the extent that he has responsibility for a *regulated activity*.
- 10B.6.17 R (1) Each *person* on the *non-directive friendly society's governing body* will be taken to have responsibility for its *regulated activities*, unless the *firm* has apportioned this responsibility to one particular individual to whom it is reasonable to give this responsibility.
- (2) The individual need not be a member of the *governing body*.
- 10B.6.18 G (1) Typically a *non-directive friendly society* will appoint a “committee of management” to direct its affairs. However, the governing arrangements may be informal and flexible. If this is the case, the *PRA* would expect the society to resolve to give responsibility for the carrying on of *regulated activities* to one individual who is appropriate in all the circumstances. That individual may, for example, have the title of *chief executive* or similar. The individual would have to be a *PRA-approved person* under *SUP* 10B.6.16R.
- (2) The *PRA* expects that any apportionment of responsibilities will have taken place under *SYSC* 2.1.1R. The *PRA* may ask to see details of the apportionment but will not require, as a matter of course, a copy of the material which records this (see *SYSC* 2.2).

Insurance mediation

- 10B.6.19 G A *firm* carrying on *insurance mediation activity*, other than a *sole trader*, must allocate to a *director* or *senior manager* the responsibility for the *firm's insurance mediation activity* (*MIPRU* 2.2.1R). *MIPRU* 2.2.2R(1) provides that the *firm* may allocate this responsibility to one or more of the *persons* performing a *governing function* (other than the *non-executive director function*).
- 10B.6.20 G Where a *person* performing a *governing function* is also responsible for the *firm's insurance mediation activity*, the words “(insurance mediation)” will be inserted after the relevant *PRA controlled function* (see *MIPRU* 2.2.5G).

**10B.7 Other functions included in the governing functions**

Systems and controls function

10B.7.1 R Each of the *PRA governing functions* includes, where apportioned under *SYSC 2.1.1R*, *SYSC 4.3.1R* or *SYSC 4.4.3R*, the *systems and controls function*. This does not apply to the *non-executive director function* or the function described in *SUP 10B.6.2R*.

10B.7.2 G The effect of *SUP 10B.7.1R* is that a *person* who is approved to perform a *PRA governing function* (other than the *non-executive director function* or the function described in *SUP 10B.6.2R*) will not have to be specifically approved to perform the *systems and controls function*. A *person* who is approved to perform a *PRA governing function* will have to be additionally approved before he can perform any of the *PRA required functions*.

The FCA's apportionment and oversight function (CF8)

10B.7.3 R If:

- (1) a *person* has been approved to perform a *PRA governing function* in relation to a *firm* and that approval is still in force;
- (2) that *person* is also performing a function that falls within the *apportionment and oversight function* in relation to that *firm* (or would do so except for *SUP 10A.11.11R* (*FCA rule* disapplying the *apportionment and oversight function* in relation to a *person* approved by the *PRA* to perform a *governing function*)); and
- (3) that *person* is not the subject of a *current FCA approved person approval* for the *apportionment and oversight function* in relation to that *firm*;

that *PRA governing function* includes the *apportionment and oversight function* (or, if there is more than one such *PRA governing function*, each them does).

10B.7.4 R If in relation to a *firm*:

- (1) *SUP 10B.7.3R* has applied to a *PRA-approved person*;
- (2) that *person* has ceased to perform any *PRA governing function* (ignoring the expansion of that function by *SUP 10B.7.3R*); and
- (3) that *person* is still performing what would otherwise be the *apportionment and oversight function*;

*SUP 10B.7.3R* continues to apply for three months after that *PRA-approved person* would otherwise have ceased to perform the *PRA controlled function* or, if sooner, until the *FCA* has approved the performance by that *person* of the *apportionment and oversight function* in relation to the *firm*.

- 10B.7.5 G An example of the way SUP 10B.7.4R works is this. Say that a *person* (A) is appointed as *director* and the *person* who performs the *apportionment and oversight function*. A will be performing the *director function* but will not be performing the *apportionment and oversight function*. Say that later A gives up his role as *director* but remains as the *person* who performs *apportionment and oversight function*. If SUP 10B.7.4R (and the corresponding parts of the FCA's Handbook) did not apply the result would be that A would cease to perform a *PRA controlled function* but would start performing the *apportionment and oversight function* before A had a chance to apply to the FCA for approval. The combined effect of SUP 10B.7.4R and SUP 10A.11 of the FCA's Handbook is that the *firm* has three months to secure approval by the FCA for A's performance of the *apportionment and oversight function* and during that interim period A keeps his status as a *PRA-approved person*.
- 10B.7.6 G Further details of how SUP 10B.7.3R and SUP 10B.7.4R work can be found in SUP 10A.11 of the FCA's Handbook.

## 10B.8 PRA required functions

Actuarial function (CF12)

- 10B.8.1 R The *actuarial function* is the function of acting in the capacity of an *actuary* appointed by a *firm* under SUP 4.3.1R to perform the duties set out in SUP 4.3.13R.

With-profits actuary function (CF12A)

- 10B.8.2 R The *with-profits actuary function* is the function of acting in the capacity of an *actuary* appointed by a *firm* under SUP 4.3.1R to perform the duties set out in SUP 4.3.16AR.

Lloyd's actuary function (CF12B)

- 10B.8.3 R The *Lloyd's actuary function* is the function of acting in the capacity of the *actuary* appointed under SUP 4.6.1R to perform the duties set out in SUP 4.6.7R.

## 10B.9 Systems and controls function

Systems and controls function (CF28)

- 10B.9.1 R The *systems and controls function* is the function of acting in the capacity of an *employee* of the *firm* with responsibility for reporting to the *governing body* of a *firm*, or the audit committee (or its equivalent) in relation to:

- (1) its financial affairs;
- (2) setting and controlling its risk exposure (see SYSC 3.2.10G and SYSC 7.1.6R); and
- (3) adherence to internal systems and controls, procedures and policies (see SYSC 3.2.16G and SYSC 6.2).

10B.9.2 R The *systems and controls function* does not apply in relation to *bidding in emissions auctions* carried on by a *firm* that is exempt from *MiFID* under article 2(1)(i).

10B.9.3 G Where an *employee* performs the *systems and controls function* the *PRA* would expect the *firm* to ensure that the *employee* had sufficient expertise and authority to perform that function effectively. A *director* or *senior manager* would meet this expectation.

## 10B.10 Procedures relating to PRA-approved persons

### Forms

10B.10.1 G The forms listed in SUP 10B.10.2G are referred to in SUP 10B.11 (Application for approval and withdrawing an application for approval) to SUP 10B.14 (How to apply for approval and give notifications).

10B.10.2 G Table PRA-approved persons forms

Form		Purpose	Handbook requirement
the relevant Form A	The relevant online form on the FCA's and PRA's ONA system or the form in SUP 10B Annex 4D (See Note)	Application to perform controlled functions under the approved persons regime	SUP 10B.11.4D

Form B	SUP 10B Annex 5R	Notice to withdraw an application to perform controlled functions under the approved persons regime	SUP 10B.11.20R
Form C	SUP 10B Annex 6R	Notice of ceasing to perform controlled functions	SUP 10B.12.10R
Form D	SUP 10B Annex 7R	Notification of changes in personal information or application details	SUP 10B.12.16R
Form E	The relevant online form on the FCA's and PRA's ONA system or the form in SUP 10B Annex 8D (See Note)	Internal transfer of an approved person	SUP 10B.12.4D
<p>Note: The form in the SUP annex shown is to be used by <i>credit unions</i>, and by other <i>firms</i> only in the event of a failure of the information technology systems used by the PRA. See the relevant "Handbook requirement".</p>			

- 10B.10.3 G A summary of the forms and their purposes is in SUP 10B Annex 2G.
- 10B.10.4 G Unless the context otherwise requires, in SUP 10B.10 (Procedures relating to PRA-approved persons) to SUP 10B.14 (How to apply for approval and give notifications) where reference is made to a *firm*, this also includes an applicant for *Part 4A permission*, and other *persons* seeking to carry on *regulated activities* as an *authorised person*.
- 10B.10.5 G Forms B, C, D and E can only be submitted in respect of a *PRA-approved person* by the *firm* that submitted a *PRA-approved person's* original application (the relevant Form A).

10B.10.6 G Copies of Forms A, B, C, D and E may be obtained from the *PRA*'s website. *Credit unions* can obtain copies by email at PRA-ApprovedPersons@bankofengland.co.uk. To contact the *PRA* for general *approved persons* enquiries please contact PRA Firm Enquiries:

(1) telephone: +44 (0) 20 3461 7000; or

(2) write to:

PRA Firm Enquiries

Prudential Regulation Authority

20 Moorgate

London EC2R 6DA; or

(3) e-mail: PRA-ApprovedPersons@bankofengland.co.uk.

## 10B.11 Application for approval and withdrawing an application for approval

When to apply for approval

10B.11.1 G In accordance with section 59 of the *Act* (Approval for particular arrangements), where a *candidate* will be performing one or more *PRA controlled functions*, a *firm* must take reasonable care to ensure that the *candidate* does not perform these functions unless he has prior approval from the *PRA* with the consent of the *FCA*.

10B.11.2 G Under section 59B of the *Act* (Role of *FCA* in relation to *PRA* decisions) the *FCA* may arrange with the *PRA* that in agreed kinds of cases there is no need for the consent of the *FCA*. There are currently no such arrangements in place.

Failure to apply for approval

10B.11.3 G If a *person* performs a *PRA controlled function* without approval it is not only the *firm* that is accountable. Under section 63A of the *Act* (Power to impose penalties) if the *PRA* is satisfied that:

(1) a *person* (“P”) has at any time performed a *PRA controlled function* without approval; and

(2) at that time P knew, or could reasonably be expected to have known, that P was performing a *PRA controlled function* without approval;

it may impose a penalty on P of such amount as it considers appropriate.

How to apply for approval

10B.11.4 D An application by a *firm* for the *PRA*'s approval under section 59 of the *Act* (Approval for particular arrangements) must be made by completing Form A (except where *SUP* 10B.12.4D requires a Form E).

10B.11.5 G *SUP* 10B.14.1D explains how applications should be submitted.

Who should make the application?

10B.11.6 G (1) In accordance with section 60 of the *Act* (Applications for approval), applications must be submitted by, or on behalf of, the *firm* itself, not by:

(a) the *PRA candidate*; or

(b) (where the *PRA candidate* works for the *firm's parent undertaking* or *holding company*) by the *firm's parent undertaking* or *holding company*.

(2) Usually this will be the *firm* that is employing the *PRA candidate* to perform the *PRA controlled function*. Where a *firm* has outsourced the performance of a *PRA controlled function*, the details of the outsourcing determine where responsibility lies and whom the *PRA* anticipates will submit *PRA-approved persons* application forms. *SUP* 10B.11.7G describes some common situations. The *firm* which is outsourcing is referred to as "A" and the *person* to whom the performance of the *PRA controlled function* has been outsourced, or which makes the arrangement for the *PRA controlled function* to be performed, is referred to as "B". In each situation, A must take reasonable care to ensure that, in accordance with section 59(2) of the *Act*, no *person* performs a *PRA controlled function* under an arrangement entered into by its contractor in relation to the carrying on by A of a *regulated activity*, without approval from the *PRA*. See also *SYSC* 3.2.4G and *SYSC* 8.1.1R, and *SYSC* 13.9 for *insurers*.

10B.11.7 G Outsourcing arrangements

<b>Outsourcing arrangements</b>		<b>Submitting form</b>
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<p><i>Firm A to firm B</i></p>	<p>The <i>PRA</i> will consider A to have taken reasonable care if it enters into a contract with B under which B is responsible for ensuring that the relevant <i>PRA controlled functions</i> are performed by <i>PRA-approved persons</i>, and that it is reasonable for A to rely on this</p>	<p><i>Firm B</i> submits <i>PRA-approved persons</i> forms on behalf of <i>firm A</i></p>
<p>Outsourcing by A to B (both being a member of the same <i>United Kingdom group</i> and each having its registered office in the <i>United Kingdom</i>)</p>	<p>See <i>SUP</i> 10B.3.4G</p>	<p>See <i>SUP</i> 15.7.8G</p>
<p>(i) A to B, where B is a non-<i>authorised person</i> not part of the same group as A (ii) A to B, where A is a <i>branch</i> of an <i>overseas firm</i> in the <i>United Kingdom</i>, and B is an <i>overseas undertaking</i> of the same group (iii) A to B, where A is a <i>UK authorised subsidiary</i> of an <i>overseas firm</i>, and B is an <i>overseas undertaking</i> of the same group</p>	<p>Responsibility for (as opposed to the performance of) any activity <i>outsourced</i> to B will remain with A. See <i>SYSC</i> 3.2.4G and <i>SYSC</i> 8</p>	<p>A ensures that an individual approved under one of the <i>PRA controlled functions</i> has responsibility for the <i>outsourced arrangement</i> and A submits a form in relation to that individual</p>

Processing an application

- 10B.11.8 G The *Act* sets out the time that the *PRA* has to consider an application and come to a decision.
- 10B.11.9 G In any case where the application for approval is made by a *person* applying for *permission* under Part 4A of the *Act* the *PRA* has until the end of whichever of the following periods ends last:

- (1) the period within which an application for that *permission* must be determined; and
  - (2) the period of three months from the time it receives a properly completed application.
- 10B.11.10 G In any other case it is the period of three months from the time it receives a properly completed application.
- 10B.11.11 G Application forms must always be completed fully and honestly. Further notes on how to complete the form are contained in each form. If forms are not completed fully and honestly, applications will be subject to investigation and the *PRA candidate's* suitability to be approved to undertake a *PRA controlled function* will be called into question. A *person* who provides information to the *PRA* that is false or misleading may commit a criminal offence, and could face prosecution under section 398 of the *Act* regardless of the status of their application.
- 10B.11.12 G The *PRA* will as soon as practicable notify the *FCA* of the receipt of an application to the *PRA*. There is no need for the *firm* to copy the application to the *FCA*.
- 10B.11.13 G Before making a decision to grant the application or give a *warning notice*, the *PRA* may ask the *firm* for more information about the *PRA candidate*. If it does this, the period in which the *PRA* must determine a completed application:
- (1) will stop on the day the *PRA* requests the information; and
  - (2) will start running again on the day on which the *PRA* finally receives all the requested information.
- 10B.11.14 G The *FCA* may also ask the *firm* for more information about the *PRA candidate*. If it does this, the period in which the *PRA* must determine a completed application is extended in the same way as it is if the *PRA* asks for the information.
- 10B.11.15 G The *PRA* may only grant an application (and the *FCA* may only give its consent) if it is satisfied that the *PRA candidate* is a fit and proper *person* to perform the *PRA controlled function* stated in the application form. Responsibility lies with the *firm* making the application to satisfy the *PRA* and the *FCA* that the *PRA candidate* is fit and proper to perform the *PRA controlled function* applied for.
- 10B.11.16 G For further *guidance* on criteria for assessing whether a *PRA candidate* is fit and proper, see *FIT*.

#### Decisions on applications

- 10B.11.17 G The *PRA* must either grant the application or, if it proposes not to grant an application, issue a *warning notice*.

- 10B.11.18 G Whenever it grants an application, the *PRA* will confirm this in writing to all *interested parties*.
- 10B.11.19 G If the *PRA* proposes to refuse an application in relation to one or more *PRA controlled functions*, it must follow the procedures for issuing *warning and decision notices*.

#### Withdrawing an application for approval

- 10B.11.20 R A *firm* applying to withdraw an application for approval must notify the *PRA*, using Form B, in the form set out in *SUP 10B Annex 5R*.
- 10B.11.21 G Under section 61(5) of the *Act* (Determination of applications), the *firm* may withdraw an application only if it also has the consent of the *PRA candidate* and the *person* by whom the *PRA candidate* is or would have been employed, if this is not the *firm* making the application.
- 10B.11.22 G The *PRA* will as soon as practicable notify the *FCA* of the receipt of a notice of withdrawal. There is no need for the *firm* to copy the notice to the *FCA*.

### 10B.12 Changes to a PRA-approved person's details

#### Moving within a firm

- 10B.12.1 G A *PRA-approved person's* job may change from time to time as a result, for instance, of a change in personal job responsibilities or a *firm's regulated activities*. Where the changes will involve the *person* performing one or more *PRA controlled functions* different from those for which approval has already been granted, then an application must be made to the *PRA* for approval for the *person* to perform those *PRA controlled functions*. The *firm* must take reasonable care to ensure that an individual does not begin performing a *PRA controlled function* until the *PRA* has granted *approved person* status to that individual in respect of that *PRA controlled function*. Similarly, a *firm* must get the *PRA's* approval if a *person* is to start performing a *PRA controlled function* in relation to that *firm* when he already has the *FCA's* approval to perform an *FCA controlled function* in relation to that *firm*.
- 10B.12.2 G If an *FCA-approved person* or a *PRA-approved person* is ceasing to perform *FCA controlled functions* or *PRA controlled functions*, as well as applying for approval in respect of *PRA controlled functions*, *SUP 10B.12.4D* generally applies. Further details can be found in *SUP 10B Annex 2G*.

- 10B.12.3 G If a *person* is to perform a *PRA controlled function* for a *firm* for which he already performs a *PRA controlled function* or *FCA controlled function* as an *approved person* but he is not at the same time ceasing to perform an *FCA controlled function* or *PRA controlled function*, a *firm* should use Form A rather than Form E. It is not mandatory to complete all parts of the form. See the notes relevant to each form for full details.
- 10B.12.4 D (1) A *firm* must use Form E where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *PRA controlled functions* within the same *firm* or *group*.
- (2) A *firm* must not use Form E if the *approved person* has never before been approved to perform a *significant influence function* for any *firm* or has not been the subject of a *current approved person approval* from the *FCA* or *PRA* to perform a *significant influence function* in relation to any *firm* for more than six months.
- (3) A *firm* must not use Form E if a notification has been made or should be made under *SUP* 10B.12.18R (Changes in fitness to be notified under Form D) or *SUP* 10A.14.17R (the equivalent *FCA rule*) in relation to any *controlled functions* that, that *person* is ceasing to perform (as referred to in (1)) or any *controlled function* that he is continuing to perform in relation to that *firm* or a *firm* in the same *group*.
- 10B.12.5 G *SUP* 10B.14.1D explains how applications should be submitted.
- 10B.12.6 R If a *person* is performing the *non-executive director function* in relation to a *firm*, the *firm* must notify the *PRA* as soon as possible if that *person* begins to perform or ceases to perform any of the following functions:
- (1) the function of acting in the capacity of the chairman of the *governing body* of the *firm*; or
- (2) the function of acting as a *non-executive director* who has been appointed by the *non-executive directors* to act as the senior independent director of that *firm*; or
- (3) the function of acting in the capacity of the chairman of the *governing body* risk committee of the *firm* (if there is such a committee). For these purposes, the *governing body* risk committee means the committee described in *SYSC* 21.1.5G; or
- (4) the function of acting in the capacity of the chairman of the audit committee of the *governing body* of the *firm* (if there is such a committee); or
- (5) the function of acting in the capacity of the chairman of the remuneration committee of the *governing body* of the *firm* (if there is such a committee).

Any such notification must be e-mailed to the *PRA's approved persons* mailbox at PRA-ApprovedPersons@bankofengland.co.uk

- 10B.12.7 G So for example if a *non-executive director* moves from being chair of the audit committee to chair of the risk committee or adds the role of chair of the audit committee to his existing role as chair of the risk committee he does not require approval from the *PRA*. However, the *firm* should notify the *PRA* of that change as soon as possible. If a *person* stops performing the *non-executive director function* altogether, *SUP* 10B.12.4D or *SUP* 10B.12.10R apply instead.

#### Moving between firms

- 10B.12.8 G If it is proposed that a *PRA-approved person* will no longer be performing a *PRA controlled function* under an *arrangement* entered into by one *firm* or one of its contractors, but will be performing the same or a different *PRA controlled function* under an *arrangement* entered into by a new *firm* or one of its contractors (whether or not the new *firm* is in the same *group* as the old *firm*), the new *firm* will be required to make a fresh application for the performance of the *PRA controlled function* by that *person*.
- 10B.12.9 G In certain circumstances, when the *PRA* already has the information it would usually require, a shortened version of the relevant Form A may be completed. See the notes relevant to each form for full details.

#### Ceasing to perform a PRA controlled function

- 10B.12.10 R A *firm* must submit to the *PRA* a completed Form C, in the form set out in *SUP* 10B Annex 6R no later than seven *business days* after a *PRA-approved person* ceases to perform a *PRA controlled function*. This does not apply if the *firm* has already notified the *PRA* of the proposal to do that using Form E in accordance with this chapter or has notified the *FCA* of the proposal to do using the *FCA's* Form E in accordance with *SUP* 10A of the *FCA's* Handbook.
- 10B.12.11 G *SUP* 10B.14.2R explains how notifications should be submitted.
- 10B.12.12 R (1) A *firm* must notify the *PRA* as soon as practicable after it becomes aware, or has information which reasonably suggests, that it will submit a qualified Form C in respect of a *PRA-approved person*.
- (2) Form C is qualified if the information it contains:
- (a) relates to the fact that the *firm* has dismissed, or suspended, the *PRA-approved person* from its employment; or
  - (b) relates to the resignation by the *PRA-approved person* while under investigation by the *firm*, the *PRA* or any other *regulatory body*; or

- (c) otherwise reasonably suggests that it may affect the *PRA's* assessment of the *PRA-approved person's* fitness and propriety.
- 10B.12.13 G Notification under *SUP* 10B.12.12R may be made by telephone, fax or email and should be made, where possible, within one *business day* of the *firm* becoming aware of the information. If the *firm* does not submit Form C, it should inform the *PRA* in due course of the reason. This could be done using Form D, if appropriate.
- 10B.12.14 G A *firm* is responsible for notifying the *PRA* if any *PRA-approved person* has ceased to perform a *PRA controlled function* under an arrangement entered into by its *appointed representative* or former *appointed representative*.
- 10B.12.15 G A *firm* can submit Form C or Form E to the *PRA* in advance of the cessation date. When a *person* ceases the arrangement under which he performs a *PRA controlled function*, he will automatically cease to be a *PRA-approved person* in relation to that *PRA controlled function*. A *person* can only be a *PRA-approved person* in relation to a specific *PRA controlled function*. Therefore, a *person* is not a *PRA-approved person* during any period between ceasing to perform one *PRA controlled function* (when he is performing no other *PRA controlled function*) and being approved in respect of another *PRA controlled function*.

#### Changes to a *PRA-approved person's* personal details

- 10B.12.16 R If a *PRA-approved person's* title, name or national insurance number changes, the *firm* for which the *person* performs a *PRA controlled function* must notify the *PRA* on Form D, in the form set out in *SUP* 10B Annex 7R, of that change within seven *business days* of the *firm* becoming aware of the matter.
- 10B.12.17 G The duty to notify in *SUP* 10B.12.16R does not apply to changes to a *PRA-approved person's* private address.
- 10B.12.18 R If a *firm* becomes aware of information which would reasonably be material to the assessment of a *PRA-approved person's*, or a *PRA-candidate's*, fitness and propriety (see *FIT*), it must inform the *PRA* on Form D, or (if it is more practical to do so and with the prior agreement of the *PRA*) by fax or e-mail, as soon as practicable.
- 10B.12.19 G *SUP* 10B.14.2R applies to the submission of Form D.
- 10B.12.20 G Failing to disclose relevant information to the *PRA* may be a criminal offence under section 398 of the *Act*.
- 10B.12.21 G The duty to notify in *SUP* 10B.12.18R extends to any circumstances that would normally be declared when giving the information required for section 5 of Form A or matters considered in *FIT* 2.

- 10B.12.22 R (1) If, in relation to a *firm* which has completed the relevant Form A (*SUP* 10B Annex 4D), any of the details relating to arrangements and *PRA controlled functions* are to change, the *firm* must notify the *PRA* on Form D (*SUP* 10B Annex 7R).
- (2) The notification under (1) must be made as soon as reasonably practicable after the *firm* becomes aware of the proposed change.
- (3) This also applies in relation to a *PRA controlled function* for which an application was made using Form E.
- (4) This *rule* also applies to a *firm* in respect of an *approved person*, to whom the grandfathering arrangements relating to the coming into force of the *Act* applied as if the *firm* had completed the relevant Form A for that *person*.

### 10B.13 References and accurate information

#### References

- 10B.13.1 R (1) If a *firm* (A):
- (a) is considering appointing a *person* to perform any *PRA controlled function*;
- (b) requests another *firm* (B), as a current or former employer of that *person*, for a reference or other information in connection with that appointment; and
- (c) indicates to B the purpose of the request;
- B must, as soon as reasonably practicable, give to A all relevant information of which it is aware.
- (2) When giving the information to A under (1), B must have regard to the purpose of the request and in particular to:
- (a) any outstanding liabilities of that *person* from commission payments;
- (b) any relevant outstanding or upheld complaint from an *eligible complainant* against that *person*;
- (c) section 5 of the relevant Form A in *SUP* 10B Annex 4 (Application to perform controlled functions under approved persons regime);
- (d) *FIT* 2 (Main assessment criteria); and

- (e) if *SUP* 16.8.1G(1) (Persistency reports from insurers and data reports on stakeholder pensions) applies to B, the persistency of any *life policies* sold by that *person*.

- 10B.13.2 G The requirement in *SUP* 10B.13.1R(1) for *firm* (B) to give to *firm* (A) all relevant information of which it is aware concerning a *person* *firm* A is considering appointing to perform any of the *PRA controlled functions*, also applies where *firm* A has outsourced the collection of that information to another (unregulated) third party, where *firm* B has been made aware that the unregulated third party is acting on behalf of *firm* A.
- 10B.13.3 G A *firm* supplying a reference in accordance with *SUP* 10B.13.1R owes a duty to its former *employee* and the recipient *firm* to exercise due skill and care in the preparation of the reference. The reference should be accurate and based on documented fact. The *firm* may give frank and honest views, but only after taking reasonable care both as to factual content, and as to the opinions expressed, and verifying the information upon which they are based.

The need for complete and accurate information

- 10B.13.4 G The obligations to supply information to:
- (1) the *PRA* under either *SUP* 10B.12.10R or *SUP* 10B.12.12R; or
  - (2) another *firm* under *SUP* 10B.13.1R;
- apply notwithstanding any agreement (for example a 'COT 3' Agreement settled by the Advisory, Conciliation and Arbitration Service (ACAS)) or any other arrangements entered into by a *firm* and an *employee* upon termination of the *employee's* employment. A *firm* should not enter into any such arrangements or agreements that could conflict with its obligations under this section.
- 10B.13.5 G Failing to disclose relevant information to the *PRA* may be a criminal offence under section 398 of the Act.

## 10.14 How to apply for approval and give notifications

- 10B.14.1 D
- (1) This direction applies to an application under Form A or Form E.
  - (2) An application by a *firm* other than a *credit union* must be made by submitting the Form online at [www.pra.org.uk](http://www.pra.org.uk) using the form specified on the *FCA's* and *PRA's* ONA system.
  - (3) An application by a *credit union* must be made using the form in *SUP* 10B Annex 4D or *SUP* 10B Annex 8D and must be submitted in the way set out in *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification).

- (4) Where a *firm* is obliged to submit an application online under (2), if the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more, until such time as facilities for online submission are restored a *firm* must use the form in *SUP* 10B Annex 4D or *SUP* 10B Annex 8D and submit it in the way set out in *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification).
- 10B.14.2 R (1) This rule applies to a notification under Form C or Form D.
- (2) A notification must be made in accordance with *SUP* 10B.14.1D except that the annexes to *SUP* 10B in which the forms are to be found are *SUP* 10B Annex 6R or *SUP* 10B Annex 7R rather than the Annexes mentioned in *SUP* 10B.14.1D.
- 10B.14.3 G If the information technology systems used by the *PRA* fail and online submission is unavailable for 24 hours or more, the *FCA* and *PRA* will endeavour to publish a notice on their websites confirming that online submission is unavailable and that the alternative methods of submission set out in *SUP* 10B.14.1D(4) and *SUP* 15.7.4R to *SUP* 15.7.9G (Form and method of notification) should be used.
- 10B.14.4 G Where *SUP* 10B.14.1D(4) or the equivalent situation under *SUP* 10B.14.2R applies to a *firm*, *GEN* 1.3.2R (Emergency) does not apply.

SUP 10B Annex 1 [Not used]

SUP 10B Annex 2 **Approved person regime: summary of forms and their use for applications for approval to perform a PRA-controlled function**

Function	Form	Submission
<i>Person</i> about to perform a <i>PRA controlled function</i> if he has never been approved by the <i>FCA</i> or <i>PRA</i> before.	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate</i> is to perform a <i>PRA controlled function</i> and either has current approval to perform an <i>FCA significant-influence function</i> or a <i>PRA controlled function</i> or has had such an approval within the previous six <i>months</i> .	Shortened Form <b>A</b> if conditions met	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate</i> ceased to be an <i>approved person</i> more than six months ago.	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Candidate</i> is seeking to perform a <i>significant-influence function</i> for the first time or ceased to have approval from the <i>FCA</i> or <i>PRA</i> to perform such a function more than six <i>months</i> ago.	A	Submitted by the <i>firm</i> making the application before activities requiring approval commence.
<i>Firm</i> applying for an outstanding application to perform a <i>PRA controlled function</i> to be withdrawn.	B	Submitted by the <i>firm</i> : signed by all <i>interested parties</i> .
<i>Person</i> ceasing to perform a <i>PRA controlled function</i> .	C (unless it should be notified under Form E)	Submitted by the <i>firm</i> within seven <i>business days</i> of <i>approved person</i> ceasing to perform <i>controlled function(s)</i> .
If a <i>PRA-approved person's</i> title, name or national insurance number changes, or there is information which may be material to the continuing assessment of an <i>approved person's</i> fitness and propriety.	D	Submitted by <i>firm</i> within seven <i>business days</i> of the firm becoming aware of the matter.

<i>Person remaining with the same firm but changing PRA controlled functions.</i>	E	Submitted by <i>firm</i> to the <i>PRA</i> before changes take place.
<i>Person remaining with the same firm but giving up an FCA significant-influence function and taking up a PRA controlled function.</i>	E	Submitted by <i>firm</i> to the <i>PRA</i> before changes take place.
<i>Person remaining with the same firm in the circumstances described in SUP 10B.7.4R (giving up a PRA controlled function triggering need for FCA approval).</i>	E	Submitted by <i>firm</i> to the <i>FCA</i> in hard copy in advance of giving up the <i>PRA governing function</i> .
<i>Person remaining with the same firm but giving up a PRA controlled function and taking up an FCA significant-influence function.</i>	E	Submitted by <i>firm</i> to the <i>FCA</i> before changes take place (see the <i>FCA's Handbook</i> ).
<i>Person being appointed to a PRA governing function role who is about to start a function that would otherwise have come within the apportionment and oversight function.</i>	A or E as appropriate	The form should mention that the <i>person</i> is to perform what would otherwise have been the <i>apportionment and oversight function</i> . See SUP 10A.11.10G (table in the <i>FCA's Handbook</i> of examples of how the need for dual <i>FCA</i> and <i>PRA</i> approval in relation to <i>PRA-authorised persons</i> is reduced).
<i>Person moving from one PRA governing function role to another while continuing to perform a function that would otherwise have come within the apportionment and oversight function.</i>	See previous row	See previous row.

## Annex D

### Amendments to the Transitional Provisions of the Supervision manual (SUP)

Insert the following new section after SUP TP 2. The text is not underlined.

**TP 3 Transitional provisions relating to SUP 10A and SUP 10B: Transition from the FSA to the FCA and PRA**

**TP 3.1 Transition to the FCA**

3.1.1 [FCA] R An *approved person* who was, as at *cutover*, approved by the *FSA* to perform a *controlled function* specified by the *FSA* set out in column 1 of the table in *SUP* TP 3.1.2R in relation to a *firm*, is deemed to continue to be approved by the *FCA* to perform the *FCA-controlled function* in the same row of column 2 in that table in relation to that *firm*. Column 3 states whether this applies in relation to all *firms* or just *FCA-authorised persons*.

3.1.2 [FCA] R Table: FSA controlled functions transitioned to the FCA

<b>FSA controlled function</b>	<b>FCA controlled function into which approved person transitioned</b>	<b>Firms to which transitional relates</b>
Director function (CF1)	<i>Director function (CF1)</i>	<i>FCA-authorised persons only</i>
Non-executive director function (CF2)	<i>Non-executive director function (CF2)</i>	<i>FCA-authorised persons only</i>
Chief executive function (CF3)	<i>Chief executive function (CF3)</i>	<i>FCA-authorised persons only</i>
Partner function (CF4)	<i>Partner function (CF4)</i>	<i>FCA-authorised persons only</i>
Director of unincorporated association function (CF5)	<i>Director of unincorporated association function (CF5)</i>	<i>FCA-authorised persons only</i>
Small friendly society function (CF6)	<i>Small friendly society function (CF6)</i>	<i>FCA-authorised persons only</i>
Apportionment and oversight function (CF8)	<i>Apportionment and oversight function (CF8)</i>	<i>All firms</i>
Compliance oversight function (CF10)	<i>Compliance oversight function (CF10)</i>	<i>All firms</i>

CASS operational oversight function (CF10A)	<i>CASS operational oversight function (CF10A)</i>	All firms
Money laundering reporting function (CF11)	<i>Money laundering reporting function (CF11)</i>	All firms
Systems and controls function (CF28)	<i>Systems and controls function (CF28)</i>	FCA- <i>authorised persons only</i>
Significant management function (CF29)	<i>Significant management function (CF29)</i>	All firms
Customer function (CF30)	<i>Customer function (CF30)</i>	All firms

### TP 3.2 Transition to the PRA

3.2.1 [PRA] R An *approved person* who was, as at *cutover*, approved by the FSA to perform, in relation to a *PRA-authorised person*, a *controlled function* specified by the FSA set out in column 1 of the table in SUP TP 3.2.2R is deemed to be approved by the PRA to perform the *PRA-controlled function* in the same row of column 2 in that table in relation to that *firm*.

3.2.2 [PRA] R Table: FSA controlled functions transitioned to the PRA

<b>FSA controlled function</b>	<b>PRA controlled function</b>
Director function (CF1)	<i>Director function (CF1)</i>
Non-executive director function (CF2)	<i>Non-executive director function (CF2)</i>
Chief executive function (CF3)	<i>Chief executive function (CF3)</i>
Partner function (CF4)	<i>Partner function (CF4)</i>
Director of unincorporated association function (CF5)	<i>Director of unincorporated association function (CF5)</i>
Small friendly society function (CF6)	<i>Small friendly society function (CF6)</i>
Actuarial function (CF12)	<i>Actuarial function (CF12)</i>
With-profits actuary function (CF12A)	<i>With-profits actuary function (CF12A)</i>

Lloyd's actuary function (CF12B)	<i>Lloyd's actuary function (CF12B)</i>
Systems and controls function (CF28)	<i>Systems and controls function (CF28)</i>

### TP 3.3 Amalgamation of functions

- 3.3.1 [FCA] G In the case of an *FCA-authorised person*, if *SUP 10.6.2R* (each of the *FSA's* governing functions includes the *FSA's* systems and controls function and significant management function) applied immediately before *cutover*, *SUP 10A.6.3R* (the equivalent *FCA rule*) applies to the same extent following *cutover*.
- 3.3.2 [PRA] G In the case of a *PRA-authorised person*, if *SUP 10.6.2R* (each of the *FSA's* governing functions includes the *FSA's* systems and controls function and significant management function) applied immediately before *cutover*, *SUP 10B.7.1R* (the equivalent *PRA rule*) applies following *cutover* in relation to the *systems and controls function*.
- 3.3.3 [FCA/  
PRA] G In the case of a *PRA-authorised person*, if a *person* was approved by the *FSA* to perform one of the *FSA's* governing functions and the *FSA's* apportionment and oversight function in relation to a *firm*, the effect of *SUP TP 3* is that he will be deemed to be approved by the *FCA* for the *apportionment and oversight function* and by the *PRA* for the appropriate *governing function* in relation to that *firm*. *SUP 10A.11.11R* (disapplication of the *apportionment and oversight function* if approved for a *PRA governing function*) and *SUP 10B.7.3R* (functions making up the *apportionment and oversight function* if approved for a *PRA governing function*) do not apply.

### TP 3.4 Changes to approved persons details

- 3.4.1 [FCA] G *Firms* are reminded that an effect of the transitional provisions in *SUP TP 2.2* is that *SUP 10A.14.15R* to *SUP 10A.14.21R* (notifications relating to changes to the details relating to *approved persons* and *candidates* and new information relating to them) apply to changes and new information as compared to the position before *cutover*.
- 3.4.2 [PRA] G *Firms* are reminded that an effect of the transitional provisions in *SUP TP 2.2* is that *SUP 10B.14.16R* to *SUP 10B.14.22R* (notifications relating to changes to the details relating to *approved persons* and *candidates* and new information relating to them) apply to changes and new information as compared to the position before *cutover*.

### TP 3.5 Transitional provisions relating to bidding in emissions auctions

- 3.5.1 [FCA] R SUP TP 3.5 deals with an *approved person* in relation to a *PRA-authorised person* who:
- (1) immediately before *cutover*, fell within SUP 10.6.2AR (*FSA's* governing functions include certain functions relating to *bidding in emissions auctions*); and
  - (2) immediately before *cutover* was not approved to perform the *FSA's* customer controlled function in relation to that *firm*.
- 3.5.2 [FCA] R SUP 10A.10.7R(7) does not apply in relation to that *person* and that *firm* until that *person* stops performing that function.
- 3.5.3 [FCA] G Under the *FSA's approved persons* regime a *person* acting as a bidder's representative within the meaning of subparagraph 3 of article 6(3) of the *auction regulation* did not require approval to perform the *FSA's* customer controlled function if that *person* had approval for one of the *FSA's* governing functions. If a *person* was in this position immediately before *cutover*, acting as a bidder's representative is not included in the *customer function* following *cutover*. It is not included in any *PRA controlled function* either. This only applies in relation to the *firm* for which that *person* was performing that role immediately before *cutover*. Furthermore if that *person* stops performing that role and later takes it up again for the same *firm* he will require approval.
- 3.5.4 [FCA] G This transitional does not apply in relation to an *FCA-authorised person*.

### TP 3.6 General

- 3.6.1 [FCA/PRA] G References in SUP TP 3 to a *person* being approved for the purposes of section 59 of the *Act* (approval for particular arrangements) or being an *approved person* includes someone being taken to be approved for the purposes of that section by virtue of an order made under the *Act* relating to transitional matters, such as one relating to the bringing into force of the *Act*.

## Annex E

### Amendments to the Statement of Principle and Code of Practice for Approved Persons (APER)

In this Annex, underlining indicates new text and striking through indicates deleted text.

APER 1.1 is deleted in its entirety. The deleted text is not shown.

After APER 1.1 (deleted) insert the following new sections. The text is not underlined.

#### 1.1A Application

Who?

1.1A.1 P *APER* applies to *FCA-approved persons* and *PRA-approved persons*.  
[FCA]

What?

1.1A.2 P (1) *APER* applies to the performance by an *approved person* of:  
[FCA]

(a) *FCA controlled functions* (whether or not approval has been sought and granted); and

(b) *PRA controlled functions* (whether or not approval has been sought and granted);

in relation to the *authorised persons* in relation to which that *person* is an *approved person*.

(2) *APER* also applies to the performance by an *approved person* of any other functions in relation to the carrying on of a *regulated activity* by the *authorised persons* referred to in (1).

1.1A.3 G The functions described in *APER* 1.1A.2P are called *accountable functions*.  
[FCA]

1.1A.4 G The relevance of *MiFID* to the *Statements of Principle* will depend on the extent to which the corresponding requirement imposed on *firms* under *MiFID* is reserved to a *Home State regulator* or has been disapplied under *MiFID* (see *APER* 2.1A.2P and *FIT* 1.2.4AG. See also *COBS* 1 Annex 1, Part 2, 1.1R (EEA territorial scope rule: compatibility with European law)).  
[FCA]

Where?

1.1A.5 G The territorial scope of the *approved persons* regime and its application to *incoming EEA firms* is set out in *SUP* 10A.1 (see *SUP* 10A.1.11R and *SUP* 10A.1.13R).  
[FCA]

Coverage of APER

1.1A.6 [FCA] G APER 1.1A.7G gives examples of the effect of APER 1.1A.1P and APER 1.1A.2P. The first column says whether the example involves an *FCA-approved person* and the second column says whether the example involves a *PRA-approved person*. So for example if there is a “Yes” in both columns that means that the example concerns a *person* who has been approved both by the *FCA* and by the *PRA*. The third column explains what functions APER covers in the scenario set out in the first two columns. The table is divided between cases in which the *person* performs the *controlled function* for an *FCA-authorized person* and ones where the *person* does so for a *PRA-authorized person*.

1.1A.7 [FCA] G Table: Examples of what activities APER covers

FCA approved	PRA approved	Coverage of APER
FCA-authorized person		
(1) Yes, in relation to <i>firm A</i>	Not applicable	Applies to the <i>FCA controlled function</i> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(2) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	Not applicable	In relation to <i>firm A</i> , the answer is the same as for scenario (1). However, APER does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i> . However, if the function that he performs in relation to <i>firm B</i> is a <i>controlled function</i> the <i>approved person</i> and <i>firm B</i> may be subject to legal sanctions (see SUP 10A.13.1G to SUP 10A.13.2G).
PRA-authorized person		
(3) Yes, in relation to <i>firm A</i>	No	The answer is the same as for scenario (1).

(4) No	Yes, in relation to <i>firm A</i>	Applies to <i>PRA controlled function</i> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(5) Yes, in relation to <i>firm A</i>	Yes, in relation to <i>firm A</i>	Applies to <i>FCA controlled function</i> and <i>PRA controlled function</i> . Also applies to any other function performed for <i>firm A</i> in relation to the carrying on by <i>firm A</i> of a <i>regulated activity</i> even if it is not a <i>controlled function</i> .
(6) Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	In relation to <i>firm A</i> , the answer is the same as for scenario (5). However, <i>APER</i> does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> even if that function relates to <i>regulated activities</i> carried out by <i>firm B</i> . However, if the function that he performs in relation to <i>firm B</i> is a <i>controlled function</i> the <i>approved person</i> and <i>firm B</i> may be subject to legal sanctions (see <i>SUP 10A.13.1G</i> to <i>SUP 10A.13.21G</i> ).

- 1.1A.8 [FCA] G A *person* may be an *approved person* in relation to more than one *firm*. When that is the case, *APER* applies in relation to all those *firms*.
- 1.1A.9 [FCA] G (1) *APER* 1.1A.2P refers to the *authorised person* in relation to which a *person* is an *approved person*.
- (2) Under section 59 of the *Act* (Approval for particular arrangements) there are two kinds of *approved person*.
- (3) Section 59(1) of the *Act* describes the first. It covers a *person* who performs a *controlled function* under an *arrangement* entered into by an *authorised person* (“A”). In this case, *APER* 1.1A.2P refers to A.
- (4) Section 59(2) of the *Act* describes the second. It covers a *person* who performs a *controlled function* under an *arrangement* entered into by a contractor (“B”) of an *authorised person* (“A”). In this case, *APER* 1.1A.2P refers to A (and not B).

Rule in GEN about provisions shared between the FCA and PRA

1.1A.10 E GEN 2.2.23R (Cutover: Application of provisions made by both the FCA  
[FCA] and the PRA) does not apply to any provision of *APER* marked with an “E”  
in the margin.

1.1A.11 G GEN 2.2.23R does not apply to any of *APER*. It does not apply to any part  
[FCA] of *APER* that is not shared as GEN 2.2.23R only applies to *Handbook*  
provisions made by both the *FCA* and the *PRA*. Hence GEN 2.2.23R does  
not apply to the *Statements of Principle*. *APER* 1.1A.10E means that GEN  
2.2.23R does not apply to shared provisions marked with an “E” in the  
margin. GEN 2.2.23R does not apply to shared *guidance* in *APER* because  
the *guidance* is about material to which GEN 2.2.23R does not apply.

## 1.1B Application

Who?

1.1B.1 P *APER* applies to:  
[PRA]

- (1) *PRA-approved persons*; and
- (2) *FCA-approved persons* in relation to whom the *FCA* has given its approval under section 59 of the *Act* in respect of the performance by them of *significant-influence functions* in relation to the carrying on by *PRA-authorised persons* of *regulated activities*.

What?

1.1B.2 P (1) *APER* applies to the performance by an *approved person* of:  
[PRA]

- (a) *PRA controlled functions* (whether or not approval has been sought and granted); and
- (b) *FCA controlled functions* that are *significant-influence functions* (whether or not approval has been sought and granted);

in relation to the *PRA-authorised persons* in relation to which that *person* is an *approved person*.

- (2) *APER* also applies to the performance by an *approved person* of any other *significant-influence functions* in relation to the *PRA-authorised persons* referred to in (1).

1.1B.3 G The functions described in *APER* 1.1B.2P are called *accountable functions*.  
[PRA]

1.1B.4 [PRA] G The relevance of *MiFID* to the *Statements of Principle* will depend on the extent to which the corresponding requirement imposed on *firms* under *MiFID* is reserved to a *Home State regulator* or has been disapplied under *MiFID* (see *APER 2.1B.2P* and *FIT 1.2.4AG*).

Where?

1.1B.5 [PRA] G The territorial scope of the *approved persons* regime and its application to *incoming EEA firms* is set out in *SUP 10B.1* (see *SUP 10B.1.11R* and *SUP 10B.1.12R*).

Coverage of *APER*

1.1B.6 [PRA] G *APER 1.1B.7G* gives examples of the effect of *APER 1.1B.1P* and *APER 1.1B.2P*. The first column says whether the example involves an *FCA-approved person* and the second column says whether the example involves a *PRA-approved person*. So, for example, if there is a “Yes” in both columns that means that the example concerns a *person* who has been approved both by the *FCA* and by the *PRA*. The third column explains what functions *APER* covers in the scenario set out in the first two columns. The table is divided between cases in which the *person* performs the *controlled function* for an *FCA-authorised person*, and ones where the *person* does so for a *PRA-authorised person*.

1.1B.7 [PRA] G Table: Examples of what activities *APER* covers

FCA approved	PRA approved	Coverage of <i>APER</i>
FCA-authorised person		
(1) Yes, in relation to <i>firm A</i>	Not applicable	Does not apply
PRA-authorised person		
(2) No	Yes, in relation to <i>firm A</i>	Applies to <i>PRA controlled function</i> . Also applies to any other <i>significant-influence functions</i> performed for <i>firm A</i> , even if they are not <i>controlled functions</i> .
(3) Yes, in relation to <i>firm A</i> (for a <i>significant-influence function</i> )	No	Applies to <i>FCA controlled function</i> . Also applies to any other <i>significant-influence functions</i> performed for <i>firm A</i> , even if they are not <i>controlled functions</i> .

(4) Yes, in relation to <i>firm A</i> (for a <i>customer-dealing function</i> )	No	Does not apply. If he is also performing a <i>significant-influence function</i> that is not a <i>controlled function</i> , <i>APER</i> does not apply to that function either.
(5) Yes, in relation to <i>firm A</i> (for a <i>customer-dealing function</i> )	Yes, in relation to <i>firm A</i>	Applies to <i>PRA controlled function</i> . Does not apply to <i>customer-dealing function</i> . Also applies to any other <i>significant-influence functions</i> performed for <i>firm A</i> , even if they are not <i>controlled functions</i> .
(6) Yes, in relation to <i>firm A</i> (for a <i>significant-influence function</i> )	Yes, in relation to <i>firm A</i>	Applies to <i>FCA controlled function</i> and <i>PRA controlled function</i> . Also applies to any other <i>significant-influence functions</i> performed for <i>firm A</i> , even if they are not <i>controlled functions</i> .
(7) Yes, in relation to <i>firm A</i> (for a <i>significant-influence function</i> and <i>customer-dealing function</i> )	Yes, in relation to <i>firm A</i>	The answer is the same as for scenario (6). Does not apply to <i>customer-dealing function</i> .
(8) Yes, in relation to <i>firm A</i> (for a <i>significant-influence function</i> ). No, in relation to <i>firm B</i> ,	Yes, in relation to <i>firm A</i> . No, in relation to <i>firm B</i> ,	In relation to <i>firm A</i> , the answer is the same as for scenario (6). However, <i>APER</i> does not apply to any function that the <i>approved person</i> carries on in relation to <i>firm B</i> , even if that function is a <i>significant-influence function</i> . However, if the function that he performs in relation to <i>firm B</i> is a <i>controlled function</i> , the <i>approved person</i> and <i>firm B</i> may be subject to legal sanctions (see <i>SUP 10B.11.1G</i> and <i>SUP 10B.11.3G</i> ).

1.1B.8 [PRA] G A person may be an *approved person* in relation to more than one *PRA-authorized person*. When that is the case, *APER* applies in relation to all those *firms*.

1.1B.9 [PRA] G (1) *APER* 1.1B.2P refers to the *PRA-authorized person* in relation to which a person is an *approved person*.

- (2) Under section 59 of the *Act* (Approval for particular arrangements) there are two kinds of *approved person*.
- (3) Section 59(1) of the *Act* describes the first. It covers a *person* who performs a *controlled function* under an *arrangement* entered into by an *authorised person* (“A”). In this case, *APER* 1.1B.2P refers to A.
- (4) Section 59(2) of the *Act* describes the second. It covers a *person* who performs a *controlled function* under an *arrangement* entered into by a contractor (“B”) of an *authorised person* (“A”). In this case, *APER* 1.1B.2P refers to A (and not B).

Rule in GEN about provisions shared between the FCA and PRA

- 1.1B.10 [PRA] E *GEN* 2.2.23R (Cutover: Application of provisions made by both the FCA and the PRA) does not apply to any provision of *APER* marked with an “E” in the margin.
- 1.1B.11 [PRA] G *GEN* 2.2.23R does not apply to any of *APER*. It does not apply to any part of *APER* that is not shared, as *GEN* 2.2.23R only applies to *Handbook* provisions made by both the *FCA* and the *PRA*. Hence *GEN* 2.2.23R does not apply to the *Statements of Principle*. *APER* 1.1A.10E means that *GEN* 2.2.23R does not apply to shared provisions marked with an “E” in the margin. *GEN* 2.2.23R does not apply to shared *guidance* in *APER* because the *guidance* is about material to which *GEN* 2.2.23R does not apply.

Amend the following as shown.

## 1.2 Purpose

- 1.2.1 G ~~The *Statements of Principle* contained in *APER* 2 are issued under section 64(1) of the *Act* (Conduct: statements and codes). [deleted]~~
- 1.2.1A [FCA] G *The *Statements of Principle* contained in *APER* 2 are issued under section 64(1) of the *Act* (Conduct: statements and codes). The paragraphs of the application section in *APER* 1.1A labelled “P” also form part of the *Statements of Principle*.*
- 1.2.1B [PRA] G *The *Statements of Principle* contained in *APER* 2 are issued under section 64(1A) of the *Act* (Conduct: statements and codes). The paragraphs of the application section in *APER* 1.1B labelled “P” also form part of the *Statements of Principle*.*

- 1.2.2 [FCA/PRA] G Section 64(2) of the *Act* states that if ~~the FSA~~ an appropriate regulator issues *Statements of Principle* it must also issue a code of practice for the purpose of helping to determine whether or not a *person's* conduct complies with the *Statements of Principle*. The *Code of Practice for Approved Persons* in *APER 3* and *APER 4* fulfils this requirement.
- 1.2.3 [FCA] G The *Code of Practice for Approved Persons* sets out descriptions of conduct which, in the opinion of the ~~FSA~~ FCA, do not comply with a *Statement of Principle* and, in the case of *Statement of Principle 3*, conduct which tends to show compliance within that statement. The *Code of Practice for Approved Persons* also sets out, in certain cases, factors which, in the opinion of the ~~FSA~~ FCA, are to be taken into account in determining whether or not an *approved person's* conduct complies with a *Statement of Principle*. The guidance set out in *APER 3* and *APER 4* does not form part of the *Code of Practice for Approved Persons*.
- 1.2.3A [PRA] G The *Code of Practice for Approved Persons* sets out descriptions of conduct which, in the opinion of the PRA, do not comply with a *Statement of Principle*. The *Code of Practice for Approved Persons* also sets out, in certain cases, factors which, in the opinion of the PRA, are to be taken into account in determining whether or not an *approved person's* conduct complies with a *Statement of Principle*. The guidance set out in *APER 3* and *APER 4* does not form part of the *Code of Practice for Approved Persons*.
- ...
- 1.2.5 [FCA] G As set out in ~~SUP 10.3.1R (Arrangements and regulated activities)~~ 10A.3.1R (Provisions related to the Act), a function is a *controlled function* only to the extent that it is performed under an *arrangement* entered into by:
- ...
- 1.2.6 G ~~The *Statements of Principle* apply only to the performance of a *controlled function* (that is, to the activities carried on under the arrangement described in the *firm's* application for approval). [deleted]~~
- 1.2.7 G ~~The FSA recognises that an *approved person* may be performing functions which are unrelated to *regulated activities* or are otherwise outside the description of a *controlled function*. The fact that a *person* may be approved for one purpose does not have the effect of bringing all his functions within the *controlled function*, nor of making those functions subject to the *Statements of Principle*. [deleted]~~
- 1.2.8 G ~~The territorial scope of the *approved persons* regime is set out in SUP 10.1 (Application). [deleted]~~

- 1.2.9 G ~~The *Statements of Principle* apply only to the extent that a *person* is performing a *controlled function* for which approval has been sought and granted. [deleted]~~

APER 2.1 is deleted in its entirety. The deleted text is not shown.

After APER 2.1 (deleted) insert the following new sections. The text is not underlined.

**2.1A The Statements of Principle**

- 2.1A.1 G *APER 2.1A.3P* sets out the *Statements of Principle* issued by the *FCA* to which *APER 1.2.1AG* refers and to which the provisions of the *Code of Practice for Approved Persons* and guidance in *APER 3* and *APER 4* apply. The paragraphs of *APER 1.1A* labelled “P” also form part of the *Statements of Principle*.
- 2.1A.2 P An *approved person* will not be subject to a *Statement of Principle* to the extent that it would be contrary to the UK's obligations under a *Single Market Directive* or the *auction regulation*.
- 2.1A.3 P Statements of Principle issued under section 64 of the Act

<p>Statement of Principle 1</p> <p>An <i>approved person</i> must act with integrity in carrying out his <i>accountable functions</i>.</p>
<p>Statement of Principle 2</p> <p>An <i>approved person</i> must act with due skill, care and diligence in carrying out his <i>accountable functions</i>.</p>
<p>Statement of Principle 3</p> <p>An <i>approved person</i> must observe proper standards of market conduct in carrying out his <i>accountable functions</i>.</p>
<p>Statement of Principle 4</p> <p>An <i>approved person</i> must deal with the <i>FCA</i>, the <i>PRA</i> and other regulators in an open and cooperative way and must disclose appropriately any information of which the <i>FCA</i> or the <i>PRA</i> would reasonably expect notice.</p>

<p>Statement of Principle 5</p> <p><i>An approved person performing an accountable significant-influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his accountable function is organised so that it can be controlled effectively.</i></p>
<p>Statement of Principle 6</p> <p><i>An approved person performing an accountable significant-influence function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his accountable function.</i></p>
<p>Statement of Principle 7</p> <p><i>An approved person performing an accountable significant-influence function must take reasonable steps to ensure that the business of the firm for which he is responsible in his accountable function complies with the relevant requirements and standards of the regulatory system.</i></p>

## 2.1B The Statements of Principle

- 2.1B.1 [PRA] G *APER 2.1B.3P sets out the Statements of Principle issued by the PRA to which APER 1.2.1BG refers and to which the provisions of the Code of Practice for Approved Persons and guidance in APER 3 and APER 4 apply. The paragraphs of APER 1.1B labelled “P” also form part of the Statements of Principle.*
- 2.1B.2 [PRA] P *An approved person will not be subject to a Statement of Principle to the extent that it would be contrary to the UK's obligations under a Single Market Directive or the auction regulation.*
- 2.1B.3 [PRA] P Statements of Principle issued under section 64 of the Act

<p>Statement of Principle 1</p> <p><i>An approved person must act with integrity in carrying out his accountable functions.</i></p>
<p>Statement of Principle 2</p> <p><i>An approved person must act with due skill, care and diligence in carrying out his accountable functions.</i></p>
<p>Statement of Principle 3</p> <p>[Not used]</p>

<p>Statement of Principle 4</p> <p>An <i>approved person</i> must deal with the <i>FCA</i>, the <i>PRA</i> and other regulators in an open and cooperative way and must disclose appropriately any information of which the <i>FCA</i> or the <i>PRA</i> would reasonably expect notice.</p>
<p>Statement of Principle 5</p> <p>An <i>approved person</i> performing an <i>accountable function</i> must take reasonable steps to ensure that the business of the <i>firm</i> for which he is responsible in his <i>accountable function</i> is organised so that it can be controlled effectively.</p>
<p>Statement of Principle 6</p> <p>An <i>approved person</i> performing an <i>accountable function</i> must exercise due skill, care and diligence in managing the business of the <i>firm</i> for which he is responsible in his <i>accountable function</i>.</p>
<p>Statement of Principle 7</p> <p>An <i>approved person</i> performing an <i>accountable function</i> must take reasonable steps to ensure that the business of the <i>firm</i> for which he is responsible in his <i>accountable function</i> complies with the relevant requirements and standards of the <i>regulatory system</i>.</p>

Amend the following as shown.

### **3 Code of Practice for Approved Persons: general**

#### **3.1 Introduction**

- 3.1.1 G This *Code of Practice for Approved Persons* is issued under section 64 of the *Act* (~~Conduct: statements and codes~~) for the purpose of helping to determine whether or not an *approved person's* conduct complies with a *Statement of Principle*. The code sets out descriptions of conduct which, in the *FSA's* opinion, do not comply with the relevant *Statements of Principle*. The code also sets out certain factors which, in the opinion of the *FSA*, are to be taken into account in determining whether an *approved person's* conduct complies with a particular *Statement of Principle*. The description of conduct, the factors and related provisions are identified in the text by the letter 'E' as explained in chapter 6 of the *Reader's Guide*. ~~[deleted]~~

- 3.1.1A [FCA ] G This Code of Practice for Approved Persons is issued under section 64 of the Act (Conduct: statements and codes) for the purpose of helping to determine whether or not an approved person's conduct complies with a Statement of Principle. The code sets out descriptions of conduct which, in the FCA's opinion, do not comply with the relevant Statements of Principle. The code also sets out certain factors which, in the opinion of the FCA, are to be taken into account in determining whether an approved person's conduct complies with a particular Statement of Principle. The description of conduct, the factors and related provisions are identified in the text by the letter 'E' as explained in chapter 6 of the Reader's Guide.
- 3.1.1B [PRA] G This Code of Practice for Approved Persons is issued under section 64 of the Act (Conduct: statements and codes) for the purpose of helping to determine whether or not an approved person's conduct complies with a Statement of Principle. The code sets out descriptions of conduct which, in the PRA's opinion, do not comply with the relevant Statements of Principle. The code also sets out certain factors which, in the opinion of the PRA, are to be taken into account in determining whether an approved person's conduct complies with a particular Statement of Principle. The description of conduct, the factors and related provisions are identified in the text by the letter 'E' as explained in the Reader's Guide.
- ...
- 3.1.3 [FCA/ PRA] G The significance of conduct identified in the *Code of Practice for Approved Persons* as tending to establish compliance with or a breach of a *Statement of Principle* will be assessed only after all the circumstances of a particular case have been considered. Account will be taken of the context in which a course of conduct was undertaken, including the precise circumstances of the individual case, the characteristics of the particular *controlled accountable function* and the behaviour to be expected in that function.
- ...
- 3.1.4A [PRA] G (1) An approved person will only be in breach of a Statement of Principle where he is personally culpable. Personal culpability arises where an approved person's conduct was deliberate or where the approved person's standard of conduct was below that which would be reasonable in all the circumstances.
- (2) For the avoidance of doubt, the Statements of Principle do not extend the duties of approved persons beyond those which the firm owes in its dealings with customers or others.
- 3.1.5 [FCA/ PRA] G In particular, in determining whether or not an *approved person's* conduct complies with a *Statement of Principle*, the *FSA appropriate regulator* will take into account the extent to which an *approved person* has acted in a way that is stated to be in breach of a *Statement of Principle*.

- 3.1.6 [FCA/PRA] G The *Code of Practice for Approved Persons* (and in particular the specific examples of behaviour which may be in breach of a generic description of conduct in the code) is not exhaustive of the kind of conduct that may contravene the *Statements of Principle*. The purpose of the code is to help determine whether or not a *person's* conduct complies with a *Statement of Principle*. The code may be supplemented from time to time. The *FSA appropriate regulator* will amend the code if there is a risk that unacceptable practice may become prevalent, so as to make clear what conduct falls below the standards expected of *approved persons* by the *Statements of Principle*.
- 3.1.7 G ~~*Statements of Principle 1 to 4 apply to all approved persons. In the Statements of Principle and in the Code of Practice for Approved Persons, a reference to "his controlled function" is a reference to the controlled function to which the approval relates. A person performing a significant influence function is also subject to the additional requirements set out in Statements of Principle 5 to 7 in performing that controlled function. Those responsible under SYSC 2.1.3R or SYSC 4.4.5R (Apportionment of responsibilities) for the firm's apportionment obligation will be specifically subject to Statement of Principle 5 (and see in particular APER 4.5.6E). In addition, it will be the responsibility of any such approved person to oversee that the firm has appropriate systems and controls under Statement of Principle 7 (and see in particular APER 4.7.3E). [deleted]*~~
- 3.1.7A [FCA] G *Statements of Principle 1 to 4 apply to all approved persons. A person performing an accountable significant-influence function is also subject to the additional requirements set out in Statements of Principle 5 to 7 in performing that accountable function. Those responsible under SYSC 2.1.3R or SYSC 4.4.5R (Apportionment of responsibilities) for the firm's apportionment obligation will be specifically subject to Statement of Principle 5 (and see, in particular, APER 4.5.6E). In addition, it will be the responsibility of any such approved person to oversee that the firm has appropriate systems and controls under Statement of Principle 7 (and see, in particular, APER 4.7.3E).*
- 3.1.7B [PRA] G *Those responsible under SYSC 2.1.3R or SYSC 4.4.5R (Apportionment of responsibilities) for the firm's apportionment obligation will be specifically subject to Statement of Principle 5 (and see, in particular, APER 4.5.6E). In addition, it will be the responsibility of any such approved person to oversee that the firm has appropriate systems and controls under Statement of Principle 7 (and see, in particular, APER 4.7.3E).*
- 3.1.8 G ~~*In applying Statements of Principle 5 to 7, the nature, scale and complexity of the business under management and the role and responsibility of the individual performing a significant influence function within the firm will be relevant in assessing whether an approved person's conduct was reasonable. For example, the smaller and less complex the business, the less detailed and extensive the systems of control need to be. The FSA will be of the opinion that an individual performing a significant influence function may have breached Statements of Principle 5 to 7 only if his conduct was below the standard which would be reasonable in all the circumstances. (See also*~~

APER 3.3.1E(3) to (5): [deleted]

- 3.1.8A [FCA] G In applying *Statements of Principle 5 to 7*, the nature, scale and complexity of the business under management and the role and responsibility of the individual performing an *accountable significant-influence function* within the *firm* will be relevant in assessing whether an *approved person's* conduct was reasonable. For example, the smaller and less complex the business, the less detailed and extensive the systems of control need to be. The *FCA* will be of the opinion that an individual performing an *accountable significant-influence function* may have breached *Statements of Principle 5 to 7* only if his conduct was below the standard which would be reasonable in all the circumstances. (See also *APER 3.3.1E(3) to (5)*.)
- 3.1.8B [PRA] G In applying *Statements of Principle 5 to 7*, the nature, scale and complexity of the business under management and the role and responsibility of the individual performing an *accountable function* within the *firm* will be relevant in assessing whether an *approved person's* conduct was reasonable. For example, the smaller and less complex the business, the less detailed and extensive the systems of control need to be. The *PRA* will be of the opinion that an individual performing an *accountable function* may have breached *Statements of Principle 5 to 7* only if his conduct was below the standard which would be reasonable in all the circumstances. (See also *APER 3.3.1E(3) to (5)*.)
- 3.1.9 [FCA/ PRA] G *UK domestic firms* listed on the London Stock Exchange are subject to the *UK Corporate Governance Code*, whose *internal control* provisions are amplified in the publication entitled "Internal Control: Revised Guidance for Directors on the Combined Code (October 2005)" issued by the Financial Reporting Council. ~~*FSA-regulated firms*~~ *Firms regulated by the appropriate regulator* in this category will thus be subject to that code as well as to the requirements and standards of the *regulatory system*. In forming an opinion whether *approved persons* have complied with its requirements, the ~~*FSA*~~ *appropriate regulator* will give due credit for their following corresponding provisions in the *UK Corporate Governance Code* and related *guidance*.

### 3.2 Factors relating to all Statements of Principle

- 3.2.1 [FCA/ PRA] E In determining whether or not the particular conduct of an *approved person* within his ~~*controlled*~~ *accountable function* complies with the *Statements of Principle*, the following are factors which, in the opinion of the ~~*FSA*~~ *appropriate regulator*, are to be taken into account:

...

### 3.3 Factors relating to Statements of Principle 5 to 7

3.3.1 E In determining whether or not the conduct of an *approved person*  
[FCA] performing a an *accountable significant-influence function* complies with *Statements of Principle 5 to 7*, the following are factors which, in the opinion of the ~~FSA~~ FCA, are to be taken into account:

...

(4) his role and responsibility as an *approved person* performing a an *accountable significant-influence function*;

...

3.3.2 E In determining whether or not the conduct of an *approved person*  
[PRA] performing an *accountable function* complies with *Statements of Principle 5 to 7*, the following are factors which, in the opinion of the *PRA*, are to be taken into account:

(1) whether he exercised reasonable care when considering the information available to him;

(2) whether he reached a reasonable conclusion which he acted on;

(3) the nature, scale and complexity of the *firm's* business;

(4) his role and responsibility as an *approved person* performing an *accountable function*;

(5) the knowledge he had, or should have had, of regulatory concerns, if any, arising in the business under his control.

## 4 Code of Practice for Approved Persons: specific

### 4.1 Statement of Principle 1

4.1.1 G ~~The *Statement of Principle 1* (see *APER 2.1.2P*) is in the following terms:  
"An *approved person* must act with integrity in carrying out his *controlled function*." [deleted]~~

4.1.1A G The *Statement of Principle 1* (see *APER 2.1A.3P*) is in the following terms:  
[FCA] "An *approved person* must act with integrity in carrying out his *accountable functions*."

4.1.1B G The *Statement of Principle 1* (see *APER 2.1B.3P*) is in the following terms:  
[PRA] "An *approved person* must act with integrity in carrying out his *accountable functions*."

4.1.2 E In the opinion of the ~~FSA~~ appropriate regulator, conduct of the type  
[FCA/ described in *APER* 4.1.3E, *APER* 4.1.5E, *APER* 4.1.6E, *APER* 4.1.8E, *APER*  
PRA] 4.1.10E, *APER* 4.1.12E, *APER* 4.1.13E, *APER* 4.1.14E or *APER* 4.1.15E  
does not comply with *Statement of Principle 1* (~~*APER* 2.1.2P~~).

4.1.3 E Deliberately misleading (or attempting to mislead) by act or omission:  
[FCA/ ...  
PRA] (3) the ~~FSA~~ FCA or the PRA;  
falls within *APER* 4.1.2E.

4.1.4 E Behaviour of the type referred to in *APER* 4.1.3E includes, but is not limited  
[FCA/ to, deliberately:  
PRA] ...

(11) providing false or inaccurate information to the ~~FSA~~ FCA or the  
PRA;

(12) destroying, or causing the destruction of, *documents* (including false  
documentation), or tapes or their contents, relevant to misleading (or  
attempting to mislead) a *client*, his *firm*, the FCA or the ~~FSA~~ PRA;

...

...

4.1.6 E Deliberately failing to inform, without reasonable cause:  
[FCA/ ...  
PRA] ...

(3) the ~~FSA~~ FCA or the PRA;

of the fact that their understanding of a material issue is incorrect, despite  
being aware of their misunderstanding, falls within *APER* 4.1.2E.

...

4.1.8 E Deliberately preparing inaccurate or inappropriate records or returns in  
[FCA/ connection with a ~~an~~ controlled accountable function, falls within *APER*  
PRA] 4.1.2E.

...

## 4.2 Statement of Principle 2

- 4.2.1 G The *Statement of Principle 2* (see *APER 2.1.2P*) is in the following terms: "An *approved person* must act with due skill, care and diligence in carrying out his *controlled function*." [deleted]
- 4.2.1A [FCA] G The *Statement of Principle 2* (see *APER 2.1A.3P*) is in the following terms: "An *approved person* must act with due skill, care and diligence in carrying out his *accountable functions*."
- 4.2.1B [PRA] G The *Statement of Principle 2* (see *APER 2.1B.3P*) is in the following terms: "An *approved person* must act with due skill, care and diligence in carrying out his *accountable functions*."
- 4.2.2 [FCA/PRA] E In the opinion of the *FSA appropriate regulator*, conduct of the type described in *APER 4.2.3E*, *APER 4.2.5E*, *APER 4.2.6E*, *APER 4.2.8E*, *APER 4.2.10E*, *APER 4.2.11E*, ~~*APER 4.2.13E*~~ or *APER 4.2.14E* does not comply with *Statement of Principle 2* (~~*APER 2.1.2P*~~).
- 4.2.2A [FCA] E In the opinion of the *FCA*, conduct of the type described in *APER 4.2.13E* does not comply with *Statement of Principle 2*.

...

- 4.2.13 [FCA] E Continuing to perform a *controlled function* despite having failed to meet the standards of knowledge and skill set out in the Training and Competence sourcebook (*TC*) for that *controlled function* falls within ~~*APER 4.2.2E*~~ *APER 4.2.2AE*.

...

### 4.3 Statement of Principle 3

- 4.3.1 [FCA] G The *Statement of Principle 3* (see ~~*APER 2.1.2P*~~ *APER 2.1A.3P*) is in the following terms: "An *approved person* must observe proper standards of market conduct in carrying out his ~~*controlled function*~~ *accountable functions*."

...

- 4.3.3 [FCA] E A factor to be taken into account in determining whether or not an *approved person's* conduct complies with this *Statement of Principle* ~~*APER 2.1.2P*~~ is whether he, or his *firm*, has complied with the *Code of Market Conduct* (*MAR 1*) or relevant market codes and exchange rules.

- 4.3.4 [FCA] E Compliance with the code or *rules* described in *APER 4.3.3E* will tend to show compliance with this *Statement of Principle* (~~*APER 2.1.2P*~~).

### 4.4 Statement of Principle 4

- 4.4.1 G ~~The *Statement of Principle 4* (see *APER 2.1.2 P*) is in the following terms: "An *approved person* must deal with the *FSA* and with other regulators in an open and cooperative way and must disclose appropriately any information of which the *FSA* would reasonably expect notice." [deleted]~~
- 4.4.1A [FCA] G The *Statement of Principle 4* (see *APER 2.1A.3P*) is in the following terms: "An *approved person* must deal with the *FCA*, the *PRA* and other regulators in an open and cooperative way and must disclose appropriately any information of which the *FCA* or the *PRA* would reasonably expect notice."
- 4.4.1B [PRA] G The *Statement of Principle 4* (see *APER 2.1B.3P*) is in the following terms: "An *approved person* must deal with the *FCA*, the *PRA* and other regulators in an open and cooperative way and must disclose appropriately any information of which the *FCA* or the *PRA* would reasonably expect notice."
- 4.4.2 G ~~For the purpose of this *Statement of Principle* (*APER 2.1.2 P*), regulators in addition to the *FSA* are those which have recognised jurisdiction in relation to *regulated activities* and a power to call for information from the *approved person* in connection with his *controlled function* or (in the case of an individual performing a *significant influence function*) in connection with the business for which he is responsible. This may include an exchange or an *overseas regulator*. [deleted]~~
- 4.4.2A [FCA] G For the purpose of this *Statement of Principle*, regulators in addition to the *FCA* and the *PRA* are those which have recognised jurisdiction in relation to *regulated activities* and a power to call for information from the *approved person* in connection with his *accountable function* or (in the case of an individual performing an *accountable significant-influence function*) in connection with the business for which he is responsible. This may include an exchange or an *overseas regulator*.
- 4.4.2B [PRA] G For the purpose of this *Statement of Principle*, regulators in addition to the *FCA* and the *PRA* are those which have recognised jurisdiction in relation to *regulated activities* and a power to call for information from the *approved person* in connection with his *accountable function* or in connection with the business for which he is responsible. This may include an exchange or an *overseas regulator*.
- 4.4.3 [FCA/ PRA] E In the opinion of the *FSA appropriate regulator*, conduct of the type described in *APER 4.4.4E*, *APER 4.4.7E*, or *APER 4.4.9E* does not comply with *Statement of Principle 4* (~~*APER 2.1.2P*~~).
- 4.4.4 [FCA/ PRA] E Failing to report promptly in accordance with his *firm's* internal procedures (or if none exist direct to the ~~*FSA regulator concerned*~~), information which it would be reasonable to assume would be of material significance to the ~~*FSA regulator concerned*~~, whether in response to questions or otherwise, falls within *APER 4.4.3E*. The regulator concerned is:
- (1) the *FCA* if it would be reasonable to assume that it would be of material significance to it;

- (2) the PRA if it would be reasonable to assume that it would be of material significance to it;
- (3) both the FCA and the PRA if it would be reasonable to assume that it would be of material significance to both of them.

4.4.5 [FCA/  
PRA] G There is no duty on an *approved person* to report such information directly to the FSA regulator concerned unless he is one of the *approved persons* responsible within the *firm* for reporting matters to the FSA regulator concerned. However, if an *approved person* takes steps to influence the decision so as not to report to the FSA regulator concerned or acts in a way that is intended to obstruct the reporting of the information to the FSA regulator concerned, then the FSA appropriate regulator will, in respect of that information, view him as being one of those within the *firm* who has taken on responsibility for deciding whether to report that matter to the FSA regulator concerned.

4.4.6 [FCA/  
PRA] E In determining whether or not an *approved person's* conduct under *APER* 4.4.4E complies with *Statement of Principle 4*, the following are factors which, in the opinion of the FSA appropriate regulator, are to be taken into account:

- (1) the likely significance to the regulator concerned (as defined in APER 4.4.4E) ~~FSA~~ of the information which it was reasonable for the individual to assume;

...

4.4.7 [FCA/  
PRA] E Where the *approved person* is, or is one of the *approved persons* who is, responsible within the *firm* for reporting matters to the FSA regulator concerned (as defined in APER 4.4.4E), failing promptly to inform the FSA regulator concerned of information of which he is aware and which it would be reasonable to assume would be of material significance to the FSA regulator concerned, whether in response to questions or otherwise, falls within *APER* 4.4.3E.

4.4.8 [FCA/  
PRA] E In determining whether or not an *approved person's* conduct under *APER* 4.4.7E complies with *Statement of Principle 4* (~~*APER 2.1.2P*~~), the following are factors which, in the opinion of the FSA appropriate regulator, are to be taken into account:

- (1) the likely significance of the information to the FSA regulator concerned (as defined in APER 4.4.4E) which it was reasonable for the *approved person* to assume;
- (2) whether any decision not to inform the FSA regulator concerned (as defined in APER 4.4.4E) was taken after reasonable enquiry and analysis of the situation.

...

## 4.5 Statement of Principle 5

4.5.1 G ~~The *Statement of Principle 5* (see *APER 2.1.2P*) is in the following terms: "An *approved person* performing a *significant influence function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *controlled function* is organised so that it can be controlled effectively."~~ [deleted]

4.5.1A G The *Statement of Principle 5* (see *APER 2.1A.3P*) is in the following terms: "An *approved person* performing an *accountable significant-influence function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *accountable function* is organised so that it can be controlled effectively." References in *APER 4.5* to a *significant-influence function* are to an *accountable function* to which *Statement of Principle 5* applies.

4.5.1B G The *Statement of Principle 5* (see *APER 2.1B.3P*) is in the following terms: "An *approved person* performing an *accountable function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *accountable function* is organised so that it can be controlled effectively." References in *APER 4.5* to a *significant-influence function* are to an *accountable function* to which *Statement of Principle 5* applies.

4.5.2 E In the opinion of the ~~*FSA appropriate regulator*~~, conduct of the type described in *APER 4.5.3E*, *APER 4.5.4E*, *APER 4.5.6E* or *APER 4.5.8E* does not comply with *Statement of Principle 5* (~~*APER 2.1.2P*~~).

...

4.5.7 E Behaviour of the type referred to in *APER 4.5.6E* includes, but is not limited to:

(1) failing to review regularly the significant responsibilities which the *firm* is required to apportion ~~under *APER 2.1.1G*~~;

...

...

## 4.6 Statement of Principle 6

4.6.1 G ~~The *Statement of Principle 6* (see *APER 2.1.2P*) is in the following terms: "An *approved person* performing a *significant influence function* must exercise due skill, care and diligence in managing the business of the *firm* for which he is responsible in his *controlled function*."~~ [deleted]

4.6.1A [FCA] G The Statement of Principle 6 (see APER 2.1A.3P) is in the following terms: "An approved person performing an accountable significant-influence function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his accountable function." References in APER 4.6 to a significant-influence function are to an accountable significant-influence function to which Statement of Principle 6 applies.

4.6.1B [PRA] G The Statement of Principle 6 (see APER 2.1B.3P) is in the following terms: "An approved person performing an accountable function must exercise due skill, care and diligence in managing the business of the firm for which he is responsible in his accountable function." References in APER 4.6 to a significant-influence function are to an accountable function to which Statement of Principle 6 applies.

4.6.2 [FCA/ PRA] E In the opinion of the *FSA appropriate regulator*, conduct of the type described in APER 4.6.3E, APER 4.6.5E, APER 4.6.6E or APER 4.6.8E does not comply with *Statement of Principle 6 (APER 2.1.2P)*.

...

4.6.10 [FCA/ PRA] E In determining whether or not the conduct of an *approved person* performing a *significant\_influence function* under APER 4.6.5E, APER 4.6.6E and APER 4.6.8E complies with *Statement of Principle 6 (see APER 2.1.2P)*, the following are factors which, in the opinion of the *FSA appropriate regulator*, are to be taken into account:

...

4.6.11 [FCA/ PRA] G An *approved person* performing a *significant-influence function* will not always manage the business on a day-to-day basis himself. The extent to which he does so will depend on a number of factors, including the nature, scale and complexity of the business and his position within it. The larger and more complex the business, the greater the need for clear and effective delegation and reporting lines. The *FSA appropriate regulator* will look to the *approved person* performing a *significant-influence function* to take reasonable steps to ensure that systems are in place which result in issues being addressed at the appropriate level. When issues come to his attention, he should deal with them in an appropriate way.

...

Delegation

4.6.13 [FCA/ PRA] G ...

- (4) The ~~FSA recognises~~ FCA and PRA recognise that the *approved person* performing a *significant-influence function* will have to exercise his own judgment in deciding how issues are dealt with, and that in some cases that judgment will, with the benefit of hindsight, be shown to have been wrong. He will not be in breach of *Statement of Principle 6* unless he fails to exercise due and reasonable consideration before he delegates the resolution of an issue or authority for dealing with a part of the business and fails to reach a reasonable conclusion. If he is in doubt about how to deal with an issue or the seriousness of a particular compliance problem, then, although he cannot delegate to the ~~FSA appropriate regulator~~ the responsibility for dealing with the problem or issue, he can speak to the ~~FSA appropriate regulator~~ to discuss his approach (see *APER 4.6.5E*).

...

#### 4.7 Statement of Principle 7

- 4.7.1 G ~~The *Statement of Principle 7* (see *APER 2.1.2P*) is in the following terms: "An *approved person* performing a *significant-influence function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *controlled function* complies with the relevant requirements and standards of the *regulatory system*."~~ [deleted]
- 4.7.1A [FCA] G The *Statement of Principle 7* (see *APER 2.1A.3P*) is in the following terms: "An *approved person* performing an *accountable significant-influence function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *accountable function* complies with the relevant requirements and standards of the *regulatory system*." References in *APER 4.7* to a *significant-influence function* are to an *accountable significant-influence function* to which *Statement of Principle 7* applies.
- 4.7.1B [PRA] G The *Statement of Principle 7* (see *APER 2.1B.3P*) is in the following terms: "An *approved person* performing an *accountable function* must take reasonable steps to ensure that the business of the *firm* for which he is responsible in his *accountable function* complies with the relevant requirements and standards of the *regulatory system*." References in *APER 4.7* to a *significant-influence function* are to an *accountable function* to which *Statement of Principle 7* applies.
- 4.7.2 [FCA/ PRA] E In the opinion of the ~~FSA appropriate regulator~~, conduct of the type described in ~~*APER 4.7.3E*, *APER 4.7.4E*, *APER 4.7.5E*, or *APER 4.7.7E*, *APER 4.7.9E*, *APER 4.7.10E* or *APER 4.7.11AE*~~ does not comply with ~~*Statement of Principle 7* (*APER 2.1.2P*)~~.

- 4.7.2A [FCA] E In the opinion of the FCA, conduct of the type described in APER 4.7.9E, APER 4.7.10E or APER 4.7.11AE does not comply with Statement of Principle 7.
- 4.7.3 [FCA/ PRA] E Failing to take reasonable steps to implement (either personally or through a compliance department or other departments) adequate and appropriate systems of control to comply with the relevant requirements and standards of the *regulatory system* in respect of ~~its~~ the regulated activities of the firm in question (as referred to in Statement of Principle 7) falls within APER 4.7.2E. In the case of an *approved person* who is responsible, under SYSC 2.1.3R(2) or SYSC 4.4.5R(2), with overseeing the *firm's* obligation under SYSC 3.1.1R or SYSC 4.1.1R, failing to take reasonable care to oversee the establishment and maintenance of appropriate systems and controls falls within APER 4.7.2E.
- 4.7.4 [FCA/ PRA] E Failing to take reasonable steps to monitor (either personally or through a compliance department or other departments) compliance with the relevant requirements and standards of the *regulatory system* in respect of ~~its~~ the regulated activities of the firm in question (as referred to in Statement of Principle 7) falls within APER 4.7.2E (see APER 4.7.12G).
- 4.7.5 [FCA/ PRA] E Failing to take reasonable steps adequately to inform himself about the reason why significant breaches (whether suspected or actual) of the relevant requirements and standards of the *regulatory system* in respect of ~~its~~ the regulated activities of the firm in question (as referred to in Statement of Principle 7) may have arisen (taking account of the systems and procedures in place) falls within APER 4.7.2E.
- ...
- 4.7.7 [FCA/ PRA] E Failing to take reasonable steps to ensure that procedures and systems of control are reviewed and, if appropriate, improved, following the identification of significant breaches (whether suspected or actual) of the relevant requirements and standards of the *regulatory system* relating to ~~its~~ the regulated activities of the firm in question (as referred to in Statement of Principle 7), falls within APER 4.7.2E (see APER 4.7.13G and APER 4.7.14G).
- ...
- 4.7.9 [FCA] E In the case of the *money laundering reporting officer*, failing to discharge the responsibilities imposed on him by the *firm* in accordance with SYSC 3.2.6IR or SYSC 6.3.9R falls within ~~APER 4.7.2E~~ APER 4.7.2AE.
- 4.7.10 [FCA] E In the case of an *approved person* performing a *significant-influence function* responsible for compliance under SYSC 3.2.8R, SYSC 6.1.4R or SYSC 6.1.4AR, failing to take reasonable steps to ensure that appropriate compliance systems and procedures are in place falls within ~~APER 4.7.2E~~ APER 4.7.2AE (see APER 4.7.13G and APER 4.7.14G).

- 4.7.11 [FCA/PRA] G The ~~FSA~~ appropriate regulator expects an *approved person* performing a *significant\_influence function* to take reasonable steps both to ensure his *firm's* compliance with the relevant requirements and standards of the *regulatory system* and to ensure that all staff are aware of the need for compliance.
- 4.7.11A [FCA] E Where the *approved person* is a *proprietary trader* under ~~SUP 10A.9.10R~~ SUP 10A.9.10R(1A), failing to maintain and comply with appropriate systems and controls in relation to that activity falls within ~~APER 4.7.2E~~ APER 4.7.2AE.

...

## TP 1 Transitional Provisions

TP 1.1  
[FCA/  
PRA]

In addition to the transitional provision below, *GEN* contains some technical transitional provisions that apply throughout the *Handbook*.

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision coming into force
1.	<i>APER</i> 3.1.9G	<del>R</del> <u>G</u>	References to provisions in the UK Corporate Governance Code are to be read as references to the equivalent provisions in the Combined Code for accounting periods beginning before 29 June 2010.	From 29 June 2010 to 28 December 2011	6 August 2010

## Sch 1 Record keeping requirements

Sch 1.1 There are no record keeping requirements in APER.

[FCA/  
PRA]

**Sch 2.1 Record keeping requirements**

....

Sch 2.3

[FCA/  
PRA]

Handbook reference	Matter to be notified	Contents of notification	Trigger event	Time allowed
<i>Statement of Principle 4 (APER 2.1.2P 2.1A.3P)</i>	Any information of which the FSA <u>FCA</u> or the <u>PRA</u> would reasonably expect notice	Appropriate disclosure	Any information of which the FSA <u>FCA</u> or the <u>PRA</u> would reasonably expect notice	Appropriate

Sch 2.4

[PRA]

<u>Handbook reference</u>	<u>Matter to be notified</u>	<u>Contents of notification</u>	<u>Trigger event</u>	<u>Time allowed</u>
<u><i>Statement of Principle 4 (APER 2.1B.3P)</i></u>	<u>Any information of which the <u>FCA</u> or the <u>PRA</u> would reasonably expect notice</u>	<u>Appropriate disclosure</u>	<u>Any information of which the <u>FCA</u> or the <u>PRA</u> would reasonably expect notice</u>	<u>Appropriate</u>

...

Schedule 4 of APER is deleted in its entirety. The deleted text is not shown.

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64 (Conduct: statements and codes)	Section 64	Section 64

**SCHEDULE A**

**Part 2**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64 (Conduct: statements and codes)	Section 64	Section 64

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None

## Appendix 3: Section 13

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# Legal Cutover (Variation of Permission (Amendment No 2)) Instrument 2013

**LEGAL CUTOVER (VARIATION OF PERMISSION (AMENDMENT NO 2))  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order .

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
  - (8) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
  - (9) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument; and
  - (10) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2.

**Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the

Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:

- (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

#### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

#### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, or imposes:
- (1) Each provision in Annex B to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) Any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” in Column 3 of Annex A to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) identified as “FCA” in Column 3 of Annex A to this Instrument,
- 9 The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in paragraph 6 in exercise of section 139A (Power of the FCA to give guidance and related provisions of the 2000 Act, as amended by the 2012 Act:

**Commencement: Financial Conduct Authority**

- 10 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument come into effect on 1 April 2013.
- 11 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Amendments to the Handbook**

- 13 The Supervision manual (SUP) of the FCA's Handbook of rules and guidance is amended in accordance with Annex B to this Instrument.

**Citation**

14. This Instrument may be cited as the Legal Cutover (Variation of Permission (Amendment No 2)) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

## Annex A

(1)	(2)	(3)
Handbook Provision	Made, designated or no longer in force after legal cutover	Designation
SUP 7.1.1	Designated	FCA
SUP 7.1.2	Designated	FCA
SUP 7.1.3	Designated	FCA
SUP 7.1.4	Designated	FCA
SUP 7.1.5	Designated	FCA
SUP 7.2.1	Designated	FCA
SUP 7.2.2	Designated	FCA
SUP 7.2.3	Designated	FCA
SUP 7.2.4	Designated	FCA
SUP 7.2.4A	Made	FCA
SUP 7.2.4B	Made	FCA
SUP 7.2.5	Designated	FCA
SUP 7.2.6	Designated	FCA
SUP 7.3.1	Designated	FCA
SUP 7.3.2	Designated	FCA
SUP 7.3.3	Designated	FCA
SUP 7.3.4	Designated	FCA

## Annex B

## Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

## 7 Individual requirements

### 7.1 Application and purpose

#### Application

- 7.1.1 G This chapter applies to every *firm* which has a ~~Part IV permission~~ Part 4A permission.
- 7.1.2 G The application of this chapter to an *incoming EEA firm, incoming Treaty firm* or *UCITS qualifier* with a ~~Part IV permission~~ Part 4A permission (a “*top-up permission*”) is limited as explained in *SUP 7.2.4G*.

#### Purpose

...

- 7.1.4 G The ~~FSA~~ FCA, in the course of its supervision of a *firm*, may sometimes judge it necessary or desirable to impose additional *requirements* on a *firm* or in some way amend or restrict the activities which the *firm* has *permission* to undertake. The *guidance* in this chapter describes when and how the ~~FSA~~ FCA will seek to do this.
- 7.1.5 G By waiving or modifying the requirements of a *rule* or imposing an additional *requirement* or *limitation*, the ~~FSA~~ FCA can ensure that the *rules*, and any other *requirements* or *limitations* imposed on a *firm*, take full account of the *firm*’s individual circumstances, and so assist the ~~FSA~~ FCA in meeting ~~the its regulatory objectives (for example, to protect consumers, maintain market confidence and contribute to financial stability)~~ statutory objectives under the Act.

### 7.2 The ~~FSA~~’s FCA’s powers to set individual requirements and limitations on its own initiative

- 7.2.1 G The ~~FSA~~ FCA has the power under ~~section 45~~ sections 55J and 55L of the *Act* (~~Variation on the Authority’s own initiative~~) to vary a *firm*’s ~~Part IV permission~~ Part 4A permission and/or impose a *requirement* on a *firm*. ~~This Varying a firm’s Part 4A permission~~ includes imposing a statutory requirement or limitation on that ~~Part IV permission~~ Part 4A permission.
- 7.2.2 G The circumstances in which the ~~FSA~~ FCA may vary a *firm*’s ~~Part IV permission~~

Part 4A permission on its own initiative or impose a requirement on a firm under section ~~45~~ 55J or 55L of the Act include where it appears to the ~~FSA~~ FCA that:

- (1) one or more of the threshold conditions for which the FCA is responsible is or is likely to be no longer satisfied; or
- (2) it is desirable to vary a firm's permission in order to meet any of the ~~FSA's~~ FCA's regulatory objectives statutory objectives under the Act; or
- (3) a firm has not carried out a regulated activity to which its Part 4A permission applies for a period of at least 12 months.

7.2.3 G The ~~FSA~~ FCA may also use its ~~powers under section 45~~ own-initiative powers for enforcement purposes. EG 8 sets out in detail the ~~FSA's~~ FCA's powers under ~~section 45~~ sections 55J and 55L of the Act and the circumstances under which the ~~FSA~~ FCA may ~~vary a firm's permission~~ use its own-initiative powers in this way, whether for enforcement purposes or as part of its day to day supervision of firms. This chapter provides additional guidance on when the ~~FSA~~ FCA will use these powers for supervision purposes.

7.2.4 G The ~~FSA~~ FCA may use its ~~powers under section 45 of the Act~~ own-initiative powers only in respect of a firm's Part IV permission Part 4A permission; that is, a permission granted to a firm under sections ~~42~~ 55E or 55F of the Act or having effect as if so given. In respect of an incoming EEA firm, an incoming Treaty firm, or a UCITS qualifier, this power applies only in relation to any top-up permission that it has. There are similar but more limited powers under Part XIII of the Act in relation to the permission of an incoming EEA firm or incoming Treaty firm under Schedules 3 or 4 to the Act (see EG 8.26 to EG 8.27).

7.2.4A G The FCA will consult the PRA before using its own-initiative powers in relation to a PRA-authorised person, or a member of a group which includes a PRA-authorised person.

7.2.4B G In the case of a dual-regulated PRA-authorised person, the FCA may exercise its own-initiative variation power to add a new regulated activity other than a PRA-regulated activity to those activities already included in the firm's Part 4A permission, or to widen the description of a regulated activity, only after consulting with the PRA.

7.2.5 G If the ~~FSA~~ FCA exercises its ~~powers under section 45 of the Act~~ own-initiative powers, it will do so by issuing a supervisory notice. The procedure that will be followed is set out in DEPP 2.

7.2.6 G A firm has a right of referral to the Tribunal in respect of the ~~exercise by the FSA of its powers to vary, on its own initiative,~~ FCA exercising its own-initiative powers on the firm's Part IV permission Part 4A permission.

### 7.3 Criteria for varying a firm's permission or imposing, varying or cancelling requirements on the FCA's own initiative

- 7.3.1 G The ~~FSA~~ FCA expects to maintain a close working relationship with certain types of *firm* and expects that routine supervisory matters arising can be resolved during the normal course of this relationship by, for example, issuing individual *guidance* where appropriate (see *SUP* 9.3). However, ~~the FSA may seek to vary a firm's Part IV permission~~ where the FCA deems it appropriate, it will exercise its own-initiative powers:
- (1) in circumstances where it considers it appropriate for the *firm* to be subject to a formal *requirement*, breach of which could attract enforcement action; or
  - (2) if a variation is needed to enable the *firm* to comply with the *requirement*, due to agreements the *firm* may have with third parties. (For example a *firm* may be under a contractual obligation to do something, but only if it can do so lawfully. In this case, if the ~~FSA~~ FCA considers the *firm* must not do it, then the ~~FSA~~ FCA would need to prevent it doing so through a variation in its ~~Part IV permission~~ Part 4A permission to enable the *firm* to avoid breaching the contractual obligation.)
- 7.3.2 G The ~~FSA~~ FCA may also seek to ~~vary a firm's Part IV permission on its own initiative in certain situations~~ exercise its own-initiative powers in certain situations, including the following:
- (1) If the ~~FSA~~ FCA determines that a *firm's* management, business or *internal controls* give rise to material risks that are not fully addressed by ~~its rules existing requirements~~, the ~~FSA~~ FCA may seek to ~~vary the firm's Part IV permission and impose an additional requirement or limitation on the firm~~ use its own-initiative powers.
  - (2) If a *firm* becomes or is to become involved with new products or selling practices which present risks not adequately addressed by existing requirements, the ~~FSA~~ FCA may seek to vary the *firm's Part IV permission* Part 4A permission in respect of those risks.
  - (3) If there has been a change in a *firm's* structure, *controllers*, activities or strategy which generate material uncertainty or create unusual or exceptional risks, then the ~~FSA~~ FCA may seek to ~~vary the firm's Part IV permission~~ use its own-initiative powers. (See also *SUP* 11.7.14G to *SUP* 11.7.18G 11.7 for a description of the ~~FSA's~~ FCA's ability to ~~vary a firm's Part IV permission~~ impose a requirement on a change in the acquisition of control of a firm under section 46 55O of the *Act*.)
  - (4) ~~If a firm is a member of a financial conglomerate and the FSA is implementing supplementary supervision under the Financial Groups Directive with respect to that financial conglomerate by imposing obligations on the firm. Further material on this can be found in GENPRU 3.1 (Cross sector groups) and SUP 16.7.82R to SUP 16.7.83R (reporting requirements with respect to financial conglomerates). At the request of, or~~

to assist an overseas regulator as set out in section 55Q of the Act.

- 7.3.3 G ~~The FSA~~ Pursuant to sections 55L, 55N, 55O, 55P and 55Q of the Act, within the scope of its functions and powers, the FCA may seek to impose ~~requirements or limitations~~ which include but are not restricted to:
- (1) requiring a *firm* to submit regular reports covering, for example, trading results, management accounts, *customer* complaints, connected party transactions;
  - (2) where appropriate, requiring a *firm* to maintain prudential limits, for example on large *exposures*, foreign currency *exposures* or liquidity gaps;
  - (3) requiring a *firm* to submit a business plan (~~or for an insurer, a scheme of operations (see SUP App 2)~~);
  - (4) limiting the *firm's* activities;
  - (5) requiring ~~a firm~~ an FCA-authorised person to maintain a particular amount or type of financial resources.
- 7.3.4 G ~~The FSA~~ FCA will seek to give a *firm* reasonable notice of an intent to vary its permission or impose a requirement and to agree with the *firm* an appropriate timescale. However, if the ~~FSA~~ FCA considers that a delay may create a risk to any of the ~~FSA's regulatory objectives~~ FCA's statutory objectives, the ~~FSA~~ FCA may need to act immediately using its powers under section ~~45~~ 55J and/or 55L of the Act ~~to vary a firm's Part IV permission~~ with immediate effect.

## SCHEDULE A

### Part 1

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of	Section 96C	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
trading)		
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's)	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraph 12(1) (Funding of the relevant costs by	Paragraph 12(1) (Funding of the relevant costs by	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

## SCHEDULE A

## Part 2

Column 1	Column 2	Column 3
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	None.

Column 1	Column 2	Column 3
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the	None

Column 1	Column 2	Column 3
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
	Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

**SCHEDULE A****Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

## SCHEDULE A

## Part 4

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)

Column 1	Column 2	Column 3
Provisions of the 2000 Act under which the Authority issued statements	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None



**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## SCHEDULE A

### Part 6

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A****Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A****Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A****Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 14

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# Legal Cutover (Fees) Instrument 2013

**LEGAL CUTOVER (FEES) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of making rules, giving guidance and issuing codes.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act; and
  - (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 2 In accordance with Article 2(1)(c) of the Early Commencement Order in relation to the powers and related provisions specified in paragraph 3(1) and in accordance with Article 2(1)(c) of the Early Commencement Order and Article 6(1)(c) and 6(1)(d) of the Designation Order in relation to the powers and related provisions specified in paragraphs 3(2) to (4), and in the exercise of the powers and related provisions specified in paragraph 3(1) to (4), the Financial Conduct Authority makes, amends, issues, gives, or imposes each provision marked with either an [FCA] or an [FCA/PRA] in Annex A, Annex B, Annex C and Annex D to this Instrument.

- 3 The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in the Annexes to this Instrument in exercise of:
- (1) the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
    - (a) section 73A (Part 6 rules);
    - (b) section 137A (The FCA's general rules);
    - (c) section 137T (General supplementary powers);
    - (d) section 139A (Power of the FCA to give guidance).
    - (e) section 166(9) (Reports by skilled persons);
    - (f) section 166A(9) (Appointment of skilled person to collect and update information);
    - (g) section 213 (The compensation scheme);
    - (h) section 214 (General);
    - (i) section 223 (Management expenses);
    - (j) section 234 (Industry funding);
    - (k) paragraph 23 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZA (The Financial Conduct Authority) of the Act; and
    - (l) paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body);
  - (2) the following provisions of the Payment Services Regulations 2009 (SI 2009/209):
    - (a) regulation 82 (Reporting requirements);
    - (b) regulation 92 (Costs of supervision); and
    - (c) regulation 93 (Guidance); and
  - (3) the following provisions of the Electronic Money Regulations 2011 (SI 2011/99):
    - (a) regulation 49 (Reporting requirements);
    - (b) regulation 59 (Costs of supervision); and
    - (c) regulation 60 (Guidance); and
  - (4) the following powers and related provisions in the Regulated Covered Bond Regulations 2008 (SI 2008/346):
    - (a) regulations 18, 20, 24 and 25 (notification requirements);
    - (b) regulation 42 (Guidance); and
    - (c) regulation 46 and paragraph 5 of Schedule 1 (fees).
- 4 The rule-making powers in paragraph 3 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 5 In Annex B to this instrument, the "notes" (indicated by "**Note**") are included for the convenience of readers but do not form part of the legislative text.

**Commencement: Financial Conduct Authority**

- 6 The Financial Conduct Authority directs that paragraph 2 of this Instrument comes into force on 1 April 2013.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

- 7 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 8, the Prudential Regulation Authority makes, amends, issues, gives, or imposes each provision marked with either a [PRA] or an [FCA/PRA] in Annex A, Annex B and Annex D to this Instrument.
- 8 The Prudential Regulation Authority makes, amends, issues, gives or imposes the provisions in Annex A, Annex B and Annex D to this Instrument in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
  - (1) section 137G (The PRA’s general rules);
  - (2) section 137T (General supplementary powers);
  - (3) section 166(9) (Reports by skilled persons);
  - (4) section 166A(9) (Appointment of skilled person to collect and update information);
  - (5) section 213 (The compensation scheme);
  - (6) section 214 (General);
  - (7) section 223 (Management expenses)
  - (8) paragraph 31 (Fees) of Part 3 (Penalties and Fees) of Schedule 1ZB (The Prudential Regulation Authority) of the Act.
- 9 The rule-making powers in paragraph 8 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 10 The Prudential Regulation Authority gives each provision in Annex B and Annex D that is marked with a G and a [PRA] or a G and an [FCA/PRA] as guidance.
- 11 In Annex B to this Instrument, the “notes” (indicated by “**Note**”) are included for the convenience of readers but do not form part of the legislative text.

**Commencement: Prudential Regulation Authority**

- 12 The Prudential Regulation Authority directs that paragraph 7 of this Instrument come into force on 1 April 2013.

**Amendments to the Handbooks**

- 13 The modules of the FCA’s and PRA’s Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Fees manual (FEES)	Annex B
Supervision manual (SUP)	Annex C
Credit Unions New sourcebook (CREDS)	Annex D

**Citation**

- 14 This Instrument may be cited as the Legal Cutover (Fees) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

## Annex A

### Amendments to the Glossary of definitions

In this Annex, the text is all new and is not underlined.

Insert the following new definition in the appropriate alphabetical position.

- fee year* (1) in relation to the *PRA*:
- [FCA/PRA] (a) before 1 March 2014: from and including 1 April 2013 to 28 February 2014 inclusive;
- (b) from and including 1 March 2014: 1 March to 28 February inclusive;
- (2) in relation to the *FCA*, 1 April to 31 March inclusive.

## Annex B

### Amendments to the Fees manual (FEES)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 1.1 Application and Purpose

...

1.1.2 R This manual applies in the following way:

[FCA/  
PRA]

- (1) *FEES* 1, 2 and 3 apply to the fee payers listed in column 1 of the Table of application, notification and vetting fees in *FEES* 3.2.7R and *FEES* 3.2.7AR.

...

...

#### 2 General Provisions

##### 2.1 Introduction

...

Purpose

...

2.1.10 G ~~Paragraph 17(2) of Schedule 1 and section 99(3) to the Act prohibit the FSA from taking account of penalties received when setting its periodic and other fees. Accordingly periodic fees are specified without reference to the penalties received. However, the FSA normally expects to allocate those penalties to the fee blocks within which the penalty payers fall, by way of a deduction from the periodic fee. Any deductions of this sort are set out in the relevant fees provisions or will be notified to the fee payer at the relevant time. [deleted]~~

2.1.11 G ~~Whilst paragraph 17(2) of Schedule 1 to the Act has not been applied to the fee-raising power of the FSA under the *Payment Services Regulations* and the *Electronic Money Regulations*, regulation 92(2) and 59(2) of these regulations respectively require the FSA to apply amounts paid to it by way of penalties imposed under these regulations towards expenses incurred in carrying out its functions under the regulations, or for any incidental purpose. [deleted]~~

...

### 3 Application, Notification and Vetting Fees

#### 3.1 Introduction

Application

3.1.1 R This chapter applies to every *person* set out in column 1 of the Table of application, notification and vetting fees in *FEES 3.2.7R* and *FEES 3.2.7AR*.  
[FCA/  
PRA]

...

#### 3.2 Obligation to pay fees

General

3.2.1 R A *person* in column (1) of the table in *FEES 3.2.7R* and, if applicable, *FEES 3.2.7AR* as the relevant fee payer for a particular activity must pay to the ~~FS~~ FCA (in its own capacity or, if the fee is payable to the *PRA*, in its capacity as collection agent for the *PRA*) a fee for each application or request or vetting, or request for support relating to compatibility of its systems with *appropriate regulator* systems, or admission approval made, or notification or notice of exercise of a *Treaty right* given, or other matter as is applicable to it, as set out or calculated in accordance with the provision referred to in column (2) of ~~that~~ the appropriate table:  
[FCA/  
PRA]

...

...

Method of payment

3.2.3 R ...

[FCA/  
PRA]

(3) The sum payable under *FEES 3.2.1R* by a *firm* applying for a variation of its *Part 4A permission* (*FEES 3.2.7R*(p) and, if applicable, *FEES 3.2.7AR*(c)) must be paid by any of the methods described in (1) or by Maestro or credit card (Visa/Mastercard only). Any payment by a permitted credit card must include an additional 2% of the sum paid.

...

Delete the **PRA** version of *FEES 3.2.7R* (Table of application, notification and vetting fees) in its entirety. The deleted text is not shown.

Retain the **FCA** version of *FEES 3.2.7R* and amend this as shown.

3.2.7 R 

Table of application, notification and vetting fees payable to the <u>FCA</u>
-------------------------------------------------------------------------------

[FCA]

(1) Fee payer	(2) Fee payable	Due date
...		
<p>(g) Any applicant for recognition as a <i>UK recognised body</i>:            (i) under section 287 or <del>section 288</del> of the <i>Act</i>;            or            (ii) under regulation 2(1) of the <i>RAP regulations</i></p>	<p><i>FEES 3 Annex 3R, part 1</i></p>	<p>On or before the date the application is made</p>
<p>(h) Any applicant for recognition as an <del>overseas recognised body</del> <i>ROIE</i> under section 287 or <del>section 288</del> and section 292 of the <i>Act</i></p>	<p><i>FEES 3 Annex 3R, part 2</i></p>	<p>On or before the date the application is made</p>
...		
<p>(o) Either:            (i) a <i>firm</i> applying to the <i>PRA appropriate regulator</i> for permission to use one of the <i>advanced prudential calculation approaches</i> listed in <i>FEES 3 Annex 6R</i> (or <i>guidance</i> on its availability), including any future proposed amendments to those approaches or (in the case of any application being made for such permission to the <i>PRA appropriate regulator</i> as <i>EEA consolidated supervisor</i> under the <i>Capital Requirements Regulations 2006</i>) any <i>firm</i> making such an application; or            (ii) in the case of an application to a <i>Home State regulator</i> other than the <i>PRA</i></p>	<p>(a) Unless (2) applies, <i>FEES 3 Annex 6R</i>.            (2) (a) Unless (b) applies a <i>firm</i> submitting a second application for the permission or <i>guidance</i> described in column (1) within 12 months of the first application (where the fee was paid in accordance with (1)) must pay 50% of the fee applicable to it under <i>FEES 3 Annex 6R</i>, but only in respect of that second application            (b) No fee is payable by a <i>firm</i> in relation to a successful application for a permission based on a minded to grant decision in respect of the same matter following a complete application for <i>guidance</i> in accordance with prescribed</p>	<p>Where the <i>firm</i> has made an application directly to the <i>PRA appropriate regulator</i>, on or before the date the application is made, otherwise within 30 days after the <i>PRA appropriate regulator</i> notifies the <i>firm</i> that its <i>EEA parent's Home State regulator</i> has requested the <del><i>PRA's</i></del> assistance.</p>

<p><u>appropriate regulator</u> for the use of the Internal Ratings Based approach and the <i>Home State regulator</i> requesting the <i>PRA's appropriate regulator's</i> assistance in accordance with the <i>Capital Requirements Regulations 2006</i>, any firm to which the <i>PRA appropriate regulator</i> would have to apply any decision to permit the use of that approach.</p>	<p>submission requirements. (c) No fee is payable where the <i>Home State regulator</i> has requested the assistance of the <del><i>PRA</i></del> as described in paragraph (o)(ii) of column 1 except in the cases specified in <i>FEES 3 Annex 6R</i>.</p>	
<p>(p) A <i>firm</i> applying for a variation of its <i>Part 4A permission</i></p>	<p>(1) Unless (2) or (3) applies, if the proposed new business of the <i>firm</i> would fall within one or more activity groups specified in Part 1 of <del><i>FEES 4 Annex 1R</i></del> <i>FEES 4 Annex 1AR</i> or Part 1 of <u><i>FEES 4 Annex 1BR</i></u> not applicable before the application, the fee is 50% of the highest of the tariffs set out in <i>FEES 3 Annex 1R</i> which apply to that application</p> <p>...</p> <p>(4) in all other cases, other than applications by <i>credit unions</i>, the fee payable is 250 for <u><i>firms which are not, or are not seeking to become, a PRA-authorised person,</i></u> and 125 for <u><i>firms which are, or are seeking to become, a PRA-authorised person,</i></u> unless the variation involves only the reduction (and no other increases) in the scope of a <i>Part 4A permission</i> in which case</p>	<p>On or before the date the application is made</p>

	no fee is payable.	
...		
<p>(s) In the case of an <i>insurance business transfer scheme</i>, a transferor.</p> <p>Note - for the purpose of this paragraph an <i>insurance business transfer scheme</i> consists of a single transferor and a single transferee. Where however such a scheme is part of a single larger scheme, that larger scheme is treated as a single <i>insurance business transfer scheme</i>. If an <i>insurance business transfer scheme</i> includes more than one transferor in accordance with this paragraph, the transferors are liable to pay the fee under column (2) jointly.</p>	<p>Either (1) or (2) as set out below:</p> <p>(1) In the case of an <i>insurance business transfer scheme</i> involving <i>long term insurance business</i>, 9,250 <del>to the PRA and 9,250 is payable</del> to the <i>FCA</i>; or</p> <p>(2) in the case of an <i>insurance business transfer scheme</i> not involving <i>long term insurance business</i>, 5,000 <del>to the PRA and 5,000 is payable</del> to the <i>FCA</i>.</p> <p><del>The amount payable to the PRA above is collected by the FCA as agent of the PRA.</del></p>	<p>On or before any application is made to the <i>PRA</i> for the appointment of a person as an <i>independent expert</i>.</p>
...		
<p>(zf) <del>An applicant for a ceding insurer's waiver. [deleted]</del></p>	20,000	<p>On or before the date the application is made.</p>
...	...	...
<p>(zp) <u>A person in respect of which the appropriate regulator has given notice of its intention to itself appoint a skilled person to provide it with a report pursuant to section 166(3)(b) of the Act and SUP 5.2.</u></p>	<p><u>Any amount invoiced to the appropriate regulator by a skilled person in relation to any work carried out by that skilled person in connection with its appointment by the appropriate regulator pursuant to section 166(3)(b) of the Act.</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>

<p><u>(zq) A person in respect of which the appropriate regulator has given notice of its intention to itself appoint a skilled person to collect or update information pursuant to section 166A(2)(b) of the Act.</u></p>	<p><u>Any amount invoiced to the appropriate regulator by a skilled person in relation to any work carried out by that skilled person in connection with its appointment by the appropriate regulator pursuant to section 166A(2)(b) of the Act.</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>
<p>...</p>		

...

3.2.7A R Table of application, notification and vetting fees payable to the PRA  
[PRA]

<u>(1) Fee payer</u>	<u>(2) Fee payable</u>	<u>Due date</u>
<p><u>(a) Any applicant for Part 4A permission (including an incoming firm applying for top-up permission) which includes a PRA-regulated activity</u></p>	<p><u>(1) Unless (2) applies, in respect of a particular application, the highest of the tariffs set out in FEES 3 Annex 1R part 1 which apply to that application.</u> <u>(2) In respect of a particular application which is:</u> <u>(i) a straightforward or moderately complex case for the purposes of FEES 3 Annex 1R part 1, and</u> <u>(ii) only involves a simple change of legal status as set out in FEES 3 Annex 1R part 6, the fee payable is 50% of the tariff that would otherwise be payable in FEES 3 Annex 1R part 1.</u></p>	<p><u>On or before the application is made</u></p>
<p><u>(b) Any Treaty firm that wishes to exercise a Treaty right to qualify for authorisation under</u></p>	<p><u>(1) Where no certificate has been issued under paragraph 3(4) of Schedule 4 to the Act the</u></p>	<p><u>On or before the notice of exercise is given</u></p>

<p><u>Schedule 4 to the Act (Treaty rights) in respect of regulated activities for which it does not have an EEA right, except for a firm providing cross border services only</u></p>	<p><u>fee payable is, in respect of a particular exercise, set out in FEES 3 Annex 1R, part 4.</u> <u>(2) Where a certificate in (1) has been issued no fee is payable.</u></p>	
<p><u>(c) A firm applying for a variation of its Part 4A permission or an FCA- authorised person applying to carry on a PRA-regulated activity</u></p>	<p><u>(1) Unless (2) or (3) applies, if the proposed new business of the firm would fall within one or more activity groups specified in Part 1 of FEES 4 Annex 1AR or Part 1 of FEES 4 Annex 1BR not applicable before the application, the fee is 50% of the highest of the tariffs set out in FEES 3 Annex 1R which apply to that application.</u> <u>(2) If the only change is that the A.12 activity group tariff applied to the firm's business before the variation and the A.13 activity group will apply after variation, no fee is payable.</u> <u>(3) If the firm is in the A.1 fee-block at the date of the application and the variation involves adding any of the regulated activities of meeting of repayment claims or managing dormant account funds (including the investment of such funds), the fee is 50% of the fee in FEES 3 Annex 1R that applies to that application.</u> <u>(4) In all other cases, other than applications by credit unions, the fee payable is 125, unless the</u></p>	<p><u>On or before the date the application is made</u></p>

	variation involves only the reduction (and no other increases) in the scope of a <i>Part 4A permission</i> in which case no fee is payable.	
<u>(d) Any person to which the Special Project Fee for restructuring applies under FEES 3 Annex 9.</u>	<u>Special Project Fee for restructuring in accordance with FEES 3 Annex 9.</u>	<u>30 days of the date of the invoice.</u>
<u>(e) In the case of an insurance business transfer scheme, a transferor.</u>  <u>Note - for the purpose of this paragraph an insurance business transfer scheme consists of a single transferor and a single transferee. Where however such a scheme is part of a single larger scheme, that larger scheme is treated as a single insurance business transfer scheme. If an insurance business transfer scheme includes more than one transferor in accordance with this paragraph, the transferors are liable to pay the fee under column (2) jointly.</u>	<u>Either (1) or (2) as set out below:</u> <u>(1) In the case of an insurance business transfer scheme involving long term insurance business, 9,250 is payable to the PRA; or</u> <u>(2) in the case of an insurance business transfer scheme not involving long term insurance business, 5,000 is payable to the PRA.</u>  <u>The amount payable to the PRA above is collected by the FCA as agent of the PRA.</u>	<u>On or before any application is made to the PRA for the appointment of a person as an independent expert.</u>
<u>(f) Either:</u> <u>(i) a firm applying to the appropriate regulator for permission to use one of the advanced prudential calculation approaches listed in FEES 3 Annex 6R (or guidance on its availability), including any future proposed</u>	<u>(a) Unless (2) applies, FEES 3 Annex 6 R.</u> <u>(2) (a) Unless (b) applies a firm submitting a second application for the permission or guidance described in column (1) within 12 months of the first application (where the fee was paid in</u>	<u>Where the firm has made an application directly to the appropriate regulator, on or before the date the application is made, otherwise within 30 days after the appropriate regulator notifies the</u>

<p><u>amendments to those approaches or (in the case of any application being made for such permission to the appropriate regulator as EEA consolidated supervisor under the Capital Requirements Regulations 2006) any firm making such an application; or</u>  <u>(ii) in the case of an application to a Home State regulator other than the appropriate regulator for the use of the Internal Ratings Based approach and the Home State regulator requesting the appropriate regulator's assistance in accordance with the Capital Requirements Regulations 2006, any firm to which the appropriate regulator would have to apply any decision to permit the use of that approach.</u></p>	<p><u>accordance with (1)) must pay 50% of the fee applicable to it under FEES 3 Annex 6R, but only in respect of that second application.</u>  <u>(b) No fee is payable by a firm in relation to a successful application for a permission based on a minded to grant decision in respect of the same matter following a complete application for guidance in accordance with prescribed submission requirements.</u>  <u>(c) No fee is payable where the Home State regulator has requested the assistance described in paragraph (o)(ii) of column 1 except in the cases specified in FEES 3 Annex 6R.</u></p>	<p><u>firm that its EEA parent's Home State regulator has requested assistance.</u></p>
<p><u>(g) An applicant for a ceding insurer's waiver.</u></p>	<p><u>20,000</u></p>	<p><u>On or before the date the application is made.</u></p>
<p><u>(h) A person in respect of which the appropriate regulator has given notice of its intention to itself appoint a skilled person to provide it with a report pursuant to section 166(3)(b) of the Act and SUP 5.2.</u></p>	<p><u>Any amount invoiced to the appropriate regulator by a skilled person in relation to any work carried out by that skilled person in connection with its appointment by the appropriate regulator pursuant to section 166(3)(b) of the Act.</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>
<p><u>(i) A person in respect of which the appropriate regulator</u></p>	<p><u>Any amount invoiced to the appropriate regulator by a skilled person in</u></p>	<p><u>Within 30 days of the date of the invoice.</u></p>

<p><u>has given notice of its intention to itself appoint a <i>skilled person</i> to collect or update information pursuant to section 166A(2)(b) of the <i>Act</i>.</u></p>	<p><u>relation to any work carried out by that <i>skilled person</i> in connection with its appointment by the <i>appropriate regulator</i> pursuant to section 166A(2)(b) of the <i>Act</i>.</u></p>	
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--

**3 Annex 1R Authorisation fees payable**

[FCA/  
PRA]

...

Part 1 - Authorisation fees payable

...

For *FCA-authorised persons* and *persons* seeking to become *FCA-authorised persons*, the amount payable to the *FCA* is the amount payable under Part 1, No amount is payable to the *PRA*.

Part 4 – authorisation fees for Treaty Firms R

If the *Treaty firm* wishes to undertake the permitted activities in question through its branch in the *United Kingdom*, the fee is 50% of the fee that would be payable under *FEES 3.2.7R* and/or *FEES 3.2.7AR* for an applicant for *Part 4A permission*.

If the *Treaty firm* wishes to undertake the permitted activities in question by providing services in the *United Kingdom*, the fee is 25% of the fee which would be payable under *FEES 3.2.7R* and/or *FEES 3.2.7AR* for an applicant for *Part 4A permission*.

Part 5 – Activity Groupings R

The activity group definitions are set out in ~~*FEES 4 Annex 1R*~~ *FEES 4 Annex 1AR* and *FEES 4 Annex 1BR*.

Part 6 – Change of legal status

An application involving only a simple change of legal status for the purposes of *FEES 3.2.7R(a)*, *FEES 3.2.7AR(a)*, *FEES 3.2.7R(y)*, *FEES 3.2.7R(za)*, *FEES 3.2.7R(zg)* and *FEES 3.2.7R(zh)* is from an applicant:

...

...

...

**3 Annex 3 R**  
[FCA]

**Application fees payable in connection with Recognised Investment Exchanges, ~~Recognised Clearing Houses~~ and Recognised Auction Platforms**

Description of applicant	Amount payable	Due date
Part 1 (UK recognised bodies)		
Applicant for recognition as a <i>UK RIE</i>	100,000	Date the application is made
<del>Applicant for recognition as a <i>UK RCH</i></del>	<del>100,000</del>	<del>Date the application is made</del>
Applicant for recognition as an <i>RAP</i> (payable in addition to any other application fee due under this part)	35,000	Date the application is made
Additional fees for a <i>UK RIE</i> <del>or <i>UK RCH</i></del> applicant who proposes to:		
<del>– act as a central counterparty</del>	<del>25,000</del>	<del>Date the application is made</del>
- offer safeguarding and administration services	25,000	Date the application is made
- use substantially new and untested information technology systems in the performance of its relevant functions	25,000	Date the application is made
Part 2 ( <del>overseas recognised bodies</del> <i>ROIEs</i> )		
Applicant for recognition as a recognised overseas investment exchange	50,000	Date the application is made
<del>Applicant for recognition as a recognised overseas</del>	<del>50,000</del>	<del>Date the application</del>

clearing house		is made
Additional fees for applicant who proposes to:		
<del>act as a central counterparty</del>	25,000	<del>Date the application is made</del>
- offer safeguarding and administration services	25,000	Date the application is made

...

**3 Annex 6R Fees payable for a permission or guidance on its availability in connection with the Basel Capital Accord**

[FCA/  
PRA]

...

...

(4) Where a request for assistance regarding an Advanced or Foundation IRB application under the *Capital Requirements Regulations 2006* has been made as detailed in *FEES 3.2.7R(o)* or *FEES 3.2.7AR(f)*, the fees in Table 1 and Table 2 are applicable if any *firm* referred to in *FEES 3.2.7R(o)(ii)* and *FEES 3.2.7AR(f)(ii)* meets the following conditions:

...

...

...

**3 Annex 9 Special Project Fee for restructuring**

[FCA/  
PRA]

(1)R The Special Project Fee for restructuring (the SPFR) is only payable by a *person* in one of the following categories:

- (a) if it is in any of the A fee-blocks (as defined in Part 1 of *FEES 4 Annex 1R* Annex 1AR in respect of the *FCA* and Part 1 of *FEES 4 Annex 1BR* in respect of the *PRA*), ~~except if it is in fee block A.16 only~~; or
- (b) ...
- (d) ~~if it is a recognised clearing house; or [deleted]~~
- (e) if it is in any of the B fee-blocks (as defined in Part 1 of *FEES 4 Annex 1R* Annex 1AR and *FEES 4 Annex 1BR*).

...

(7A)R The FCA and the PRA will levy separate SPFRs. The use of the term “appropriate regulator” in FEES 3 Annex 9R refers to the regulator levying the SPFR.

(8)R No SPFR is payable to an appropriate regulator:

- (a) if the amount calculated in accordance with (9) in relation to the regulatory work conducted by the appropriate regulator totals less than £50,000; or
- (b) ...

(9)R The SPFR for the appropriate regulator is calculated as follows:

...

...

(11)R Table of FCA hourly rates:

<del>FSA</del> <u>FCA</u> pay grade	Hourly rate (£)
...	
Any other person employed by the <del>FSA</del> <u>FCA</u>	160

(11)AR Table of PRA hourly rates:

<u>PRA</u> pay grade	<u>Hourly rate (£)</u>
<u>Administrator</u>	<u>30</u>
<u>Associate</u>	<u>55</u>
<u>Technical Specialist</u>	<u>100</u>
<u>Manager</u>	<u>110</u>
<u>Any other person employed by the PRA</u>	<u>160</u>

...

### 3 Annex 11G **Guidance on fees due under FEES 3.2.7R and FEES 3.2.7AR**

[FCA/ The following table sets out *guidance* on how a *firm* liable to pay a fee under both FEES 3.2.7R(s) and FEES 3.2.7R(ze) in respect of fees payable to the FCA and

PRA] FEES 3.2.7AR(e) and FEES 3.2.7AR(d) in respect of fees payable to the PRA for the same transaction should expect to be treated.

**Firms liable under both FEES 3.2.7R(s) and FEES 3.2.7R(ze) in respect of fees payable to the FCA and FEES 3.2.7AR (e) and FEES 3.2.7AR(d) in respect of fees payable to the PRA**

(1)	The transferor in <i>insurance business transfer schemes</i> is liable to pay the fee set out in <i>FEES 3.2.7R(s)</i> and/or <i>FEES 3.2.7AR(e)</i> . However, it may also be liable to pay the Special Project Fee for restructuring set out in <i>FEES 3.2.7R(ze)</i> and/or <i>FEES 3.2.7AR(d)</i> , calculated in accordance with <i>FEES 3 Annex 9R</i> . It is possible then for a <i>firm</i> to have to pay two types of fees in respect of the same <i>insurance business transfer scheme</i> .
...	

**4 Periodic fees**

**4.1 Introduction**

...

Background

...

4.1.3 G Most of the detail of the periodic fees that are payable by *firms* is set out in *FEES 4 Annexes 1A* to 11. *FEES 4 Annex 12G* provides guidance on the calculation of certain tariffs. Most of the provisions of the Annexes will vary from one ~~financial year~~ *fee year* to another. Accordingly fresh *FEES 4 Annexes* will come into force, following consultation, for each ~~financial year~~ *fee year*.

[FCA/  
PRA]

[Note: References to the fee period 1 April 2012 to 31 March 2013 have been updated to 1 April 2013 to 31 March 2014 in respect of the FCA and 1 April 2013 to 28 February 2014 in respect of the PRA to put into effect the rule changes contained in the Legal Cutover (Fees) Instrument 2013 only. The tariff rates set out in the FEES 4 Annexes have not yet been updated for the 2013/2014 fee year. The rates for the 2013/2014 fee year will be made by the FCA and PRA boards in June, following a consultation on a separate fees rates instrument expected to be published in March 2013.]

...

4.1.6 G ~~The FSA will allocate penalties received for the benefit of relevant fee payers by way of a permitted deduction specified in FEES 4 Annex 2 R or FEES 4 Annex 11 R as applicable. [deleted]~~

...

## 4.2 Obligation to pay periodic fees

### General

4.2.1 R A *person* shown in column (1) of the table in *FEES* 4.2.11R and, if applicable, *FEES* 4.2.11AR as the relevant fee payer must pay each periodic fee applicable to it, calculated in accordance with the provisions referred to in column (2) of ~~that~~ the applicable table, as adjusted by any relevant provision in this chapter:

...

4.2.2 G (1) A relevant fee payer will be required to pay a periodic fee for every year during which they have the status in column 1 of the table in *FEES* 4.2.11R and/or *FEES* 4.2.11AR (or in relation to collective investment schemes, for every year during which it is a regulated collective investment scheme) subject to any reductions or exemptions applicable under this chapter. If a *person* is the relevant fee payer for more than one status listed in column 1 of the table in *FEES* 4.2.11R and/or *FEES* 4.2.11AR (or in relation to collective investment schemes, the relevant fee payer for more than one regulated collective investment scheme) he will be required to pay a fee in relation to each.

...

...

Modifications for persons becoming subject to periodic fees during the course of a financial year

...

4.2.6 R (1) Unless (2) applies, if the event, as described in column 4 of the table in *FEES* 4.2.11R and/or *FEES* 4.2.11AR, giving rise to, or giving rise to an increase in, the fee payable in *FEES* 4.2.1R, occurs on or after 1 July of the relevant *fee year*, the periodic fee required under *FEES* 4.2.1R is modified for:

[FCA/  
PRA]

(a) ...

(b) for all other fee payers in column (1) of the table in *FEES* 4.2.11R or *FEES* 4.2.11AR, in accordance with the table below.

<p>Period in which event (in column 4 of the table in <i>FEES</i> 4.2.11 R <u>or <i>FEES</i> 4.2.11AR</u>) occurs</p>	<p>Proportion of periodic fee payable</p>
-----------------------------------------------------------------------------------------------------------------------	-------------------------------------------

<u>Fees payable to the FCA</u>	
1 April to 30 June inclusive	100%
1 July to 30 September inclusive	75%
1 October to 31 December inclusive	50%
1 January to 31 March inclusive	25%
<u>Fees payable to the PRA for <i>fee year</i> 2013/14</u>	
<u>1 April to 30 June inclusive</u>	<u>100%</u>
<u>1 July to 30 September inclusive</u>	<u>75%</u>
<u>1 October to 31 December inclusive</u>	<u>50%</u>
<u>1 January to 28 February inclusive</u>	<u>25%</u>

- (2) For *recognised bodies*, if the recognition order is made during the course of the relevant ~~financial year~~ *fee year*, the periodic fee required is set out in Column (4) of the table in *FEES* 4.2.11R.

4.2.7  
[FCA/  
PRA]

R A *firm* (other than an *ICVC* or *UCITS qualifier*) which becomes authorised or registered, or whose *permission* and/or *payment service* activities are extended, during the course of the ~~financial year~~ *fee year* must pay a fee which is calculated by:

- (1) identifying each of the tariffs set out in Part 1 of ~~*FEES* 4 Annex 2R~~ Annex 2AR, Part 1 of *FEES* 4 Annex 2BR and/or Part 1 of *FEES* 4 Annex 11R, as appropriate, for the relevant ~~financial year~~ *fee year* that apply to the *firm* only after the *permission* is received or extended or *payment service* activities are authorised or registered or extended or *electronic money* issuance activities are authorised or registered under the *Electronic Money regulations*, but ignoring:
- ...
- (2) calculating the amount for each of ~~those~~ the applicable tariffs which is the higher of:
- (a) ~~the any applicable~~ any applicable minimum fee specified in relation a particular tariff in *FEES* 4 Annex 2AR or *FEES* 4 Annex 2BR (but note, for the avoidance of doubt, that these are not the A.0 or PA.0 minimum fee fees set out under Part 1A of *FEES* 4 Annex 2R Part 2 of *FEES* 4 Annex 2AR and Part 2 of *FEES* 4 Annex 2BR specified for the tariff (where this applies); and

...

- (3) adding together the amounts calculated under (2) in relation to fees payable to the FCA and, if applicable, separately adding together the amounts calculated under (2) in relation to the fees payable to the PRA;
- (4) working out whether a an A.0 or a PA.0 minimum fee is payable under ~~Part 1A of FEES 5 Annex 2R~~ Part 2 of FEES 4 Annex 2AR or Part 2 of FEES 4 Annex 2BR (except that that minimum fee is not payable again by a firm whose permission is extended if the fee was already payable before the extension);
- (4A) working out whether an AP.0 FCA prudential fee is payable under Part 2 of FEES 4 Annex 2AR and if so how much;
- (4B) working out whether a PT.1 PRA transitional fee is payable under Part 2 of FEES 4 Annex 2BR and if so how much;
- (5) adding together the amounts calculated under (3), ~~and (4)~~ and (4A) that relate to fees payable to the FCA and then adding this sum to any applicable flat rate fee, and, if applicable, separately adding together the amounts calculated under (3), (4) and (4B) that relate to fees payable to the PRA and then adding this sum to any applicable flat rate fee; and
- (6) modifying the result for the FCA and, if applicable, the PRA as indicated by the table in FEES 4.2.6R (except that FEES 4 Annex 10 (Periodic fees for MTF operators) deals with a firm that receives permission for operating a multilateral trading facility or has its permission extended to include this activity during the course of the relevant ~~financial year~~ fee year and FEES 4.2.6R does not apply).

...

- 4.2.7B R (1) This rule deals with the calculation of:
- [FCA/  
PRA]
- (a) a firm's fees for its second and subsequent ~~financial year~~ fee year. These are the ~~FSA financial years~~ fee years following the ~~FSA financial year~~ fee year in which it was given permission and/or was authorised or registered under the Payment Services Regulation or the Electronic Money Regulations or had its permission and/or payment services activities extended (the relevant permissions); and
  - (b) the tariff base for the fee block or fee blocks that relate to each of the relevant permissions.
- (2) The starting point for calculating the fees referred to in (1)(a) is determining whether or not the firm's tariff base for the relevant ~~FSA financial year~~ fee year can be calculated using data from a complete

period (as specified in ~~FEES 4 Annex 2~~ Part 5 of FEES 4 Annex 1AR, Part 5 of FEES 4 Annex 1BR or Part 4 of FEES 4 Annex 11R) that begins on or after the date that the *firm* obtained the relevant *permission* to which that tariff base relates.

- (a) If it can, the *firm* must use that data for calculating its tariff base.
- (b) If it cannot, the tariff base must be calculated using the projected valuations for its first year of the business to which the tariff relates (as provided to the ~~FSA~~ in the course of the *firm's* application), unless (5)(b) or (5)(c) applies.

...

(4) ~~A reference to “FSA financial year” means the 12 months ending with 31 March [deleted]~~

(5)

...

- (b) If a *firm*:
  - (i) receives a relevant permission between 1 April and 31 December inclusive; and

...

it must calculate that tariff base as at the December before the start of the ~~FSA financial year~~ *fee year*.

- (c) If a *firm*:
  - (i) is, but for this *rule*, required to calculate its tariff base for the relevant permission by reference to the *firm's* financial year ended in the calendar year ending on the 31 December before the start of the ~~FSA financial year~~ *fee year* and, since obtaining the relevant permission, the *firm* has yet to complete a full financial year ended in the calendar year ending on the 31 December before the start of the ~~FSA financial year~~ *fee year*; or
  - (ii) is, but for this *rule*, required to calculate its tariff base by reference to the twelve *months* ending on the 31 December before the start of the ~~FSA financial year~~ *fee year* and, since obtaining the relevant permission, the *firm* has yet to complete a full twelve *months* ending on the 31 December before the start of the ~~FSA financial year~~ *fee year*;

it must calculate the tariff base under (d) below unless it is in its second ~~FSA financial year~~ *fee year* and was authorised between 1 January and 1 April (in which case it must use the projected valuations provided for in (2)(b) above.

(d) If a *firm* satisfies either of the conditions in (c) it must calculate its tariff base as follows:

(i) ...

(ii) in respect of *firms* satisfying condition (5)(c)(i), the tariff is calculated by reference to the period beginning on the date it acquired the relevant permission relating to the tariff, and ending on either the 31 December before the start of the ~~FSA financial~~ *fee year* or, if earlier, the start date of the *firm's* financial year; and

in respect of *firms* satisfying condition (5)(c)(ii), the tariff is calculated by reference to the period beginning on the date on which it acquired the relevant permission, and ending on the 31 December before the start of the ~~FSA financial~~ *fee year*;

...

(e) Where a *firm* is required to use the method in (d) it must notify the ~~FSA~~ FCA (in its own capacity and, if applicable, in its capacity as collection agent for the *PRA*) of this by the date specified in *FEES* 4.4R (Information on which Fees are calculated).

(f) Where a firm is required to use actual data under this *rule* ~~*FEES* 4 Annex 1R Part 3~~ *FEES* 4 Annex 1AR Part 5, *FEES* 4 Annex 1BR Part 5 and *FEES* 4 Annex 11R Part 4, are modified, where applicable, in relation to the calculation of that *firm's* valuation date in the ~~FSA financial~~ *fee years* to which this *rule* applies.

...

Fee payers ceasing to hold relevant status or reducing the scope of their permission after the state of relevant period

4.2.9 R The *appropriate regulator* will not refund periodic fees if, after the start of the period to which they relate:  
[FCA/  
PRA]

(1) a fee payer ceases to have the status set out in column (1) of the table in *FEES* 4.2.11R or *FEES* 4.2.11AR; or

...

...

Delete the **PRA** version of FEES 4.2.11R (Table of periodic fees) in its entirety. The deleted text is not shown.

Retain the **FCA** version of FEES 4.2.11R and amend this as shown.

4.2.11 R Table of periodic fees payable to the *FCA*

[FCA]

1 Fee payer	2 Fee payable	3 Due date	4 Events occurring during the period leading to modified periodic fee
Any <i>firm</i> (except an <i>ICVC</i> or a <i>UCITS qualifier</i> )	As specified in <i>FEES 4.3.1R</i> in relation to <i>FEES 4 Annex 2AR</i> and <i>FEES 4 Annex 11R</i>	(1) Unless (2) or (3) apply, on or before the relevant dates specified in <i>FEES 4.3.6R</i> . (2) Unless (3) applies, if an event specified in column 4 occurs during the course of a <del>financial year</del> <i>fee year</i> , 30 days after the occurrence of that event, or if later the dates specified in <i>FEES 4.3.6R</i> . (3) Where the <i>permission</i> is for operating a <i>multilateral trading facility</i> , the date specified in <i>FEES 4 Annex 10R</i> (Periodic fees for MTF operators).	<i>Firm</i> receives <i>permission</i> , or becomes authorised or registered under the <i>Payment Services Regulations</i> or the <i>Electronic Money Regulations</i> ; or <i>firm</i> extends <i>permission</i> or its <i>payment service</i> activities
...			
<i>UK recognised</i>	<i>FEES 4 Annex</i>	(1) Unless (2)	<i>Recognition</i>

<i>body</i>	6R, part 1 for a <i>UK RIE</i> <del>or UK RCH</del> ; and <i>FEES 4 Annex 6R, part 1A</i> for a <i>UK RIE</i> that is also an <i>RAP</i>	applies, by the due dates set out in <i>FEES 4 Annex 6R, part 1</i> and (in the case of an <i>RAP</i> ) part 1A  (2) If the event in column 4 occurs during the course of a financial year, 30 days after the occurrence of that event	<i>order</i> is made. The modified periodic fee is specified in <i>FEES 4 Annex 6R, Part 1</i> and (in the case of an <i>RAP</i> ) Part 1A.
<i>overseas recognised body ROIE</i>	<i>FEES 4 Annex 6R, part 2</i>	(1), unless (2) applies, 1 July. (2) If the event in column 4 occurs during the course of a financial year, 30 days after the occurrence of that event.	<i>Recognition order</i> is made. The modified periodic fee is specified in <i>FEES 4 Annex 6R, Part 2</i> .
...			

4.2.11A R Table of periodic fees payable to the PRA

[PRA]

<u>1 Fee payer</u>	<u>2 Fee payable</u>	<u>3 Due date</u>	<u>4 Events occurring during the period leading to modified periodic fee</u>
<u>Any firm</u>	<u>As specified in FEES 4.3.1R in relation to FEES 4 Annex 2BR</u>	<u>(1) Unless (2) applies, on or before the relevant dates specified in FEES 4.3.6R. (2) if an event specified in column 4 occurs during the course</u>	<u>Firm receives permission; or firm extends permission</u>

		<u>of a fee year, 30 days after the occurrence of that event, or if later the dates specified in FEES 4.3.6R.</u>	
--	--	-------------------------------------------------------------------------------------------------------------------	--

### 4.3 Periodic fees payable by firms (other than ICVCs and UCITS qualifiers)

4.3.1 R The periodic fee payable by a *firm* (except and *ICVC* or a *UCIS* *qualifier*) is:

[FCA/  
PRA]

...

- (2) any deductions from the periodic fee specified in Part 2 of *FEES* 4 ~~Annex 2R~~ Annex 2AR, *FEES* 4 Annex 2BR or ~~Parts 6 and/or 7~~ Part 7 of *FEES* 4 Annex 11R. ~~For the purposes of this deduction, any deduction available in Part 2 of FEES 4 Annex 2 shall not be applied to any fee calculated in accordance with FEES 4.3.3AR and any deduction available in Part 6 and/or 7 of FEES 4 Annex 11R shall not be applied to any fees calculated in accordance with FEES 4.3.3R.~~

4.3.2 G (1) The amount payable by each *firm* will depend upon the category (or categories) of *regulated activities* or *payment services* it is engaged in (fee-blocks) and whether it is issuing *electronic money*, and on the amount of business it conducts in each category (tariff base). The fee-blocks and tariffs are identified in *FEES* 4 ~~Annex 1R~~ Annex 1AR in respect of the *FCA* and *FEES* 4 Annex 1BR in respect of the *PRA* (and guidance on calculating certain of the tariffs is at ~~2-G~~ *FEES* 4 Annex 12G), while ~~*FEES* 4 Annex 2R~~ sets Annex 2AR in respect of the *FCA* and *FEES* 4 Annex 2BR in respect of the *PRA* set out the tariff rates for the relevant ~~financial year~~ fee year. In the case of *firms* that provide *payment services* and/or issue *electronic money*, the relevant fee blocks, tariffs and rates are set out in *FEES* 4 Annex 11R.

[FCA/  
PRA]

...

Calculation of periodic fee (excluding fee-paying payment service providers and fee-paying electronic money issuers)

4.3.3 R The periodic fee referred to in *FEES* 4.3.1R is (except in relation to the *Society*, *fee-paying payment service providers* and *fee-paying electronic money issuers*) calculated as follows:

[FCA/  
PRA]

- (1) identify each of the tariffs set out in Part 1 of *FEES* 4 ~~Annex 2R~~ Annex 2AR and Part 1 of *FEES* 4 Annex 2BR which apply to the business of the *firm* for the period specified in that annex;

- (2) for each of ~~those~~ the applicable tariffs, calculate the sum payable in relation to the business of the *firm* for that period;
- (3) add together the amounts calculated under (2) in relation to fees payable to the FCA and, if applicable, separately add together the amounts calculated under (2) in relation to the fees payable to the PRA;
- (4) work out whether a ~~an~~ A.0 or a PA.0 minimum fee is payable under ~~Part 1A Part 2 of FEES 4 Annex 2R~~ Annex 2AR and Part 2 of FEES 4 Annex 2BR and if so how much (except that that minimum fee is not payable again by a firm whose permission is extended if the fee was already payable before the extension);
- (4A) work out whether an AP.0 FCA prudential fee is payable under Part 2 of FEES 4 Annex 2AR and if so how much;
- (4B) work out whether a PT.1 PRA transitional fee is payable under Part 2 of FEES 4 Annex 2BR and if so how much;
- (5) add together the amounts calculated under (3), ~~and (4)~~ and (4A) that relate to fees payable to the FCA and, if applicable, separately adding together the amounts calculated under (3), (4) and (4B) that relate to fees payable to the PRA; and

...

...

Amount payable by the Society of Lloyd's

- 4.3.5 R The periodic fee referred to in *FEES* 4.3.1R in relation to the *Society* is specified against its name in *FEES* 4 ~~Annex 2R~~ Annex 2AR and *FEES* 4 Annex 2BR.
- [FCA/  
[PRA]

Time of payment

- 4.3.6 R (1) ~~If~~ Subject to *FEES* TP 8, if the firm's, designated professional body's, recognised investment exchange's, ~~recognised clearing house's~~ or regulated covered bond issuer's periodic fee for the previous ~~financial year~~ fee year was at least 50,000, it must pay the FCA:
- [FCA/  
[PRA]
- (a) an amount equal to 50% of the *FCA* periodic fee payable for the previous ~~year~~ fee year, by 30 April or, if later, within 30 days of the date of the invoice, in the financial year fee year to which the sum due under *FEES* 4.2.1R relates; and
  - (b) the balance of the *FCA* periodic fee due for the current ~~financial year~~ fee year by 1 September or, if later, within 30 days of the date of the invoice, in the financial year fee year

to which that sum relates.

- (1A) Subject to FEES TP 8, if the firm is also a PRA-*authorised person* and its periodic fee for the previous *fee year* was at least 50,000, it must pay the PRA (through the FCA acting as its collection agent):
- (a) an amount equal to 50% of the PRA periodic fee payable for the previous *fee year*, by 30 April in the *fee year* to which the sum due under FEES 4.2.1R relates; and
- (b) the balance of the PRA periodic fee due for the current *fee year* by 1 September or, if later, within 30 days of the date of the invoice, in the *fee year* to which that sum relates.
- (1B) If the firm paid periodic fees to both the FCA and the PRA in the previous *fee year*, FEES 4.3.6R(1) and (1A) only apply if the firm's combined FCA and PRA periodic fees for that *fee year* were at least 50,000.
- (2) If the firm's, *designated professional body's, recognised investment exchange's, recognised clearing house's* or *regulated covered bond issuer's* periodic fee for the previous ~~financial year~~ *fee year* was less than 50,000, it must pay the periodic fee in full by 1 ~~July~~ August or, if later, within 30 days of the date of the invoice in the ~~financial year~~ *fee year* to which that sum relates.
- ...
- (5) ~~Paragraphs (1) and (2) do not apply to any Solvency 2 fee or Solvency 2 Implementation fee (as defined in Part 1 of FEES 4 Annex 2R) and such fees are not taken into account for the purposes of the split in (1). Instead any Solvency 2 fee or Solvency 2 Implementation fee is payable on the date specified in (1)(a) or (2) (depending on which applies to the rest of its periodic fee) or any earlier date required by (3) or (4). [deleted]~~

...

Incoming EEA firms, incoming Treaty firms, EEA authorised payment institutions and EEA authorised electronic money institutions

...

- 4.3.12 R For an *incoming EEA firm*, (excluding *MTF operators*), or an *incoming Treaty firm*, the calculation required by FEES 4.3.3R is modified as follows
- [FCA/  
PRA]
- (1) the tariffs set out in ~~Part 1 of FEES 4 Annex 2R~~ Part 1 of FEES 4 Annex 2AR and, if applicable, Part 1 of FEES 4 Annex 2BR are applied only to the *regulated activities* of the firm which are carried

on in the *United Kingdom*; and

- (2) those tariffs are modified in accordance with ~~Part 3 of FEES 4 Annex 2R~~ Part 3 of FEES 4 Annex 2AR and, if applicable, Part 3 of FEES 4 Annex 2BR.

Firms Applying to Cancel or Vary Permission Before Start of ~~Period~~ Fee Year

4.3.13  
[FCA/  
PRA]

- R (1) If:
- (a) ...
- (b) the *firm, issuer, or sponsor* makes the application or notification referred to in (a) before the start of the ~~period~~ fee year to which the fee relates;

*FEES 4.2.1R* applies to the *firm* as if the relevant variation or cancellation of the *firm's permission* or authorisation or registration under the *Payment Services Regulations* or *Electronic Money Regulations*, de-listing or removal from the list of approved *sponsors*, took effect immediately before the start of the ~~period~~ fee year to which the fee relates.

- (2) But (1) does not apply if, due to the continuing nature of the business, the variation, cancellation, de-listing or removal is not to take effect on or before 30 June of the fee year to which the fee relates ~~within three months of the start of the period to which the fee relates~~.

...

Firms acquiring business from other firms

4.3.15  
[FCA/  
PRA]

- R ...
- (3) If the acquisition occurs after the valuation date applicable to the business (as set out in ~~FEES 4 Annex 1R~~ Annex 1AR, ~~FEES 4 Annex 1BR~~ and ~~FEES 4 Annex 11R~~) which A acquired from B, for the period following that in which the acquisition occurred, *FEES 4.2.1R* applies to A, in relation to that following period, as if the acquisition had occurred immediately before the valuation date.

...

**4.4 Information on which Fees are calculated**

4.4.1  
[FCA/  
PRA]

- R A *firm* (other than the *Society*) must notify to the ~~FSA~~ FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) the value (as at the valuation date specified in ~~Part 3 FEES 4 Annex 1R~~ Part 5 of FEES 4 Annex 1AR in relation to fees payable to the *FCA* or Part 5 of FEES 4 Annex 1BR in relation to fees payable to the *PRA*) of each element of business on which the periodic fee payable by the *firm* is to be calculated.

4.4.2 R A *firm* (other than the *Society*) must send to the ~~FSA~~ FCA (in its own capacity and, if applicable, in its capacity as collection agent for the PRA) in writing the information required under *FEES* 4.4.1R as soon as reasonably practicable, and in any event within two *months*, after the date specified as the valuation date in ~~Part 3 *FEES* 4 Annex 1R~~ Part 5 of *FEES* 4 Annex 1AR in relation to fees payable to the FCA or Part 5 of *FEES* 4 Annex 1BR in relation to fees payable to the PRA (or *FEES* 4.2.7BR where applicable).

...

Delete the following Annex in its entirety. The deleted text is not shown.

**4 Annex Activity groups, tariff bases and valuation dates applicable [deleted]  
1R**

After *FEES* 4 Annex 1R (deleted) insert the following new Annexes 1AR and 1BR. The text is not underlined.

**4 Annex FCA Activity groups, tariff bases and valuation dates  
1AR**

[FCA]

Part 1	
This table shows how the <i>FCA</i> links the <i>regulated activities</i> for which a <i>firm</i> has <i>permission</i> to activity groups (fee-blocks). A <i>firm</i> can use the table to identify which fee-blocks it falls into based on its <i>permission</i> .	
Activity group	Fee payer falls in the activity group if
<b>A.1 Deposit acceptors</b>	its <i>permission</i> includes <i>accepting deposits</i> or <i>operating a dormant account fund</i> <b>BUT DOES NOT</b> include either of the following: <i>effecting contracts of insurance</i> ; <i>carrying out contracts of insurance</i> .
<b>A.2 Home finance providers and administrators</b>	its <i>permission</i> includes a <i>regulated activity</i> within one or more of the following: <i>entering into a home finance transaction</i> ; or <i>administering a home finance transaction</i> ; or <i>agreeing to carry on a regulated activity</i> which is within either of the above.
<b>A.3 Insurers - general</b>	its <i>permission</i> includes one or more of the following: - <i>effecting contracts of insurance</i> ; - <i>carrying out contracts of insurance</i> ; in respect of <i>specified investments</i> that are: - <i>general insurance contracts</i> ; or - <i>long-term insurance contracts</i> other than <i>life policies</i> .

<p><b>A.4 Insurers - life</b></p>	<p>its <i>permission</i> includes one or more of the following:  - <i>effecting contracts of insurance</i>;  - <i>carrying out contracts of insurance</i>;  in respect of <i>specified investments</i> including <i>life policies</i>;  - <i>entering as provider into a funeral plan contract</i>.</p>
<p><b>A.5 Managing agents at Lloyd's</b></p>	<p>its <i>permission</i> includes <i>managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's</i>.</p>
<p><b>A.6 The Society of Lloyd's</b></p>	<p>it is the <i>Society</i> of Lloyd's.</p>
<p><b>Note for authorised professional firms:</b>  Generally, for fee-blocks A.7 to A.19 below, only those <i>regulated activities</i> that are not limited to <i>non-mainstream regulated activities</i> should be taken into account in determining which fee-block(s) fee-payers belong to for the purpose of charging periodic fees. However, in the case that all the <i>regulated activity</i> within a <i>firm permission</i> are limited to <i>non-mainstream regulated activities</i>, then that <i>firm's</i> will be allocated to fee-block A.13 alone. This does not prevent a fee being payable by an <i>authorised professional firm</i> under <i>FEES 3.2.7R(p)</i> and/or <i>FEES 3.2.7AR(c)</i> where it applies to vary its <i>Part 4A permission</i> such that it would normally be allocated to fee-block(s) other than A.13 if the variation was granted.</p>	

<p><b>A.7 Fund managers</b></p>	<p>(1) its <i>permission</i> includes <i>managing investments</i> (a <i>firm</i> falling within this category is a <i>class (1) firm</i>);  <b>OR</b>  (2) its <i>permission</i> includes <b>ONLY</b> either one or both of:  <i>safeguarding and administering of investments (without arranging)</i>; and  <i>arranging safeguarding and administration of assets</i> (a <i>firm</i> falling within this category is a <i>class (2) firm</i>);  <b>OR</b>  (3) the <i>firm</i> is a <i>venture capital firm</i> (a <i>firm</i> falling within this category is a <i>class (3) firm</i> if it is not a class (1) or (2) <i>firm</i>).  <b>Class (1) firms</b> are subdivided into three classes:  - <b>class (1)A</b>, where the funds managed by the <i>firm</i> belong to one or more <i>occupational pension schemes</i>;  - <b>class (1)B</b>, where:  (a) the <i>firm</i> is not a class (1)A <i>firm</i>; and  (b) the <i>firm's</i> <i>permission</i> includes <b>NEITHER</b> of the following:  <i>safeguarding and administering investments (without arranging)</i>;  <i>arranging safeguarding and administration of assets</i>; and  (c) the <i>firm</i> <b>EITHER</b>:  has a <i>requirement</i> that prohibits the <i>firm</i> from holding or controlling <i>client money</i>, or both; <b>OR</b>  if it does not have such a <i>requirement</i>, <b>only</b> holds or controls <i>client money</i> (or both), arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>; and  - <b>class (1)C</b>, where the <i>firm</i> is not within class (1)A or class (1)B.</p>
<p><b>A.9 Operators, Trustees and Depositories of collective investment schemes and Operators of personal pension schemes or stakeholder pension schemes</b></p>	<p>(1) its <i>permission</i>:  (a) includes one or more of the following:  <i>establishing, operating or winding up a regulated collective investment scheme</i>;  <i>establishing, operating or winding up an unregulated collective investment scheme</i>;  <i>acting as trustee of an authorised unit trust scheme</i>;  <i>acting as the depository or sole director of an open-ended investment company</i>;  <i>establishing, operating or winding up a personal pension scheme or a stakeholder pension scheme</i> (but only if the <i>firm</i> does not fall within activity group A1 or A4);  <b>AND</b>  (b) <b>PROVIDED</b> the <i>firm</i> is <b>NOT</b> one of the following:  a <i>corporate finance advisory firm</i>;  a <i>firm</i> in which the above activities are limited to carrying</p>

	<p>out <i>corporate finance business</i>; a <i>venture capital firm</i>;</p> <p><b>OR</b></p> <p>(2) if the fee-payer has none of the <i>regulated activities</i> above within its <i>permission</i>, but ALL the remaining <i>regulated activities</i> in its <i>permission</i> are limited to carrying out trustee activities.</p>
<p><b>A.10 Firms dealing as principal</b></p>	<p>its <i>permission</i> includes:</p> <p>(a) <i>dealing in investments as principal</i>; and/or</p> <p>(b) <i>bidding in emissions auctions</i>;</p> <p><b>BUT NOT</b> if one or more of the following apply:</p> <p>the <i>firm</i> is acting exclusively as a matched principal broker;</p> <p>the above activity is limited either to acting as an <i>operator</i> of a <i>collective investment scheme</i>, <i>establishing, operating or winding up a personal pension scheme</i> or a <i>stakeholder pension scheme</i>, or to carrying out <i>trustee activities</i>;</p> <p>the <i>firm</i> is a <i>corporate finance advisory firm</i>;</p> <p>the above activity is otherwise limited to carrying out <i>corporate finance business</i>;</p> <p>the <i>firm</i> is subject to a <i>limitation</i> to the effect that the <i>firm</i>, in carrying on this <i>regulated activity</i>, is limited to entering into transactions in a manner which, if the <i>firm</i> was an <i>unauthorised person</i>, would come within article 16 of the <i>Regulated Activities Order</i> (Dealing in contractually based investments);</p> <p>the above activity is limited to not acting as a <i>market maker</i>;</p> <p>the <i>firm</i> is an <i>oil market participant, energy market participant</i> or a <i>local</i> (except where the <i>firm</i> is <i>bidding in emissions auctions</i>);</p> <p>its <i>permission</i> includes either:</p> <ul style="list-style-type: none"> <li>- <i>effecting contracts of insurance</i>; or</li> <li>- <i>carrying out contracts of insurance</i>.</li> </ul>

**A.12 Advisors, arrangers, dealers or brokers (holding or controlling client money or assets, or both)**

its *permission*:

(a) includes one or more of the following, in relation to one or more *designated investments*:

*dealing in investments as agent;*

*arranging (bringing about) deals in investments;*

*making arrangements with a view to transactions in investments;*

*dealing as principal in investments* where the activity is carried on as a matched principal broker, *oil market participant*, energy market participant or *local*;

*advising on investments* (except *pension transfers* and *pension opt-outs*);

*advising on pension transfers and pension opt-outs;*

*advising on syndicate participation at Lloyd's;*

(b) **BUT NONE** of the following:

*effecting contracts of insurance; or*

*carrying out contracts of insurance;*

**AND**

(c) **CAN HAVE** one or more of the following:

*safeguarding and administering of assets;*

*arranging safeguarding and administration of assets;*

the ability to hold or control *client money*, or both:

- that is, there is no *requirement* which prohibits the *firm* from doing this; and

- provided that the *client money* in question does not only arise from an agreement under which *commission* is rebated to a *client*;

**AND**

(d) **PROVIDED** the fee-payer is **NOT** any of the following:

*a corporate finance advisory firm;*

*a firm* for whom all of the applicable activities above are otherwise limited to carrying out *corporate finance business*;

*a firm* whose activities are limited to carrying out *venture capital business*;

*a firm* whose activities are limited to acting as an operator of a *regulated collective investment scheme*;

*a firm* whose activities are limited to carrying out *trustee* activities;

*a service company.*

<p><b>A.13 Advisors, arrangers, dealers or brokers (not holding or controlling client money or assets, or both)</b></p>	<p>(1) it is an <i>authorised professional firm</i> and <b>ALL</b> the <i>regulated activities</i> in its <i>permission</i> are limited to non-mainstream regulated activities (a firm falling within this category is a <i>class (1) firm</i>);</p> <p><b>OR</b></p> <p>(2) its <i>permission</i>:</p> <p>(a) includes one or more of the following, in relation to one or more <i>designated investments</i>:</p> <ul style="list-style-type: none"><li><i>dealing in investments as agent</i>;</li><li><i>arranging (bringing about) deals in investments</i>;</li><li><i>making arrangements with a view to transactions in investments</i>;</li><li><i>dealing as principal in investments</i> where the activity is carried on as a matched principal broker, <i>oil market participant</i>, <i>energy market participant</i> or <i>local</i>;</li><li><i>advising on investments</i> (except <i>pension transfers</i> and <i>pension opt-outs</i>);</li><li><i>giving basic advice on a stakeholder product</i>;</li><li><i>advising on pension transfers and pension opt-outs</i>;</li><li><i>advising on syndicate participation at Lloyd's</i>;</li></ul> <p>(b) <b>BUT NONE</b> of the following:</p> <ul style="list-style-type: none"><li><i>effecting contracts of insurance</i>;</li><li><i>carrying out contracts of insurance</i>;</li><li><i>safeguarding and administration of assets</i>;</li><li><i>arranging safeguarding and administration of assets</i>;</li></ul> <p><b>AND</b></p> <p>(c) <b>MUST EITHER</b>, in connection with its <i>designated investment business</i>:</p> <ul style="list-style-type: none"><li>have a <i>requirement</i> that prohibits the <i>firm</i> from holding or controlling <i>client money</i>, or both;</li></ul> <p><b>OR</b></p> <ul style="list-style-type: none"><li>if it does not have such a <i>requirement</i>, only holds or controls <i>client money</i> (or both), arising from an agreement under which <i>commission</i> is rebated to a <i>client</i>;</li></ul> <p><b>AND</b></p> <p>(d) <b>PROVIDED</b> the fee-payer is <b>NOT</b> any of the following:</p> <ul style="list-style-type: none"><li>a <i>corporate finance advisory firm</i>;</li><li>a <i>firm</i> for whom all of the applicable activities above are otherwise limited to carrying out <i>corporate finance business</i>;</li><li>a <i>firm</i> whose activities are limited to carrying out <i>venture capital business</i>;</li><li>a <i>firm</i> whose activities are limited to acting as an <i>operator</i> of a <i>regulated collective investment scheme</i>;</li><li>a <i>firm</i> whose activities are limited to carrying out <i>trustee</i> activities;</li><li>a <i>service company</i>.</li></ul> <p>A <i>firm</i> falling within (2) and not (1) is a <i>class 2 firm</i>.</p>
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<b>A.14 Corporate finance advisers</b>	the <i>firm</i> is carrying on <i>corporate finance business</i> <b>PROVIDED</b> the fee-payer is <b>NOT</b> a <i>venture capital firm</i> .
<b>A.18 Home finance providers, advisers and arrangers</b>	its <i>permission</i> includes a <i>regulated activity</i> within one or more of the following: <i>entering into a home finance transaction</i> ; or <i>arranging (bringing about) a home finance transaction</i> ; or <i>making arrangements with a view to a home finance transaction</i> ; or <i>advising on a home finance transaction</i> ; or <i>agreeing to carry on a regulated activity</i> which is within any of the above.
<b>A.19 General insurance mediation</b>	its <i>permission</i> includes one or more of the following in relation to a <i>non-investment insurance contract</i> : <i>dealing in investments as agent</i> ; or <i>arranging (bringing about) deals in investments</i> ; or <i>making arrangements with a view to transactions in investments</i> ; or <i>assisting in the administration and performance of a contract of insurance</i> ; or <i>advising on investments</i> ; or <i>agreeing to carry on a regulated activity</i> which is within any of the above.
<b>B. Market operators</b>	<i>firms</i> that have been prescribed as an operator of a prescribed market under the Financial Services and Markets Act 2000 (Prescribed Markets and Qualifying Investments) Order 2001 (SI 2001/996).
<b>B. Service companies</b>	it is a <i>service company</i> .
<b>B. MTF operators</b>	its <i>permission</i> includes <i>operating a multilateral trading facility</i> .

Part 2	
This table sets out the activity groups (fee blocks) in relation to (i) the minimum fee payable to the <i>FCA</i> and (ii) the prudential fee payable to the <i>FCA</i> .	
Activity group	Fee payer falls into the fee-block if
A.0 <i>FCA</i> minimum fee	(1) it is in at least one of the fee blocks under Part 1; and (2) it is not: (a) a <i>UK ISPV</i> ; or (b) a <i>firm</i> whose only <i>permission</i> is <i>operating a dormant fund</i>

	<i>account.</i>
AP.0 FCA prudential fee	(1) it is in at least one of the fee blocks under Part 1; and (2) it is not: (a) a <i>PRA-authorised person</i> ; and/ or (b) a <i>firm</i> whose only periodic fee payable to the <i>FCA</i> is the A.0 <i>FCA</i> minimum fee.

Part 3	
This table indicates the tariff base for each fee-block set out in Part 1.	
Activity group	Tariff base
<b>A.1</b>	<p><b>MODIFIED ELIGIBLE LIABILITIES</b>  <b>For banks and building societies:</b>  <b>Item B of Form ELS (Note (1)):</b>  <math>(1 + 2 + 3 + 4 + 0.6*5 + 6 - 8 - 9A - 9B - 10A - 10B - 10C - 11A - 11B - 0.6*12) + (1/3)*(F1 + F2 + F3 + F4 + 0.6*F5 + F6 - F8 - F9A - F9B - F10A - F10B - F10C - F11A - F11B - 0.6*F12)</math>  - 13M</p>
	<p><b>Notes:</b>  (1) All references in the above formula are to entries on Form ELS (that is, the Eligible Liabilities Return completed to provide information by <i>banks</i> and <i>building societies</i> to the Bank of England as required by the Bank of England Act 1998).  (2) The figures reported on the Form ELS relate to business conducted out of offices in the <i>United Kingdom</i>.</p> <p><b>For credit unions:</b>  Deposits with the <i>credit union</i> (share capital)</p> <p><b>LESS</b>  the <i>credit union's</i> bank deposits (investments + cash at bank)</p> <p><b>Note:</b>  Only <i>United Kingdom</i> business is relevant for calculating <i>credit unions'</i> MELs.</p> <p><b>Note:</b>  For a <i>dormant account fund operator</i> the tariff base is not relevant and the flat fee in <i>FEES 4 Annex 2AR</i> is payable.</p>
<b>A.2</b>	<b>NUMBER OF MORTGAGES OR OTHER HOME FINANCE TRANSACTIONS ENTERED INTO AND</b>

	<p><b>ADMINISTERED</b> The number of new mortgage contracts, <i>home purchase plans</i>, <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> entered into;</p> <p><b>AND</b> The number of mortgage contracts, <i>home purchase plans</i>, <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> being administered, multiplied by 0.05 for mortgage outsourcing <i>firms</i> or other home finance outsourcing <i>firms</i> and by 0.5 for all other <i>firms</i>.</p> <p><b>Notes:</b> (1) Mortgage outsourcing <i>firms</i> are <i>firms</i> with <i>permission</i> for administering regulated mortgage contracts, but not to enter the contract as lender. Home finance outsourcing <i>firms</i> are <i>firms</i> with <i>permission</i> for administering a home finance transaction, but not entering into a home finance transaction. (2) In this context a 'mortgage' means a loan secured by a first charge over residential property in the <i>United Kingdom</i>. For the measure of the number of contracts being administered, each first charge counts as one contract, irrespective of the number of loans involved. (3) Mortgages, <i>home purchase plans</i>, <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> administered include those that the <i>firm</i> administers on behalf of other <i>firms</i>.</p>
<p>A.3</p>	<p><b>GROSS PREMIUM INCOME AND GROSS TECHNICAL LIABILITIES</b> <b>For insurers:</b> The amount of <i>premium</i> receivable which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6 in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p><b>AND</b> the amount of gross technical liabilities (<i>IPRU(INS)</i> Appendix 9.1 - Form 15, line 19) which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>.</p> <p><b>Notes:</b></p>

	<p>(1) in the case of either:</p> <p>(a) a <i>pure reinsurer</i> carrying on <i>general insurance business</i> through a <i>branch</i> in the <i>United Kingdom</i>; or</p> <p>(b) an <i>insurer</i> whose head office is not in an <i>EEA State</i> carrying on <i>general insurance business</i> through a <i>branch</i> in the <i>United Kingdom</i>; or</p> <p>(c) an <i>EEA-deposit insurer</i>;</p> <p>the amount only includes <i>premiums</i> received and gross technical liabilities held in respect of its <i>United Kingdom</i> business;</p> <p>(2) for a <i>Swiss general insurance company</i>, premiums and gross technical liabilities include those relevant to the operations of the company's <i>United Kingdom branch</i>; and</p> <p>(3) a <i>firm</i> need not include premiums and gross technical liabilities relating to <i>pure protection contracts</i> which it reports, and pays a fee on, in the A.4 activity group.</p> <p><b>For friendly societies:</b> Either:</p> <p>(a) the value of contributions as income under Schedule 7: Part I item 1(a) to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983) (the regulations) for a <i>non-directive friendly society</i>, included within the income and expenditure account; or</p> <p>(b) the value of gross premiums written under Schedule 1: Part I items I.1(a) and II.1.(a) of the regulations for a <i>directive friendly society</i> included within the income and expenditure account.</p> <p><b>Notes:</b></p> <p>(1) In both (a) and (b) above only <i>premium</i> receivable in respect of <i>United Kingdom</i> business are relevant.</p> <p>(2) For <i>UK ISPVs</i> the tariff base is not relevant and a flat fee set out in <i>FEES 4 Annex 2AR</i> is payable.</p>
<p><b>A.4</b></p>	<p><b>ADJUSTED GROSS PREMIUM INCOME AND MATHEMATICAL RESERVES</b> (see <i>FEES 4 Annex 12 G</i>)</p> <p>Amount of new regular <i>premium</i> business (yearly <i>premiums</i> including reassurances ceded but excluding cancellations and reassurances accepted), times ten;</p> <p><b>Plus</b></p> <p>amounts of new single <i>premium</i> business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;</p> <p><b>Less</b></p> <p><i>premiums</i> relating to <i>pension fund management</i>;</p> <p><b>Less</b></p> <p><i>premiums</i> relating to Trustee Investment Plans.</p> <p>For each of the above, business transacted through</p>

	<p>independent practitioners or tied agents (either single or multi-tie) will be divided by two in calculating the adjusted gross premium income;</p>
	<p><b>AND</b> the amount of mathematical reserves (<i>IPRU(INS)</i> Appendix 9.1R - Form 14 , Line 11 ) which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p><b>Less</b> mathematical reserves relating to <i>pension fund management</i>.</p> <p><b>Less</b> mathematical reserves relating to Trustee Investment Plans.</p> <p><b>Notes:</b> (1) Only <i>premiums</i> receivable and mathematical reserves held in respect of <i>United Kingdom</i> business are relevant. (2) An <i>insurer</i> must include in its calculation of adjusted gross premium income (AGPI) and mathematical reserves (MR) the value of MR and AGPI relating to all risks ceded to <i>ISPVs</i>. (3) Trustee Investment Plans are the class of <i>contract of insurance</i> specified in Class III of Part II of Schedule 1 to the <i>Regulated Activities Order</i> (Contracts of long-term insurance) and which are invested in pooled funds beneficially owned by the <i>insurer</i> and not earmarked to individual beneficiaries by that <i>insurer</i>.</p>
<b>A.5</b>	<p><b>ACTIVE CAPACITY</b> The capacity of the <i>syndicate(s)</i> under management in the year in question. This includes the capacity for <i>syndicate(s)</i> that are not writing new business, but have not been closed off in the year in question.</p>
<b>A.6</b>	Not applicable.
<b>A.7</b>	<p><b>FUNDS UNDER MANAGEMENT (FuM)</b> The total value, in pounds sterling, of all assets (see note (a) below) in portfolios which the <i>firm</i> manages, on a discretionary basis (see note (b) below), in accordance with its terms of business, less: (a) funds covered by the exclusion contained in article 38 (Attorneys) of the <i>Regulated Activities Order</i>; (b) funds covered by the exclusion contained in article 66(3) (Trustees, nominees and personal representatives) of the <i>Regulated Activities Order</i>;</p>

	<p>(c) funds covered by the exclusion contained in article 68(6) (Sale of goods or supply of services) of the <i>Regulated Activities Order</i>;</p> <p>(d) funds covered by the exclusion contained in article 69(5) (Groups and joint enterprises) of the <i>Regulated Activities Order</i>; and</p> <p>(e) the value of those parts of the managed portfolios in respect of which the responsibility for the discretionary management has been formally delegated to another <i>firm</i> (and which <i>firm</i> will include the value of the assets in question in its own FuM total); any such deduction should identify the <i>firm</i> to which management responsibility has been delegated.</p>
	<p><b>Notes on FuM</b></p> <p>(a) For the purposes of calculating the value of funds under management, assets means all assets that consist of or include any <i>investment</i> which is a <i>designated investment</i> or those assets in respect of which the arrangements for their management are such that the assets may consist of or include such <i>investments</i>, and either the assets have at any time since 29 April 1988 done so or the arrangements have at any time (whether before or after that date) been held out as arrangements under which the assets would do so.</p> <p>(b) Assets managed by the <i>firm</i> on a discretionary basis exclude the <i>firm's</i> own assets. Assets managed on a non-discretionary basis, being assets that the <i>firm</i> has a contractual duty to keep under continuous review but in respect of which prior specific consent of the <i>client</i> must be obtained for proposed transactions, are also excluded as this activity is covered in those charged to fees in activity groups A.12 and A.13.</p> <p>(c) In respect of <i>collective investment schemes</i>, assets means the total value of the assets of the scheme.</p> <p>(d) For an <i>OPS firm</i>, the FuM should also be reduced by the value of the assets held as a result of a decision taken in accordance with article 4(6) of The Financial Services and Markets Act 2000 (Carrying on Regulated Activities by Way of Business) Order 2001 (investments in <i>collective investment scheme</i> or <i>bodies corporate</i> which have as their primary purpose the acquisition, directly, or indirectly, of relevant investments, as defined in that article).</p> <p>(e) Only assets that are managed from an establishment maintained by the <i>firm</i> in the <i>United Kingdom</i> are relevant.</p> <p>(f) If the <i>firm</i> is managing an overlay portfolio of <i>derivative</i> instruments and the underlying assets are managed by itself or a <i>firm</i> within the same <i>group</i> that has not reported them separately to the <i>FCA</i>, or by a <i>firm</i> outside its <i>group</i>, then it should calculate the value of the <i>derivatives</i> and other assets as prescribed in the <i>guidance</i> in FSA038 in SUP 16 Annex 25G.</p>

	<p>If the underlying assets are managed by another <i>firm</i> within the same <i>group</i> who has reported their value separately to the <i>FCA</i>, then to avoid double-counting within the <i>group</i>, the calculation must be restricted to the exposure of the overlay.</p>
<b>A.9</b>	<p><b>GROSS INCOME</b>  For <i>operators</i> (including <i>ACDs</i> and managers of <i>unit trusts</i> but excluding <i>operators</i> of a <i>personal pension scheme</i> or a <i>stakeholder pension scheme</i>):  gross income from the activity relating to fee-block A.9 is defined as:  the amount of the annual charge on funds invested in regulated or <i>unregulated collective investment scheme</i> received or receivable in the latest accounting period (this is calculated as a % of funds invested, typically 1% p.a.);  <b>PLUS</b>  the front-end or exit charge levied on sales or redemptions of <i>collective investment schemes</i> (typically 4-5% of sales/redemptions) in that same accounting period;</p>
	<p><b>PLUS</b>  any additional initial or management charges levied through a product wrapper such as an <i>ISA</i>;  <b>BUT EXCLUDING</b> box management profits.  <b>For depositaries (including trustees of collective investment schemes and ICVC depositaries):</b>  The amount of the annual charge levied on funds in <i>regulated collective investment schemes</i> for which they act as <i>depository</i> (typically a % of the total funds for which they act as <i>depository</i>).  For <i>operators</i> of a <i>personal pension scheme</i> or a <i>stakeholder pension scheme</i>:  The amount of the charges levied on the <i>personal pension scheme</i> or <i>stakeholder pension scheme</i> for which they act as <i>operator</i>:  including up-front charges, fund related charges, transaction related charges and periodic charges; but  excluding charges made to an investor in respect of third party suppliers; for example, charges for stock broking, borrowing, banking services and charges for arranging third party legal services, surveys or environmental screening in connection with property.  <b>Note:</b>  Only the gross income corresponding to <i>United Kingdom</i> business is relevant.</p>
<b>A.10</b>	<p><b>NUMBER OF TRADERS</b>  Any <i>employee</i> or agent, who:  ordinarily acts within the <i>United Kingdom</i> on behalf of an <i>authorised person</i> liable to pay fees to the <i>FCA</i> in its fee-</p>

	<p>block A.10 (firms dealing as principal); and who, as part of their duties in relation to those activities of the <i>authorised person</i>, commits the <i>firm</i> in market dealings or in transactions in <i>securities</i> or in other <i>specified investments</i> in the course of <i>regulated activities</i>.          But not any <i>employees</i> or agents who work solely in the <i>firm's MTF</i> operation.          A <i>firm</i> may, as an option, report <i>employees</i> or agents as full-time equivalents (FTE), taking account of any part-time staff. In calculating the FTE, <i>firms</i> must take into account the total hours <i>employees</i> or agents have contracted to work for the <i>firm</i> and not the time <i>employees</i> or agents devote to the <i>dealing in investments as principal</i> and <i>bidding in emissions auctions</i> functions set out in fee-block A.10. Any figures using the FTE calculation to be recorded to one decimal place, rounded down to the nearest decimal place.</p>
<p><b>A.12</b></p>	<p><b><u>ANNUAL INCOME</u></b>          Annual income as defined in <i>FEES 4 Annex 11AR</i></p>
<p><b>A.13</b></p>	<p><b><u>ANNUAL INCOME</u></b>          Annual income as defined in <i>FEES 4 Annex 11AR</i></p>
<p><b>A.14</b></p>	<p><b><u>ANNUAL INCOME</u></b>          Annual income as defined in <i>FEES 4 Annex 11AR</i>.</p>

A.18

**ANNUAL INCOME**

(a) the net amount retained by the *firm* of all brokerages, fees, commissions and other related income (e.g. administration charges, overrides, profit shares) due to the *firm* in respect of or in relation to *home finance mediation activity* (or activities which would have been *mortgage mediation activity* if they had been carried out after 30 October 2004 or *home purchase mediation activity* or *home reversion mediation activity* if they had been carried out on or after 6 April 2007 or *regulated sale and rent back mediation activity* if they had been carried out on or after 1 July 2009);

**Plus**

(b) for any *home finance mediation activity* carried out by the *firm* for which it receives payment from the lender or provider on a basis other than that in (a), the value of all new mortgage advances and amounts provided under other *home finance transactions* resulting from that activity multiplied by 0.004;

**Plus**

(c) if the *firm* is a *home finance provider*, the value of all new mortgage advances and amounts provided under other *home finance transactions* which are or would be *regulated mortgage contracts* if they had been made after 30 October 2004 or *home purchase plans* or *home reversion plans* if they had been made on or after 6 April 2007 or *regulated sale and rent back mediation activity* if they had been carried out on or after 1 July 2009 (other than those made as a result of *home finance mediation activity* by another *firm*), multiplied by 0.004.

For mortgage outsourcing *firms* or home finance outsourcing *firms* whose permission does not include *advising on a home finance transaction* the relevant amounts are multiplied by 0.15.

**Notes on annual income:**

(1) For the purposes of calculating annual income, "net amount retained" means all the commission, fees, etc. in respect of *home finance mediation activity* that the *firm* has not rebated to customers or passed on to other *firms* (for example, where there is a commission chain). Items such as general business expenses (e.g. employees' salaries, overheads) should **not** be deducted.

(2) The *firm* must include in its income calculation, on the same basis as above, earnings from those who will become its *appointed representatives* immediately after *authorisation*.

(3) Reference to a "*firm*" above also includes reference to any *person* who carried out activities which would be *mortgage mediation activity* if they had been carried out after 30 October 2004 or *home purchase mediation activity* or *reversion mediation activity* if they had been carried out on or after 6 April 2007 or *regulated sale and rent back mediation activity* if they had been carried out on or after 1 July 2009.

(4) Mortgage outsourcing *firms* are *firms* whose *permission* includes *administering regulated mortgage contracts*, but not *entering into a regulated mortgage contract*. Home finance outsourcing *firms* are *firms* whose *permission* includes *administering a home finance transaction*, but not *entering into a home finance transaction*.

(5) The same *firm* may receive income under paragraph (a) and (c).

(6) A *firm* must include in paragraph (a) any income it receives from *home finance mediation activity* carried on by another *person* with respect to any *home finance transaction* into which the *firm* has entered as lender, plan provider or home purchase provider.

(7) In calculating the net amount retained, a *firm* may not deduct amounts that it rebates to a *person* other than another *firm*, a *person* falling within the extended definition of *firm* in Note (4) or the *firm's* customer.

(8) A *firm* may only deduct amounts under paragraph (a) in calculating its net amount retained if the amount is to be deducted from income that the *firm* must include under paragraph (a). Therefore for example:

(a) if a mortgage lender (Firm A) pays a *firm* commission for arranging a *regulated mortgage* under which Firm A is a lender, Firm A may not take that expense into account in calculating its annual income if Firm A does not receive a fee from the borrower or another *person* in respect of that *regulated mortgage*; and

(b) if a mortgage lender (Firm A) pays a *firm* (Firm B) commission for arranging a *regulated mortgage* under which Firm A is a lender, Firm A receives a payment from the borrower under that transaction and the amount payable to Firm B exceeds the amount payable by the borrower, Firm A may not take that excess into account in calculating its annual income and must instead net the sum payable by the borrower to zero.

(9) A *firm* must include in paragraph (a) any survey and booking fees due to it in respect of or in relation to *home finance mediation activity* or which would be *home finance mediation activity* if they had been carried on or after the dates in paragraph (a).

**A.19**

**ANNUAL INCOME (A)** the net amount retained by the *firm* of all brokerages, fees, commissions and other related income (e.g. administration charges, overrides, profit shares) due to the *firm* in respect of or in relation to *insurance mediation activity* (or activities which would have been *insurance mediation activity* if they had been carried out after 13 January 2005 or, in relation to *connected travel insurance contracts*, from 1 January 2009) in relation to *general insurance contracts* or *pure protection contracts*;

**Plus (B)** in relation to the activities set out in (A), for any *insurance mediation activity* carried out by the *firm* for which it receives payment from the *insurer* on a basis other than that in (A), the amount of *premiums* receivable on the *contracts of insurance* resulting from that activity multiplied by 0.07;

**Plus (C)** if the *firm* is an *insurer*, in relation to the activities set out in (A), the amount of *premiums* receivable on its *contracts of insurance* multiplied by 0.07, excluding those *contracts of insurance* which:

(i) result from *insurance mediation activity* by another *firm*, where a payment has been made by the *insurer* to the *firm* under (A); or

(ii) the *insurer* reports in, and pays a fee under, the A.4 activity group; or

(iii) are not *general insurance contracts* or *pure protection contracts*.

**Notes on annual income:**

(1) For the purposes of calculating annual income, "net amount retained" means all the commission, fees, etc. in respect of *insurance mediation activity* that the *firm* has not rebated to customers or passed on to other *firms* (for example, where there is a commission chain). Items such as general business expenses (e.g. employees' salaries, overheads) should **not** be deducted.

(2) The *firm* must include in its income calculation, on the same basis as above, earnings from those who will become its *appointed representatives* immediately after *authorisation*.

(3) Reference to a "*firm*" above also includes reference to any *person*, including a *connected travel insurance intermediary*, who carried out activities which would be *insurance mediation activity* (in respect of *general insurance contracts* or *pure protection contracts*) if they had been carried out after 13 January 2005 or, in relation to *connected travel insurance contracts*, from 1 January 2009.

(4) The same *firm* may receive income under (A) and (C).

(5) A *firm* must include in (A) any income it receives from *insurance mediation activity* carried on by another *person* with respect to any *general insurance contracts* or *pure protection contracts* into which the *firm* has entered as insurer.

(6) In calculating the net amount retained, a *firm* may not

	<p>deduct amounts that it rebates to a <i>person</i> other than another <i>firm</i>, a <i>person</i> falling within the extended definition of <i>firm</i> in Note (4) or the <i>firm's</i> customer.</p> <p>(7) A <i>firm</i> may only deduct amounts under (A) in calculating its net amount retained if the amount is to be deducted from income that the <i>firm</i> must include under (A). Therefore for example:</p> <p>(a) if an insurer (Firm A) pays a <i>firm</i> commission for arranging a <i>general insurance contract</i> or <i>pure protection contract</i> under which Firm A is the <i>insurer</i>, Firm A may not take that expense into account in calculating its annual income if Firm A does not receive a fee from the insured or another <i>person</i> in respect of that contract; and</p> <p>(b) if an insurer (Firm A) pays a <i>firm</i> (Firm B) commission for arranging a <i>general insurance contract</i> or <i>pure protection contract</i> under which Firm A is the <i>insurer</i>, Firm A receives a payment from the insured under that transaction and the amount payable to Firm B exceeds the amount payable by the insured, Firm A may not take that excess into account in calculating its annual income and must instead net the sum payable by the insured to zero.</p>
<b>B. Market operators</b>	Not applicable.
<b>B. Service companies</b>	Not applicable.
<b>B. MTF operators</b>	Not applicable.

Part 4	
This table indicates the tariff base for each fee block set out in Part 2.	
Activity Group	Tariff base
A.0	Not applicable because the minimum fee is a specified amount.
AP.0	The total periodic fees payable as a result of Part 1 of <i>FEES 4 Annex 2A</i> excluding any periodic fee for <i>operating a dormant fund account</i> .

Part 5
This table indicates the valuation date for each fee-block. A <i>firm</i> can calculate its tariff data in respect of fees payable to the <i>FCA</i> by applying the tariff bases set out

in Part 3 with reference to the valuation dates shown in this table.	
Activity group	Valuation date
<p>IN THIS TABLE, REFERENCES TO SPECIFIC DATES OR MONTHS ARE REFERENCES TO THE LATEST ONE OCCURRING BEFORE THE START OF THE PERIOD TO WHICH THE FEE APPLIES, UNLESS OTHERWISE SPECIFIED - E.G. FOR 2013/14 FEES (1 APRIL 2013 TO 31 MARCH 2014), A REFERENCE TO DECEMBER MEANS DECEMBER 2012.</p>	
<p>Where a <i>firm's</i> tariff data is in a currency other than sterling, it should be converted into sterling at the exchange rate prevailing on the relevant valuation date.</p>	
<b>A.1</b>	<p><b>For banks:</b> Modified eligible liabilities (MELs), valued at: for a <i>firm</i> which reports monthly, the average of the MELs for October, November and December; for a <i>firm</i> which reports quarterly, the MELs for December.</p> <p><b>For credit unions:</b> MELs, valued at December or as disclosed by the most recent annual return made prior to that date.</p> <p><b>For building societies:</b> MELs, valued at the average of the MELs for October, November and December.</p>
<b>A.2</b>	<p>Number of mortgages, <i>home purchase plans</i>, <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> entered into in the twelve months ending 31 December.</p> <p><b>AND</b></p> <p>Number of mortgages, <i>home purchase plans</i>, <i>home reversion plans</i> and <i>regulated sale and rent back agreements</i> being administered on 31 December.</p>
<b>A.3</b>	<p>Annual gross <i>premium</i> income (GPI), for the financial year ended in the calendar year ending 31 December.</p> <p><b>AND</b></p> <p>Gross technical liabilities (GTL) valued at the end of the financial year ended in the calendar year ending 31 December.</p>
<b>A.4</b>	<p>Adjusted annual gross <i>premium</i> income (AGPI) for the financial year ended in the calendar year ending 31 December.</p> <p><b>AND</b></p> <p>Mathematical reserves (MR) valued at the end of the financial year ended in the calendar year ending 31 December.</p>
<b>A.5</b>	<p>Active capacity (AC), in respect of the Underwriting Year (as reported to the <i>Society</i> of Lloyd's) which is current at the beginning of the period to which the fee relates.</p>

	[ <b>Note:</b> this is the Underwriting Year which is already in progress at the start of the fee period - e.g. for 2013/14 fees, the fee period will begin on 1 April 2013, which is in the 2013 Underwriting Year, so the AC for that Underwriting Year is the relevant measure.]
<b>A.6</b>	Not applicable.
<b>A.7</b>	Funds under management (FuM), valued at 31 December.
<b>A.9</b>	Annual gross income (GI), valued at the most recent financial year ended before 31 December.
<b>A.10</b>	Number of traders as at 31 December.
<b>A.12</b>	Annual income for the financial year ended in the calendar year ending 31 December.
<b>A.13</b>	Annual income for the financial year ended in the calendar year ending 31 December.
<b>A.14</b>	Annual income for the financial year ended in the calendar year ending 31 December.
<b>A.18</b>	Annual income (AI) for the financial year ended in the calendar year ending 31 December.
<b>A.19</b>	Annual income (AI) for the financial year ended in the calendar year ending 31 December.
<b>B. Market operators</b>	Not applicable.
<b>B. Service companies</b>	Not applicable
<b>B. MTF operators</b>	Not applicable

**4 Annex 1BR [PRA] PRA activity groups, tariff bases and valuation dates**

Part 1

This table shows how the *PRA* links the *PRA-regulated activities* for which a *PRA-authorized person* has *permission* to activity groups (fee-blocks). A *PRA-authorized person* can use the table to identify which fee-blocks it falls into based on its *permission*.

Activity group	Fee payer falls in the activity group if
<b>A.1 Deposit acceptors</b>	its <i>permission</i> includes <i>accepting deposits</i> <b>BUT DOES NOT</b> include either of the following: <i>effecting contracts of insurance;</i> <i>carrying out contracts of insurance.</i>
<b>A.3 Insurers - general</b>	its <i>permission</i> includes one or more of the following: - <i>effecting contracts of insurance;</i> - <i>carrying out contracts of insurance;</i> in respect of <i>specified investments</i> that are: - <i>general insurance contracts;</i> or - <i>long-term insurance contracts other than life policies.</i>
<b>A.4 Insurers - life</b>	its <i>permission</i> includes one or more of the following: - <i>effecting contracts of insurance;</i> - <i>carrying out contracts of insurance;</i> in respect of <i>specified investments</i> including <i>life policies;</i> - <i>entering as provider into a funeral plan contract.</i>
<b>A.5 Managing agents at Lloyd's</b>	its <i>permission</i> includes <i>managing the underwriting capacity of a Lloyd's syndicate as a managing agent at Lloyd's.</i>
<b>A.6 The Society of Lloyd's</b>	it is the <i>Society of Lloyd's.</i>
<b>A.10 Firms dealing as principal</b>	its <i>permission</i> includes <i>dealing in investments as principal;</i> and the <i>PRA</i> has designated <i>dealing in investments as principal</i> a <i>PRA-regulated activity</i> in respect of the <i>firm.</i>

Part 2	
This table sets out the activity groups (fee blocks) in relation to (i) the minimum fee payable to the <i>PRA</i> and (ii) the transitional fee payable to the <i>PRA</i> .	
Activity group	Fee payer falls into the fee-block if
PA.0 <i>PRA</i> minimum fee	(1) it is in at least one of the fee blocks under Part 1; and (2) it is not a <i>UK ISPV</i> .
PT.1 <i>PRA</i> transitional fee	(1) it is in at least one of the fee blocks under Part 1; and (2) it is not: (a) a <i>firm</i> whose only fee payable to the <i>PRA</i> is the PA.0 <i>PRA</i> minimum fee; and/or (b) a <i>UK ISPV</i> .

<p>Part 3</p> <p>This table indicates the tariff base for each fee-block set out in Part 1.</p> <p>The tariff base in this Part is the means by which the <i>PRA</i> measures the amount of business conducted by a <i>PRA-authorised person</i> for the purposes of calculating the annual periodic fees payable to the <i>PRA</i> by that <i>PRA-authorised person</i>.</p>	
Activity Group	Tariff base
<b>A.1</b>	<p><b>MODIFIED ELIGIBLE LIABILITIES</b></p> <p>For <i>banks</i> and <i>building societies</i>:</p> <p>Item B of Form ELS (Note (1)):</p> $(1 + 2 + 3 + 4 + 0.6*5 + 6 - 8 - 9A - 9B - 10A - 10B - 10C - 11A - 11B - 0.6*12) + (1/3)*(F1 + F2 + F3 + F4 + 0.6*F5 + F6 - F8 - F9A - F9B - F10A - F10B - F10C - F11A - F11B - 0.6*F12) - 13M$
	<p>Notes:</p> <p>(1) All references in the above formula are to entries on Form ELS (that is, the Eligible Liabilities Return completed to provide information by <i>banks</i> and <i>building societies</i> to the Bank of England as required by the Bank of England Act 1998).</p> <p>(2) The figures reported on the Form ELS relate to business conducted out of offices in the <i>United Kingdom</i></p>
	<p>For <i>credit unions</i>:</p> <p>Deposits with the <i>credit union</i> (share capital)</p>
	<p>LESS</p> <p>the <i>credit union's</i> bank deposits (investments + cash at bank)</p> <p>Note:</p> <p>Only <i>United Kingdom</i> business is relevant for calculating <i>credit unions'</i> MELs.</p>
<b>A.3</b>	<p><b>GROSS PREMIUM INCOME AND GROSS TECHNICAL LIABILITIES</b></p> <p>For <i>insurers</i>:</p> <p>The amount of <i>premium</i> receivable which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6 in relation to the financial year to which the documents relate</p>

	<p>but disregarding for this purpose such amounts as are not included in the document by reason of a waiver or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p>
	<p>AND the amount of gross technical liabilities (<i>IPRU(INS)</i> Appendix 9.1 - Form 15, line 19) which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>.</p>
	<p>Notes:</p> <p>(1) in the case of either:</p> <p>(a) a <i>pure reinsurer</i> carrying on <i>general insurance business</i> through a <i>branch</i> in the <i>United Kingdom</i>; or</p> <p>(b) an <i>insurer</i> whose head office is not in an <i>EEA State</i> carrying on <i>general insurance business</i> through a <i>branch</i> in the <i>United Kingdom</i>; or</p> <p>(c) an <i>EEA-deposit insurer</i>;</p> <p>the amount only includes premiums received and gross technical liabilities held in respect of its <i>United Kingdom</i> business;</p> <p>(2) for a <i>Swiss general insurance company</i>, premiums and gross technical liabilities include those relevant to the operations of the company's <i>United Kingdom branch</i>; and</p> <p>(3) a <i>firm</i> need not include premiums and gross technical liabilities relating to <i>pure protection contracts</i> which it reports, and pays a fee on, in the A.4 activity group.</p>
	<p>For <i>friendly societies</i>:</p> <p>Either:</p> <p>(a) the value of contributions as income under Schedule 7: Part I item 1(a) to the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (SI 1994/1983) (the regulations) for a <i>non-directive friendly society</i>, included within the income and expenditure account; or</p> <p>(b) the value of gross premiums written under Schedule 1: Part I items I.1(a) and II.1.(a) of the regulations for a <i>directive friendly society</i> included within the income and expenditure account.</p>
	<p>Notes:</p> <p>(1) In both (a) and (b) above only <i>premium</i> receivable in</p>

	<p>respect of <i>United Kingdom</i> business are relevant.</p> <p>(2) For <i>UK ISPVs</i> the tariff base is not relevant and a flat fee set out in <i>FEES 4 Annex 2BR</i> is payable.</p>
<p><b>A.4</b></p>	<p><b>ADJUSTED GROSS PREMIUM INCOME AND MATHEMATICAL RESERVES</b> (see <i>FEES 4 Annex 12 G</i>)</p> <p>Amount of new regular <i>premium</i> business (yearly premiums including reassurances ceded but excluding cancellations and reassurances accepted), times ten;</p> <p>Plus</p> <p>amounts of new single <i>premium</i> business (total including reassurances ceded but excluding cancellations and reassurances accepted). Group protection business (life and private health insurance) must be included;</p> <p>Less</p> <p>premiums relating to <i>pension fund management</i>;</p> <p>Less</p> <p><i>premiums</i> relating to Trustee Investment Plans.</p> <p>For each of the above, business transacted through independent practitioners or tied agents (either single or multi-tie) will be divided by two in calculating the adjusted gross premium income;</p> <hr/> <p><b>AND</b></p> <p>the amount of mathematical <i>reserves</i> (<i>IPRU(INS)</i> Appendix 9.1R - Form 14 , Line 11) which must be included in the documents required to be deposited under <i>IPRU(INS)</i> 9.6R in relation to the financial year to which the documents relate but disregarding for this purpose such amounts as are not included in the document by reason of a <i>waiver</i> or an order under section 68 of the Insurance Companies Act 1982 carried forward as an amendment to <i>IPRU(INS)</i> under transitional provisions relating to written concessions in <i>SUP</i>;</p> <p>Less</p> <p>mathematical reserves relating to <i>pension fund management</i>.</p> <p>Less</p> <p>mathematical reserves relating to Trustee Investment Plans.</p> <p>Notes:(1) Only <i>premiums</i> receivable and mathematical reserves held in respect of United Kingdom business are relevant.</p> <p>(2) An <i>insurer</i> must include in its calculation of adjusted gross premium income (AGPI) and mathematical reserves (MR) the value of MR and AGPI relating to all risks ceded to</p>

	<p><i>ISPVs.</i></p> <p>(3) Trustee Investment Plans are the class of <i>contract of insurance</i> specified in Class III of Part II of Schedule 1 to the Regulated Activities Order (Contracts of long-term insurance) and which are invested in pooled funds beneficially owned by the <i>insurer</i> and not earmarked to individual beneficiaries by that <i>insurer</i>.</p>
<b>A.5</b>	<p><b>ACTIVE CAPACITY</b></p> <p>The capacity of the <i>syndicate(s)</i> under management in the year in question. This includes the capacity for <i>syndicate(s)</i> that are not writing new business, but have not been closed off in the year in question.</p>
<b>A.6</b>	Not applicable
<b>A.10</b> (only to the extent that the <i>PRA</i> has designated <i>dealing in investments as principal</i> to be a <i>PRA-regulated activity</i> in respect of the <i>firm</i> )	<p><b>NUMBER OF TRADERS</b></p> <p>Any <i>employee</i> or agent, who:</p> <p>ordinarily acts within the <i>United Kingdom</i> on behalf of an <i>authorised person</i> liable to pay fees to the <i>PRA</i> in its fee-block A.10 (firms dealing as principal); and who, as part of their duties in relation to those activities of the authorised person, commits the <i>firm</i> in market dealings or in transactions in <i>securities</i> or in other <i>specified investments</i> in the course of <i>regulated activities</i>.</p> <p>But not any <i>employees</i> or agents who work solely in the <i>firm's MTF</i> operation.</p> <p>A <i>firm</i> may, as an option, report <i>employees</i> or agents as full-time equivalents (FTE), taking account of any part-time staff. In calculating the FTE, <i>firms</i> must take into account the total hours employees or agents have contracted to work for the <i>firm</i> and not the time employees or agents devote to the <i>dealing in investments as principal</i> functions set out in fee-block A.10. Any figures using the FTE calculation to be recorded to one decimal place, rounded down to the nearest decimal place.</p>

<p>Part 4</p> <p>This table indicates the tariff base for each fee block set out in Part 2 above</p> <p>The tariff base in this Part is the means by which the <i>PRA</i> measures the amount of business conducted by a <i>firm</i> for the purposes of calculating the annual periodic fees payable to the <i>PRA</i> by that <i>firm</i>.</p>	
Activity Group	Tariff base

PA.0	Not applicable because the minimum fee is a specified amount.
PT.1	The total periodic fees payable as a result of Part 1 of <i>FEES</i> 4 Annex 2BR.

<p>Part 5</p> <p>This table indicates the valuation date for each fee-block. A <i>PRA-authorised person</i> can calculate its tariff data in respect of fees payable to the <i>PRA</i> by applying the tariff bases set out in Part 3 with reference to the valuation dates shown in this table.</p>	
<p>IN THIS TABLE, REFERENCES TO SPECIFIC DATES OR MONTHS ARE REFERENCES TO THE LATEST ONE OCCURRING BEFORE THE START OF THE PERIOD TO WHICH THE FEE APPLIES, UNLESS OTHERWISE SPECIFIED - E.G. FOR 13/14 FEES (1 APRIL 2013 TO 31 MARCH 2014), A REFERENCE TO DECEMBER MEANS DECEMBER 2012.</p>	
<p>Where a <i>firm's</i> tariff data is in a currency other than sterling, it should be converted into sterling at the exchange rate prevailing on the relevant valuation date.</p>	
A.1	<p>For <i>banks</i>:</p> <p>Modified eligible liabilities (MELs), valued at: for a <i>firm</i> which reports monthly, the average of the MELs for October, November and December; for a <i>firm</i> which reports quarterly, the MELs for December.</p> <p>For <i>credit unions</i>:</p> <p>MELs, valued at December or as disclosed by the most recent annual return made prior to that date.</p> <p>For <i>building societies</i>:</p> <p>MELs, valued at the average of the MELs for October, November and December.</p>
A.3	<p>Annual gross <i>premium</i> income (GPI), for the financial year ended in the calendar year ending 31 December.</p> <p>AND</p> <p>Gross technical liabilities (GTL) valued at the end of the financial year ended in the calendar year ending 31 December.</p>
A.4	<p>Adjusted annual gross <i>premium</i> income (AGPI) for the financial year ended in the calendar year ending 31 December.</p> <p>AND</p> <p>Mathematical reserves (MR) valued at the end of the financial year ended in the calendar year ending 31 December.</p>

A.5	Active capacity (AC), in respect of the Underwriting Year (as reported to the <i>Society of Lloyd's</i> ) which is current at the beginning of the period to which the fee relates. [Note: this is the Underwriting Year which is already in progress at the start of the fee period - e.g. for 2004/05 fees, the fee period will begin on 1 April 2004, which is in the 2004 Underwriting Year, so the AC for that Underwriting Year is the relevant measure.]
A.6	Not applicable.
A.10	Number of traders as at 31 December.

Delete the following Annex in its entirety. The deleted text is not shown.

**4 Annex Fee tariff rates, permitted deductions and EEA/Treaty firm modifications for 2R the period from 1 April 2012 to 31 March 2013 [deleted]**

After FEES 4 Annex 2R (deleted) insert the following new Annexes 2AR and 2BR. The text is not underlined.

**4 Annex FCA Fee rates and EEA/Treaty firm modifications for the period from 1 2AR April 2013 to 31 March 2014**

[FCA]

<p>Part 1 This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of <i>FEES 4 Annex 1AR</i>.</p>	
(1)	For each activity group specified in the table below, the fee is the total of the sums payable for each of the tariff bands applicable to the <i>firm's</i> business, calculated by multiplying the value of the <i>firm's</i> tariff base by the rate applicable to each tranche of the tariff base, as indicated.
(2)	A <i>firm</i> may apply the relevant tariff bases and rates to non-UK business, as well as to its UK business, if:
(a)	it has reasonable grounds for believing that the costs of identifying the <i>firm's</i> UK business separately from its non-UK business in the way described in Part 3 of <i>FEES 4 Annex 1AR</i> are disproportionate to the difference in fees payable; and
(b)	it notifies the <i>FCA</i> in writing at the same time as it provides the information concerned under <i>FEES 4.4</i> (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.

(3)	For a <i>firm</i> which has not complied with <i>FEES</i> 4.2.2R (Information on which fees are calculated) for this period:	
(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10;	
(b)	an additional fee of £250 is payable, unless the <i>firm</i> is a <i>PRA-authorized person</i> in which case an additional fee of £125 is payable instead; and	
(c)	The minimum total fee (including the administrative fee in (b)) is £430, unless the <i>firm</i> is a <i>PRA-authorized person</i> in which case the total minimum total fee (including the administrative fee in (b)) is £215.	
Activity group	Fee payable	
A.1	Band width (million of Modified Eligible Liabilities (MELs))	Fee (/m or part m of MELs)
		General Periodic fee
	>10 – 140	[tbc]
	>140 – 630	[tbc]
	>630 - 1,580	[tbc]
	>1,580 - 13,400	[tbc]
	>13,400	[tbc]
	The tariff rates in A.1 are not relevant for the <i>permissions</i> relating to <i>operating a dormant account fund</i> . Instead a flat fee of 6,000 is payable in respect of these <i>permissions</i>	
A.2	Band width (No. of mortgages and/or home finance transactions)	Fee (/mortgage)
	>50 – 130	[tbc]
	>130 – 320	[tbc]
	>320 - 4,570	[tbc]
	>4,570 - 37,500	[tbc]
	>37,500	[tbc]

A.3	Gross premium income (GPI)	Periodic fee
	Minimum fee ( )	Not applicable
	Band Width ( million of GPI)	Fee (/m or part m of GPI)
	>0.5 - 10.5	[tbc]
	>10.5 - 30	[tbc]
	>30 - 245	[tbc]
	>245 - 1,900	[tbc]
	>1,900	[tbc]
	PLUS	
	Gross technical liabilities (GTL)	General Periodic fee
	Band Width ( million of GTL)	Fee (/m or part m of GTL)
	>1 - 12.5	[tbc]
	>12.5 - 70	[tbc]
	>70 - 384	[tbc]
	>384 - 3,750	[tbc]
	>3,750	[tbc]
	For <i>UK ISPV's</i> the tariff rates are not relevant and a flat fee of 430 is payable in respect of each <i>FCA</i> financial year (the 12 <i>months</i> ending 31 March).	
A.4	Adjusted annual gross premium income (AGPI)	General Periodic fee
	Band Width ( million of AGPI)	Fee (/m or part m of AGPI)
	>1 - 5	[tbc]
	>5 - 40	[tbc]
	>40 - 260	[tbc]
	>260 - 4,000	[tbc]
	>4,000	[tbc]

	PLUS	
	Mathematical reserves (MR)	General Periodic fee
	Band Width ( million of MR)	Fee (/m or part m of MR)
	>1 - 20	[tbc]
	>20 - 270	[tbc]
	>270 - 7,000	[tbc]
	>7,000 - 45,000	[tbc]
	>45,000	[tbc]
A.5	Band Width ( million of Active Capacity (AC))	Fee (/m or part m of AC)
	>50 - 150	[tbc]
	>150 - 250	[tbc]
	>250 – 500	[tbc]
	>500 - 1,000	[tbc]
	>1,000	[tbc]
A.6	Flat fee	[tbc]
A.7	For class 1(C), (2) and (3) <i>firms</i> :	
	Band Width (million of Funds under Management (FuM))	Fee (/m or part m of FuM)
	>10 - 150	[tbc]
	>150 - 2,800	[tbc]
	>2,800 - 17,500	[tbc]
	>17,500 - 100,000	[tbc]
	>100,000	[tbc]
	For class 1(B) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 15%. For class 1(A) <i>firms</i> : the fee calculated as for class 1(C) <i>firms</i> above, less 50%.	
A.8	This activity group does not apply for this period.	

A.9	Band Width ( million of Gross Income (GI))	Fee (/m or part m of GI)
	>1 - 4.5	[tbc]
	>4.5 – 17	[tbc]
	>17 – 145	[tbc]
	> 145 – 750	[tbc]
	>750	[tbc]
A.10	Band Width (No. of traders)	Fee (/person)
	2 – 3	[tbc]
	4 – 5	[tbc]
	6 – 30	[tbc]
	31 – 180	[tbc]
	>180	[tbc]
	For <i>firms</i> carrying on <i>auction regulation bidding</i> , the fee in A.10 is calculated as above less 20% for each trader that carries on <i>auction regulation bidding</i> but not <i>MiFID business bidding</i> or <i>dealing in investments as principal</i> .	
A.12	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	[tbc]	[tbc]
A.13	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £ thousand of AI)
	[tbc]	[tbc]
A.14	Band Width (£ thousands of annual income (AI))	Fee (£/£ thousand or part £

		thousand of AI)
	[tbc]	[tbc]
A.18	Band Width ( thousands of Annual Income (AI))	Fee (/ thousand or part thousand of AI)
	>100 – 180	[tbc]
	>180 - 1,000	[tbc]
	>1,000 - 12,500	[tbc]
	>12,500 - 50,000	[tbc]
	>50,000	[tbc]
A.19	Band Width ( thousands of Annual Income (AI))	Fee (/ thousand or part thousand of AI)
	>100 – 325	[tbc]
	>325 - 10,000	[tbc]
	>10,000 - 50,750	[tbc]
	>50,750 - 250,000	[tbc]
	>250,000	[tbc]
B. Market operators	[tbc]	-
B. Service companies	Bloomberg LP	[tbc]
	LIFFE Services Ltd	[tbc]
	OMGEO Ltd	[tbc]
	Reuters Ltd	[tbc]
	Swapswire Ltd	[tbc]

B. <i>MTF</i> operators	As set out in <i>FEES</i> 4 Annex 10R (Periodic fees for <i>MTF</i> operators).	
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Part 2		
This table shows the tariff rates applicable to each of the fee blocks set out in Part 2 of <i>FEES</i> 4 Annex 1AR.		
A.0	(1)	[tbc] unless:
		(a) It is a <i>credit union</i> that meets the conditions in (2), in which case the minimum fee payable is as set out in (2);
		(b) it is a <i>non-directive friendly society</i> that falls into the A.3 activity group but not the A.4 activity group and meets the conditions set out in (3)(a), in which case the minimum fee payable is [tbc]; or.
		(c) it is a <i>non-directive friendly society</i> that falls into the A.4 activity group but not the A.3 activity group and meets the conditions in (3)(b), in which case the minimum fee payable is [tbc]; or
		(d) it is a <i>non-directive friendly society</i> that falls into the A.3 and A.4 activity groups and meets the conditions in (3)(a) and (3)(b), in which case the minimum fee payable is [tbc];
		(e) it is also a <i>PRA-authorised person</i> , in which case the minimum fee is 50% of any fee which would otherwise apply under (1)(a) to (1)(d) or (2) .
	(2)	The conditions referred to in (1)(a) are that the <i>credit union</i> has a tariff base (Modified Eligible Liabilities) of:
		(a) 0 to 0.5million, in which case a minimum fee of [tbc] is payable; or
		(b) greater than 0.5million but less than 20 million, in which case a minimum fee of [tbc] is payable.
	(3)	The conditions referred to in (1) are that:
		(a) the <i>non-directive friendly society</i> falls into the A.3 activity group and has, for that activity, 0.5 million or less in gross <i>premium</i> income and holds gross technical liabilities of 1.0 million or less;

	(b)	the <i>non-directive friendly society</i> falls into the A.4 activity group and has, for that activity, written 1.0 million or less in adjusted gross <i>premium</i> income and holds mathematical reserves of 1.0 million or less.
		The figures for gross <i>premium</i> income, gross technical liabilities, adjusted gross <i>premium</i> income and mathematical reserves are the same as used for Part 1 of this Annex.
AP.0		Periodic fees payable under Part 1 multiplied by rate £[tbc]

Part 3	
This table shows the modifications to fee tariffs that apply in respect of the <i>FCA</i> to <i>incoming EEA firms</i> and <i>incoming Treaty firms</i> which have established branches in the UK.	
Activity Group	Percentage deducted from the tariff payable under Part 1 applicable to the <i>firm</i>
A.1	[tbc]
A.3	[tbc]
A.4	[tbc]
A.7	[tbc]
A.9	[tbc]
A.10	In relation to each trader that carries on <i>auction regulation bidding</i> but not <i>MiFID business bidding</i> or <i>dealing in investments as principal</i> , 100%. In relation to all other traders, 0%.
A.12	[tbc]
A.13	[tbc]
A.19	[tbc]
B. <i>MTF</i> operators	Not applicable
AP.0	100%
Note 1	The modifications to fee tariffs payable by an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i> which has established a branch in the UK

	apply only in relation to the relevant <i>regulated activities</i> of the <i>firm</i> which are <i>passport activities</i> or <i>Treaty activities</i> and which are carried on in the <i>UK</i> .
Note 2	The <i>FCA</i> minimum fee described in Part 2 of <i>FEES 4 Annex 2AR</i> applies in full and the modifications in this Part do not apply to it.

**4 Annex 2BR [PRA] PRA fee rates and EEA/Treaty firm modifications for the period from 1 April 2013 to 28 February 2014**

Part 1	
This table shows the tariff rates applicable to each of the fee blocks set out in Part 1 of <i>FEES 4 Annex 1BR</i> .	
(1)	For each activity group specified in the table below, the fee is the total of the sums payable for each of the tariff bands applicable to the <i>firm's</i> business, calculated by multiplying the value of the <i>firm's</i> tariff base by the rate applicable to each tranche of the tariff base, as indicated.
(2)	A <i>firm</i> may apply the relevant tariff bases and rates to non- <i>UK</i> business, as well as to its <i>UK</i> business, if:
(a)	it has reasonable grounds for believing that the costs of identifying the <i>firm's UK</i> business separately from its non- <i>UK</i> business in the way described in Part 3 of <i>FEES 4 Annex 1BR</i> are disproportionate to the difference in fees payable; and
(b)	it notifies the <i>FCA</i> (acting as the collecting agent of the <i>PRA</i> ) in writing at the same time as it provides the information concerned under <i>FEES 4.4</i> (Information on which fees are calculated), or, if earlier, at the time it pays the fees concerned.
(3)	For a <i>firm</i> which has not complied with <i>FEES 4.4.2R</i> (Information on which fees are calculated) for this period:
(a)	the fee is calculated using (where relevant) the valuation or valuations of business applicable to the previous period, multiplied by the factor of 1.10;
(b)	an additional administrative fee of 125 is payable; and
(c)	the minimum total fee (including the administrative fee in (b)) is 215.
Activity group	Fee payable

A.1	Band width (£ million of Modified Eligible Liabilities (MELs))	Fee (£/£m or part £m of MELs)
		General Periodic fee
	>10 – 140	[tbc]
	>140 – 630	[tbc]
	>630 – 1,580	[tbc]
	>1,580 – 13,400	[tbc]
	>13,400	[tbc]
A.3	Gross premium income (GPI)	General periodic fee
	Minimum fee (£)	[tbc]
	Band Width (£ million of GPI)	Fee (£/£m or part £m of GPI)
	>0.5 – 10.5	[tbc]
	>10.5 – 30	[tbc]
	>30 – 245	[tbc]
	>245 – 1,900	[tbc]
	>1,900	[tbc]
	Plus	
	Gross technical liabilities (GTL)	General Periodic fee
	Band Width (£ million of GTL)	Fee (£/£m or part £m of GTL)
	>1 – 12.5	[tbc]
	>12.5 – 70	[tbc]
	>70 – 384	[tbc]
	>384 – 3,750	[tbc]
	>3,750	[tbc]

	For <i>UK ISPV's</i> the tariff rates are not relevant and a flat fee of [tbc] is payable in respect of each <i>fee year</i> [tbc]	
A.4	Adjusted annual gross premium income (AGPI)	General Periodic fee
	Minimum fee (£)	[tbc]
	Band Width (£ million of AGPI)	Fee (£/£m or part £m of AGPI)
	>1 – 5	[tbc]
	>5 – 40	[tbc]
	>40 – 260	[tbc]
	>260 – 4,000	[tbc]
	>4,000	[tbc]
	PLUS	
	Mathematical reserves (MR)	General Periodic fee
	Minimum fee (£)	[tbc]
	Band Width (£ million of MR)	Fee (£/£m or part £m of MR)
	>1 –20	[tbc]
	>20 – 270	[tbc]
	>270 – 7,000	[tbc]
	>7,000 – 45,000	[tbc]
>45,000	[tbc]	
A.5	Band Width (£ million of Active Capacity (AC))	Fee (£/£m or part £m of AC)
	>50 – 150	[tbc]
	>150 – 250	[tbc]
	>250 – 500	[tbc]

	>500 – 1,000	[tbc]
	>1,000	[tbc]
A.6	Flat fee	[tbc]
A.10	Band Width (No. of traders)	Fee (£/trader)
	2 – 3	[tbc]
	4 – 5	[tbc]
	6 – 30	[tbc]
	31 – 180	[tbc]
	>180	[tbc]

Part 2		
This table sets out the tariff rate applicable to each of the fee blocks set out in Part 2 of <i>FEES 4 Annex 1BR</i>		
PA.0	(1)	The minimum fee payable by any <i>firm</i> referred to in (3) is [tbc] unless:
	(a)	it is a <i>credit union</i> that meets the conditions in (2), in which case the minimum fee payable is as set out in (2); or
	(b)	it is a <i>non-directive friendly society</i> that falls into the A.3 activity group but not the A.4 activity group and meets the conditions set out in (3)(a), in which case the minimum fee payable is [tbc]; or.
	(c)	it is a <i>non-directive friendly society</i> that falls into the A.4 activity group but not the A.3 activity group and meets the conditions in (3)(b), in which case the minimum fee payable is [tbc]; or
	(d)	it is a <i>non-directive friendly society</i> that falls into the A.3 and A.4 activity groups and meets the conditions in (3)(a) and (3)(b), in which case the minimum fee payable is [tbc];
	(2)	The conditions referred to in (1)(a) are that the <i>credit union</i> has a tariff base (Modified Eligible Liabilities) of:
	(a)	0 to 0.5million, in which case a minimum fee of [tbc] is

		payable; or
	(b)	greater than 0.5million but less than 2.0million, in which case a minimum fee of [tbc] is payable.
	(3)	The conditions referred to in (1) are that:
	(a)	the <i>non-directive friendly society</i> falls into the A.3 activity group and has, for that activity, 0.5 million or less in gross <i>premium</i> income and holds gross technical liabilities of 1.0 million or less;
	(b)	the <i>non-directive friendly society</i> falls into the A.4 activity group and has, for that activity, written 1.0 million or less in adjusted gross <i>premium</i> income and holds mathematical reserves of 1.0 million or less.
		The figures for gross <i>premium</i> income, gross technical liabilities, adjusted gross <i>premium</i> income and mathematical reserves are the same as used for Part 1 of this Annex.
PT.1		Periodic fees payable under Part 1 multiplied by rate £[tbc]

Part 3	
This table shows the modifications to fee tariffs that apply to <i>incoming EEA firms</i> and <i>incoming Treaty firms</i> which have established branches in the UK.	
Activity Group	Percentage deducted from the tariff payable under Part 1 applicable to the <i>firm</i>
A.1	50%
A.3	90 %
A.4	90%
Note 1	The modifications to fee tariffs payable by an <i>incoming EEA firm</i> or an <i>incoming Treaty firm</i> which has established a branch in the <i>UK</i> apply only in relation to the relevant regulated activities of the firm which are <i>passport activities</i> or <i>Treaty activities</i> and which are carried on in the <i>UK</i> .
Note 2	The <i>PRA</i> minimum fee described in Part 2 of <i>FEES 4 Annex 2BR</i> applies in full and the modifications in this Part do not apply to it.

Amend the following as shown.

**4 Annex Periodic fees for recognised investment exchanges, recognised clearing houses and recognised auction platforms payable in relation to the period 1 April**

6R 2012 2013 to 31 March 2013 2014

[FCA]

In this Annex
- the term <i>recognised body</i> includes a body which was a recognised investment exchange <del>or a recognised clearing house</del> recognised under the Financial Services Act 1986 and which is a <i>recognised body</i> as a result of Regulation 9 of the <i>Recognition Requirements Regulations</i> .
- the term recognition order includes a recognition order by the <i>FSA</i> under section 37 <del>or 39</del> of the Financial Services Act 1986 or a recognition order made by the Treasury under section 40 of the Financial Services Act 1986 <u>in relation to overseas investment exchanges</u> .

Part 1 – Periodic fees for UK ~~recognised clearing houses and~~ recognised investment exchanges

Name of UK recognised body	Amount payable	Due date
Euroclear UK & Ireland Limited	300,000	30 April 2012
	410,500	1 September 2012
...		
LCH Clearnet Limited	350,000	30 April 2012
	545,000	1 September 2012
...		
European Central Counterparty Limited	177,500	30 April 2012
	203,000	1 September 2012
ICE Clear Europe Limited	270,000	30 April 2012
	416,500	1 September 2012
Chicago Mercantile Exchange Clearing Europe	200,000	30 April 2012
	275,000	1 September 2012
...		
<i>Any other UK recognised</i>	250,000	30 days after the date on

<i>clearing house</i> recognised as such by a <i>recognition order</i> made in the period		which the <i>recognition</i> <i>order</i> is made
----------------------------------------------------------------------------------------------------	--	------------------------------------------------------

...

Part 2 – Periodic fees for overseas recognised bodies

Name of overseas recognised body	Amount payable	Due date
...		
SIS x clear AG	125,000	1 July 2012
Eurex Clearing AG	85,000	1 July 2012
ICE Clear US Inc	85,000	1 July 2012
Chicago Mercantile Exchange (CME) (ROCH)	125,000	1 July 2012
European Multi Lateral Clearing Facility	125,000	1 July 2012
Cassa di Compensazione e Garanzia (CC&G)	85,000	1 July 2012
LCH Clearnet SA	125,000	1 July 2012
...		
Any other <i>overseas</i> <i>clearing house</i> recognised as such by a <i>recognition order</i> made in the period	70,000	30 days after the date on which the <i>recognition</i> <i>order</i> is made

...

**4 Annex 7R Periodic fees in relation to the Listing Rules for the period 1 April 2012 2013 to 31 March 2013 2014**

[FCA]

...

There is deducted from the fee specified in this Annex 1.8% of the fee payable to take into account financial penalties received by the FSA under section 91 of the Act in the previous financial year.

...

**4 Annex 8R** **Periodic fees in relation to the disclosure rules and transparency rules for the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014**

[FCA]

...

~~There is deducted from the fee specified in this Annex 1.8% of the fee payable to take into account financial penalties received by the FSA under section 91 of the Act in the previous financial year.~~

...

**4 Annex 9R** **Periodic fees in respect of securities derivatives for the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014**

[FCA]

Part 1

This table shows the fee amount application to *firms* and *market operators* in respect of certain *securities derivatives*.

...

~~The fee shown in the table below for *firms* (but not *market operators*) will be subject to a deduction of 1.2% if that fee were a periodic fee charged under FEES 4.3.3R, and the deduction were a deduction set out in Part 2 of FEES 4 Annex 2R.~~

...

...

**4 Annex 10R** **Periodic fees for MTF operators payable in relation to the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014**

[FCA]

...

~~There is deducted from the fee specified in this Annex 9.3% of the fee payable to take into account financial penalties received by the FSA under section 66, 123 and 206 of the Act in the previous financial year.~~

**4 Annex 11R** **Periodic fees in respect of payment services carried on by fee-paying payment services providers under the Payment Services Regulations and electronic money issuers under the Electronic Money Regulations and issuance of regulated covered bonds by issuers in relation to the period 1 April ~~2012~~ 2013 to 31 March ~~2013~~ 2014**

[FCA]

...

~~Part 6— Permitted deductions for financial penalties pursuant to regulation 85 of the *Payment Services Regulations*, regulation 51 of the *Electronic Money Regulations* and regulation 34 of the *RCB Regulations*, as applicable~~

~~Fee-paying payment services providers, fee-paying electronic money issuers and issuers of regulated covered bonds may make deductions provide for in this Part.~~

<b>Activity group</b>	<b>Nature of deduction</b>	<b>Amount of deduction</b>
G.2	Financial penalties received	0.0%
G.3	Financial penalties received	0.0%
G.4	Financial penalties received	0.0%
G.5	Financial penalties received	0.0%
G.10	Financial penalties received	0.0%
G.11	Financial penalties received	0.0%
G.15	Financial penalties received	0.0%

**4 Annex 11AR Definition of annual income for the purposes of calculating fees in fee-blocks A.12, A.13 and A.14**

[FCA]

Annual income
<p>"Annual income" is an amount equal to the net amount retained by the <i>firm</i> of all income due to the firm in respect of, or in relation to, the provision in the <i>UK</i> of the <i>regulated activities</i> specified in <del>FEES 4 Annex 1R, Part 1</del> <u>Annex 1AR Part 1</u> as belonging to fee-blocks A.12, A.13 and A.14.</p> <p>For the purposes of calculating annual income, 'net amount retained' means:</p> <p>(a) all brokerages, <i>commissions</i>, <i>fees</i>, and other related income (for example, administration <i>charges</i>, overrides, profit shares etc) due to the <i>firm</i> in respect of, or in relation to, the provision in the <i>UK</i> of the <i>regulated activities</i> specified in <del>FEES 4 Annex 1R, Part 1</del> <u>Annex 1AR Part 1</u> as belonging to fee-blocks A.12, A.13 or A.14 and which the <i>firm</i> has not rebated to <i>clients</i> or passed on to other <del>authorised firms</del></p>

*authorised firms* (for example, where there is a commission chain).

...

...

**4 Annex 12G Guidance on the calculation of tariffs set out in FEES 4 Annex 1 R Part 2 Annex 1AR Part 3**

[FCA/  
PRA]

...

Table 2: Fee-blocks A.12, A.13 and A.14

Calculating and apportioning annual income – FEES 4 Annex 11A R
Calculating annual income
<p>(1) Annual income should include all amounts due to the <i>firm</i> arising out of the <i>regulated activities</i> referred to in fee-blocks A.12, A.13 and A.14 for which the <i>firm</i> holds <del>permission</del> <i>permission</i>, including regulate <i>charges</i> and instalments due to the <i>firm</i> during the reporting year.</p> <p>The <i>firm</i> should refer to the fee-block definitions in <i>FEES 4 Annex 1R Annex 1AR</i>, Part 1 to decide which particular income streams should be taken into account when calculating its annual income for the purposes of fee-blocks A.12, A.13 and A.14.</p> <p>...</p>
Apportioning income
<p>...</p> <p>(7) It is for the individual <i>firms</i> to determine how they should calculate the appropriate split of income. The <del>FSA</del> <i>FCA</i> is not prescriptive about the methodology. It requires only that:</p> <p>(a) the approach should be proportionate – the <del>FSA</del> <i>FCA</i> is looking for <i>firms</i> to make their best efforts to estimate the split.</p> <p>...</p>

...

**5 Financial Ombudsman Service Funding**

...

**5.4 Information requirement**

5.4.1 R ...

[FCA]

- (4) For the purposes of *FEES 5.4.1R*, references to *relevant business* for a *firm* which falls in *industry block 16* or *17* and which so elects under

*FEES 5 Annex 1R*, are references to the *firm's* total amount of annual income reported in accordance with ~~Part 2 of *FEES 4 Annex 1R*~~ Part 3 of *FEES 4 Annex 1AR*.

- (5) If a *firm* does not submit a complete statement by the date on which it is due in accordance with this *rule* and any prescribed submission procedures:
- (a) the *firm* must pay an administrative fee of 250 (but not if it is already subject to an administrative fee under ~~*FEES 4 Annex 2R*~~, ~~Part 1 *FEES 4 Annex 2AR*~~, Part 1 or *FEES 6.5.16R* for the same *financial year*); and

...

...

**5 Annex 1R Annual General Levy Payable in Relation to the Compulsory Jurisdiction for 2012/13 2013/14**

[FCA]

...

Notes

4	...
5	The <i>industry blocks</i> in the table are based on the equivalent activity groups set out in Part 1 of <del><i>FEES 4 Annex 1R</i></del> <u><i>FEES 4 Annex 1AR</i></u> and Part 2A of <i>FEES Annex 11R</i>
6	Where the tariff base in the table is defined in similar terms as that for the equivalent activity group in <del>Part 2 of <i>FEES 4 Annex 1R</i></del> <u>Part 3 of <i>FEES 4 Annex 1AR</i></u> or Part 3 of <i>FEES 4 Annex 11R</i> , it must be calculated in the same way as that tariff base – taking into account only the <i>firm's relevant business</i> .
...	

...

**6. Financial Services Compensation Scheme Funding**

...

**6.4 Management expenses**

...

Base costs levy

- 6.4.5 R Subject to *FEES 6.3.22R*, the *FSCS* must calculate a *participant firm's* share of

[FCA/  
PRA]

a *base cost levy* by:

- (1) identifying the *base costs* which the *FSCS* has incurred, or expects to incur, in the relevant financial year of the *compensation scheme*, but has not levied; and
  - (a) allocating 50% of those *base costs* as the sum to be levied on participants in activity groups A.1, A.3, A.4, A.5 and A.6 (as listed in *FEES 4 Annex 1R Annex 1BR*); and
  - (b) allocating 50% of those *base costs* as the sum to be levied on participants in all the activity groups listed in *FEES 4 Annex 1R Annex 1AR*;

...

...

## 6.5 Compensation costs

...

Reporting requirements

6.5.16  
[FCA/  
PRA]

R If a *participant firm* does not submit a complete statement by the date on which it is due in accordance with *FEES 6.5.13R* and any prescribed submission procedures:

- (1) the *firm* must pay an administrative fee of £250 (but not if it is already subject to an administrative fee under *FEES 4 Annex 2 Part 1 Annex 2AR, Part 1* or *FEES 5.4.1R* for the same financial year); and

...

...

## 6 Annex 3R Financial Services Compensation Scheme - classes

[FCA/  
PRA]

This table belongs to *FEES 6.5.7R*

...

Class B	General Insurance
Class B1	General Insurance Provision
...	
Tariff base	Class B1: <i>Relevant net premium income</i> and eligible gross technical liabilities. The levy is split into two in the ratio 75:25. The tariff base

	<p>for the first portion (75%) is calculated by reference to <i>relevant net premium income</i>. The tariff base for the second portion (25%) is based on eligible gross technical liabilities.</p> <p>Eligible gross technical liabilities are calculated in accordance with the method for calculating gross technical liabilities in fee block A3 in <del>part 2 of FEES 4 Annex 1R</del> <u>Part 3 of FEES 4 Annex 1BR</u> with the following adjustments.</p> <p>...</p> <p>(4) None of the notes for the calculation of fees in fee block A3 in <del>part 2 of FEES 4 Annex 1R</del> <u>Part 3 of FEES 4 Annex 1BR</u> apply except for the purposes of (2).</p> <p>...</p>
...	
Class C	Life and Pensions
...	
Tariff base	<p>Class C1: <i>Relevant net premium income</i> and eligible mathematical reserves. The levy is split into two in the ratio 75:25. The tariff base for the first portion (75%) is calculated by reference to <i>relevant net premium income</i>. The tariff base for the second portion (25%) is based on mathematical reserves.</p> <p>Eligible mathematical reserves are calculated in accordance with the method for calculating mathematical reserves in fee block A4 in <del>part 2 of FEES 4 Annex 1R</del> <u>Part 3 of FEES 4 Annex 1BR</u> with the following adjustments.</p> <p>...</p> <p>(4) None of the notes for the calculation of fees in fee block A4 in <del>part 2 of FEES 4 Annex 1R</del> <u>Part 3 of FEES 4 Annex 1BR</u> apply except for the purposes of (2).</p> <p>....</p> <p>(7) The provisions relating to pension fund management business in <del>Part 2 of FEES 4 Annex 1R</del> <u>Part 3 of FEES 4 Annex 1AR</u> do not apply. A <i>firm</i> undertaking such business that does not carry out any other activities within <i>class C1</i> (ignoring any activities that would have a wholly insignificant effect on the calculation of its tariff base for <i>Class C1</i>) must use its Long-term insurance capital requirement instead of gross technical liabilities. The Long-term insurance capital requirement means the amount that it is required to show as its Long-term insurance capital requirement in Form 2 Line 31 (Statement of solvency - Long-term insurance business) in relation to the most recent financial year of the <i>firm</i> (as at the applicable reporting date under FEES 6.5.13R) for which the <i>firm</i> is required to have reported that information to the PRA.</p>

	...
...	

...

## 6 Annex 4G Guidance on the calculation of tariff bases

4G

[FCA/  
PRA]

This table belongs to *FEES* 6.5.8G

Calculation of annual eligible income for firms in class D1 who carry out discretionary fund management and are in FCA fee block A7.		
...		
Calculation of annual eligible income for firms in sub-class D1 who carry out activities within <i>FCA</i> fee block A9		
2.1	G	The calculation of income in respect of activities falling into <i>class</i> D1 and <i>FCA</i> fee block A9 should be based on the tariff base provision for that fee block (in <del>Part 2 of <i>FEES</i> 4 Annex 1R</del> Part 3 of <i>FEES</i> 4 Annex 1AR). It should be adjusted so as to exclude income that is not attributable to business conducted with or for the benefit of <i>eligible claimants</i> , unless the <i>firm</i> chooses to include such income.

...

## 7 CFEB Levies

...

### 7.2 The CFEB levy

...

7.2.2 R The *CFEB* levy is calculated as follows:

[FCA]

- (1) identify each of the activity groups set out in Part 1 of *FEES* 7 Annex 1R that apply to the business of the *firm* for the relevant period (for this purpose, the activity groups are defined in accordance with Part 1 of ~~*FEES* 4 Annex 1R~~ Annex 1AR);

...

7.2.3 R The amount payable by a *firm* with respect to a particular activity group is calculated as follows:

[FCA]

- (1) calculate the size of the *firm's* tariff base for that activity group using the tariff base calculations in ~~Part 2 of *FEES* 4 Annex 1R~~ Part 3 of *FEES* 4 Annex 1AR and Part 3 of *FEES* 4 Annex 11R and the valuation date requirements in ~~Part 3 of *FEES* 4 Annex 1R~~ Part 5 of *FEES* 4 Annex 1AR and Part 3 of *FEES* 4 Annex 11R;

...

7.2.4 R For the purposes of *FEES* 7.2.3R:

[FCA]

- (1) a *firm* may apply the relevant tariff bases and rates to its non-*UK* business, as well as to its *UK* business, if:
- (a) it has reasonable grounds for believing that the costs of identifying the *firm's UK* business separately from its non-*UK* business in the way described in ~~Part 2 of *FEES* 4 Annex 1R~~ Part 3 of *FEES* 4 Annex 1AR and Part 1 of *FEES* 4 Annex 11R are disproportionate to the difference in fees payable; and

...

...

7.2.5 R The modifications in Part 3 of *FEES* 4 ~~Annex 2R~~ Annex 2AR and Part 7 of *FEES* 4 Annex 11R apply.

[FCA]

...

7.2.9 R Table of rules in *FEES* 4 that also apply to *FEES* 7 to the extent that in *FEES* 4 they apply to fees payable to the *FCA*

[FCA]

...

...

7.2.10 G References in a *FEES* 4 rule incorporated into *FEES* 7 by cross-reference to a periodic fee should be read as being the *CFEB* levy. References in a *FEES* 4 rule incorporated into *FEES* 7 to *market operators, service companies, MTF operators, investment exchanges, clearing houses, or designated professional bodies* or ~~Solvency 2 Implementation fees, Solvency 2 Implementation Flat fees, Solvency 2 Special Project fees and Solvency 2 Special Project Flat fees~~ should be disregarded.

[FCA]

...

7.2.12 R Table of *FEES* 4 rules that correspond to *FEES* 7 rules

[FCA]

FEES 4 rules	Corresponding Fees 7 rules
...	
Part 1 of <i>FEES</i> 4 <del>Annex 2R</del> <u>Annex 2AR</u>	Part 1 of <i>FEES</i> 7 Annex 1R
...	

...

**7 Annex 1R CFEb levies for the period from 1 April 2012 2013 to 31 March 2013 2014**

[FCA] This table shows the *CFEB levy* applicable to each activity group (fee-block)

Activity Group	<i>CFEB levy payable</i>	
...		
A.7	For class 1(C), (2) and (3) firms:	
	...	
	Class 1(A), (B) and (C) firms are defined in <del>FEES 4 Annex 1R</del> <u>FEES 4 Annex 1AR</u>	
...		

...

**TP 7 Transitional provisions relating to changes to the FSCS levy arrangements taking effect in 2013/14**

7.1 R As at 31 March 2013, the *FSCS* must:

[FCA/  
PRA]

- (1) allocate any surplus or deficit in the balance of an *FSA* activity group in respect of *base costs*, as listed in ~~FEES 4 Annex 1R~~ to the account of ~~that the corresponding FCA~~ activity group as listed in FEES 4 Annex 1AR as at 1 April 2013; and

...

...

After TP 7 insert the following new transitional provisions TP 8. The text is not underlined

**TP 8 Transitional provisions relating to FEES 3 Annex 9R and FEES 4.3.6R taking effect in 2013/14**

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision: dates in force	(6) Handbook provision: coming into force
<b>8.1</b>	<b>Special project fee transitional provisions</b>				

<p>8.1.1 [FCA/ PRA]</p>	<p><i>FEES 3</i> Annex 9R</p>	<p>R</p>	<p>This <i>rule</i> relates to a special project fee or part of a special project fee which has the following characteristics:</p> <p>(1) one or more of the events described in <i>FEES 3 Annex 9R(2)</i> or (6) had occurred before 1 April 2013; and</p> <p>(2) <i>FSA</i> employees conducted regulatory work which had been recorded on the <i>FSA</i>'s systems and/or the <i>FSA</i> was invoiced fees and disbursements as a consequence of the applicable event or events referred to in <i>FEES 3 Annex 9R(2)</i> or (6) before 1 April 2013.</p> <p>(3) Hours or part hours worked by <i>FSA</i> staff and any fees or disbursements invoiced to the <i>FSA</i> of the kind described in <i>FEES 3 Annex 9R(9)</i> which were not accounted for in an invoice issued by the <i>FSA</i> prior to 31 March 2013 shall be named "pre-LCO accrued costs" in <i>FEES TP 8.1</i>.</p>	<p>From 1 April 2013 indefinitely</p>	<p>1 April 2013</p>
<p>8.1.2 [FCA/ PRA]</p>	<p><i>FEES 3</i> Annex 9R</p>	<p>R</p>	<p>In relation to the kind of special project fee specified in <i>FEES TP 8.1.1R</i>,</p> <p>(a) where one of the events referred to in <i>FEES 3 Annex 9R(6)(a)</i> had occurred, any pre-LCO accrued costs shall be included in the calculation of any amount payable to the <i>FCA</i> under <i>FEES 3 Annex 9R(9)</i>;</p> <p>(b) a special project fee is payable to the <i>FCA</i> regardless of whether the amount calculated according to <i>FEES 3 Annex 9R</i> for the <i>FCA</i> is less than £50,000; and</p> <p>(c) no special project fee is payable</p>	<p>From 1 April 2013 indefinitely</p>	<p>1 April 2013</p>

			if the sum total of adding together (i) the amount calculated in accordance with <i>FEES</i> 3 Annex 9R(9) in respect of the <i>FCA</i> and (ii) the total costs invoiced by the <i>FSA</i> before 1 April 2013 results in a total amount of less than £50,000.		
8.1.3 [FCA/ PRA]	<i>FEES</i> 3 Annex 9R	R	<p>In relation to the kind of special project fee specified in <i>FEES</i> TP 8.1.1R, where one of the events referred to in <i>FEES</i> 3 Annex 9R(2) or (9)(b) had occurred:</p> <p>(a) 50% of the pre-LCO accrued costs shall be included in the calculation of any amount payable to the <i>FCA</i> under <i>FEES</i> 3 Annex 9R(9);</p> <p>(b) 50% of the pre-LCO accrued costs shall be included in the calculation of any amount payable to the <i>PRA</i> under <i>FEES</i> 3 Annex 9R(9);</p> <p>(c) a special project fee is payable to the <i>appropriate regulator</i> regardless of whether the amount calculated according to <i>FEES</i> 3 Annex 9R for the <i>appropriate regulator</i> is less than £50,000; and</p> <p>(d) no special project fee is payable if the sum total of adding together (i) the amount calculated in accordance with <i>FEES</i> 3 Annex 9R(9) in respect of the <i>FCA</i>, (ii) the amount calculated in accordance with <i>FEES</i> 3 Annex 9R(9) in respect of the <i>PRA</i> and (iii) the total costs invoiced by the <i>FSA</i> before 1 April 2013 results in a total amount of less than £50,000.</p>	From 1 April 2013 indefinitely	1 April 2013
8.1.4 [FCA/ PRA]	<i>FEES</i> 3 Annex 9R	G	As a result of <i>FEES</i> TP 8.1.3R, pre-LCO accrued costs may give rise to two separate fee payment obligations following 1 April 2013, one in respect of the <i>FCA</i> and one	From 1 April 2013 indefinitely	1 April 2013

			in respect of the <i>PRA</i> if the threshold in <i>FEES</i> TP 8.1.3(d) is breached.		
8.1.5 [FCA/ PRA]	<i>FEES</i> 3 Annex 9R	G	<p>(1) This <i>guidance</i> gives examples of how <i>FEES</i> TP 8.1 is intended to operate.</p> <p>(2) If an event specified in <i>FEES</i> 3 Annex 9R(2) occurred on 1 April 2012, the £50,000 threshold was breached on 1 November and the <i>FSA</i> invoiced for the full amount outstanding as at 1 December 2012 but issued no further invoices, any accrued hours or part hours and fees or disbursements invoiced to the <i>FSA</i> between 1 December 2012 and 1 April 2013 will be divided equally between the <i>FCA</i> and the <i>PRA</i> and an amount would be payable to the <i>FCA</i> and the <i>PRA</i> as separate fees regardless of whether the separate thresholds contained in <i>FEES</i> 3 Annex 9R(8) are met as long as the combined <i>FSA</i>, <i>FCA</i> and <i>PRA</i> costs incurred exceeded £50,000.</p> <p>(3) If an event specified in <i>FEES</i> 3 Annex 9R(6)(a) occurred on 1 February 2013, the <i>FSA</i> had begun the relevant regulatory work but had yet issued any invoices or breached the 50,000 floor before 1 April 2013, the accrued hours and disbursements will be allocated towards the <i>FCA</i>'s fee calculation.</p>	From 1 April 2013 indefinitely	1 April 2013
<b>8.2</b>	<b>On account fee transitional provisions</b>				
8.2.1 [FCA/ PRA]	<i>FEES</i> 4.3.6R(1) and (1A)	R	For the 2013/2014 <i>fee year</i> , “previous <i>fee year</i> ” is replaced by “ <i>FSA</i> financial year for 2012/2013” and “periodic fee” is replaced by “periodic fee payable to the <i>FSA</i> ”.	1 April 2013 until 31 March 2014	1 April 2013
8.2.2 [FCA/ PRA]	<i>FEES</i> 4.3.6R (1)(a) and (1A)(a)	R	For the 2013/2014 <i>fee year</i> , “ <i>FCA</i> periodic fee” and “ <i>PRA</i> periodic fee”, as applicable, is replaced by “ <i>FSA</i> periodic fee” and “previous <i>fee year</i> ” is replaced by “ <i>FSA</i>	1 April 2013 until 31 March 2014	1 April 2013

			financial year for 2012/2013.”		
8.2.3 [FCA/ PRA]	<i>FEES</i> 4.3.6R (1)(a)	R	For the 2013/2014 <i>fee year</i> , in relation to <i>PRA-authorised persons</i> only, “50%” is replaced by “23.5%”.	1 April 2013 until 31 March 2014	1 April 2013
8.2.4 [FCA/ PRA]	<i>FEES</i> 4.3.6R (1A)(a)	R	For the 2013/2014 <i>fee year</i> , “50%” is replaced by “26.5%”.	1 April 2013 until 31 March 2014	1 April 2013
8.2.5 [FCA/ PRA]	<i>FEES</i> 4.3.6R	R	<i>Firms, regulated covered bonds issuers, designated professional bodies and recognised investment exchanges</i> which, prior to 1 April 2013, paid to the <i>FSA</i> an amount equal to 50% of the <i>FSA</i> periodic fee payable in respect of the <i>FSA</i> financial year for 2012/2013 are not required to pay any amounts due under rules (1)(a) or (1A)(a). Rules (1)(b) and (1A)(b) will apply to these <i>firms, regulated covered bond issuers, designated professional bodies and recognised investment exchanges</i> as if they had discharged their obligations under rules (1)(a) and (1A)(a).	1 April 2013 until 31 March 2014	1 April 2013
8.2.6 [FCA/ PRA]	<i>FEES</i> 4.3.6R	G	For <i>fee year</i> 2013/2014, invoices containing the total amount of regulatory fees required to be paid to the <i>FCA</i> and, if applicable, the <i>PRA</i> by 30 April 2013 were issued by the <i>FSA</i> prior to 1 April 2013. The amounts contained in those invoices should be treated as the amounts owing to the <i>FCA</i> and <i>PRA</i> under <i>FEES</i> 4.3.6R(1)(a) and (1A)(a).	1 April 2013 until 31 March 2014	1 April 2013

Annex C

Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

**16 Annex 18AR Retail Mediation Activities Return (“RMAR”)**

[FCA]

...

SECTION J: data required for calculation of fees

	<del>FSA</del> <u>FCA</u> Annual Regulated Income (£s)	FOS Relevant Annual Income (£s)	FSCS Annual Eligible Income (£s)
Home finance mediation	<del>FEES 4 Annex 1R</del> <u>Part 2 Annex 1AR</u> Part 3 fee-block A18	...	...
Non-investment insurance mediation	<del>FEES 4 Annex 1R</del> <u>Part 2 Annex 1AR</u> Part 3 fee-block A19	...	...
Life and pensions mediation	...	...	...
...			

...

**16 Annex 18BG Notes for completion of the Retail Mediation Activities Return (“RMAR”)**

[FCA]

...

Section J: data required for calculation of fees

...

Data for fees calculations	<i>Firms</i> will need to report data for the purposes of calculation <del>FSA</del> <u>FCA</u> , FOS and FSCS levies
<del>FSA</del> <u>FCA</u>	The relevant information required is the tariff data set out in

	<del>FEES 4 Annex 1R Part 2 Annex 1AR Part 3</del> under fee-blocks A.12, A.13, A.18 and A.19. Note that <i>firms</i> are required to report tariff data information relating to all business falling within fee blocks A.12, A.13, A.18 and A.19 and not simply that relating to retail investments.
...	

...

The *guidance* in the following table sets out the *rules* which relate to the data required in Section J of SUP 16 Annex 18AR.

	<del>FSA</del> <b>FCA</b> Annual Regulated Income (£s)	<b>FOS</b> Relevant Annual Income (£s)	<b>FSCS</b> Annual Eligible Income (£s)
Home finance mediation	<del>FEES 4 Annex 1R Part 2 Annex 1AR Part 3</del> fee-block A18	...	...
Non-investment insurance mediation	<del>FEES 4 Annex 1R Part 2 Annex 1AR Part 3</del> fee-block A19	...	...
Life and pensions mediation	...	...	...
...			

...

**Annex D**

**Amendments to the Credit Unions New sourcebook (CREDS)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

**Schedule 3 Fees and other required payments**

...

3.2 G  
[FCA/  
PRA]

Description of fee	Reference
...	
Schedule of periodic fees payable	<del>FEES 4 Annex 2R Part 1</del> <u>FEES 4 Annex 2AR Part 1 and FEES 4 Annex 2BR Part 1</u>
...	

...

## Appendix 3: Section 15

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# Legal Cutover (Supervision of Authorised Firms) Instrument 2013

**LEGAL CUTOVER (SUPERVISION OF AUTHORISED FIRMS)  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of making rules, giving guidance and issuing codes.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. The Financial Conduct Authority wishes to replace Chapter 1 of the Supervision Manual in the Handbook and so that chapter is not being designated by the Authority and will cease to have effect on the Commencement date.

**Interpretation**

1. In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority; and
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act.

**Rules etc. made, given or amended by the Financial Conduct Authority**

2. In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 3, the Financial Conduct Authority makes or gives each provision in the Annex to this Instrument.
3. The Financial Conduct Authority makes or gives the provisions in the Annex to this Instrument in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
  - Section 139A (Power of the FCA to give guidance).

**Commencement: Financial Conduct Authority**

4. The Financial Conduct Authority directs that this Instrument comes into force on the 1 April 2013.

**Amendments to the Handbook**

5. The Supervision manual (SUP) of the FCA's Handbook of rules and guidance is amended in accordance with the Annex to this Instrument.

**Citation**

6. This Instrument may be cited as the Legal Cutover (Supervision of Authorised Firms) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

## Annex

### Amendments to the Supervision manual (SUP)

The FCA makes SUP 1A as set out below. This text is all new and is not underlined.

#### 1A The FCA’s approach to supervision

##### 1A.1 Application and purpose

###### Application

- 1A.1.1 G This chapter applies to every *firm*, except that its relevance for an *ICVC* is limited as the *FCA* does not intend to carry out an assessment of an *ICVC* that is specific to that *ICVC*.

###### Purpose

- 1A.1.2 G The *Act* (section 1L) requires the *FCA* to “maintain arrangements for supervising authorised persons”. Section 1K of the *Act* also requires the *FCA* to provide general *guidance* about how it intends to advance its operational objectives in discharging its general functions in relation to different categories of *authorised person* or *regulated activity*. One purpose of this *guidance* is to discharge the duties of the *FCA* set out in sections 1L and 1K of the *Act*. The *FCA*’s approach to supervision is also designed to enable it to meet its supervisory obligations in accordance with *EU* legislation, where applicable, including in relation to requirements arising otherwise than under the *Act* (for example, directly applicable *EU* regulations).
- 1A.1.3 G The design of these arrangements is shaped by the *FCA*’s *statutory objectives* in relation to the conduct supervision of financial services *firms* as well as the prudential supervision of *firms* not supervised by the *PRA*. These objectives are set out in Chapter 1 of the *Act*. The *FCA* has one *strategic objective*: ensuring that the relevant markets function well. In discharging its general functions, the *FCA* must, so far as is reasonably possible, act in a way which is compatible with its *strategic objective* and which advances one or more of its three operational objectives:
- (1) securing an appropriate degree of protection for *consumers*;
  - (2) protecting and enhancing the integrity of the UK financial system; and
  - (3) promoting effective competition in the interests of *consumers* in the markets for regulated financial services (or services provided by a recognised exchange in carrying on regulated activities in respect of which it is exempt from the general prohibition by virtue of section 285(2) of the *Act*).
- 1A.1.4 G (1) In designing its approach to supervision, the *FCA* has regard to the regulatory principles set out in section 3B of the *Act*. In particular, the

*FCA's* regulatory approach aims to focus and reinforce the responsibility of the senior management of each *firm* (section 3B(1)(d) of the *Act*) to ensure that it takes reasonable care to organise and control the affairs of the *firm* responsibly and effectively, and develops and maintains adequate risk management systems. It is the responsibility of management to ensure that the *firm* acts in compliance with its regulatory requirements.

- (2) The *FCA* will have regard to the principle that a burden or restriction which is imposed on a *firm* should be proportionate to the benefits, considered in general terms, which are expected to result from the imposition of that burden or restriction (section 3B(1)(b) of the *Act*). The *FCA* will, so far as is compatible with acting in a way which advances the *consumer* protection or the integrity objective, discharge its supervisory functions in a way which promotes effective competition in the interests of *consumers*.

## 1A.2 Introduction

- 1A.2.1 G (1) The Supervision manual (*SUP*) and Decision Procedure and Penalties manual (*DEPP*) form the Regulatory Processes part of the *Handbook*.
- (2) *SUP* sets out the relationship between the *FCA* and *authorised persons* (referred to in the *Handbook* as *firms*). As a general rule, *SUP* contains material that is of continuing relevance after *authorisation*.
- (3) *DEPP* is principally concerned with and sets out the *FCA's* decision making procedures that involve the giving of *statutory notices*, the *FCA's* policy in respect to the imposition and amount of penalties, and the conduct of interviews to which a direction under section 169(7) of the *Act* has been given or the *FCA* is considering giving.
- 1A.2.2 G For a *firm* which undertakes business internationally (or is part of a *group* which does), the *FCA* will have regard to the context in which it operates, including the nature and scope of the regulation to which it is subject in jurisdictions other than the *United Kingdom*. For a *firm* with its head office outside the *United Kingdom*, the regulation in the jurisdiction where the head office is located will be particularly relevant. As part of its supervision of such a *firm*, the *FCA* will usually seek to cooperate with relevant *overseas regulators*, including exchanging information on the *firm*. Different arrangements apply for an *incoming EEA firm*, an *incoming Treaty firm* and a *UCITS qualifier*. The arrangements applying for an *incoming EEA firm* and an *incoming Treaty firm* are addressed in *SYSC* Appendix 1. For *UCITS qualifiers* see also *COLLG*.

## 1A.3 The FCA's approach to supervision

Purpose

1A.3.1 G The *FCA* will adopt a pre-emptive approach which will be based on making forward-looking judgments about *firms'* business models, product strategy and how they run their businesses, to enable the *FCA* to identify and intervene earlier to prevent problems crystallising. The *FCA's* approach to supervising *firms* will contribute to its delivery against its objective to protect and enhance the integrity of the *UK financial system* (as set out in the *Act*). Where the *FCA* has responsibilities for prudential supervision, its focus will be on reducing the impact on customers and the integrity of the financial system of *firms* failing or being under financial strain. In addition, when *consumer* detriment does actually occur, the *FCA* will robustly seek redress for *consumers*. This approach will be delivered through a risk-based and proportionate supervisory approach.

1A.3.2 G The overall approach in the *FCA* supervision model is based on the following principles:

- (1) forward looking and more interventionist;
- (2) focused on judgment, not process;
- (3) *consumer*-centric;
- (4) focused on the big issues and causes of problems;
- (5) interfaces with executive management/Boards;
- (6) robust when things go wrong;
- (7) focused on business model and culture as well as product supervision;
- (8) viewing poor behaviour in all markets through the lens of the impact on *consumers*;
- (9) orientated towards *firms* doing the right thing; and
- (10) externally focused, engaged and listening to all sources of information.

The scope of the supervision model for firms

1A.3.3 G The *FCA* supervision model risk assessment process applies to all *firms*, although the detail required may vary from *firm* to *firm*. For example, some *firms* may experience a highly intensive level of contact although others may only be contacted once every four years. *Firms* judged as high impact are likely to require a more detailed assessment. A peer review process within the *FCA* assists consistency and will be focused on *firms* and sectors of the industry that could cause, or are causing, *consumers* harm or threaten market integrity.

1A.3.4 G The supervision model is based on three pillars:

- (1) the Firm Systematic Framework (FSF) – preventative work through structured conduct assessment of *firms*;

- (2) event-driven work – dealing with problems that are emerging or have crystallised, and securing customer redress or other remedial work (e.g. to secure the integrity of the market) where necessary; and
- (3) issues and products – thematic work on sectors of the market or products within a sector that are putting or may put *consumers* at risk

1A.3.5 G In order to create incentives for *firms* to raise standards and to maximise the success of the *FCA*'s supervisory arrangements, it is important that a *firm* understands the *FCA*'s evaluation of its risk so that it can take appropriate action.

- 1A.3.6 G (1) The *FCA* intends to communicate the outcomes of its pillars of supervision to each *firm* within an appropriate time frame. In the case of *firms* in which risks have been identified which could have a material bearing on the *FCA* meeting its statutory *objectives*, the *FCA* will also outline a remedial programme intended to address these.
- (2) The *FCA* considers that it would generally be inappropriate for a *firm* to disclose its *FCA* risk assessment to third parties, except to those who have a need or right to be aware of it, for example external auditors. *FCA* risk assessments are directed towards a specific purpose – namely illustration of the risks posed by a *firm* to the *FCA*'s statutory *objectives* and to enable the *FCA* to allocate its resources accordingly. Using a risk assessment for any other purpose has the potential to be misleading. The *FCA* therefore discourages *firms* from disclosing their assessments, unless they are required to make them public under relevant disclosure obligations.

#### The nature of the *FCA*'s relationship with firms

1A.3.7 G As many *firms* will not have dedicated, fixed portfolio resource, the first point of contact for many issues for such *firms* will be handled by the *FCA*'s Contact Centre, with the aim being that fewer issues and queries will need to be referred to the supervisors. To support all *firms* the *FCA* will also provide regional workshops and road shows to clarify its expectations on these risks and issues that are particularly important to the *FCA*.

#### The nature of the *FCA*'s relationship with the *PRA*

1A.3.8 G While respecting each regulator's different *statutory objectives* and mandates, in undertaking its supervisory activity the *FCA* will co-ordinate and co-operate with the *PRA* as required and necessary in the interests of the effective and efficient supervision of regulated *firms* and *individuals*. Both regulators will coordinate with each other as required under the *Act*, including on the exchange of information relevant to each regulator's individual objectives. However, the *FCA* and *PRA* will act independently from one another when engaging with *firms*, reflecting an independent but co-ordinated regulatory approach. Maintaining effective working relationships with the *PRA* will be vital to achieving the *FCA* vision. To this end, and as required under the *Act*, the *FCA* will maintain a *memorandum of understanding* with the *PRA* which will set out

how the two organisations will work together.

#### 1A.4 Tools of supervision

- 1A.4.1 G In order to meet the statutory *objectives* and address identified risks to those objectives, the *FCA* has a range of supervisory tools available to it, including the power to impose financial penalties.
- 1A.4.2 G These tools may be usefully grouped under four headings:
- (1) diagnostic: designed to identify, assess and measure risks;
  - (2) monitoring: to track the development of identified risks, wherever these arise;
  - (3) preventative: to limit or reduce identified risks and so prevent them crystallising or increasing; and
  - (4) remedial: to respond to risks when they have crystallised.
- 1A.4.3 G Tools may serve more than one purpose. For example, supervisory powers can be used to address risks which have materialised or to assist in preventing risks from escalating. In the first instance they are remedial; in the second, preventative.
- 1A.4.4 G Some of these tools, for example the use of public statements to deliver messages to *firms* or *consumers* of financial services, do not involve the *FCA* in direct oversight of the business of *firms*. In contrast, other tools do involve a direct relationship with *firms*. The *FCA* also has powers to act on its own initiative to impose or vary individual *requirements* on a *firm* (see *SUP 7*) and to ban or impose requirements in relation to specific financial promotions. The *FCA* may also use its general rule-making powers to ban or impose requirements in relation to specific products, types of products or practices associated with a particular product or type of product. The use of the *FCA*'s tools in its oversight of market practices, in ensuring the protection of client assets and for prudential supervision of *FCA*-only *firms*, will also contribute to the integrity and orderly operation of the financial markets.
- 1A.4.5 G The *FCA* uses a variety of tools to monitor whether a *firm*, once *authorised*, remains in compliance with regulatory requirements. These tools include (but are not limited to):
- (1) desk-based reviews;
  - (2) liaison with other agencies or regulators;
  - (3) meetings with management and other representatives of a *firm*;
  - (4) on-site inspections;

- (5) reviews and analysis of periodic returns and notifications;
- (6) reviews of past business;
- (7) transaction monitoring;
- (8) use of auditors; and
- (9) use of *skilled persons*.

1A.4.6 G The *FCA* also uses a variety of tools to address specific risks identified in *firms*. These tools include:

- (1) making recommendations for preventative or remedial action;
- (2) giving other individual *guidance* to a *firm*;
- (3) imposing individual *requirements*; and
- (4) varying a *firm's permission* in another way.

1A.4.7 G For further discussion of the *FCA's* regulatory approach, see publications on the *FCA's* website.

## Appendix 3: Section 16

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# Legal Cutover (Variation of Permission (Amendment No 2)) Instrument 2013

**LEGAL CUTOVER (VARIATION OF PERMISSION (AMENDMENT NO 2))  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order .

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
  - (8) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
  - (9) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument; and
  - (10) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2.

**Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the

Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:

- (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” or “FCA/PRA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

#### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

#### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, or imposes:
- (1) Each provision in Annex B to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) Any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” in Column 3 of Annex A to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) identified as “FCA” in Column 3 of Annex A to this Instrument,
- 9 The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in paragraph 6 in exercise of section 139A (Power of the FCA to give guidance and related provisions of the 2000 Act, as amended by the 2012 Act:

**Commencement: Financial Conduct Authority**

- 10 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument come into effect on 1 April 2013.
- 11 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Amendments to the Handbook**

- 13 The Supervision manual (SUP) of the FCA's Handbook of rules and guidance is amended in accordance with Annex B to this Instrument.

**Citation**

14. This Instrument may be cited as the Legal Cutover (Variation of Permission (Amendment No 2)) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

## Annex A

(1)	(2)	(3)
Handbook Provision	Made, designated or no longer in force after legal cutover	Designation
SUP 7.1.1	Designated	FCA
SUP 7.1.2	Designated	FCA
SUP 7.1.3	Designated	FCA
SUP 7.1.4	Designated	FCA
SUP 7.1.5	Designated	FCA
SUP 7.2.1	Designated	FCA
SUP 7.2.2	Designated	FCA
SUP 7.2.3	Designated	FCA
SUP 7.2.4	Designated	FCA
SUP 7.2.4A	Made	FCA
SUP 7.2.4B	Made	FCA
SUP 7.2.5	Designated	FCA
SUP 7.2.6	Designated	FCA
SUP 7.3.1	Designated	FCA
SUP 7.3.2	Designated	FCA
SUP 7.3.3	Designated	FCA
SUP 7.3.4	Designated	FCA

## Annex B

## Amendments to the Supervision manual (SUP)

In this Annex, underlining indicates new text and striking through indicates deleted text.

## 7 Individual requirements

### 7.1 Application and purpose

#### Application

- 7.1.1 G This chapter applies to every *firm* which has a ~~Part IV permission~~ Part 4A permission.
- 7.1.2 G The application of this chapter to an *incoming EEA firm, incoming Treaty firm* or *UCITS qualifier* with a ~~Part IV permission~~ Part 4A permission (a “*top-up permission*”) is limited as explained in SUP 7.2.4G.

#### Purpose

...

- 7.1.4 G The ~~FSA~~ FCA, in the course of its supervision of a *firm*, may sometimes judge it necessary or desirable to impose additional *requirements* on a *firm* or in some way amend or restrict the activities which the *firm* has *permission* to undertake. The *guidance* in this chapter describes when and how the ~~FSA~~ FCA will seek to do this.
- 7.1.5 G By waiving or modifying the requirements of a *rule* or imposing an additional *requirement* or *limitation*, the ~~FSA~~ FCA can ensure that the *rules*, and any other *requirements* or *limitations* imposed on a *firm*, take full account of the *firm*’s individual circumstances, and so assist the ~~FSA~~ FCA in meeting ~~the its regulatory objectives (for example, to protect consumers, maintain market confidence and contribute to financial stability)~~ statutory objectives under the Act.

### 7.2 The ~~FSA~~’s FCA’s powers to set individual requirements and limitations on its own initiative

- 7.2.1 G The ~~FSA~~ FCA has the power under ~~section 45~~ sections 55J and 55L of the Act (~~Variation on the Authority’s own initiative~~) to vary a *firm*’s ~~Part IV permission~~ Part 4A permission and/or impose a *requirement* on a *firm*. ~~This Varying a firm’s Part 4A permission~~ includes imposing a statutory requirement or limitation on that ~~Part IV permission~~ Part 4A permission.
- 7.2.2 G The circumstances in which the ~~FSA~~ FCA may vary a *firm*’s ~~Part IV permission~~

Part 4A permission on its own initiative or impose a requirement on a firm under section ~~45~~ 55J or 55L of the Act include where it appears to the ~~FSA~~ FCA that:

- (1) one or more of the threshold conditions for which the FCA is responsible is or is likely to be no longer satisfied; or
- (2) it is desirable to vary a firm's permission in order to meet any of the ~~FSA's~~ FCA's regulatory objectives statutory objectives under the Act; or
- (3) a firm has not carried out a regulated activity to which its Part 4A permission applies for a period of at least 12 months.

7.2.3 G The ~~FSA~~ FCA may also use its ~~powers under section 45~~ own-initiative powers for enforcement purposes. EG 8 sets out in detail the ~~FSA's~~ FCA's powers under ~~section 45~~ sections 55J and 55L of the Act and the circumstances under which the ~~FSA~~ FCA may ~~vary a firm's permission~~ use its own-initiative powers in this way, whether for enforcement purposes or as part of its day to day supervision of firms. This chapter provides additional guidance on when the ~~FSA~~ FCA will use these powers for supervision purposes.

7.2.4 G The ~~FSA~~ FCA may use its ~~powers under section 45 of the Act~~ own-initiative powers only in respect of a firm's Part IV permission Part 4A permission; that is, a permission granted to a firm under sections ~~42~~ 55E or 55F of the Act or having effect as if so given. In respect of an incoming EEA firm, an incoming Treaty firm, or a UCITS qualifier, this power applies only in relation to any top-up permission that it has. There are similar but more limited powers under Part XIII of the Act in relation to the permission of an incoming EEA firm or incoming Treaty firm under Schedules 3 or 4 to the Act (see EG 8.26 to EG 8.27).

7.2.4A G The FCA will consult the PRA before using its own-initiative powers in relation to a PRA-authorized person, or a member of a group which includes a PRA-authorized person.

7.2.4B G In the case of a dual-regulated PRA-authorized person, the FCA may exercise its own-initiative variation power to add a new regulated activity other than a PRA-regulated activity to those activities already included in the firm's Part 4A permission, or to widen the description of a regulated activity, only after consulting with the PRA.

7.2.5 G If the ~~FSA~~ FCA exercises its ~~powers under section 45 of the Act~~ own-initiative powers, it will do so by issuing a supervisory notice. The procedure that will be followed is set out in DEPP 2.

7.2.6 G A firm has a right of referral to the Tribunal in respect of the ~~exercise by the FSA of its powers to vary, on its own initiative,~~ FCA exercising its own-initiative powers on the firm's Part IV permission Part 4A permission.

### 7.3 **Criteria for varying a firm's permission or imposing, varying or cancelling requirements on the FCA's own initiative**

- 7.3.1 G The ~~FSA~~ FCA expects to maintain a close working relationship with certain types of *firm* and expects that routine supervisory matters arising can be resolved during the normal course of this relationship by, for example, issuing individual *guidance* where appropriate (see *SUP* 9.3). However, ~~the FSA may seek to vary a firm's Part IV permission~~ where the FCA deems it appropriate, it will exercise its own-initiative powers:
- (1) in circumstances where it considers it appropriate for the *firm* to be subject to a formal *requirement*, breach of which could attract enforcement action; or
  - (2) if a variation is needed to enable the *firm* to comply with the *requirement*, due to agreements the *firm* may have with third parties. (For example a *firm* may be under a contractual obligation to do something, but only if it can do so lawfully. In this case, if the ~~FSA~~ FCA considers the *firm* must not do it, then the ~~FSA~~ FCA would need to prevent it doing so through a variation in its ~~Part IV permission~~ Part 4A permission to enable the *firm* to avoid breaching the contractual obligation.)
- 7.3.2 G The ~~FSA~~ FCA may also seek to ~~vary a firm's Part IV permission on its own initiative in certain situations~~ exercise its own-initiative powers in certain situations, including the following:
- (1) If the ~~FSA~~ FCA determines that a *firm's* management, business or *internal controls* give rise to material risks that are not fully addressed by ~~its rules existing requirements~~, the ~~FSA~~ FCA may seek to ~~vary the firm's Part IV permission and impose an additional requirement or limitation on the firm~~ use its own-initiative powers.
  - (2) If a *firm* becomes or is to become involved with new products or selling practices which present risks not adequately addressed by existing requirements, the ~~FSA~~ FCA may seek to vary the *firm's Part IV permission* Part 4A permission in respect of those risks.
  - (3) If there has been a change in a *firm's* structure, *controllers*, activities or strategy which generate material uncertainty or create unusual or exceptional risks, then the ~~FSA~~ FCA may seek to ~~vary the firm's Part IV permission~~ use its own-initiative powers. (See also ~~SUP 11.7.14G to SUP 11.7.18G~~ 11.7 for a description of the ~~FSA's~~ FCA's ability to ~~vary a firm's Part IV permission~~ impose a requirement on a change in the acquisition of control of a firm under section 46 550 of the *Act*.)
  - (4) ~~If a firm is a member of a financial conglomerate and the FSA is implementing supplementary supervision under the Financial Groups Directive with respect to that financial conglomerate by imposing obligations on the firm. Further material on this can be found in GENPRU 3.1 (Cross sector groups) and SUP 16.7.82R to SUP 16.7.83R (reporting requirements with respect to financial conglomerates). At the request of, or~~

to assist an overseas regulator as set out in section 55Q of the Act.

- 7.3.3 G ~~The FSA~~ Pursuant to sections 55L, 55N, 55O, 55P and 55Q of the Act, within the scope of its functions and powers, the FCA may seek to impose requirements ~~or limitations~~ which include but are not restricted to:
- (1) requiring a *firm* to submit regular reports covering, for example, trading results, management accounts, *customer* complaints, connected party transactions;
  - (2) where appropriate, requiring a *firm* to maintain prudential limits, for example on large *exposures*, foreign currency *exposures* or liquidity gaps;
  - (3) requiring a *firm* to submit a business plan (~~or for an insurer, a scheme of operations (see SUP App 2)~~);
  - (4) limiting the *firm's* activities;
  - (5) requiring ~~a firm~~ an FCA-*authorised person* to maintain a particular amount or type of financial resources.
- 7.3.4 G The ~~FSA~~ FCA will seek to give a *firm* reasonable notice of an intent to vary its permission or impose a requirement and to agree with the *firm* an appropriate timescale. However, if the ~~FSA~~ FCA considers that a delay may create a risk to any of the ~~FSA's regulatory objectives~~ FCA's statutory objectives, the ~~FSA~~ FCA may need to act immediately using its powers under section ~~45~~ 55J and/or 55L of the Act ~~to vary a firm's Part IV permission~~ with immediate effect.

## SCHEDULE A

### Part 1

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of	Section 96C	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
trading)		
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's)	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraph 12(1) (Funding of the relevant costs by	Paragraph 12(1) (Funding of the relevant costs by	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

## SCHEDULE A

## Part 2

Column 1	Column 2	Column 3
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	None.

Column 1	Column 2	Column 3
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the	None

Column 1	Column 2	Column 3
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
	Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

**SCHEDULE A****Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

**SCHEDULE A**

**Part 4**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)

Column 1	Column 2	Column 3
Provisions of the 2000 Act under which the Authority issued statements	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None



**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## SCHEDULE A

### Part 6

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A****Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A****Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A****Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 17

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# Legal Cutover (Threshold Conditions) Instrument 2013

**LEGAL CUTOVER (THRESHOLD CONDITIONS) INSTRUMENT 2013****WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (8) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
- (9) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument; and
- (10) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2.

**Designation of rules etc. by the Financial Conduct Authority**

2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the

Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:

- (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

**Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, issues, gives, or imposes:
- (1) Each provision in Annex B and Annex C to this Instrument that meets all of the conditions in paragraph 7; and
  - (2) Any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6(1) are that a provision is:
- (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” in Column 3 of Annex A to this Instrument.
- 8 The conditions referred to in paragraph 6(2) are that a provision is:
- (1) identified as “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) identified as “FCA” in Column 3 of Annex A to this Instrument.
- 9 The Financial Conduct Authority makes, issues, gives or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) Section 137A (The FCA’s general rules);

- (2) Section 137T (General supplementary powers); and
  - (3) Section 139A (Power of the FCA to give guidance).
- 10 The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Amendments to the Handbook**

- 13 The modules of the FCA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Threshold Conditions (COND)	Annex B
Insurance: Conduct of Business sourcebook (ICOBS)	Annex C

**Citation**

- 14 This instrument may be cited as the Legal Cutover (Threshold Conditions) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

### Annex A

#### Designation of the Threshold conditions sourcebook (COND) and Insurance conduct of business sourcebook (ICOBS)

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
Handbook Provision	Made, designated or no longer in force after legal cutover	Relevant regulator
COND 1.1.1	No longer in force after legal cutover	
COND 1.1.2	No longer in force after legal cutover	
COND 1.1.3	No longer in force after legal cutover	
COND 1.1.4	No longer in force after legal cutover	
COND 1.1A.1	Made	FCA
COND 1.1A.2	Made	FCA
COND 1.1A.3	Made	FCA
COND 1.1A.4	Made	FCA
COND 1.1A.5	Made	FCA
COND 1.1A.6	Made	FCA
COND 1.1A.7	Made	FCA
COND 1.2.1	Designated	FCA
COND 1.2.2	Designated	FCA
COND 1.2.3	Designated	FCA
COND 1.2.4	No longer in force after legal cutover	
COND 1.2.5	Made	FCA

COND 1.3.1	Designated	FCA
COND 1.3.2	Designated	FCA
COND 1.3.3	Designated	FCA
COND 1.3.3A	Made	FCA
COND 1.3.3B	Made	FCA
COND 1.3.3C	Made	FCA
COND 1.3.3D	Made	FCA
COND 1.3.3E	Made	FCA
COND 1.3.4	Designated	FCA
COND 1.3.5	Made	FCA
COND 1 Annex 1	No longer in force after legal cutover	
COND 1 Annex 2	No longer in force after legal cutover	
COND 2.1.1	No longer in force after legal cutover	
COND 2.1.2	No longer in force after legal cutover	
COND 2.1.3	No longer in force after legal cutover	
COND 2.2.1	No longer in force after legal cutover	
COND 2.2.1A	Made	FCA
COND 2.2.1B	Made	FCA
COND 2.2.1C	Made	FCA
COND 2.2.2	Designated	FCA
COND 2.2.3	Designated	FCA
COND 2.2A.1	No longer in force after legal cutover	

COND 2.2A.2	No longer in force after legal cutover	
COND 2.2A.3	No longer in force after legal cutover	
COND 2.3.1	No longer in force after legal cutover	
COND 2.3.1A	Made	FCA
COND 2.3.1B	Made	FCA
COND 2.3.1C	Made	FCA
COND 2.3.1D	Made	FCA
COND 2.3.1E	Made	FCA
COND 2.3.1F	Made	FCA
COND 2.3.2	Designated	FCA
COND 2.3.3	Designated	FCA
COND 2.3.4	No longer in force after legal cutover	
COND 2.3.5	No longer in force after legal cutover	
COND 2.3.6	Designated	FCA
COND 2.3.7	Designated	FCA
COND 2.3.8	Designated	FCA
COND 2.3.9	Designated	FCA
COND 2.3.10	Designated	FCA
COND 2.3.11	Designated	FCA
COND 2.3.11A	Designated	FCA
COND 2.3.12	Designated	FCA
COND 2.4.1	No longer in force after legal cutover	
COND 2.4.1A	Made	FCA

COND 2.4.1B	Made	FCA
COND 2.4.1C	Made	FCA
COND 2.4.1D	Made	FCA
COND 2.4.1E	Made	FCA
COND 2.4.1F	Made	FCA
COND 2.4.1G	Made	FCA
COND 2.4.2	Designated	FCA
COND 2.4.3	Designated	FCA
COND 2.4.4	Designated	FCA
COND 2.4.5	No longer in force after legal cutover	
COND 2.4.6	No longer in force after legal cutover	
COND 2.5.1	No longer in force after legal cutover	
COND 2.5.1A	Made	FCA
COND 2.5.1B	Made	FCA
COND 2.5.1C	Made	FCA
COND 2.5.1D	Made	FCA
COND 2.5.1E	Made	FCA
COND 2.5.1F	Made	FCA
COND 2.5.2	Designated	FCA
COND 2.5.3	Designated	FCA
COND 2.5.4	Designated	FCA
COND 2.5.5	No longer in force after legal cutover	
COND 2.5.6	Designated	FCA
COND 2.5.7	No longer in force after	

	legal cutover	
COND 2.6.1	No longer in force after legal cutover	
COND 2.6.2	No longer in force after legal cutover	
COND 2.6.3	No longer in force after legal cutover	
COND 2.6.4	No longer in force after legal cutover	
COND 2.6.5	No longer in force after legal cutover	
COND 2.6.6	No longer in force after legal cutover	
COND 2.7.1	Made	FCA
COND 2.7.2	Made	FCA
COND 2.7.3	Made	FCA
COND 2.7.4	Made	FCA
COND 2.7.5	Made	FCA
COND 2.7.6	Made	FCA
COND 2.7.7	Made	FCA
COND 2.7.8	Made	FCA
COND 2.7.9	Made	FCA
COND 2.7.10	Made	FCA
COND 2.7.11	Made	FCA
COND 2.7.12	Made	FCA
COND 2 Annex 1	No longer in force after legal cutover	
ICOB 8.2.2	Made (for the purposes of deleting)	[FCA]
ICOB 8.2.2A	Made	FCA

## Annex B

### Amendments to the Threshold Conditions sourcebook (COND)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

COND 1.1 is deleted in its entirety. The deleted text is not shown.

Insert the following new section after the deleted text of COND 1.1. This text is all new and is not underlined.

#### 1.1A Application

To which threshold conditions does COND apply?

- 1.1A.1 G (1) Section 55C of the Financial Services Act 2012 (Power to amend Schedule 6) gave HM Treasury the power to amend Schedule 6 of the *Act*. HM Treasury exercised this power by making The Financial Services and Markets Act 2000 (Threshold Conditions) Order 2013 which entered into force on 1 April 2013 (the “TC Order”). The TC Order’s main result is the creation of four sets of *threshold conditions*, namely:
- [FCA]
- (i) conditions for *firms* authorised and regulated by the *FCA* only (paragraphs 2B to 2F of Schedule 6 to the *Act*)
  - (ii) *FCA* specific conditions for *firms* authorised by the *PRA* and subject to dual regulation (paragraphs 3B to 3E of Schedule 6 to the *Act*);
  - (iii) *PRA*-specific conditions for *insurers* (paragraphs 4A to 4F of Schedule 6 to the *Act*); and
  - (iv) *PRA*-specific conditions for other *PRA*-authorised persons (paragraphs 5A to 5F of Schedule 6 to the *Act*).
- (2) The *guidance* in *COND* is only applicable to the *threshold conditions* listed in *COND* 1.1A.1G(1)(i) and (ii), above. These are the *threshold conditions* stated in paragraphs 2A and 3A of Schedule 6 to the *Act* as being relevant to the discharge by the *FCA* of its functions under the *Act*.
- (3) In respect of a *person* which does not carry on, or seek to carry on, any *PRA*-regulated activities, the *threshold conditions* that are relevant to the discharge by the *FCA* of its functions under the *Act* are those set out in paragraphs 2B to 2F of Schedule 6 to the *Act*, subject to *COND* 1.1A.4G(1), below.

- (4) In respect of a *firm* which does carry on, or seeks to carry on, a *PRA-regulated activity*, the *threshold conditions* that are relevant to the discharge by the *FCA* of its functions under the *Act* are those set out in paragraphs 3B to 3E of Schedule 6 to the *Act*, subject to *COND* 1.1A.4G(2), below.
- (5) A reference to “*FCA threshold conditions*” in *COND* means a reference to the *threshold conditions* referred to in (3) and (4) that apply to a particular *firm*.

To whom does *COND* apply?

- 1.1A.2 [FCA] G (1) *COND* applies to all *firms*, except where stated otherwise in this *guidance*.
- (2) In *COND*, ‘*firm*’ includes an applicant for *Part 4A permission* unless the context otherwise requires.

To what extent does *COND* apply to firms authorised by the *PRA* (*PRA-authorised persons*) and subject to dual regulation?

- 1.1A.3 [FCA] G (1) As a result of the new legal framework for *threshold conditions* described in *COND* 1.1A.1G(1), *PRA-authorised persons* and *firms* seeking to become *PRA-authorised persons* are subject to two sets of *threshold conditions*:
- (i) the *FCA-specific conditions* referred to in *COND* 1.1A.1G(1)(ii) and
- (ii) one of the two *PRA-specific conditions* referred to in *COND* 1.1A.1G(1)(iii) or (iv), depending on the *PRA-regulated activities* which the *PRA-authorised person* or *firm* carries on, or is seeking to carry on.

The *FCA threshold conditions* set out in paragraphs 3B to 3E of the *Act* seek to reflect this. In particular, these *threshold conditions* do not contain a condition relating to adequate financial resources. This is a matter that falls to be considered by the *PRA* under its *threshold conditions*.

- (2) The majority of the *guidance* in *COND* is intended to assist all *firms* to understand how the *FCA* will approach its assessment of the applicable *FCA threshold conditions*, regardless of whether or not a *firm* is, or is seeking to become, a *PRA-authorised person*. This is because the *FCA threshold conditions* which apply to *PRA-authorised persons* and those which apply to *firms* authorised by the *FCA* only are, for the most part, the same.
- (3) However, where *guidance* in *COND* refers to an assessment of a *firm's* financial position or its compliance with prudential regulatory requirements, it is not intended to assist *firms* which are, or are seeking

to become, *PRA-authorised persons*. This is because these are matters that are not covered by the *FCA's threshold conditions*, but rather fall to be considered by the *PRA* under its *threshold conditions*.

- (4) Although some of the *PRA threshold conditions* and *FCA threshold conditions* that apply to *firms* which are, or are seeking to become, *PRA-authorised persons* may appear to address similar subject matter, the *FCA* will approach the assessment of its *threshold conditions* with its unique *statutory objectives* in mind and in the light of the functions which the *FCA* is required to discharge in relation to them.
- (5) For the avoidance of doubt, the *guidance* in *COND* is not intended to apply to the *PRA's* assessment of its own *threshold conditions* in respect of a *PRA-authorised person*. This is a matter for the *PRA* alone.

To what extent does *COND* apply to incoming EEA firms and incoming Treaty firms?

1.1A.4 [FCA] G *COND* applies to *incoming EEA firms* and *incoming Treaty firms* as set out below:

- (1) for an *incoming EEA firm* or an *incoming Treaty firm* which does not carry on any *PRA-regulated activities*, *FCA threshold conditions* 2C to 2F apply; and
- (2) for an *incoming EEA firm* or an *incoming Treaty firm* which carries on a *PRA-regulated activity*, *FCA threshold conditions* 3B to 3E apply.

*FCA threshold conditions* apply to *incoming EEA firms* and *incoming Treaty firms* only in as far as relevant to the discharge by the *FCA* of its relevant functions in relation to an application for, or the exercise of its *own-initiative powers* in relation to, a *top-up permission* or the functions relating to the *FCA's* consent or consultation rights relating to the exercise by the *PRA* of its powers in relation to an application for, or use of its *own-initiative powers* relating to, a *top-up permission*.

To what extent does *COND* apply to Swiss general insurance companies?

1.1A.5 [FCA] G *FCA threshold conditions* 3B, 3C and 3E apply to *Swiss General Insurance Companies*.

To which regulated activities does *COND* apply?

1.1A.6 [FCA] G Subject to the limitations referred to above, *COND* applies in relation to all of the *regulated activities* for which a *firm* has, or will have, *permission*.

Where does *COND* apply?

1.1A.7 [FCA] G *COND* applies in relation to all of the *regulated activities* wherever they are carried on, except as stated in *COND* 1.1A.4G.

Amend the following as shown.

## 1.2 Purpose

- 1.2.1 G *COND* gives guidance on the FCA threshold conditions ~~set out in or under Schedule 6 to the Act (Threshold conditions)~~. The FCA threshold conditions represent the minimum conditions for which the FCA is responsible, which a firm is required to satisfy, and continue to satisfy, in order to be given and to retain Part IV Part 4A permission. A PRA-authorised person or, as appropriate, a firm seeking to become a PRA-authorised person must also satisfy, and continue to satisfy, the threshold conditions for which the PRA is responsible in order to be given and to retain Part 4A permission (these threshold conditions are not the subject of the guidance in COND).

Applications for Part ~~IV~~ 4A permission or variation of Part ~~IV~~ 4A permission

- 1.2.2 G (1) Under section ~~41(2) of the Act (The threshold conditions)~~ 55B(3) of the Act, in giving or varying a Part IV Part 4A permission, or imposing or varying any requirement or giving consent, the ~~FSA~~ FCA must ensure that the firm concerned will satisfy, and continue to satisfy, the FCA threshold conditions in relation to all of the regulated activities for which it has or will have permission.
- (2) If, however, the applicant for permission is an incoming firm seeking top-up permission, or variation of top-up permission, under Part ~~IV~~ 4A of the Act (Permission to carry on regulated activities), then under paragraphs 6A and 7A of Schedule 6 to the Act (Threshold conditions), the ~~FSA~~ FCA will have regard only to satisfaction of the FCA threshold conditions 1, 3, 4 and 5 specified as applicable in COND 1.1A.4G, as relevant to the regulated activities for which the applicant has, or will have, ~~Part IV permission~~ Part 4A permission.

Exercise of the ~~FSA~~ FCA's own-initiative powers

- 1.2.3 G (1) If, among other things, a firm is failing to satisfy any of the FCA threshold conditions, or is likely to fail to do so, ~~section 45 of the Act (Variation etc. on the FSA's own initiative) states that the FSA~~ the FCA may exercise its own-initiative power powers under either section 55J (Variation or cancellation on initiative of regulator) or section 55L (Imposition of requirements by FCA) of the Act. Use of the ~~FSA~~ FCA's own-initiative power powers is explained in SUP 7 (Individual requirements), and EG 8 (Variation and cancellation of permission on the FSA FCA's own initiative and intervention against incoming firms).
- (2) If, when exercising its own-initiative power powers under section ~~45(1)~~ 55J or section 55L of the Act, the ~~FSA~~ FCA varies a firm's permission, or imposes or varies a requirement, then, under section ~~41(2)~~ 55B(3) of the Act, the ~~FSA~~ FCA must ensure that the firm concerned will satisfy, and continue to satisfy, the FCA threshold conditions in relation to all of

the relevant regulated activities for which it has or will have *permission*. However, section 41(3) 55B(4) of the *Act* states that the duty imposed by section 41(2) 55B(3) of the *Act* does not prevent the *FSA FCA* taking such steps as it considers necessary in relation to a particular *firm* in order to ~~secure its regulatory objective of consumer protection~~ advance any of its operational objectives.

- (3) The *FSA FCA* can also exercise its own-initiative powers under section 45(1) 55J or section 55L of the *Act* in relation to the top-up permission of an *incoming firm*. But this is only on the grounds that the *incoming firm* is failing, or likely to fail, to satisfy the FCA threshold conditions 1, 3, 4 or 5 in relation to that permission specified as applying to incoming firms under COND 1.1A.4G.

#### Approval of acquisitions or increases of control

- 1.2.4 G (1) ~~Under section 186(3) of the Act (Objection to acquisition of control), in deciding whether the approval requirements for a proposed acquisition or increase of control are satisfied, the FSA must have regard, in relation to the control that the acquirer:~~
- (a) ~~has over the firm; or~~
  - (b) ~~will have over the firm if the proposal which has been notified to the FSA is carried out; to its general duty to ensure that the firm will continue to satisfy the threshold conditions. [deleted]~~
- (2) ~~The FSA must also have regard to the threshold conditions in imposing any conditions on its approval of an acquisition or increase of control (section 185(2) of the Act (Conditions attached to approval). See SUP 11.7.3 G (Acquisition or increase of control: procedures). [deleted]~~

#### Approval of acquisitions or increases of control

- 1.2.5 [FCA] G (1) Under section 185 of the Act (Assessment: general) the FCA may, subject to consultation with the PRA where the conditions in section 187B of the Act are satisfied, object to an acquisition of an FCA-*authorised person* if there are reasonable grounds to do so on the basis of the matters set out in section 186 of the Act (Assessment: criteria) or if the information provided by the section 178 notice giver is incomplete. Section 186(d) of the Act (Assessment: criteria) specifies one such criteria as whether an FCA-*authorised person* will be able to comply with its prudential requirements (including the *threshold conditions* in relation to all of the *regulated activities* for which it has, or will have, *permission*.)
- (2) Under section 191A of the Act (Objection to control), subject to consultation with the PRA in the circumstances specified in that provision, the FCA may object to a *person's* existing control of an FCA-*authorised person* on the grounds specified under section 186 of the Act.

### 1.3 General

An overview of the *threshold conditions* is given in ~~COND 1 Annex 1G~~.

- 1.3.1 [FCA] G The *guidance* in *COND 2* explains each *FCA threshold condition* in ~~Part I of~~ Schedule 6 (threshold conditions) to the *Act* and indicates how the *FSA FCA* will interpret it in practice. ~~An overview of the *threshold conditions* is given in *COND 1 Annex 1G*.~~ This *guidance* is not, however, exhaustive and is written in very general terms. A *firm* will need to have regard to the obligation placed upon the *FSA FCA* under section 41 ~~(the *threshold conditions*)~~ 55B (The *threshold conditions*) of the *Act*; that is, the *FSA FCA* must ensure that the *firm* will satisfy, and continue to satisfy, the *FCA threshold conditions* in relation to each *regulated activity* for which it has or will have *permission*.
- 1.3.2 [FCA] G (1) The *FSA FCA* will consider whether a *firm* satisfies, and will continue to satisfy, the *FCA threshold conditions* in the context of the size, nature, scale and complexity of the business which the *firm* carries on or will carry on if the relevant application is granted.
- (2) In relation to the *threshold conditions* ~~4 and 5~~ set out in paragraphs 2D to 2F of Schedule 6 to the *Act* in respect of *firms* which are not *PRA-authorised persons* and paragraphs 3C to 3E of Schedule 6 to the *Act* in respect of *firms* which are *PRA-authorised persons*, the *FSA FCA* will consider whether a *firm* is ready, willing and organised to comply, on a continuing basis, with the requirements and standards under the *regulatory system* which apply to the *firm*, or will apply to the *firm*, and for which the *FCA* is responsible, if it is granted a *Part IV 4A permission*, or a variation of its *permission*. These matters will also be considered if the *FSA FCA* is exercising its *own-initiative powers* (see *COND 1.2.3G*). *Guidance* to *firms* on the implications of this is given under each of those *threshold conditions*.
- 1.3.3 [FCA] G Although the *FSA FCA* may consider that a matter is relevant to its assessment of a *firm*, the fact that a matter is disclosed to the *FSA FCA*, for example in an application, does not necessarily mean that the *firm* will fail to satisfy the *FCA threshold conditions*. The *FSA FCA* will consider each matter in relation to the *regulated activities* for which the *firm* has, or will have, *permission*, having regard to ~~the *regulatory objectives* set out in section 2 of the *Act* (The *FSA's* general duties)~~ its *statutory objectives*. A *firm* should disclose each relevant matter but, if it is appropriate to do so, it is encouraged to discuss it with the *FSA FCA*. This will enable the *FSA FCA* to consider fully how material or significant the matter is and how it affects the ability of the *firm* to satisfy, and continue to satisfy, the *FCA threshold conditions* (see also ~~*COND 2.3.5G*, *COND 2.4.4G(3)* and *COND 2.5.4G(3)*~~).
- 1.3.3A [FCA] G In determining the weight to be given to any relevant matter, the *FCA* will consider its significance in relation to the *regulated activities* for which the *firm* has, or will have, *permission*, in the context of its ability to supervise the

firm adequately, having regard to the FCA's statutory objectives. In this context, a series of matters may be significant when taken together, even though each of them in isolation might not give serious cause for concern.

1.3.3B G In determining whether the *firm* will satisfy, and continue to satisfy, the *FCA threshold conditions*, the *FCA* will have regard to all relevant matters, whether arising in the *United Kingdom* or elsewhere.

1.3.3C G When assessing the *FCA threshold conditions*, the *FCA* may have regard to any *person* appearing to be, or likely to be, in a relevant relationship with the *firm*, in accordance with section 55R of the *Act* (Persons connected with an applicant). For example, a *firm's controllers*, its *directors* or *partners*, other *persons with close links* to the *firm* (see *COND 2.3*), and other *persons that exert influence on the firm* which might pose a risk to the *firm's* satisfaction of the *FCA threshold conditions*, would be in a relevant relationship with the *firm*.

1.3.3D G In making its assessment, the *FCA* will consider the individual circumstances of each *firm* on a case-by-case basis.

1.3.3E G Notes on the contents of a business plan are given in the business plan section of the application pack for *Part 4A permission* on the *FCA's* website.

#### Statutory quotations

1.3.4 G (1) For ease of reference, the *FCA threshold conditions* in or under Schedule 6 to the *Act* have been quoted in full in *COND 2*.

(1A) Paragraphs 2A and 3A of Schedule 6 of the Act have not been quoted. These set out the application of the FCA threshold conditions to firms which do not carry on, or are not seeking to carry on, a PRA regulated activity and firms which carry on, or are seeking to carry on, a PRA regulated activity respectively. This application is summarised in COND 1.1AG.

(2) ~~As these provisions~~ the *FCA threshold conditions* impose obligations, they are printed in bold type. The use of bold type is not intended to indicate that these quotations are *rules* made by the ~~FSA~~ *FCA*.

(3) ~~Where words have been substituted for the text of these provisions the substitutions are enclosed in square brackets ([ ]). However, none of the changes made by the FSA FCA in these quotations for the purpose of the text in COND can supersede or alter the meaning of the statutory provision concerned. [deleted]~~

(4) Paragraph 1A of Schedule 6 of the *Act* sets out interpretative provisions that apply to the *threshold conditions*. These are repeated in *COND 1.3.5G* below for ease of reference.

1.3.5 UK Paragraph 1A of Schedule 6 to the Act

- (1) **“assets” includes contingent assets;**  
**“consolidated supervision” has the same meaning as in section 3M(a);**  
**consumer” has the meaning given by section 425A(b);**  
**“financial crime” is to be read with section 1H(3)(c);**  
**“functions”, in relation to either the FCA or the PRA, means the functions conferred on that regulator by or under this Act;**  
**“liabilities” includes contingent liabilities;**  
**“relevant directives” has the same meaning as in section 3M;**  
**“Society” means the society incorporated by Lloyd’s Act 1871(d) by the name of Lloyd’s;**  
**“subsidiary undertaking” includes all the instances mentioned in Article 1(1) and (2) of the Seventh Company Law Directive in which an entity may be a subsidiary of an undertaking.**
- (2) **For the purposes of this Schedule, the “non-financial resources” of a person include any systems, controls, plans or policies that the person maintains and the human resources that the person has available.**
- (3) **In this Schedule, references to “integrity of the UK financial system” are to be read with section 1D(2)(e).**
- (4) **The reference to the failure of a person is to be read in accordance with section 2J(3) and (4)(f).**

COND 1 Annex 1G and COND 1 Annex 2G are deleted in their entirety. The deleted text is not shown.

## 2 The threshold conditions

COND 2.1 is deleted in its entirety. The deleted text is not shown.

### 2.2 ~~Threshold condition 2:~~ Location of offices

#### 2.2.1 UK ~~Paragraph 2, Schedule 6 to the Act.~~

(1)	<del>Subject to sub-paragraphs 1(A) and (3), if the person concerned is a body corporate constituted under the law of any part of the United Kingdom—</del>
-	<del>(a) its head office, and</del>
-	<del>(b) if it has a registered office, that office, must be in the United Kingdom.</del>
(1A)	<del>If—</del>
-	<del>(a) the regulated activity concerned is any of the investment services and activities, and</del>
-	<del>(b) the person concerned is a body corporate with no registered office,</del>
<del>sub-paragraph (1B) applies in place of sub-paragraph (1).</del>	
(1B)	<del>If the person concerned has its head office in the United Kingdom, it must carry on business in the United Kingdom.</del>
(2)	<del>If the person concerned has its head office in the United Kingdom but is not a body corporate, it must carry on business in the United Kingdom.</del>
(3)	<del>If the regulated activity concerned is an insurance mediation activity, sub-paragraph (1) does not apply.</del>
(4)	<del>If the regulated activity concerned is an insurance mediation activity, the person concerned—</del>
-	<del>(a) if he is a body corporate constituted under the law of any part of the United Kingdom, must have its registered office, or if it has no registered office, its head office, in the United Kingdom;</del>
-	<del>(b) if he is a natural person, is to be treated for the purposes of subparagraph (2), as having his head office in the United Kingdom if his residence is situated there.</del>
(5)	<del>"Insurance mediation activity" means any of the following activities—</del>
-	<del>(a) dealing in rights under a contract of insurance as agent;</del>
-	<del>(b) arranging deals in rights under a contract of insurance;</del>

-	(c)	<del>assisting in the administration and performance of a contract of insurance;</del>
-	(d)	<del>advising on buying or selling rights under a contract of insurance;</del>
-	(e)	<del>agreeing to do any of the activities specified in sub-paragraph (a) to (d).</del>
(6)		<del>Paragraph (5) must be read with—</del>
-	(a)	<del>section 22;</del>
-	(b)	<del>any relevant order under that section; and</del>
-	(c)	<del>Schedule 2.</del>
[Note: article 5(4) of MiFID]		

[deleted]

2.2.1A UK **Paragraph 2B of Schedule 6 to the Act**

[FCA]

**(1) Unless sub-paragraph (3) or (4)(a) applies, if A is a body corporate incorporated in the United Kingdom-**

**(a) A's head office, and**

**(b) if A has a registered office, that office,**

**must be in the United Kingdom.**

**(2) If A is not a body corporate but A's head office is in the United Kingdom, A must carry on business in the United Kingdom.**

**(3) If-**

**(a) A is seeking to carry on, or is carrying on, a regulated activity which is any of the investment services and activities,**

**(b) A is a body corporate with no registered office, and**

**(c) A's head office is in the United Kingdom,**

**A must carry on business in the United Kingdom.**

- (4) If A is seeking to carry on, or is carrying on, an insurance mediation activity-**
- (a) where A is a body corporate incorporated in the United Kingdom, A's registered office, or if A has no registered office, A's head office, must be in the United Kingdom;**
- (b) where A is an individual, A is to be treated for the purposes of sub-paragraph (2), as having a head office in the United Kingdom if A's residence is resident in the United Kingdom.**
- (5) "Insurance mediation activity" means any of the following activities-**
- (a) dealing in rights under a contract of insurance as agent;**
- (b) arranging deals in rights under a contract of insurance;**
- (c) assisting in the administration and performance of a contract of insurance;**
- (d) advising on buying or selling rights under a contract of insurance;**
- (e) agreeing to do any of the activities specified in paragraph (a) to (d).**
- (6) Sub-paragraph (5) must be read with-**
- (a) section 22**
- (b) any relevant order under that section; and**
- (c) Schedule 2.**

- 2.2.1B G Paragraph 2B of Schedule 6 to the *Act* sets out the location of offices  
[FCA] threshold condition for firms carrying on, or seeking to carry on, regulated activities which do not include a PRA-regulated activity.
- 2.2.1C G The *FCA* is not responsible for the location of offices threshold condition for  
[FCA] firms carrying on, or seeking to carry on, regulated activities which include a PRA-regulated activity.
- 2.2.2 G ~~Threshold condition 2(1) and (2) Location of offices Paragraphs 2B(1) and~~  
[FCA] ~~2B(2) of Schedule 6 to the Act, implement the requirements of article 6 of the Post BCCI Directive and article 5(4) of MiFID and the threshold condition 2(3) and (4) set out in paragraph 2B(4) of Schedule 6 to the Act implements article 2.9 of the Insurance Mediation Directive, although the Act extends the threshold condition 2 set out in paragraph 2B of Schedule 6 to the Act to firms which are outside the scope of the Single Market Directives and the UCITS Directive.~~

- 2.2.3 G Neither the *Post BCCI Directive*, *MiFID*, the *Insurance Mediation Directive* nor the *Act* define what is meant by a *firm's* “head office”. This is not necessarily the *firm's* place of incorporation or the place where its business is wholly or mainly carried on. Although the ~~FSA~~ FCA will judge each application on a case-by-case basis, the key issue in identifying the head office of a *firm* is the location of its central management and control, that is, the location of:
- [FCA]
- (1) the *directors* and other senior management, who make decisions relating to the *firm's* central direction, and the material management decisions of the *firm* on a day-to-day basis; and
  - (2) the central administrative functions of the *firm* (for example, central compliance, internal audit).

COND 2.2A is deleted in its entirety. The deleted text is not shown.

## 2.3 ~~Threshold conditions 3: Close links~~ Effective supervision

### 2.3.1 UK ~~Paragraph 3, Schedule 6 to the Act.~~

<del>(1) If the person concerned ("A") has close links with another person ("CL"), the [FSA] must be satisfied-</del>
<del>(a) that those links are not likely to prevent the [FSA's] effective supervision of A; and</del>
<del>(b) if it appears to the [FSA] that CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State ("the foreign provisions"), that neither the foreign provisions, nor any deficiency in their enforcement, would prevent the [FSA's] effective supervision of A.</del>
<del>(2) A has close links with CL if:</del>
<del>(a) CL is a parent undertaking of A;</del>
<del>(b) CL is a subsidiary undertaking of A;</del>
<del>(c) CL is a parent undertaking of a subsidiary undertaking of A;</del>
<del>(d) CL is a subsidiary undertaking of a parent undertaking of A;</del>
<del>(e) CL owns or controls 20% or more of the voting rights or capital of A; or</del>

(f)	<del>A owns or controls 20% or more of the voting rights or capital of CL.</del>
(3)	<del>"Subsidiary undertaking" includes all the instances mentioned in Article 1(1) and (2) of the Seventh Company Law Directive in which an entity may be a subsidiary of an undertaking.</del>

[deleted]

2.3.1A UK Paragraph 2C of Schedule 6 to the Act

[FCA]

- (1) A must be capable of being effectively supervised by the FCA having regard to all the circumstances including—**
- (a) the nature (including the complexity) of the regulated activities that A carries on or seeks to carry on;**
  - (b) the complexity of any products that A provides or will provide in carrying on those activities;**
  - (c) the way in which A’s business is organised;**
  - (d) if A is a member of a group, whether membership of the group is likely to prevent the FCA’s effective supervision of A;**
  - (e) whether A is subject to consolidated supervision required under any of the relevant directives;**
  - (f) if A has close links with another person (“CL”)-**
    - (i) the nature of the relationship between A and CL;**
    - (ii) whether those links are or that relationship is likely to prevent the FCA’s effective supervision of A; and**
    - (iii) if CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State (“the foreign provisions”), whether those foreign provisions, or any deficiency in their enforcement, would prevent the FCA’s effective supervision of A.**
- (2) A has close links with CL if-**
- (a) CL is a parent undertaking of A;**
  - (b) CL is a subsidiary undertaking of A;**
  - (c) CL is a parent undertaking of a subsidiary undertaking of**

A;

**(d) CL is a subsidiary undertaking of a parent undertaking of A;**

**(e) CL owns or controls 20% or more of the voting rights or capital of A; or**

**(f) A owns or controls 20% or more of the voting rights or capital of CL.**

2.3.1B G Paragraph 2C of Schedule 6 to the *Act* sets out the effective supervision  
[FCA] *threshold condition* for firms carrying on, or seeking to carry on, *regulated activities* which do not include a *PRA-regulated activity*.

2.3.1C UK **Paragraph 3B of Schedule 6 to the Act**  
[FCA]

**(1) B must be capable of being effectively supervised by the FCA having regard to all the circumstances including-**

**(a) the nature (including the complexity) of the regulated activities that B carries on or seeks to carry on;**

**(b) the complexity of any products that B provides or will provide in carrying on those activities;**

**(c) the way in which B's business is organised;**

**(d) if B is a member of a group, whether membership of the group is likely to prevent the FCA's effective supervision of B;**

**(e) whether B is subject to consolidated supervision required under any of the relevant directives;**

**(f) if B has close links with another person ("CL")-**

**(i) the nature of the relationship between B and CL;**

**(ii) whether those links are or that relationship is likely to prevent the FCA's effective supervision of B; and**

**(iii) if CL is subject to the laws, regulations or administrative provisions of a territory which is not an EEA State ("the foreign provisions"), whether those foreign provisions, or any deficiency in their enforcement, would prevent the FCA's effective supervision of B.**

**(2) B has close links with CL if-**

- (a) CL is a parent undertaking of B;**
- (b) CL is a subsidiary undertaking of B;**
- (c) CL is a parent undertaking of a subsidiary undertaking of B;**
- (d) CL is a subsidiary undertaking of a parent undertaking of B;**
- (e) CL owns or controls 20% or more of the voting rights or capital of B; or**
- (f) B owns or controls 20% or more of the voting rights or capital of CL.**

- 2.3.1D [FCA] G Paragraph 3B of Schedule 6 to the Act sets out the effective supervision threshold condition which is relevant to the discharge by the FCA of its functions under the Act in relation to firms carrying on, or seeking to carry on, regulated activities which include a PRA-regulated activity.
- 2.3.1E [FCA] G The guidance in COND 2.3 should be read as applying to both paragraph 2C of Schedule 6 of the Act and, as far as relevant to the discharge by the FCA of its functions under the Act in respect of firms carrying on, or seeking to carry on, a PRA-regulated activity, paragraph 3B of Schedule 6 of the Act.
- 2.3.1F [FCA] G Firms carrying on, or seeking to carry on, a PRA-regulated activity, should note that the PRA is also responsible for assessing effective supervision under its own threshold conditions. Paragraphs 4F and 5F of Schedule 6 to the Act set out the effective supervision threshold conditions which are relevant to the discharge by the PRA of its functions under the Act in relation to firms carrying on, or seeking to carry on, a PRA-regulated activity. For the avoidance of doubt, this guidance does not apply to the threshold conditions set out in paragraphs 4F and 5F of Schedule 6 to the Act.
- 2.3.2 [FCA] G Threshold conditions 3 (Close links) Paragraphs 2C and 3B of Schedule 6 to the Act implements requirements of the Post BCCI Directive, but the Act extends this condition to firms from outside the EEA and other firms which are outside the scope of the Single Market Directives and the UCITS Directive.
- 2.3.3 [FCA] G In assessing this ~~threshold condition~~ the threshold conditions set out in paragraphs 2C and 3B of Schedule 6 to the Act, factors which the ~~FSA~~ FCA will take into consideration include, among other things, whether:
- (1) it is likely that the ~~FSA~~ FCA will receive adequate information from the firm, and those persons with whom the firm has close links, to enable it to determine whether the firm is complying with the requirements and standards under the regulatory system for which the FCA is responsible and to identify and assess the impact on ~~the regulatory objective in section 2 of the Act (The FSA's general duties) its statutory objectives;~~

this will include consideration of whether the *firm* is ready, willing and organised to comply with *Principle 11* (Relations with regulators) and the *rules* in *SUP* on the provision of information to the ~~FSA~~ FCA;

- (2) the structure and geographical spread of the *firm*, the *group* to which it belongs and other *persons* with whom the *firm* has *close links*, might hinder the provision of adequate and reliable flows of information to the ~~FSA~~ FCA; factors which may hinder these flows include the fact there may be branches or connected *companies* in territories which supervise *companies* to a different standard or territories with laws which restrict the free flow of information, although the ~~FSA~~ FCA will consider the totality of information available from all sources; and
- (3) ~~the *firm* and the *group* to which it belongs are, or will be, subject to supervision on a consolidated basis (consolidated supervision) (for example, if a financial resources requirement is determined for the *group* as a whole); and [deleted]~~
- (4) in respect of a *firm* not carrying on, or seeking to carry on, a *PRA-regulated activity*, it is possible to assess with confidence the overall financial position of the *group* at any particular time; factors which may make this difficult include lack of audited consolidated accounts for a *group*, if companies in the same *group* as the *firm* have different financial years and accounting dates and if they do not share common auditors.

2.3.4 G When assessing whether the *firm* will satisfy and continue to satisfy this  
[FCA] ~~threshold condition, the FSA will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere. [deleted]~~

2.3.5 G The ~~FSA will take into account relevant matters only in so far as they are~~  
[FCA] ~~significant (see COND 1.3.3G). In determining the weight to be given to any relevant matter, the FSA will consider its significance in the context of its ability to supervise the *firm* adequately, having regard to the *regulatory objectives* in section 2 of the Act. In this context, a series of matters may be significant when taken together, even though each of them in isolation might not give serious cause for concern. [deleted]~~

Meaning of "parent undertaking" and "subsidiary undertaking"

2.3.6 G ...  
[FCA]

- (3) Paragraph ~~3(3)~~ 1A of Schedule 6 to the Act extends the meaning of "*subsidiary undertaking*" for the purposes of ~~this threshold condition 3 (Close links)~~ the threshold conditions to all the cases in articles 1(1) and (2) of the *Seventh Company Law Directive* in which one *undertaking* may be a *subsidiary* of another *undertaking* (see COND 2.3.11G).

2.3.7 G (1) For the purposes of ~~this *threshold conditions 3 (Close links)*~~ the  
 [FCA] *threshold conditions* set out in paragraphs 2C and 3B of Schedule 6 to  
the Act, and except in relation to an *incorporated friendly society*, an  
 undertaking is a *parent undertaking* of another *undertaking* (a  
*subsidiary undertaking*) if any of the following apply to it:

...

(2) ~~A flowchart of COND 2.3.7 G(1) is set out in COND 2 Annex 1G.~~  
 [deleted]

...

2.3.10 G Section 420(3) of the *Act* (Parent and subsidiary undertaking) (~~supplemented~~  
 [FCA] ~~by paragraph 3 (Close links) of Schedule 6 to the Act~~) states that an  
*incorporated friendly society* is a *parent undertaking* of another *body*  
*corporate* (a *subsidiary undertaking*) if it has the following relationship to it:

...

2.3.11 G For the purposes of ~~this *threshold condition*~~ the *threshold conditions* set out  
 [FCA] in paragraphs 2C and 3B of Schedule 6 to the Act, an *undertaking* is a  
*subsidiary undertaking* of another *undertaking* if:

...

2.3.11 G Paragraphs ~~3(2)(e) to (f)~~ 2C(2)(e) and (f) and 3B(2)(e) and (f) of Schedule 6  
 A to the *Act* reflect legislation initially introduced in the *Post-BCCI Directive*,  
 [FCA] which defines close links, in part, by reference to participation. Recital 5 of  
 the *Post-BCCI Directive* gives further guidance on what is meant by  
 “participation” for the purposes of the directive. It states that the sole fact of  
 having acquired a significant proportion of a company's capital does not  
 constitute participation for the purposes of the directive if that holding has  
 been acquired solely as a temporary investment which does not make it  
 possible to exercise influence over the structure or financial policy of the  
 undertaking.

2.3.12 G ...  
 [FCA]

COND ~~Threshold condition 4: Adequate~~ Appropriate resources  
 2.4

2.4.1 UK **Paragraph 4, Schedule 6 to the Act**

(1)	<del>The resources of the person concerned must, in the opinion of the [FSA], be adequate in relation to the regulated activities that he seeks to carry on, or carries on.</del>
(2)	<del>In reaching that opinion, the [FSA] may-</del>
(a)	<del>take into account the person's membership of a group and any effect which that membership may have; and</del>
(b)	<del>have regard to-</del>
(i)	<del>the provision he makes and, if he is a member of a group, which other members of the group make in respect of liabilities (including contingent and future liabilities); and</del>
(ii)	<del>the means by which he manages and, if he is a member of a group, which other members of the group manage the incidence of risk in connection with his business.</del>

[deleted]

2.4.1A UK **Paragraph 2D of Schedule 6 to the Act**

[FCA]

- (1) The resources of A must be appropriate in relation to the regulated activities that A carries on or seeks to carry on.
- (2) The matters which are relevant in determining whether A has appropriate resources include-
- (a) the nature and scale of the business carried on, or to be carried on, by A;
  - (b) the risks to the continuity of the services provided by, or to be provided by, A; and
  - (c) A's membership of a group and any effect which that membership may have.
- (3) The matters which are relevant in determining whether A has appropriate financial resources include-
- (a) the provision A makes and, if A is a member of a group, which other members of the group make, in respect of liabilities; and
  - (b) the means by which A manages and, if A is a member of a group, by which other members of the group manage, the

**incidence of risk in connection with A's business.**

- (4) The matters which are relevant in determining whether A has appropriate non-financial resources include-**
- (a) the skills and experience of those who manage A's affairs;**
  - (b) whether A's non-financial resources are sufficient to enable A to comply with -**
    - (i) requirements imposed or likely to be imposed on A by the FCA in the course of the exercise of its functions;**
    - (ii) any other requirement in relation to whose contravention the FCA would be the appropriate regulator for the purposes of any provision of Part 14 of this Act.**

**2.4.1B** G Paragraph 2D of Schedule 6 to the *Act* sets out the appropriate resources *threshold condition* for firms carrying on, or seeking to carry on, *regulated activities* which do not include a *PRA-regulated activity*.  
[FCA]

**2.4.1C** UK **Paragraph 3C of Schedule 6 to the Act**  
[FCA]

- (1) The non-financial resources of B must be appropriate in relation to the regulated activities that B carries on or seeks to carry on, having regard to the operational objectives of the FCA.**
- (2) The matters which are relevant in determining whether the condition in sub-paragraph (1) is met include-**
  - (a) the nature and scale of the business carried on, or to be carried on, by B;**
  - (b) the risks to the continuity of the services provided by, or to be provided by, B;**
  - (c) B's a member of a group and any effect which that membership may have;**
  - (d) the skills and experience of those who manage B's affairs;**
  - (e) whether B's non-financial resources are sufficient to enable B to comply with-**
    - (i) requirements imposed or likely to be imposed on B by the FCA in the exercise of its functions; or**
    - (ii) any other requirement in relation to whose contravention the FCA would be the appropriate**

**regulator for the purpose of any provision of Part 14 of this Act.**

- 2.4.1D [FCA] G Paragraph 3C of Schedule 6 to the Act sets out the appropriate non-financial resources *threshold condition* which is relevant to the discharge by the FCA of its functions under the Act in relation to *firms* carrying on, or seeking to carry on, *regulated activities* which include a *PRA-regulated activity*.
- 2.4.1E [FCA] G The *guidance* in COND 2.4 should be read as applying to both paragraph 2D of Schedule 6 of the Act and, as far as relevant to the discharge by the FCA of its functions in respect of *firms* carrying on, or seeking to carry on, a *PRA-regulated activity* under the Act, paragraph 3C of Schedule 6 of the Act.
- 2.4.1F [FCA] G As the *threshold condition* set out in paragraph 3C of Schedule 6 to the Act does not relate to financial resources, the *guidance* in COND 2.4 relating to appropriate financial resources only applies to the FCA's assessment of the *threshold condition* set out in paragraph 2D of Schedule 6 of the Act.
- 2.4.1G [FCA] G *Firms* carrying on, or seeking to carry on, a *PRA-regulated activity*, should note that the *PRA* is responsible for assessing their financial resources. Paragraphs 4D and 5D of Schedule 6 to the Act contain the *threshold conditions* relating to financial resources which are relevant to the discharge by the *PRA* of its functions under the Act in relation to *firms* carrying on, or seeking to carry on, a *PRA-regulated activity* (in addition to additional non-financial resources *threshold conditions* which are also relevant to the discharge by the *PRA* of its functions). For the avoidance of doubt, this *guidance* does not apply to *threshold conditions* set out in paragraphs 4D and 5D of Schedule 6 to the Act.
- 2.4.2 [FCA] G (1) ~~*Threshold condition 4* (Adequate resources), requires the *FSA* to ensure that a *firm* has adequate resources in relation to the specific *regulated activity* or *regulated activities* which it seeks to carry on, or carries on. [deleted]~~
- (2) The ~~*FSA-FCA*~~ will interpret the term “adequate” “appropriate” as meaning sufficient in terms of quantity, quality and availability, and “resources” as including all financial resources (though only in the case of *firms* not carrying on, or seeking to carry on, a *PRA-regulated activity*), non-financial resources and means of managing its resources; for example, capital, provisions against liabilities, holdings of or access to cash and other liquid assets, human resources and effective means by which to manage risks.
- (2A) Paragraph 1A(2) of Schedule 6 to the Act provides that “non-financial resources” of a *firm* for the purposes of the *threshold conditions* include any systems, controls, plans or policies that the *firm* maintains and the human resources that the *firm* has available.
- (3) ~~High level systems and control requirements are in SYSC. Detailed financial resources and systems requirements are in the relevant section of the Prudential Standards part of the *Handbook*, including~~

~~specific provisions for particular types of *regulated activity*. The *FSA FCA* will consider whether the *firm* is ready, willing and organised to comply with these and other applicable systems and controls requirements when assessing if it has appropriate non-financial resources for the purposes of ~~this *threshold condition*~~ the *threshold conditions* set out in paragraphs 2D and 3C to Schedule 6 of the *Act*.~~

(4) Detailed financial resources requirements are in the relevant section of the Prudential Standards part of the *FCA Handbook*, including specific provisions for particular types of *regulated activity*. The *FCA* will consider whether *firms* (other than *firms* carrying on, or seeking to carry on, *PRA regulated activities*) are ready, willing and organised to comply with these requirements when assessing if they have appropriate financial resources for the purposes of ~~this~~ the *threshold condition* set out in paragraph 2D of Schedule 6 to the *Act*.

2.4.3 G (1) ~~When assessing this *threshold condition*, the *FSA* may have regard to any *person* appearing to it to be, or likely to be, in a relevant relationship with the *firm*, in accordance with section 49 of the *Act* (Persons connected with an applicant); for example, a *firm's* controllers, its directors or partners, other persons with close links to the *firm* (see *COND 2.3*), and other persons that exert influence on the *firm* which might pose a risk to the *firm's* satisfaction of the *threshold conditions* and would, therefore, be in a relevant relationship with the *firm*. [deleted]~~

[FCA]

(2) ~~In particular, although~~ Although it is the *firm* that is being assessed, the ~~*FSA FCA*~~ *FCA* may take into consideration the impact of other members of the *firm's group* on the adequacy of its resources, where relevant to the discharge of the *FCA's* functions. For example, in relation to a *firm* other than a *firm* carrying on, or seeking to carry on, a *PRA-regulated activity*, the ~~*FSA FCA*~~ *FCA* may assess the consolidated solvency of the *group*. The ~~*FSA FCA's*~~ *FCA's* approach to the consolidated supervision of a ~~*firm*~~ such a *firm*, and its *group*, is in the relevant part of the Prudential Standards part of the *FCA Handbook*.

2.4.4 G (1) ~~When assessing whether a *firm* will satisfy and continue to satisfy *threshold condition 4*, the *FSA* will have regard to all relevant matters, whether arising in the *United Kingdom* or elsewhere. [deleted]~~

[FCA]

(2) Relevant matters to which the *FCA* may have regard when assessing whether a *firm* will satisfy, and continue to satisfy, this *threshold condition* may include but are not limited to:

(a) (in relation to a *firm* other than a *firm* carrying on, or seeking to carry on, a *PRA-regulated activity*), whether there are any indications that the *firm* may have difficulties if the application is granted (see ~~*COND 2.4.6G*~~), at the time of the grant or in the future, in complying with any of the ~~*FSA FCA's*~~ *FCA's* prudential rules (see the relevant part of the Prudential Standards part of the

FCA Handbook);

- (b) (in relation to a firm other than a firm carrying on, or seeking to carry on, a PRA-regulated activity, whether there are any indications that the firm will not be able to meet its debts as they fall due;

...

- (d) whether the firm has taken reasonable steps to identify and measure any risks of regulatory concern that it may encounter in conducting its business (~~see COND 2.4.6G~~) and has installed appropriate systems and controls and appointed appropriate human resources to measure them prudently at all times; ~~see SYSC 3.1 (Systems and Controls), SYSC 3.2 (Areas covered by systems and controls) and SYSC 4.1.1R (Organisational requirements); and~~

- (e) whether the firm has conducted enquiries into the financial services sector in which it intends to conduct business (~~see COND 2.4.6G~~) that are sufficient to satisfy itself that:

- (i) it has access to adequate capital, by reference to the ~~FSA's~~ FCA's prudential requirements, to support the business including any losses which may be expected during its start-up period (in relation to a firm other than a firm carrying on, or seeking to carry on, a PRA-regulated activity); and

- (ii) Client money, deposits, custody assets and policyholders' rights will not be placed at risk if the business fails; and

- (f) whether the resources of the firm are commensurate with the likely risks it will face.

- (3) ~~In the context of threshold condition 4 (Adequate resources), the FSA will only take into account relevant matters which are material (see COND 1.3.3G). The FSA will consider the materiality of each relevant matter in relation to the regulated activities for which the firm has, or will have, permission, having regard to the regulatory objectives in section 2 of the Act (The FSA's general duties). It should be noted that a series of matters may be significant when taken together, even if each of them in isolation might not be significant. [deleted]~~

- (4) ~~In making its assessment, the FSA will consider the individual circumstances of each firm on a case by case basis. [deleted]~~

- 2.4.5 G ~~In complying with SYSC (Systems and controls), a firm should plan its business appropriately so that it is able to identify, measure and manage the likely risks of regulatory concern it will face (SYSC 3.2.17G (Business strategy) and SYSC 7 (Risk Control)). [deleted]~~

- 2.4.6 G (1) Any newly formed *firm* can be susceptible to early difficulties. These difficulties could arise from a lack of relevant expertise and judgment, or from ill-constructed and insufficiently tested business strategies. A *firm* may also be susceptible to difficulties where it substantially changes its business activities. ~~[deleted]~~
- [FCA]
- (2) As a result, the *FSA* would expect a *firm* which is applying for *Part IV permission*, or a substantial variation of that *permission*, to take adequate steps to satisfy itself and, if relevant, the *FSA* that:
- (a) it has a well-constructed business plan or strategy plan for its product or service which demonstrates that it is ready, willing and organised to comply with the relevant requirements in the Prudential Standards part of the *Handbook* and *SYSC* that apply to the *regulated activity* it is seeking to carry on;
  - (b) its business plan or strategy plan has been sufficiently tested; and
  - (c) the financial and other resources of the *firm* are commensurate with the likely risks it will face. ~~[deleted]~~
- (3) The *FSA* would expect the level of detail in a *firm's* business plan or strategy plan in (2) to be appropriate to the complexity of the *firm's* proposed *regulated activities* and *unregulated activities* and the risks of regulatory concern it is likely to face (see *SYSC* 3.2.11G (Management information) and *SYSC* 7 (Risk control)). Notes on the contents of a business plan are given in the business plan section of the application pack for *Part IV* permission. A *firm* requiring specific *guidance* on the contents and level of detail of its business plan should contact the Firm Contact Centre (020 7066 3954), or, if relevant, its usual supervisory contact at the *FSA*, or seek professional assistance. ~~[deleted]~~

## 2.5 ~~Threshold condition 5: Suitability~~

### 2.5.1 UK ~~Paragraph 5, Schedule 6 to the Act~~

<del>The person concerned must satisfy the [FSA] that he is a fit and proper person having regard to all the circumstances, including-</del>	
<del>(a)</del>	<del>his connection with any person;</del>
<del>(b)</del>	<del>the nature of any regulated activity that he carries on or seeks to carry on; and</del>
<del>(c)</del>	<del>the need to ensure that his affairs are conducted soundly and prudently.</del>

~~[deleted]~~

2.5.1A UK Paragraph 2E to Schedule 6 of the Act

[FCA]

- (1) A must be a fit and proper person having regard to all the circumstances, including-
- (a) A's connection with any person;
  - (b) the nature (including the complexity) of any regulated activity that A carries on or seeks to carry on;
  - (c) the need to ensure that A's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;
  - (d) whether A has complied and is complying with requirements imposed by the FCA in the exercise of its functions, or requests made by the FCA, relating to the provision of information to the FCA and, where A has so complied or is so complying, the manner of that compliance;
  - (e) whether those who manage A's affairs have adequate skills and experience and act with probity;
  - (f) whether A's business is being, or is to be, managed in such a way as to ensure that its affairs will be conducted in a sound and prudent manner; and
  - (g) the need to minimise the extent to which it is possible for the business carried on by A, or to be carried on by A, to be used for a purpose connected with financial crime.

2.5.1B G Paragraph 2E of Schedule 6 to the Act sets out the suitability *threshold condition* for firms carrying on, or seeking to carry on, *regulated activities* which do not consist of or include a *PRA-regulated activity*.  
[FCA]

2.5.1C UK Paragraph 3D to Schedule 6 of the Act

[FCA]

- (1) B must be a fit and proper person, having regard to the operational objectives of the FCA.
- (2) The matters which are relevant in determining whether B satisfies the condition in sub-paragraph (1) include-
- (a) B's connection with any person;
  - (b) the nature (including the complexity) of any regulated activity that B carries on or seeks to carry on;

- (c) the need to ensure that B's affairs are conducted in an appropriate manner, having regard in particular to the interests of consumers and the integrity of the UK financial system;
- (d) whether B has complied and is complying with requirements imposed by the FCA in the exercise its functions, or requests made by the FCA, relating to the provision of information to the FCA and, where B has so complied or is so complying, the manner of that compliance;
- (e) whether those who manage B's affairs have adequate skills and experience and act with probity; and
- (f) the need to minimise the extent to which it is possible for the business carried on by B, or to be carried on by B, to be used for a purpose connected with financial crime.

- 2.5.1D G Paragraph 3D of Schedule 6 to the *Act* sets out the *suitability threshold condition* which is relevant to the discharge by the *FCA* of its functions under the *Act* in relation to *firms* carrying on, or seeking to carry on, *regulated activities* which include a *PRA-regulated activity*.  
[FCA]
- 2.5.1E G The *guidance* in *COND 2.5* should be read as applying to both paragraph 2E of Schedule 6 to the *Act* and, as far as relevant to the discharge by the *FCA* of its functions under the *Act* in respect of *firms* carrying on, or seeking to carry on, a *PRA-regulated activity*, paragraph 3D of Schedule 6 of the *Act*.  
[FCA]
- 2.5.1F G *Firms* carrying on, or seeking to carry on, a *PRA-regulated activity*, should note that the *PRA* is also responsible for assessing suitability under its own *threshold conditions*. Paragraphs 4E and 5E of Schedule 6 to the *Act* set out the *suitability threshold conditions* which are relevant to the discharge by the *PRA* of its functions under the *Act* in relation to *firms* carrying on, or seeking to carry on, a *PRA-regulated activity*. For the avoidance of doubt, this *guidance* does not apply to the *threshold conditions* set out in paragraph 4E and 5E of Schedule 6 to the *Act*.  
[FCA]
- 2.5.2 G (1) ~~*Threshold condition 5* (Suitability), requires the *firm* to satisfy the *FSA* that it is 'fit and proper' to have *Part IV permission* having regard to all the circumstances, including its connections with other *persons*, the range and nature of its proposed (or current) *regulated activities* and the overall need to be satisfied that its affairs are and will be conducted soundly and prudently (see also *PRIN* and *SYSC*). [deleted]~~  
[FCA]
- (2) The ~~*FSA*~~ *FCA* will also take into consideration anything that could influence a *firm's* continuing ability to satisfy ~~this threshold condition~~ the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 to the *Act*. Examples include the *firm's* position within a *UK* or international *group*, information provided by *overseas regulators* about the *firm*, and the *firm's* plans to seek to vary its *Part IV 4A permission* to carry on additional *regulated activities* once it has been granted that

*permission by the FSA.*

- 2.5.3 [FCA] G (1) The emphasis of ~~this *threshold condition*~~ the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 of the Act is on the suitability of the *firm* itself. The suitability of each *person* who performs a *controlled function* will be assessed by the ~~FSA FCA~~ and/or the PRA, as appropriate, under the *approved persons* regime (see SUP 10A (Approved persons) and FIT). In certain circumstances, however, the ~~FSA FCA~~ may consider that the *firm* is not suitable because of doubts over the individual or collective suitability of *persons* connected with the *firm*.
- (2) ~~When assessing this *threshold condition* in relation to a *firm*, the FSA may have regard to any *person* appearing to it to be, or likely to be, in a relevant relationship with the *firm*, as permitted by section 49 of the Act (Persons connected with an applicant) (see COND 2.4.3G).~~
- (3) ~~In relation to a *firm* which is an EEA regulated entity, the Financial Groups Directive provides that the FSA should consult other competent authorities when assessing the suitability of the shareholders and the reputation and experience of directors involved in the management of another entity in the same group. [deleted]~~
- 2.5.4 [FCA] G (1) ~~When determining whether the *firm* will satisfy and continue to satisfy *threshold condition 5*, the FSA will have regard to all relevant matters, whether arising in the United Kingdom or elsewhere. [deleted]~~
- (2) ~~Relevant matters which the FCA may have regard when assessing whether a *firm* will satisfy, and continue to satisfy, this *threshold condition* include, but are not limited to, whether a *firm*: Examples of the kind of general considerations to which the FCA may have regard when assessing whether a *firm* will satisfy, and continue to satisfy, the *threshold conditions* set out in paragraphs 2E and 3D of Schedule 6 to the Act include, but are not limited to, whether the *firm*:~~
- (a) ...
- (3) ~~The FSA will take into account relevant matters only to the extent that they are significant (see COND 1.3.3G). In determining whether relevant matters are significant to the *firm*, the FSA will consider significance in the context of the suitability of the *firm*, having regard to the *regulatory objectives* in section 2 of the Act (The FSA's general duties); a series of matters may be significant when taken together, even if each of them in isolation may not be significant. [deleted]~~
- (4) ~~In making its assessment, the FSA will, therefore, consider the individual circumstances of each *firm* on a case-by-case basis. [deleted]~~
- 2.5.5 G ~~Where a *firm* is applying for *Part IV permission* or a substantial variation of that *permission*, the guidance in COND 2.4.6G is relevant. For the purpose of~~

~~threshold condition 5, however, the FSA would expect the firm's business plan or strategy plan to take into account the interests of consumers and demonstrate that it is ready, willing and organised to comply with the relevant requirements in the Handbook that apply to the regulated activity it is seeking to carry on. [deleted]~~

#### Conducting business with integrity and in compliance with proper standards

- 2.5.6 [FCA] G ~~In determining whether a firm will satisfy, and continue to satisfy, threshold condition 5 in respect of conducting its business with integrity and in compliance with proper standards, the relevant matters, as referred to in COND 2.5.4G(2), may include, but are not limited to whether: Examples of the kind of particular considerations to which the FCA may have regard when assessing whether a firm will satisfy, and continue to satisfy, this threshold condition include, but are not limited to, whether:~~
- ~~(1) the firm has been open and co-operative in all its dealings with the FSA FCA and any other regulatory body (see Principle 11 (Relations with regulators)) and is ready, willing and organised to comply with the requirements and standards under the regulatory system (such as the detailed requirements of SYSC and, in relation to a firm not carrying on, or seeking to carry on, a PRA-regulated activity only, the Prudential Standards part of the FCA Handbook), and in addition to other legal, regulatory and professional obligations; the relevant requirements and standards will depend on the circumstances of each case, including the regulated activities which the firm has permission, or is seeking permission, to carry on;~~
  - ~~(1A) the firm has made arrangements to put in place an adequate system of internal control to comply with the requirements and standards for which the FCA is responsible under the regulatory system;~~
  - ~~(2) the firm has been convicted, or is connected with a person who has been convicted, of any criminal offence; this must include, where provided for by the Rehabilitation Exceptions Orders to the Rehabilitation of Offenders Act 1974 or the Rehabilitation of Offenders (Northern Ireland) Order 1978 (as applicable), any spent convictions; particular consideration will be given to offences of dishonesty, fraud, financial crime or an offence under legislation relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, banking, other financial services, insolvency, consumer credit companies, insurance, consumer protection, money laundering, market manipulation and insider dealing, whether or not in the United Kingdom United Kingdom;~~
  - ~~(3) the firm has been the subject of, or connected to the subject of, any existing or previous investigation or enforcement proceedings by the FSA FCA, the Society of Lloyd's or by other regulatory authorities (including the FSA FCA's predecessors), clearing houses or exchanges, professional bodies or government bodies or agencies; the FSA FCA will, however, take both the nature of the firm's~~

involvement in, and the outcome of, any investigation or enforcement proceedings into account in determining whether it is a relevant matter;

- (4) the *firm* has contravened, or is connected with a *person* who has contravened, any provisions of the *Act* or any preceding financial services legislation, the *regulatory system* or the rules, regulations, statements of principles or codes of practice (for example the *Society of Lloyd's Codes*) of other regulatory authorities (including the *FSA FCA's* predecessors), *clearing houses* or *exchanges*, *professional bodies*, or government bodies or agencies or relevant industry standards (such as the Non-Investment Products Code); the *FSA FCA* will, however, take into account both the status of codes of practice or relevant industry standards and the nature of the contravention (for example, whether a *firm* has flouted or ignored a particular code);
- (5) the *firm*, or a *person* connected with the *firm*, has been refused registration, authorisation, membership or licence to carry out a trade, business or profession or has had that registration, authorisation, membership or licence revoked, withdrawn or terminated, or has been expelled by a regulatory or government body; whether the *FSA FCA* considers such a refusal relevant will depend on the circumstances;
- (6) ~~the *firm* has taken reasonable care to establish and maintain effective systems and controls for compliance with applicable requirements and standards under the regulatory system that apply to the *firm* and the regulated activities for which it has, or will have, permission (see SYSC 3.2.6R to SYSC 3.2.8R (Compliance) and SYSC 6.1.1R to SYSC 6.1.5R and SYSC 6.3); [deleted]~~
- (7) the *firm* has put in place procedures which are reasonably designed to:
  - (a) ensure that it has made its *employees* aware of, and compliant with, those requirements and standards under the *regulatory system* that apply to the *firm* for which the *FCA* is responsible and the *regulated activities* for which it has, or will have *permission*;
  - (b) ensure that its *approved persons* (whether or not employed by the *firm*) are aware of those requirements and standards under the *regulatory system* applicable to them;
  - (c) determine that its *employees* are acting in a way compatible with the *firm* adhering to those requirements and standards; and
  - (d) determine that its *approved persons* are adhering to those requirements and standards;
- (8) the *firm* or a *person* connected with the *firm* has been dismissed from employment or a position of trust, fiduciary relationship or similar or has ever been asked to resign from employment in such a position;

whether the ~~FSA~~ FCA considers a resignation to be relevant will depend on the circumstances, for example if a *firm* is asked to resign in circumstance that cast doubt over its honesty or integrity; ~~and~~

- (9) the *firm* or a *person* connected with the *firm* has ever been disqualified from acting as a *director*;
- (10) the *governing body* of the *firm* is made up of individuals with an appropriate range of skills and experience to understand, operate and manage the *firm's regulated activities*;
- (11) where appropriate, the *governing body* of the *firm* includes non-executive representation, at a level which is appropriate for the control of the *regulated activities* proposed, for example, as members of an audit committee;
- (12) those *persons* who perform *controlled functions* under certain arrangements entered into by the *firm* or its contractors (including appointed representatives or, where applicable, tied agents) act with due skill, care and diligence in carrying out their *controlled function* (see APER 4.2 (Statement of Principle 2) or managing the business for which they are responsible (see APER 4.7 (Statement of Principle 7));
- (13) the *firm*, or a *person* connected with the *firm*, has been a *director*, *partner* or otherwise concerned in the management of a *company*, *partnership* or other organisation or business that has gone into insolvency, liquidation or administration while having been connected with that organisation or within one year of such a connection;
- (14) the *governing body* of the *firm* is organised in a way that enables it to address and control the *regulated activities* of the *firm*, including those carried on by *managers* to whom particular functions have been delegated;
- (15) the *firm* has developed human resources policies and procedures that are reasonably designed to ensure that it employs only individuals who are honest and committed to high standards of integrity in the conduct of their activities;
- (16) the *firm* has taken reasonable care to ensure that robust information and reporting systems have been developed, tested and properly installed;
- (17) the *firm* has in place appropriate systems and controls against financial crime, including, for example, *money laundering*;
- (18) in the case of a *firm* that carries on *insurance mediation activity*:
  - (a) a reasonable proportion of the *persons* within its management structure who are responsible for the *insurance mediation activity*; and

(b) all other persons directly involved in its insurance mediation activity;

demonstrate the knowledge and ability necessary for the performance of their duties; and

(c) all the persons in the firm's management structure and any staff directly involved in insurance mediation activity are of good repute (see MIPRU 2.3.1R (Knowledge, ability and good repute)); and

(19) where appropriate, the firm has appointed auditors and actuaries, who have sufficient experience in the areas of business to be conducted.

~~Competent and prudent management and exercise of due skill, care and diligence~~

- 2.5.7 [FCA] G ~~In determining whether a firm will satisfy and continue to satisfy threshold condition 5 in respect of having competent and prudent management and exercising due skill, care and diligence, relevant matters, as referred to in COND 2.5.4G(2), may include, but are not limited to whether:~~
- ~~(1) the governing body of the firm is made up of individuals with an appropriate range of skills and experience to understand, operate and manage the firm's regulated activities;~~
  - ~~(2) if appropriate, the governing body of the firm includes non executive representation, at a level which is appropriate for the control of the regulated activities proposed, for example, as members of an audit committee;~~
  - ~~(3) the governing body of the firm is organised in a way that enables it to address and control the regulated activities of the firm, including those carried on by managers to whom particular functions have been delegated (see SYSC 2.1 (Apportionment of responsibilities) and SYSC 3.2 (Areas covered by systems and controls) and SYSC 4.1.1R (General organisational requirements));~~
  - ~~(4) those persons who perform controlled functions under certain arrangements entered into by the firm or its contractors (including appointed representatives or, where applicable, tied agents) act with due skill, care and diligence in carrying out their controlled function (see APER 4.2 (Statement of Principle 2) or managing the business for which they are responsible (see APER 4.7 (Statement of Principle 7));~~
  - ~~(5) the firm has made arrangements to put in place an adequate system of internal control to comply with the requirements and standards under the regulatory system (see SYSC 3.1 (Systems and Controls) and SYSC 4.1 (General organisational requirements));~~
  - ~~(6) the firm has approached the control of financial and other risk in a prudent manner (for example, by not assuming risks without taking due account of the possible consequences) and has taken reasonable~~

~~care to ensure that robust information and reporting systems have been developed, tested and properly installed (see SYSC 3.2.10 G (Risk assessment) and SYSC 7.1 (Risk control) );~~

- ~~(7) the *firm*, or a *person* connected with the *firm*, has been a *director*, *partner* or otherwise concerned in the management of a *company*, *partnership* or other organisation or business that has gone into insolvency, liquidation or administration while having been connected with that organisation or within one year of such a connection;~~
- ~~(8) the *firm* has developed human resources policies and procedures that are reasonably designed to ensure that it employs only individuals who are honest and committed to high standards of integrity in the conduct of their activities (see, for example, SYSC 3.2.13G (Employees and agents) and SYSC 5.1 (Employees, agents and other relevant persons) );~~
- ~~(9) the *firm* has conducted enquiries (for example, through market research or the previous activities of the *firm*) that are sufficient to give it reasonable assurance that it will not be posing unacceptable risks to *consumers* or the *UK financial system*;~~
- ~~(10) the *firm* has in place systems and controls against *money laundering* of the sort described in SYSC 3.2.6R to SYSC 3.2.6JG and SYSC 6.3 (Financial crime);~~
- ~~(11) where appropriate, the *firm* has appointed auditors and actuaries, who have sufficient experience in the areas of business to be conducted (see SUP 3.4 (Auditors' qualifications) and SUP 4.3.8G to SUP 4.3.10G ( Actuary's qualifications)); and~~
- ~~(12) in the case of a *firm* that carries on *insurance mediation activity*:
 
  - ~~(a) a reasonable proportion of the *persons* within its management structure who are responsible for the *insurance mediation activity*; and~~
  - ~~(b) all other *persons* directly involved in its *insurance mediation activity*;~~~~

~~demonstrate the knowledge and ability necessary for the performance of their duties; and~~

- ~~(c) all the persons in its management structure and any staff directly involved in *insurance mediation activity* are of good repute (see MIPRU 2.3.1 R (Knowledge, ability and good repute)).~~  
~~[deleted]~~

...

COND 2.6 is deleted in its entirety. The deleted text is not shown.

Insert the following new sections after COND 2.6. This text is all new and is not underlined.

## 2.7 Business model

### 2.7.1 UK Paragraph 2F to Schedule 6 of the Act

[FCA]

- (1) **A's business model (that is, A's strategy for doing business) must be suitable for a person carrying on the regulated activities that A carries on or seeks to carry on.**
- (2) **The matters which are relevant in determining whether A satisfies the condition in sub-paragraph (1) include-**
  - (a) **whether the business model is compatible with A's affairs being conducted, and continuing to be conducted, in a sound and prudent manner;**
  - (b) **the interests of consumers;**
  - (c) **the integrity of the UK financial system.**

2.7.2 G Paragraph 2F of Schedule 6 to the *Act* sets out the business model *threshold condition* for *firms* carrying on, or seeking to carry on, *regulated activities* which do not include a *PRA-regulated activity*.  
[FCA]

### 2.7.3 UK Paragraph 3E to Schedule 6 of the Act

[FCA]

**B's business model (that is, B's strategy for doing business) must be suitable for a person carrying on the regulated activities that B carries on or seeks to carry on, having regard to the FCA's operational objectives.**

2.7.4 G Paragraph 3E of Schedule 6 to the *Act* sets out the business model *threshold condition* which is relevant to the discharge by the *FCA* of its functions under the *Act* in relation to *firms* carrying on, or seeking to carry on, *regulated activities* which include a *PRA-regulated activity*.  
[FCA]

2.7.5 G The *guidance* in *COND 2.7* should be read as applying to both paragraph 2F of Schedule 6 to the *Act* and, as far as relevant to the discharge by the *FCA* of its functions under the *Act* in respect of *firms* carrying on, or seeking to carry on, a *PRA-regulated activity*, paragraph 3E of Schedule 6 of the *Act*.  
[FCA]

2.7.6 G *Firms* carrying on, or seeking to carry on, a *PRA-regulated activity*, should note that the *PRA* states in its Approach Documents that analysis of such *firms'* business models will form an important part of the *PRA's* supervisory  
[FCA]

approach. For the avoidance of doubt, this guidance does not apply to the *PRA's* own assessment of the *firms'* business models.

- 2.7.7 [FCA] G In assessing whether the *threshold conditions* set out in paragraphs 2F and 3E of Schedule 6 to the *Act* are satisfied, the *FCA* may consider all matters that might affect the design and execution of a *firm's* business model, taking into account the nature, scale and complexity of a *firm's* business.
- 2.7.8 [FCA] G In deciding how they will satisfy and continue to satisfy the *threshold conditions* set out in paragraphs 2F and 3E of Schedule 6 to the *Act*, *firms* should consider matters including (but not limited to) the following:
- (1) the assumptions underlying the *firm's* business model and justification for it;
  - (2) the rationale for the business the *firm* proposes to do or continues to do, its competitive advantage, viability and the longer-term profitability of the business;
  - (3) the needs of and risks to *consumers*;
  - (4) the expectations of stakeholders, for example, shareholders and regulators;
  - (5) the products and services being offered and product strategy;
  - (6) the governance and controls of the *firm* and of any member of its *group* (if appropriate);
  - (7) the growth strategy and any risks arising from it;
  - (8) any diversification strategies; and
  - (9) the impact of the external macroeconomic and business environment.
- 2.7.9 [FCA] G *Firms* should consider the manner in which they intend to bring their business model into operation. This plan could, for example, include matters such as procurement, outsourcing, and recruitment.
- 2.7.10 [FCA] G *Firms* should consider scenarios which may negatively impact on the *firm's* business model with a view to ensuring the sustainability of the *firm* and, further, to consider the vulnerability of the business model to specific events and the risks and consequences that might arise. Where appropriate, this might include reverse stress-testing (see SYSC 20 '*Reverse stress testing*'). A *firm* should put in place a credible plan to minimise the risks that it identifies from, or in relation to, its business model and a contingency plan for dealing with risks that have crystallised.
- 2.7.11 [FCA] G *Firms* should ensure that any adjustments to its business model:

- (1) are approved at an appropriate level in the business;
- (2) are considered in the light of any potential risks, impacts and consequences of the proposed changes; and
- (3) appropriately take into account the needs of and risks to *clients* and relevant *consumers*.

2.7.12 G The *FCA*'s assessment of a *firm*'s satisfaction of this *threshold conditions* set out in paragraphs 2F and 3E of Schedule 6 to the *Act* will not necessarily be limited to a *firm*'s *regulated activities* if the *FCA* believes the *firm*'s other business activities, if any, may impact on a *firm*'s *regulated activities*.

[FCA]

COND 2 Annex 1G is deleted in its entirety. The deleted text is not shown.

## Annex C

## Amendments to the Insurance: Conduct of Business sourcebook (ICOBS)

8 Claims handling

...

8.2 Motor vehicle liability insurers

...

Requirement to appoint claims representatives

~~8.2.2 G A firm must have a claims representative in each EEA State other than the United Kingdom (see threshold condition 2A)~~

8.2.2A R A person carrying on, or seeking to carry on, motor vehicle liability insurance business must have a claims representative in each EEA state other than the United Kingdom.

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance	Section 137A(1)	Section 137G(1)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
business: regulations supplementing Authority's rules)		
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Education Body)	Education Body)	
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

## SCHEDULE A

## Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	None.

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
	Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

**SCHEDULE A****Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

## SCHEDULE A

## Part 4

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None



**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## SCHEDULE A

## Part 6

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	<b>None</b>

**SCHEDULE A****Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A****Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A****Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 18

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# Listing Rules (Sponsors) (Amendment No 4) Instrument 2013

**LISTING RULES (SPONSORS) (AMENDMENT NO 4) INSTRUMENT 2013****WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise the functions referred to in Article 5(1) of the Designation Order, which include the functions of the Financial Conduct Authority of making rules, giving guidance and issuing codes.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2 of the Third Commencement Order commenced the Financial Conduct Authority's rule making powers under sections 17 and 18 of the Financial Services Act 2012.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "Third Commencement Order" means the Financial Services Act 2012 (Commencement No. 3) Order 2013;
  - (4) "the Authority" means the Financial Services Authority;
  - (5) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (6) "the 2012 Act" means the Financial Services Act 2012; and
  - (7) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act.

**Rules etc. made or amended by the Financial Conduct Authority**

2. In accordance with Article 2(1) of the Early Commencement Order, Article 2 of the Third Commencement Order and in the exercise of the powers and related provisions specified in paragraph 4, the Financial Conduct Authority makes, amends, issues, gives or imposes each provision in Annex A and Annex B to this Instrument.
3. In Annex B to this Instrument, the "notes" (indicated by "**Note:**") are included for the convenience of readers but do not form part of the legislative text.

4. The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in Annex A and Annex B to this Instrument in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 73A (Part 6 Rules);
  - (2) section 88 (Sponsors);
  - (3) section 137A (General rule-making power);
  - (4) section 137T (General supplementary powers);
  - (5) section 139A (Power of the FCA to give guidance).
- 5 The rule-making powers in paragraph 4 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 6 The Financial Conduct Authority directs that this Instrument comes into force on the 1 April 2013.

**Amendments to the Handbook**

- 7 The modules of the FCA's Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex A
Listing Rules sourcebook (LR)	Annex B

**Citation**

- 8 This Instrument may be cited as the Listing Rules (Sponsors) (Amendment No 4) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body.**

19 March 2013

**Annex A**

**Amendments to the Glossary of definitions**

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

*operational objectives* [FCA/PRA] as defined in section 1B(3) of the *Act*.

## Annex B

### Amendments to Listing Rules sourcebook (LR)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 8.6 Criteria for approval as a sponsor

...

##### Criteria for approval as a sponsor

8.6.5 R The *FCA* will approve a *person* as a *sponsor* only if it is satisfied that the  
[FCA] *person*:

- (1) is an *authorised person* or a *member* of a *designated professional body*;
- (2) is competent to perform *sponsor services*; and
- (3) has appropriate systems and controls in place to ensure that it can carry out its role as a *sponsor* in accordance with this chapter.

8.6.5A R The *FCA* may impose restrictions or limitations on the services a *sponsor* can  
[FCA] provide at the time of granting a *sponsor's* approval.

8.6.5B G Situations when the *FCA* may impose restrictions or limitations on the services  
[FCA] a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:

- (1) the employees of the *person* applying to be a *sponsor* whom it is proposed will perform *sponsor services* have no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or
- (2) the *person* applying to be a *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *person* applying to be a *sponsor* proposes to undertake.

[Note: A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

...

#### 8.7 Supervision of sponsors

...

##### Supervisory tools

- 8.7.2 G The *FCA* uses a variety of tools to monitor whether a *sponsor*:  
[FCA]
- (1) continues to satisfy the criteria for approval as a *sponsor* as set out in *LR* 8.6.5R; and
  - (2) remains in compliance with all applicable *listing rules*.
- 8.7.2A R The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide at any time following the grant of a *sponsor's* approval.  
[FCA]
- 8.7.2B G Situations when the *FCA* may impose restrictions or limitations on the services a *sponsor* can provide include (but are not limited to) where it appears to the *FCA* that:  
[FCA]
- (1) the *sponsor* has no or limited relevant experience and expertise of providing certain types of *sponsor services* or of providing *sponsor services* to certain types of *company*; or
  - (2) the *sponsor* does not have systems and controls in place which are appropriate for the nature of the *sponsor services* which the *sponsor* is undertaking or proposing to undertake.
- [Note: A *statutory notice* may be required under section 88 of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

...

## Discipline of sponsors

- 8.7.19 R ~~If the *FCA* considers that a *sponsor* has breached any provision of the *listing rules* and considers it appropriate to impose a sanction it will publish a statement censuring the *sponsor*. [deleted]~~  
[FCA]
- 8.7.20 G ~~*EG* sets out the *FCA's* policy on when and how it will use its disciplinary powers, including in relation to a *sponsor*. This includes, at *EG* 18, its approach to cancellation of a *sponsor's* approval on the *FCA's* own initiative. A *statutory notice* may be required under section 88B of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.~~  
[FCA]

...

Suspension of a *sponsor's* approval at the *sponsor's* request

- 8.7.25 R A request by a *sponsor* for its approval as a *sponsor* to be suspended must be in writing and must include:  
[FCA]
- (1) the *sponsor's* name;
  - (2) a clear explanation of the background and reasons for the request;
  - (3) the date on which the *sponsor* requests the suspension to take effect;

- (4) a signed confirmation that the *sponsor* will not provide any *sponsor services* as of the date the request is submitted to the *FCA*; and
- (5) the name and contact details of the *person* at the *sponsor* with whom the *FCA* should liaise with in relation to the request.

8.7.26 G A *sponsor* may withdraw its request at any time before the suspension takes effect. The withdrawal request should initially be made by telephone and then confirmed in writing as soon as possible, with an explanation of the reasons for the withdrawal.  
[FCA]

Sponsors: advancing the FCA's operational objectives

8.7.27 G The *FCA* may impose restrictions or limitations on the services a *sponsor* can provide or suspend a *sponsor's* approval under section 88E of the *Act* if the *FCA* considers it desirable to do so in order to advance one or more of its *operational objectives*.  
[FCA]

[Note: A *statutory notice* may be required under section 88F of the *Act*. Where this is the case, the procedure for giving a *statutory notice* is set out in *DEPP*.]

...

## **Appendix 1 Relevant definitions**

[FCA]

Insert the following new definition in the appropriate alphabetical position in Appendix 1. The text is not underlined.

*operational objectives* as defined in section 1B(3) of the *Act*.

## Appendix 3: Section 19

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# Listing Rules (Cancellation and Suspension Notices) Instrument 2013

**LISTING RULES (CANCELLATION AND SUSPENSION NOTICES)  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise the functions referred to in Article 5(1) of the Designation Order, which include the functions of the Financial Conduct Authority of making rules, giving guidance and issuing codes.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the Authority" means the Financial Services Authority;
  - (4) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (5) "the 2012 Act" means the Financial Services Act 2012; and
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act.

**Rules etc. made by the Financial Conduct Authority**

- 2. In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 3, the Financial Conduct Authority makes each provision in Annex A to this Instrument.
- 3. The Financial Conduct Authority makes the provisions in the Annex to this Instrument in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
  - (1) Section 139A (Power of the FCA to give guidance).

**Commencement: Financial Conduct Authority**

- 4 The Financial Conduct Authority directs that this Instrument comes into force on 1 April 2013.

**Amendments to the Handbook**

- 5 The Listing Rules sourcebook (LR) of the FCA's Handbook of rules and guidance is amended in accordance with the Annex to this Instrument.

**Citation**

- 6 This Instrument may be cited as the Listing Rules (Cancellation and Suspension Notices) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**Annex****Amendments to the Listing Rules sourcebook (LR)**

In this Annex, underlining indicates new text.

Notice of cancellation or suspension

- 5.3.8 G If an issuer requests the FCA to suspend or cancel the listing of its securities under LR 5.3.1R and the FCA agrees to do so, the notification given by the FCA to the issuer will include the following information:
- [FCA]
- (1) the date on which the suspension or cancellation took effect or will take effect;
  - (2) details of the suspension or cancellation; and
  - (3) in relation to requests for suspension, details of the issuer's right to apply for the suspension of its listed securities to be cancelled.

## Appendix 3: Section 20

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# Legal Cutover (Recognised Investment Exchanges and Recognised Auction Platforms) Instrument 2013

**LEGAL CUTOVER (RECOGNISED INVESTMENT EXCHANGES AND  
RECOGNISED AUCTION PLATFORMS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

- 1. In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
  - (8) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
  - (9) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument; and
  - (10) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2.

**Designation of rules etc. by the Financial Conduct Authority**

- 2. In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the

Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:

- (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” in Column 3 of Annex A to this Instrument.
3. As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
- (1) the FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) the FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) the FCA Relevant instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
4. In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

#### **Modification of rules etc. by the Financial Conduct Authority**

5. In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority makes modifications to the FCA Relevant Instrument (or part of that instrument) as specified in Annex B to this Instrument.

#### **Rules etc. made, given or amended by the Financial Conduct Authority**

6. In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, amends, issues, gives or imposes:
- (1) each provision in Annex B to this Instrument that meets all of the conditions in paragraph 7;
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this Instrument that meets all of the conditions in paragraph 8.
7. The conditions referred to in paragraph 6(1) are that a provision is:
- (1) identified as “Made” in Column 2 of Annex A to this Instrument, and
  - (2) identified as “FCA” or in Column 3 of Annex A to this Instrument.
8. The conditions referred to in paragraph 6(2) are that a provisions is:
- (1) identified as “Designated” in column 2 of Annex A to this Instrument, and
  - (2) identified as “FCA” in column 3 of Annex A to this instrument.
9. The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) section 137T (General supplementary powers);
  - (2) section 139A (Power of the FCA to give guidance); and

- (3) section 293 (Notification requirements).
10. The rule-making powers in paragraph 9 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

11. As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) comes into effect on 1 April 2013.
12. The Financial Conduct Authority directs that the provisions of paragraph 6 come into effect on 1 April 2013.
13. The Financial Conduct Authority directs that the provisions specified in paragraph 6 of this Instrument come into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

**Amendments to the Handbook**

14. The Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC) of the FCA's Handbook of rules and guidance is amended in accordance with Annex B to this Instrument.

**Citation**

15. This Instrument may be cited as the Legal Cutover (Recognised Investment Exchanges and Recognised Auction Platforms) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

## Annex A

**Designation of the Recognised Investment Exchanges and Recognised Auction  
Platforms sourcebook (REC)**

In addition to identifying provisions which are Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

(1)	(2)	(3)
<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
REC 1.1.1	Designated	FCA
REC 1.1.1A	Designated	FCA
REC 1.1.2	Designated	FCA
REC 1.1.3	Designated	FCA
REC 1.2.1	Designated	FCA
REC 1.2.2	Designated	FCA
REC 1.2.3	Designated	FCA
REC 2.1.1	Designated	FCA
REC 2.1.1A	Designated	FCA
REC 2.1.2	Designated	FCA
REC 2.1.3	Designated	FCA
REC 2.1.4	Designated	FCA
REC 2.1.5	Designated	FCA
REC 2.2.1	Designated	FCA
REC 2.2.2	Designated	FCA
REC 2.2.3	Designated	FCA
REC 2.2.4	Designated	FCA

REC 2.2.5	Designated	FCA
REC 2.2.6	Designated	FCA
REC 2.2.7	Designated	FCA
REC 2.3.1	Designated	FCA
REC 2.3.2	No longer in force after legal cutover	
REC 2.3.3	Designated	FCA
REC 2.3.4	Designated	FCA
REC 2.3.5	Designated	FCA
REC 2.3.6	Designated	FCA
REC 2.3.7	Designated	FCA
REC 2.3.8	No longer in force after legal cutover	
REC 2.3.9	Designated	FCA
REC 2.3.10	Designated	FCA
REC 2.3.11	Designated	FCA
REC 2.3.12	Designated	FCA
REC 2.3.13	Designated	FCA
REC 2.3.14	Designated	FCA
REC 2.3.15	Designated	FCA
REC 2.3.16	Designated	FCA
REC 2.3.17	Designated	FCA
REC 2.3.18	Designated	FCA
REC 2.3.19	Designated	FCA
REC 2.3.20	Designated	FCA
REC 2.3.21	Designated	FCA
REC 2.3.22	Designated	FCA

REC 2.4.1	Designated	FCA
REC 2.4.2	No longer in force after legal cutover	
REC 2.4.3	Designated	FCA
REC 2.4.4	Designated	FCA
REC 2.4.5	Designated	FCA
REC 2.4.6	Designated	FCA
REC 2.5.1	Designated	FCA
REC 2.5.1A	Designated	FCA
REC 2.5.2	No longer in force after legal cutover	
REC 2.5.3	Designated	FCA
REC 2.5.4	Designated	FCA
REC 2.5.5	Designated	FCA
REC 2.5.6	Designated	FCA
REC 2.5.7	No longer in force after legal cutover	
REC 2.5.8	Designated	FCA
REC 2.5.9	Designated	FCA
REC 2.5.10	Designated	FCA
REC 2.5.11	Designated	FCA
REC 2.5.12	Designated	FCA
REC 2.5.13	Designated	FCA
REC 2.5.14	Designated	FCA
REC 2.5.15	Designated	FCA
REC 2.5.16	Designated	FCA
REC 2.5.17	Designated	FCA

REC 2.5.18	Designated	FCA
REC 2.5.19	Designated	FCA
REC 2.5.20	Designated	FCA
REC 2.5A.1	Designated	FCA
REC 2.5A.2	Designated	FCA
REC 2.5A.3	Designated	FCA
REC 2.5A.4	Designated	FCA
REC 2.5A.5	Designated	FCA
REC 2.5A.6	Designated	FCA
REC 2.5A.7	Designated	FCA
REC 2.6.1	Designated	FCA
REC 2.6.2	Designated	FCA
REC 2.6.3	Designated	FCA
REC 2.6.4	Designated	FCA
REC 2.6.5	Designated	FCA
REC 2.6.6	Designated	FCA
REC 2.6.7	Designated	FCA
REC 2.6.8	Designated	FCA
REC 2.6.9	Designated	FCA
REC 2.6.10	Designated	FCA
REC 2.6.11	Designated	FCA
REC 2.6.12	Designated	FCA
REC 2.6.13	Designated	FCA
REC 2.6.14	Designated	FCA
REC 2.6.15	Designated	FCA
REC 2.6.16	Designated	FCA

REC 2.6.17	Designated	FCA
REC 2.6.18	Designated	FCA
REC 2.6.19	Designated	FCA
REC 2.6.20	Designated	FCA
REC 2.6.21	Designated	FCA
REC 2.6.22	Designated	FCA
REC 2.6.23	Designated	FCA
REC 2.6.24	Designated	FCA
REC 2.6.25	No longer in force after legal cutover	
REC 2.6.26	Designated	FCA
REC 2.6.27	Designated	FCA
REC 2.6.28	Designated	FCA
REC 2.6.29	Designated	FCA
REC 2.6.30	Designated	FCA
REC 2.6.31	Designated	FCA
REC 2.6.32	Designated	FCA
REC 2.6.33	Designated	FCA
REC 2.6.34	Designated	FCA
REC 2.7.1	Designated	FCA
REC 2.7.1A	Designated	FCA
REC 2.7.1B	Designated	FCA
REC 2.7.2	No longer in force after legal cutover	
REC 2.7.2A	No longer in force after legal cutover	
REC 2.7.3	Designated	FCA

REC 2.7.3A	Designated	FCA
REC 2.7.4	Designated	FCA
REC 2.8.1	Designated	FCA
REC 2.8.1A	Designated	FCA
REC 2.8.2	No longer in force after legal cutover	
REC 2.8.3	Designated	FCA
REC 2.8.4	Designated	FCA
REC 2.9.1	Designated	FCA
REC 2.9.2	No longer in force after legal cutover	
REC 2.9.3	Designated	FCA
REC 2.9.4	No longer in force after legal cutover	
REC 2.10.1	Designated	FCA
REC 2.10.2	No longer in force after legal cutover	
REC 2.10.3	Designated	FCA
REC 2.10.4	Designated	FCA
REC 2.11.1	Designated	FCA
REC 2.11.2	No longer in force after legal cutover	
REC 2.11.3	Designated	FCA
REC 2.11.4	Designated	FCA
REC 2.12.1	Designated	FCA
REC 2.12.2	Designated	FCA
REC 2.12.2A	Designated	FCA
REC 2.12.2B	Designated	FCA

REC 2.12.2C	Designated	FCA
REC 2.12.2D	Designated	FCA
REC 2.12.2E	Designated	FCA
REC 2.12.3	No longer in force after legal cutover	
REC 2.12.4	No longer in force after legal cutover	
REC 2.12.5	No longer in force after legal cutover	
REC 2.12.6	No longer in force after legal cutover	
REC 2.12.7	No longer in force after legal cutover	
REC 2.12.8	No longer in force after legal cutover	
REC 2.12.9	No longer in force after legal cutover	
REC 2.12.10	No longer in force after legal cutover	
REC 2.12.11	Designated	FCA
REC 2.12.12	Designated	FCA
REC 2.12.13	No longer in force after legal cutover	
REC 2.12.14	Designated	FCA
REC 2.13.1	Designated	FCA
REC 2.13.2	No longer in force after legal cutover	
REC 2.13.3	Designated	FCA
REC 2.13.4	Designated	FCA
REC 2.13.5	Designated	FCA
REC 2.13.6	Designated	FCA

REC 2.14.1	Designated	FCA
REC 2.14.2	No longer in force after legal cutover	
REC 2.14.3	Designated	FCA
REC 2.14.4	Designated	FCA
REC 2.14.5	Designated	FCA
REC 2.14.6	Designated	FCA
REC 2.15.1	Designated	FCA
REC 2.15.2	No longer in force after legal cutover	
REC 2.15.3	Designated	FCA
REC 2.15.4	Designated	FCA
REC 2.15.5	Designated	FCA
REC 2.15.6	Designated	FCA
REC 2.16.1	Designated	FCA
REC 2.16.2	No longer in force after legal cutover	
REC 2.16.3	Designated	FCA
REC 2.16.4	Designated	FCA
REC 2.16A.1	Designated	FCA
REC 2.16A.2	Designated	FCA
REC 2.17.1	Designated	FCA
REC 2.17.1A	Designated	FCA
REC 2.17.2	Designated	FCA
REC 2.17.3	No longer in force after legal cutover	
REC 2.17.4	No longer in force after legal cutover	

REC 2.17.5	No longer in force after legal cutover	
REC 2.17.6	Designated	FCA
REC 2A.1.1	Designated	FCA
REC 2A.1.2	Designated	FCA
REC 2A.1.3	Designated	FCA
REC 2A.2.1	Designated	FCA
REC 2A.2.2	Designated	FCA
REC 2A.3.1	Designated	FCA
REC 2A.3.2	Designated	FCA
REC 2A.4.1	Designated	FCA
REC 2A.4.2	Designated	FCA
REC 2A.4.3	Designated	FCA
REC 2A.4.4	Designated	FCA
REC 2A.4.5	Designated	FCA
REC 2A.4.6	Designated	FCA
REC 2A.4.7	Designated	FCA
REC 2A.4.8	Designated	FCA
REC 2A.4.9	Designated	FCA
REC 2A.4.10	Designated	FCA
REC 2A.4.11	Designated	FCA
REC 2A.4.12	Designated	FCA
REC 3.1.1	Designated	FCA
REC 3.1.2	Designated	FCA
REC 3.1.3	Designated	FCA
REC 3.1.3A	Designated	FCA

REC 3.1.4	Designated	FCA
REC 3.2.1	Designated	FCA
REC 3.2.2	Designated	FCA
REC 3.2.3	Designated	FCA
REC 3.2.4	Designated	FCA
REC 3.2.5	Designated	FCA
REC 3.2.6	Designated	FCA
REC 3.3.1	Designated	FCA
REC 3.3.2	Designated	FCA
REC 3.3.3	Designated	FCA
REC 3.3.4	Designated	FCA
REC 3.3.5	Designated	FCA
REC 3.3.6	Designated	FCA
REC 3.3.7	Designated	FCA
REC 3.3.8	Designated	FCA
REC 3.3.9	Designated	FCA
REC 3.3.10	Designated	FCA
REC 3.4.1	Designated	FCA
REC 3.4.2	No longer in force after legal cutover	
REC 3.4.2A	Designated	FCA
REC 3.4.2B	Designated	FCA
REC 3.4.3	Designated	FCA
REC 3.4.4	No longer in force after legal cutover	
REC 3.4.4A	Designated	FCA
REC 3.4.5	Designated	FCA

REC 3.4.6	Designated	FCA
REC 3.4.7	Designated	FCA
REC 3.5.1	Designated	FCA
REC 3.5.2	Designated	FCA
REC 3.5.3	Designated	FCA
REC 3.6.1	Designated	FCA
REC 3.6.2	Designated	FCA
REC 3.6.3	Designated	FCA
REC 3.6.4	Designated	FCA
REC 3.6.5	Designated	FCA
REC 3.6.6	Designated	FCA
REC 3.6.7	Designated	FCA
REC 3.7.1	Designated	FCA
REC 3.7.2	Designated	FCA
REC 3.8.1	Designated	FCA
REC 3.8.2	Designated	FCA
REC 3.8.3	Designated	FCA
REC 3.8.4	Designated	FCA
REC 3.8.5	Designated	FCA
REC 3.8.6	Designated	FCA
REC 3.8.7	Designated	FCA
REC 3.9.1	Designated	FCA
REC 3.9.2	Designated	FCA
REC 3.10.1	Designated	FCA
REC 3.11.1	Designated	FCA
REC 3.12.1	Designated	FCA

REC 3.12.2	Designated	FCA
REC 3.13.1	Designated	FCA
REC 3.13.2	Designated	FCA
REC 3.13.3	Designated	FCA
REC 3.14.1	Designated	FCA
REC 3.14.2	Designated	FCA
REC 3.14.2A	Designated	FCA
REC 3.14.3	Designated	FCA
REC 3.14.4	No longer in force after legal cutover	
REC 3.14.5	Designated	FCA
REC 3.14.6	Designated	FCA
REC 3.14.7	Designated	FCA
REC 3.14.8	Designated	FCA
REC 3.14.9	Designated	FCA
REC 3.14.10	Designated	FCA
REC 3.14.11	Designated	FCA
REC 3.14A.1	Designated	FCA
REC 3.14A.2	Designated	FCA
REC 3.14A.3	Designated	FCA
REC 3.14A.4	Designated	FCA
REC 3.14A.5	Designated	FCA
REC 3.14A.6	Designated	FCA
REC 3.15.1	Designated	FCA
REC 3.15.2	Designated	FCA
REC 3.15.2A	Designated	FCA

REC 3.15.3	Designated	FCA
REC 3.15.4	Designated	FCA
REC 3.15.5	Designated	FCA
REC 3.15.6	Designated	FCA
REC 3.15.7	Designated	FCA
REC 3.15.8	Designated	FCA
REC 3.15.9	Designated	FCA
REC 3.16.1	Designated	FCA
REC 3.16.2	Designated	FCA
REC 3.16.3	Designated	FCA
REC 3.17.1	Designated	FCA
REC 3.18.1	Designated	FCA
REC 3.18.2	Designated	FCA
REC 3.18.3	Designated	FCA
REC 3.18.4	Designated	FCA
REC 3.19.1	Designated	FCA
REC 3.19.2	Designated	FCA
REC 3.20.1	Designated	FCA
REC 3.20.2	Designated	FCA
REC 3.21.1	Designated	FCA
REC 3.22.1	Designated	FCA
REC 3.22.2	Designated	FCA
REC 3.23.1	Designated	FCA
REC 3.24.1	Designated	FCA
REC 3.24.2	Designated	FCA
REC 3.25.1	Designated	FCA

REC 3.26.1	Designated	FCA
REC 3.26.2	Designated	FCA
REC 3.26.3	Designated	FCA
REC 3.26.4	Designated	FCA
REC 3.26.5	Designated	FCA
REC 3.26.6	Designated	FCA
REC 3.26.7	Designated	FCA
REC 3.26.8	Designated	FCA
REC 3.26.9	Designated	FCA
REC 4.1.1	Designated	FCA
REC 4.1.2	Designated	FCA
REC 4.1.3	Designated	FCA
REC 4.1.4	Designated	FCA
REC 4.1.5	Designated	FCA
REC 4.2.1	Designated	FCA
REC 4.2.2	Designated	FCA
REC 4.2.3	Designated	FCA
REC 4.2.4	Designated	FCA
REC 4.2A.1	Designated	FCA
REC 4.2A.2	Designated	FCA
REC 4.2A.3	Designated	FCA
REC 4.2B.1	Designated	FCA
REC 4.2B.2	Designated	FCA
REC 4.2B.3	Designated	FCA
REC 4.2B.4	Designated	FCA
REC 4.2C.1	Designated	FCA

REC 4.2C.2	Designated	FCA
REC 4.2C.3	Designated	FCA
REC 4.2C.4	Designated	FCA
REC 4.2C.5	Designated	FCA
REC 4.2C.6	Designated	FCA
REC 4.2C.7	Designated	FCA
REC 4.2C.8	Designated	FCA
REC 4.2C.9	Designated	FCA
REC 4.2D.1	Designated	FCA
REC 4.2D.2	Designated	FCA
REC 4.2D.3	Designated	FCA
REC 4.2D.4	Designated	FCA
REC 4.2D.5	Designated	FCA
REC 4.2D.6	Designated	FCA
REC 4.2E.1	Designated	FCA
REC 4.2F.1	Made	FCA
REC 4.2G.1	Made	FCA
REC 4.3.1	Designated	FCA
REC 4.3.2	Designated	FCA
REC 4.3.3	Designated	FCA
REC 4.4.1	Designated	FCA
REC 4.4.2	Designated	FCA
REC 4.4.3	Designated	FCA
REC 4.4.4	Designated	FCA
REC 4.4.5	Designated	FCA
REC 4.4.6	Designated	FCA

REC 4.5.1	Designated	FCA
REC 4.5.2	Designated	FCA
REC 4.5.3	Designated	FCA
REC 4.5.4	Designated	FCA
REC 4.5.5	Designated	FCA
REC 4.5.6	Designated	FCA
REC 4.5.7	Designated	FCA
REC 4.5.8	Designated	FCA
REC 4.5.9	Designated	FCA
REC 4.5.10	Designated	FCA
REC 4.5.11	Designated	FCA
REC 4.6.1	Designated	FCA
REC 4.6.2	No longer in force after legal cutover	
REC 4.6.3	Designated	FCA
REC 4.6.4	Designated	FCA
REC 4.6A.1	Made	
REC 4.7.1	Designated	FCA
REC 4.7.2	Designated	FCA
REC 4.7.3	Designated	FCA
REC 4.7.4	Designated	FCA
REC 4.7.5	Designated	FCA
REC 4.8.1	Designated	FCA
REC 4.8.2	Designated	FCA
REC 4.8.3	Designated	FCA
REC 4.8.4	Designated	FCA

REC 4.8.5	Designated	FCA
REC 4.8.6	Designated	FCA
REC 4.8.7	No longer in force after legal cutover	
REC 4.8.8	No longer in force after legal cutover	
REC 4.8.9	Designated	FCA
REC 4.8.10	Made	FCA
REC 4.9.1	Made	FCA
REC 4.9.2	Made	FCA
REC 5.1.1	Designated	FCA
REC 5.1.1A	Designated	FCA
REC 5.1.2	Designated	FCA
REC 5.1.3	No longer in force after legal cutover	
REC 5.1.4	No longer in force after legal cutover	
REC 5.1.5	No longer in force after legal cutover	
REC 5.1.6	No longer in force after legal cutover	
REC 5.1.7	No longer in force after legal cutover	
REC 5.2.1	Designated	FCA
REC 5.2.1A	Designated	FCA
REC 5.2.2	Designated	FCA
REC 5.2.3	Designated	FCA
REC 5.2.3A	Designated	FCA
REC 5.2.4	Designated	FCA

REC 5.2.5	Designated	FCA
REC 5.2.5A	Designated	FCA
REC 5.2.6	Designated	FCA
REC 5.2.6A	Designated	FCA
REC 5.2.7	Designated	FCA
REC 5.2.8	Designated	FCA
REC 5.2.9	No longer in force after legal cutover	
REC 5.2.10	No longer in force after legal cutover	
REC 5.2.11	No longer in force after legal cutover	
REC 5.2.12	Designated	FCA
REC 5.2.13	No longer in force after legal cutover	
REC 5.2.14	Designated	FCA
REC 6.1.1	Designated	FCA
REC 6.1.2	Designated	FCA
REC 6.2.1	Designated	FCA
REC 6.2.2	Designated	FCA
REC 6.2.3	Designated	FCA
REC 6.2.4	Designated	FCA
REC 6.2.5	Designated	FCA
REC 6.2.6	Designated	FCA
REC 6.3.1	Designated	FCA
REC 6.3.2	Designated	FCA
REC 6.3.3	Designated	FCA
REC 6.4.1	No longer in force after	

	legal cutover	
REC 6.4.2	No longer in force after legal cutover	
REC 6.5.1	Designated	FCA
REC 6.5.2	Designated	FCA
REC 6.5.3	No longer in force after legal cutover	
REC 6.6.1	Designated	FCA
REC 6.6.2	Designated	FCA
REC 6.6.3	Designated	FCA
REC 6.6.4	Designated	FCA
REC 6.6.5	Designated	FCA
REC 6.6.6	Designated	FCA
REC 6.7.1	Designated	FCA
REC 6.7.2	Designated	FCA
REC 6.7.3	Designated	FCA
REC 6.7.4	Designated	FCA
REC 6.7.5	Designated	FCA
REC 6.7.6	Designated	FCA
REC 6.7.7	Designated	FCA
REC 6.7.8	Designated	FCA
REC 6.7.9	Designated	FCA
REC 6.7.10	Designated	FCA
REC 6.7.11	Designated	FCA
REC 6.7.12	Designated	FCA
REC 6.7.13	Designated	FCA
REC 6.8.1	Designated	FCA

REC 6.8.2	Designated	FCA
REC 6A.1.1	Designated	FCA
REC 6A.1.2	Designated	FCA
REC 6A.1.3	Designated	FCA
REC 6A.1.4	Designated	FCA
REC 6A.2.1	Designated	FCA
REC 6A.2.2	Designated	FCA
REC 6A.2.3	Designated	FCA
REC 6A.2.4	Designated	FCA
REC 6A.2.5	Designated	FCA
REC 6A.2.6	Designated	FCA
REC 6A.2.7	Designated	FCA
REC TP 1.1	Designated	FCA
REC TP 1.2	No longer in force after legal cutover	
REC Sch 1.1	Designated	FCA
REC Sch 2.1	Designated	FCA
REC Sch 2.2	Designated	FCA
REC Sch 3.1	No longer in force after legal cutover	
REC Sch 3.2	No longer in force after legal cutover	
REC Sch 4.1	No longer in force after legal cutover	
REC Sch 4.2	No longer in force after legal cutover	
REC Sch 5.1	Designated	FCA
REC Sch 6.1	Designated	FCA

## Annex B

## Amendments to the Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (REC)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

### Recognised Investment Exchanges and ~~Recognised Clearing Houses~~

#### 1 Introduction

##### 1.1 Application

[Note: ESMA has also issued guidelines under article 16(3) of the ESMA Regulation covering various topics relating to automated trading and direct electronic access. See [http://www.fsa.gov.uk/static/pubs/other/esma\\_guidelines.pdf](http://www.fsa.gov.uk/static/pubs/other/esma_guidelines.pdf) [web address tbc]

1.1.1 G The *rules and guidance* in this sourcebook apply to *recognised bodies* and to applicants for recognition as ~~recognised bodies~~ RIEs under Part XVIII of the Act (Recognised Investment Exchanges and Clearing Houses) and ~~(for as RAPs)~~ under the *RAP regulations*.  
[FCA]

...

1.1.2 G (1) ~~Recognised bodies~~ UK RIEs are *exempt persons* under section 285 of the *Act* (Exemption for recognised investment exchanges and clearing houses).  
[FCA]

(2) ~~UK recognised bodies~~ UK RIEs other than ~~RAPs~~ must satisfy *recognition requirements* prescribed by the Treasury (in certain cases with the approval of the Secretary of State) in the *Recognition Requirements Regulations*. *UK RIEs* must also satisfy the *MiFID implementing requirements* in the *MiFID Regulation*. *RAPs* must satisfy the *recognition requirements* prescribed by the Treasury in the *RAP regulations*, under the *auction regulation* and must also be *UK RIEs* and so are subject to requirements under the *MiFID Regulation*. ~~Overseas recognised bodies~~ ROIEs must satisfy *recognition requirements* laid down in section 292 of the *Act* (Overseas investment exchanges and overseas clearing houses).

(3) ~~Recognised bodies~~ UK RIEs must also comply with notification requirements in, and with *notification rules* made under, sections 293 (Notification requirements) and 295 (Notification: overseas investment exchanges and clearing houses) of the *Act*.

1.1.3 G ...  
[FCA]

- (3) *Guidance* on the ~~FSA's~~ FCA's approach to the supervision of *recognised bodies* is given in *REC* 4.

...

- (5) The *recognition requirements, notification rules, and guidance* for ~~overseas recognised bodies~~ ROIEs and *guidance* for applicants (and potential applicants) for ~~overseas recognised body~~ ROIE status are set out in *REC* 6.

...

## 1.2 Purpose, status and quotations

...

### 1.2.2 G ...

[FCA]

- (2) Where the *guidance* states that the ~~FSA~~ FCA may have regard to any factor in assessing or determining whether a *recognised body requirement* is satisfied, it means that the ~~FSA~~ FCA will take that factor into account so far as it is relevant.
- (3) In determining whether a *recognised body* satisfies the *recognised body requirements*, the ~~FSA~~ FCA will have regard to any relevant factor, including, but not limited to, the factors specifically discussed in the *guidance*.

Quotations

### 1.2.3 G ...

[FCA]

- (4) As these quotations contain provisions which impose obligations, they are printed in bold type. The use of bold type is not intended to indicate that these quotations are *rules* made by the ~~FSA~~ FCA.
- (5) None of the editorial changes made by the ~~FSA~~ FCA in these quotations can supersede or alter the meaning of the provision concerned.

## 2 Recognition Requirements

### 2.1 Introduction

- 2.1.1 G This chapter contains the *recognition requirements* for ~~UK recognised bodies~~ UK RIEs (other than *RAPs*) and sets out *guidance* on those requirements. Except for *REC* 2.5A, references to *recognised body* or *UK recognised bodies*

[FCA]

in the rest of this chapter shall be read as referring to UK RIEs. This chapter also contains the *MiFID implementing requirements* for UK RIEs.

2.1.1A [FCA] G Guidance on the *RAP recognition requirements* which apply to *RAPs* is set out in *REC 2A* (Recognised Auction Platforms). *Guidance on the recognition requirements for ~~overseas recognised bodies~~ ROIEs* is set out in *REC 6* (Overseas Investment Exchanges and ~~Overseas Clearing Houses~~).

2.1.2 [FCA] G These *recognition requirements* must be satisfied by applicants for ~~recognised body~~ *UK RIE* status before recognition is granted and by all ~~UK recognised bodies~~ *UK RIEs* at all times while they are recognised. In addition the *MiFID implementing requirements* must be satisfied by applicants for *UK RIE* status before recognition is granted and by all *UK RIEs* at all times while they are recognised. The same standards apply both on initial recognition and throughout the period *recognised body* status is held. The ~~terms term~~ *UK RIE* or ~~UK RCH~~ in the *guidance* should be taken, therefore, to refer also to an applicant when appropriate.

2.1.3 [FCA] G (1) The paragraphs in the Schedule to the *Recognition Requirements Regulations* are grouped in this sourcebook in sections which give *guidance* on the same subject for ~~both UK RIEs and UK RCHs~~.

(2) ...

2.1.4 [FCA] G Location of recognition requirements and guidance

Recognition Requirements Regulations	Subject	Section in REC 2
...	...	...
Part III of the Schedule	UK RCH recognition requirements	-
Paragraph 16	Financial resources	2.3
Paragraph 17	Suitability	2.4
Paragraph 18	Systems and controls	2.5
Paragraph 19(1)	General safeguards for investors	2.6
Paragraph 19(2)(a)	Access to facilities	2.7
Paragraph 19(2)(b)	Clearing services	2.8
Paragraph 19(2)(c)	Transactions recording	2.9
Paragraph 19(2)(d)	Financial crime and market abuse	2.10

Paragraph 19(2)(e)	Custody	2.11
Paragraph 20	Promotion and maintenance of standards	2.13
Paragraph 21	Rules	2.14
Paragraph 22	Discipline	2.15
Paragraph 23	Complaints	2.16
Part IV of the Schedule	UK RCH default rules in respect of market contracts	2.17

...

## 2.2 Method of satisfying the recognition requirements

### 2.2.1 UK Recognition Requirements Regulations, Regulation 6

[FCA]

<p><b>(1) In considering whether a [UK recognised body] or applicant satisfies recognition requirements applying to it under these [Recognition Requirements Regulations], the [FSA FCA] may take into account all relevant circumstances including the constitution of the person concerned and its regulatory provisions and practices within the meaning of section 302(1) <u>300E</u> of the Act.</b></p>
...

Relevant circumstances

### 2.2.2 G The FSA FCA will usually expect:

[FCA]

...

Outsourcing

### 2.2.3 G It is the UK recognised body's responsibility to demonstrate to the FSA FCA that a person who performs a function on behalf of the UK recognised body is fit and proper and able and willing to perform that function. The recognition requirement referred to in Regulation 6(3) applies to the UK recognised body and not to any person who performs any function on its behalf. In this context, for a person to be "fit and proper" does not necessarily imply that he is an authorised person, or qualified to be so, or that the required standard is

[FCA]

the same as that required either for *authorised persons* or *recognised bodies*.

...

2.2.6 G In determining whether the *UK recognised body* meets the *recognition requirement* in Regulation 6(3), the ~~FSA~~ FCA may have regard to whether that body has ensured that the *person* who performs that function on its behalf:

[FCA]

...

2.2.7 G In determining whether a *UK recognised body* continues to satisfy the *recognition requirements* where it has made arrangements for any function to be performed on its behalf by any *person*, the ~~FSA~~ FCA may have regard, in addition to any of the matters described in the appropriate section of this chapter, to the arrangements made to exercise control over the performance of the function, including:

[FCA]

...

## 2.3 Financial resources

2.3.1 UK Schedule to the Recognition Requirements Regulations, Paragraph 1

[FCA]

**(1) The [UK RIE] must have financial resources sufficient for the proper performance of its [relevant functions] as a [UK RIE].**

**(2) In considering whether this requirement is satisfied, the [FSA FCA] must (without prejudice to the generality of regulation 6(1)) take into account all the circumstances, including the [UK RIE's] connection with any person, and any activity carried on by the [UK RIE], whether or not it is an exempt activity.**

2.3.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 16~~

~~**(1) The [UK RCH] must have financial resources sufficient for the proper performance of its [relevant functions] as a [UK RCH].**~~

~~**(2) In considering whether this requirement is satisfied, the [FSA] may (without prejudice to the generality of regulation 6(1)) take into account all the circumstances, including the [UK RCH's] connection with any person, and any activity carried on by the [UK RCH], whether or not it is an exempt activity. [deleted]**~~

2.3.3 G In determining whether a *UK recognised body* has financial resources sufficient for the proper performance of its *relevant functions*, the ~~FSA~~ FCA may have regard to:

[FCA]

...

(2) if the *UK recognised body* ~~acts as a central counterparty or otherwise~~ guarantees the performance of transactions in *specified investments*,

the counterparty and market risks to which it is exposed in that capacity;

...

- (7) ~~in relation to a UK RIE~~, the nature and extent of the transactions concluded on the *UK RIE*.

#### Accounting information and standards

- 2.3.4 [FCA] G The ~~FSA~~ FCA will usually rely on a *UK recognised body's* published and internal *management accounts* and financial projections, provided that those accounts and projections are prepared in accordance with *UK*, *US* or international accounting standards.

#### Counterparty and market risks: principles

- 2.3.5 [FCA] G In assessing whether a *UK recognised body* has sufficient financial resources in relation to counterparty and market risks, the ~~FSA~~ FCA may have regard to:

...

#### Operational and other risks: principles

- 2.3.6 [FCA] G In assessing whether a *UK recognised body* has sufficient financial resources in relation to operational and other risks, the ~~FSA~~ FCA may have regard to the extent to which, after allowing for the financial resources necessary to cover counterparty and market risks, the *UK recognised body's* financial resources are sufficient and sufficiently liquid:

...

#### Operational and other risks: components of calculation

- 2.3.7 [FCA] G In considering whether a *UK recognised body* has sufficient financial resources in relation to operational and other risks, the ~~FSA~~ FCA will normally have regard to two components: eligible financial resources and net capital.

#### ~~Operational and other risk: UK RCHs—the standard approach~~

- 2.3.8 G (1) ~~The FSA considers that a UK RCH which at any time holds:~~
- ~~(a) eligible financial resources not less than the amount calculated under the standard approach; and~~
  - ~~(b) net capital not less than the amount of eligible financial resources calculated under (a);~~

~~will, at that time, have sufficient financial resources to meet the recognition requirement in respect of operational and other risks~~

~~unless there are special circumstances indicating otherwise. [deleted]~~

- (2) ~~The FSA would normally regard the amount calculated under REC 2.3.8G(1) to be a minimum amount of financial resources below which a UK RCH would be failing the recognition requirements. The FSA would normally expect a UK RCH to hold, in addition to this minimum amount, an amount constituting an operational risk buffer calculated in accordance with REC 2.3.22G. [deleted]~~

Operational and other risks: UK RIEs – the standard and risk-based approach

- 2.3.9 [FCA] G (1) The ~~FSA~~ FCA considers that a UK RIE which at any time holds:  
...
- (2) The ~~FSA~~ FCA would normally regard the amount calculated under REC 2.3.9G(1)(a)(i) to be a minimum amount of financial resources below which a UK RIE would be failing the *recognition requirements*. The ~~FSA~~ FCA would expect a UK RIE to hold, in addition to this minimum amount, an amount constituting an operational risk buffer calculated in accordance with REC 2.3.22G.

Operational and other risks: individual guidance

- 2.3.10 [FCA] G The ~~FSA~~ FCA would expect to provide a UK recognised body with individual *guidance* on the amount of eligible financial resources which it considers would be sufficient for the UK recognised body to hold in respect of operational and other risks in order to satisfy the *recognition requirements*. In formulating its individual *guidance*, the ~~FSA~~ FCA will ordinarily apply the approach described in ~~REC 2.3.8G, for UK RCHs, and REC 2.3.9G, for UK RIEs.~~

...

Operational and other risks: net capital

- 2.3.12 [FCA] G For the purposes of REC 2.3, “net capital” should be in the form of equity. For this purpose, the ~~FSA~~ FCA considers that the common stock, retained earnings, disclosed reserves and other instruments classified as common equity tier one capital or additional tier one capital constitute equity. The ~~FSA~~ FCA considers that, when calculating its net capital, a UK recognised body:
- (1) should deduct holdings of its own securities, or those of any undertaking in the same *group* as the UK recognised body, together with any amount owed to the UK recognised body by an undertaking in its *group* under any loan or credit arrangement and any exposure arising under any guarantee, charge or contingent liability given in favour of such an undertaking or a creditor of such undertaking; and

...

Operational and other risks: eligible financial resources calculated under the

standard approach

2.3.13 G ...  
[FCA]

- (2) Under the standard approach, the *FSA FCA* assumes liquid financial assets are needed to cover the costs that would be incurred during an orderly wind-down of the *UK recognised body's exempt activities*, while continuing to satisfy all the *recognition requirements* and complying with any other obligations under the *Act* (including the obligations to pay periodic fees to the *FSA FCA*).
- (3) For the purposes of the standard approach, the *FSA FCA* would normally expect the calculation of operating costs to be based on the *UK recognised body's* most recent audited annual accounts, with six months of operating costs being equal to one half of the sum of all operating costs reflected in the audited annual accounts of the *UK recognised body* in the course of performing its functions during the year to which the accounts relate. In calculating the gross annual operating costs, the *FSA FCA* would consider it reasonable to exclude non-cash costs (costs that do not involve an outflow of funds).
- (4) The *FSA FCA* considers it to be reasonable for a *UK recognised body* to adjust its operating expenditure calculation if, during the period since its last audited accounts were prepared, its level of operating expenditure has changed materially as documented by the current annual budget or forecast adopted by the *UK recognised body's governing body*.
- (5) The *FSA FCA* considers that it is reasonable for a *UK recognised body* to adjust its operating expenditure to take account of arrangements between two or more undertakings in the same *group*, which are all subject to prudential regulation in the *United Kingdom* under which specified costs are shared or recharged among those undertakings and those costs would otherwise be double-counted in the calculation of their financial resources requirement.

...

Operational and other risks: the risk-based assessment (UK RIEs only)

2.3.15 G For the purposes of calculating the risk-based approach, the *FSA FCA* would normally expect the *UK RIE* to provide the *FSA FCA* with an annual financial risk assessment that identifies the risks to its business. As a financial risk assessment is likely to form an integral part of the *UK RIE's* management process and decision-making culture, the *FSA FCA* would normally expect it to be approved by the *UK RIE's governing body*.  
[FCA]

2.3.16 G The *FSA FCA* would normally expect to use the financial risk assessment prepared by the *UK RIE* in the course of preparing individual *guidance* on the amount of financial resources that it considers is sufficient for a *UK RIE* to  
[FCA]

hold in order to satisfy the *recognition requirements*. The financial risk assessment would provide the basis for calculating the amount of eligible financial resources that should be held by the *UK RIE* under the risk-based approach.

- 2.3.17 G The financial risk assessment should be based on a methodology which provides a reasonable estimate of the potential business losses which a *UK RIE* might incur in stressed but plausible market conditions. The ~~FSA~~ FCA would expect a *UK RIE* to carry out a financial risk assessment at least once in every twelve-month period, or more frequently if there are material changes in the nature, scale or complexity of the *UK RIE's* operations or its business plans that suggest such financial risk assessment no longer provides a reasonable estimate of its potential business losses. The ~~FSA~~ FCA considers that it would be reasonable for a financial risk assessment to proceed in the following way:

...

In designing its stress and scenario testing plan, the ~~FSA~~ FCA considers that it would be reasonable for a *UK RIE* to be guided by any risk-scoring methodology that it deploys for general risk-management purposes that might have application in evaluating the probability and impact of its risks.

~~The FSA would not expect a UK RIE which undertakes central counterparty clearing activities to include within its range of stress events the potential default of a participant or other entity (such as another central counterparty which is not a participant).~~

- (3) Step 3: the *UK RIE* would assess the eligible financial resources that it would need to hold to cover such potential business losses. Such eligible financial resources would enable the *UK RIE* to absorb any financial shocks attributable to such business risks were they to arise.

In carrying out this assessment, the ~~FSA~~ FCA considers that it would be reasonable for a *UK RIE* to take account of any action which its senior management might plan on taking in response to a given stress event. For example, if the risk appetite of a *UK RIE* is such that it would not pursue recovery from a given stress event (and would instead initiate an orderly wind-down), the assessment of eligible financial resources needed in such circumstances might reasonably be limited to the costs of orderly wind-down from the point in time at which that decision would be likely to be made.

Where a *UK RIE* expects to be making a loss during the period covered by the financial risk assessment as a result of its anticipated business performance in normal market conditions, the business losses which are relevant to the calculation of the risk-based approach are those additional losses which the *UK RIE* would expect to incur in stressed but plausible market conditions.

- (4) Step 4: the *UK RIE* would make an assessment of the cost of orderly closure. The ~~FSA~~ FCA considers that an orderly closure should normally include an assessment of the impact of closure on the users of the markets operated by that *UK RIE*. For the purpose of this assessment, the ~~FSA~~ FCA considers that it would be reasonable for a *UK RIE* to adopt the amount needed under the standard approach as its cost of orderly closure or to use its own method of calculation based on a scenario plan which comprehensively documents the costs that a *UK RIE* in its position might incur in order to fully implement an orderly wind-down.

...

2.3.18 G The ~~FSA~~ FCA would normally expect a financial risk assessment to include a description of the methodology applied by the *UK RIE* to arrive at the proposal made in accordance with *REC 2.3.17G(5)*.  
[FCA]

2.3.19 G Where a *UK RIE* is a member of a *group*, the ~~FSA~~ FCA would normally expect the annual risk assessment to be accompanied by a consolidated balance sheet:  
[FCA]

...

2.3.20 G The ~~FSA~~ FCA would expect to consider the financial risk assessment, any proposal with respect to an operational risk buffer and, if applicable, the consolidated balance sheet, in formulating its *guidance* on the amount of eligible financial resources it considers to be sufficient for the *UK RIE* to hold in order to meet the *recognition requirements*. In formulating its guidance, the ~~FSA~~ FCA would, where relevant, consider whether or not the financial risk assessment makes adequate provision for the following risks:  
[FCA]

...

#### Operational and other risks: purpose of the risk buffer

2.3.21 G The ~~FSA~~ FCA would normally consider a *UK recognised body* to be failing the *recognition requirements* if it held financial resources less than the amount calculated under ~~*REC 2.3.8G* (in respect of *UK RCHs*) and *REC 2.3.9G(1)(a)(i)*~~ (in respect of *UK RIEs*). The ~~FSA~~ FCA therefore expects a *UK recognised body* to hold an operational risk buffer of a sufficient amount in excess of this minimum, to ensure that it is at all times able to comply with its regulatory obligations.  
[FCA]

#### Operational and other risks: calculation of the operational risk buffer – UK recognised bodies

2.3.22 G (1) ~~The *FSA* would normally expect a *UK RCH* to hold, in addition to the minimum amount determined under *REC 2.3.8G*, an operational risk buffer equal to 50% of the amount calculated under *REC 2.3.8G(1)*.~~ [deleted]  
[FCA]

- (2) The ~~FSA~~ FCA would normally expect a *UK RIE* to hold, in addition to the minimum amount determined under *REC 2.3.9G(1)(a)(i)*, an operational risk buffer consistent with a risk-based approach.
- (a) Where the amount of eligible financial resources calculated by a *UK RIE* under *REC 2.3.17G(5)* (the risk-based approach) is greater than the amount of eligible financial resources calculated under *REC 2.3.13G* (the standard approach), and the difference is of an amount sufficient to serve the purposes of the operational risk buffer, then the ~~FSA~~ FCA considers that there would be no need for a *UK RIE* to hold any further amount as an operational risk buffer.
- (b) Where the amount of eligible financial resources calculated by a *UK RIE* under *REC 2.3.17G(5)* (the risk-based approach) is not sufficient to provide an effective operational risk buffer over and above the amount calculated under *REC 2.3.13G* (the standard approach), then the ~~FSA~~ FCA would expect the *UK RIE* to include within its annual risk assessment a proposal to hold additional financial resources sufficient to constitute an operational risk buffer.
- (3) As the operational risk buffer is an amount in excess of the minimum financial resources sufficient to meet the *recognition requirements*, the ~~FSA~~ FCA would normally not regard a *UK recognised body* that draws upon or temporarily depletes the operational risk buffer to have failed or be failing a *recognition requirement* in respect of its financial resources. However, the ~~FSA~~ FCA would expect to be notified as soon as reasonably practicable if the *UK recognised body* draws upon, or intends to draw upon, its operational risk buffer.

## 2.4 Suitability

2.4.1 UK Schedule to the Recognition Requirement Regulations, Paragraph 2

[FCA]

...
<b>(2) In considering whether this requirement is satisfied, the <del>[FSA]</del> <u>FCA</u> may (without prejudice to the generality of regulation 6(1)) take into account all the circumstances, including the <del>[UK RIE's]</del> connection with any person.</b>
...

2.4.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 17~~

<del>(1) The <del>[UK RCH]</del> must be a fit and proper person to perform the <del>[relevant functions]</del> of a <del>[UK RCH]</del>.</del>
-------------------------------------------------------------------------------------------------------------------------------------------------

~~(2) In considering whether this requirement is satisfied, the [FSA] may (without prejudice to the generality of regulation 6(1)) take into account all the circumstances including the [UK RCH's] connection with any person.~~

[deleted]

2.4.3 G In determining whether a *UK recognised body* is a fit and proper *person*, the [FCA] ~~FSA~~ FCA may have regard to any relevant factor including, but not limited to:

2.4.4 G In determining whether a *UK recognised body* is a fit and proper *person*, the [FCA] ~~FSA~~ FCA may have regard to its connections with:

...

2.4.5 G In assessing whether its connection with any *person* could affect whether a *UK recognised body* is a fit and proper *person*, the [FCA] ~~FSA~~ FCA may have regard to:

...

2.4.6 G In assessing whether the *persons* who effectively direct the business and operations of the *UK RIE* are of sufficiently good repute and sufficiently experienced to ensure the sound and prudent management and operation of the financial markets operated by it, the [FCA] ~~FSA~~ FCA may have regard to the repute and experience of the *UK RIE's key individuals*.

## 2.5 Systems and controls and conflicts

...

2.5.2 UK ~~Schedule to the Recognition Requirements Regulations, paragraph 18~~

(1)	<del>The [UK RCH] must ensure that the systems and controls used in the performance of its [relevant functions] are adequate, and appropriate for the scale and nature of its business.</del>	
(2)	<del>This requirement applies in particular to systems and controls concerning-</del>	
	(a)	<del>the transmission of information;</del>
	(b)	<del>the assessment and management of risks to the performance of the [UK RCH's relevant functions];</del>
	(c)	<del>the operation of the arrangements mentioned in paragraph 19(2)(b); and</del>
	(d)	<del>(where relevant) the safeguarding and administration of assets</del>

		belonging to users of the [UK RCH's] facilities.
--	--	--------------------------------------------------

[deleted]

2.5.3 G In assessing whether the systems and controls used by a *UK recognised body* [FCA] in the performance of its *relevant functions* are adequate and appropriate for the scale and nature of its business, the ~~FSA~~ FCA may have regard to the *UK recognised body's*:

...

2.5.4 G The following paragraphs set out other matters to which the ~~FSA~~ FCA may [FCA] have regard in assessing the systems and controls used for the transmission of information, risk management, the effecting and monitoring of transactions, the operation of settlement arrangements (the matters covered in ~~paragraphs paragraph~~ paragraph 4(2)(d) ~~and 19(2)(b)~~ of the Schedule to the Recognition Requirements Regulations) and the safeguarding and administration of assets.

#### Information transmission

2.5.5 G In assessing a *UK recognised body's* systems and controls for the [FCA] transmission of information, the ~~FSA~~ FCA may also have regard to the extent to which these systems and controls ensure that information is transmitted promptly and accurately:

...

#### Risk management

2.5.6 G In assessing a *UK recognised body's* systems and controls for assessing and [FCA] managing risk, the ~~FSA~~ FCA may also have regard to the extent to which these systems and controls enable the *UK recognised body* to:

...

2.5.7 G ~~Where the *UK recognised body* assumes significant counterparty risk (for example, by acting as a central counterparty), the ~~FSA~~ may also have regard to:~~

- ~~(1) the position of the risk management department within the *UK recognised body*, including its access to the *governing body* and its relationship with the commercial or marketing departments of the *UK recognised body*;~~
- ~~(2) the frequency with which all exposures and risks incurred by the *UK recognised body* are monitored against risk or exposure limits or other appropriate control parameters;~~
- ~~(3) the frequency with which risk or exposure limits (or other control parameters) are reviewed;~~
- ~~(4) the reliability of the arrangements for monitoring and assessing intra-~~

~~day movements in exposures and risks;~~

- (5) ~~the robustness of the arrangements for calculating, collecting and holding margin payments and the allocation of losses; and~~
- (6) ~~the arrangements for stress testing of the adequacy of the UK recognised body's financial resources to cover its exposures which may arise, for example, with substantial movements in market values or counterparty defaults. [deleted]~~

Effecting and monitoring of transactions and operation of settlement arrangements

2.5.8 [FCA] G In assessing a *UK RIE's* systems and controls for the effecting and monitoring of transactions, and ~~the systems and controls used by a UK recognised body~~ for the operation of settlement arrangements, the ~~FSA FCA~~ may have regard to the totality of the arrangements and processes through which a the UK RIE's transactions is are effected, cleared, and settled, including:

- (1) a *UK RIE's* arrangements under which orders are received and matched, ~~and~~ its arrangements for trade and transaction reporting, and (if relevant) its arrangements with another person under which any rights or liabilities arising from transactions are discharged including arrangements for transmission to a settlement system or *clearing house*;
- (2) ~~a UK recognised body's (if relevant), a UK RIE's~~ arrangements under which clearing and settlement instructions arising from instructions relating to a transaction to be cleared by another person by means of a clearing facilitation service are entered into its systems ~~to the point at which any rights or liabilities arising from that transaction are discharged by the relevant other person and transmitted to the other person~~; and
- (3) the arrangements made by the ~~UK recognised body UK RIE~~ for monitoring and reviewing the operation of these systems and controls.

Safeguarding and administration of assets

2.5.9 [FCA] G In assessing a *UK recognised body's* systems and controls for the safeguarding and administration of assets belonging to users of its *facilities*, the ~~FSA FCA~~ may have regard to the totality of the arrangements and processes by which the *UK recognised body*:

...

Management of conflicts of interest

...

2.5.11 [FCA] G The ~~FSA FCA~~ recognises that a ~~UK RCH UK RIE~~ has legitimate interests of its own and that its general business policy may properly be influenced by other *persons* (such as its owners). Such a connection does not necessarily

imply the existence of a conflict of interest nor is it necessary to exclude individuals closely connected with other *persons* (for example, those responsible for the stewardship of the owner's interests) from all decision-making processes in a *UK recognised body*. However, there may be decisions, primarily regulatory decisions, from which it may be appropriate to exclude an individual in certain circumstances where an interest, position or connection of his conflicts with the interest of the *recognised body*.

- 2.5.12 [FCA] G *REC 2.5.13G to REC 2.5.16G* set out the factors to which the ~~FSA~~ FCA may have regard in assessing a *UK recognised body's* systems and controls for managing conflicts of interest.
- 2.5.13 [FCA] G The ~~FSA~~ FCA may have regard to the arrangements a *UK recognised body* makes to structure itself and to allocate responsibility for decisions so that it can continue to take proper regulatory decisions notwithstanding any conflicts of interest, including:  
...
- 2.5.14 [FCA] G The ~~FSA~~ FCA may also have regard to the systems and controls intended to ensure that confidential information is only used for proper purposes. Where relevant, *recognised bodies* will have to comply with section 348 (Restrictions on disclosure of confidential information by the ~~FSA~~ FCA etc.) and regulations made under section 349 (Exemptions from section 348) of the *Act*.
- 2.5.15 [FCA] G The ~~FSA~~ FCA may also have regard to the contracts of employment, staff rules, letters of appointment for members of the *governing body*, members of relevant committees and other *key individuals* and other guidance given to individuals on handling conflicts of interest. Guidance to individuals may need to cover:  
...
- 2.5.16 [FCA] G The ~~FSA~~ FCA may also have regard to the arrangements made:  
...

#### Internal and external audit

- 2.5.17 [FCA] G A *UK recognised body's* arrangements for internal and external audit will be an important part of its systems and controls. In assessing the adequacy of these arrangements, the ~~FSA~~ FCA may have regard to:  
...

#### Information technology systems

- 2.5.18 G Information technology is likely to be a major component of the systems and controls used by any *UK recognised body*. In assessing the adequacy of the

- [FCA] information technology used by a *UK recognised body* to perform or support its *relevant functions*, the ~~FSA~~ FCA may have regard to:
- ...
- 2.5.19 [FCA] G The ~~FSA~~ FCA may also have regard to the arrangements for maintaining, recording and enforcing technical and operational standards and specifications for information technology systems, including:
- ...
- 2.5.20 [FCA] G The ~~FSA~~ FCA may have regard to the arrangements made to keep clear and complete audit trails of all uses of information technology systems and to reconcile (where appropriate) the audit trails with equivalent information held by system users and other interested parties.

## 2.5A Guidance on Public Interest Disclosure Act: Whistleblowing

...

Purpose

...

- 2.5A.3 [FCA] G The *guidance* in this section concerns the effect of PIDA in the context of the relationship between *UK recognised bodies* and the ~~FSA~~ FCA. It is not comprehensive guidance on PIDA itself.

...

Internal procedures

- 2.5A.6 [FCA] G (1) *UK recognised bodies* are encouraged to consider adopting appropriate internal procedures which will encourage their workers with concerns to blow the whistle internally about matters which are relevant to the functions of the ~~FSA~~ FCA.

...

Link to fitness and propriety

- 2.5A.7 [FCA] G In determining whether a *UK recognised body* is a fit and proper *person*, the ~~FSA~~ FCA may have regard to any relevant factor including, but not limited to, how the *UK recognised body* and *key individuals* have complied with any relevant law (see *REC 2.4.3G(9)*).

## 2.6 General safeguards for investors, provision of pre and post-trade information about share trading and suspension and removal of financial instruments from

**trading**

...

## 2.6.3 UK Schedule to the Recognition Requirements Regulations, Paragraph 4A

[FCA]

...	
(2)	If [a <i>UK RIE</i> ] decides to give <i>investment firms</i> and <i>credit institutions</i> required to publish their quotes in <i>shares</i> -
...	
(b)	by the [ <del>FSA</del> <u>FCA</u> ],
...	
(3)	The [ <del>FSA</del> <u>FCA</u> ] may waive the requirements of sub-paragraph (1) in the circumstances specified-
...	

## 2.6.4 UK Schedule to the Recognition Requirements Regulations, Paragraph 4B

[FCA]

...	
(2)	If [a <i>UK RIE</i> ] decides to give <i>investment firms</i> and <i>credit institutions</i> required to make public details of their transactions in <i>shares</i> -
...	
(b)	by the [ <del>FSA</del> <u>FCA</u> ],
...	
(3)	The [ <del>FSA</del> <u>FCA</u> ] may permit [ <i>UK RIEs</i> ] to defer the publication required by sub-paragraph (1) in the circumstances specified, and subject to the requirements contained-
...	
(4)	If the [ <del>FSA</del> <u>FCA</u> ] permits [ <i>UK RIEs</i> ] to defer the publication required by sub-paragraph (1), those [ <i>UK RIEs</i> ] must ensure that the existence of and the terms of the permission are disclosed to users and members of their <i>facilities</i> and to investors.

...

## 2.6.10 EU Article 18 of the MiFID Regulation

[FCA]

<b>Waivers based on market model and type of order or transaction</b>
-----------------------------------------------------------------------

(1)	Waivers in accordance with Article 29(2) and 44(2) of [ <i>MiFID</i> ] [(see <i>REC 2.6.3UK</i> )] may be granted by the [ <del>FSA</del> <u>FCA</u> ] for systems operated by an <i>MTF</i> or a <i>regulated market</i> , if those systems satisfy one of the following criteria:
	...

...

2.6.25 EU ~~Schedule to the Recognition Requirements Regulations, Paragraph 19(1)~~

The [ <del>UK RCH</del> ] must ensure that its facilities are such as to afford proper protection to investors. <del>[deleted]</del>
--------------------------------------------------------------------------------------------------------------------------------------

2.6.26 G In determining whether:  
[FCA]

- (1) business conducted by means of a *UK RIE's facilities* is conducted so; ~~of~~
- (2) ~~a UK RCH's facilities are such; [deleted]~~

as to afford proper protection to investors, the ~~FSA~~ FCA may, in addition to the matters dealt with in *REC 2.7* to *REC 2.12*, have regard to all the arrangements made by the *UK recognised body* concerning the operation of its *facilities*.

2.6.27 G The ~~FSA~~ FCA may also have regard to the extent to which the *UK recognised body's* rules, procedures and the arrangements for monitoring and overseeing the use of its *facilities*:  
[FCA]

...

Orderly markets

2.6.28 G In determining whether a *UK RIE* is ensuring that business conducted by means of its *facilities* is conducted in an orderly manner (and so as to afford proper protection to investors), the ~~FSA~~ FCA may have regard to the extent to which the *UK RIE's* rules and procedures:  
[FCA]

...

2.6.29 G In determining whether a *UK RIE* is ensuring that business conducted by means of its *facilities* is conducted in an orderly manner (and so as to afford proper protection to investors), the ~~FSA~~ FCA may have regard to whether the *UK RIE's* arrangements and practices:  
[FCA]

...

- (4) if they include arrangements to support or encourage liquidity:

...

- (d) alleviate dealing or other identified costs associated with trading on the *UK RIE*'s markets and do not subsidise a market position of a user of its *facilities* ~~or subsidise any margin payments (or the provision of collateral) which such a user would have to make.~~

- 2.6.30 [FCA] G (1) The ~~FSA~~ FCA accepts that block trading, upstairs trading and other types of specialist transactions (such as the "exchange of futures for physicals" in certain commodity markets) can have a legitimate commercial rationale consistent with the orderly conduct of business and proper protection for investors. They may therefore be permitted under the rules of a *UK RIE*, subject to any necessary safeguards, where appropriate.

...

#### Waiver of pre-trade transparency requirements and deferral of post-trade transparency requirements

- 2.6.31 [FCA] G The ~~FSA~~ FCA has exercised its power referred to in *REC 2.6.3UK(3)* to waive the pre-trade transparency requirements referred to in *REC 2.6.3UK(1)*. The waivers granted are those based on market model (see *REC 2.6.10EU1*), type of order (see *REC 2.6.10EU2*) and *transactions* which are large in scale (see *REC 2.6.13EU*). These waivers apply to all *regulated markets* and *MTFs* operated by *UK RIEs*.
- 2.6.32 [FCA] G The ~~FSA~~ FCA has exercised its power referred to in *REC 2.6.4UK(3)* to permit the deferral of the post-trade transparency requirements referred to in *REC 2.6.4UK(1)*. This permission is with respect to large *transactions* (see *REC 2.6.17EU*). This permission applies to all *regulated markets* and *MTFs* operated by *UK RIEs*.

#### Arrangements for making information public

- 2.6.33 [FCA] G The ~~FSA~~ FCA considers that for the purposes of ensuring that published information is reliable, monitored continuously for errors, and corrected as soon as errors are detected (see *REC 2.6.24EU(a)*), a verification process should be established which does not need to be external from the organisation of the publishing entity, but which should be an independent cross-check of the accuracy of the information generated by the trading process. This process should have the capability to at least identify price and volume anomalies, be systematic and conducted in real-time. The chosen process should be reasonable and proportionate in relation to the business.
- 2.6.34 [FCA] G (1) In respect of arrangements facilitating the consolidation of data as required in *REC 2.6.24EU(b)*, the ~~FSA~~ FCA considers information as being made public in accordance with *REC 2.6.24EU(b)*, if it:

...

- (2) The ~~FSA~~ FCA considers that an arrangement fulfils the 'machine-readable' criteria where the data:  
...
- (3) The ~~FSA~~ FCA considers that publication on a non-machine-readable website would not meet the *MiFID* requirements.
- (4) The ~~FSA~~ FCA considers that information that is made public in accordance with *REC 2.6.24EU* should conform to a consistent and structured format based on industry standards. *Regulated markets* or *market operators* operating an *MTF* can choose the structure that they use.

**2.7 Access to facilities**

...

2.7.1A UK Schedule to the Recognition Requirements Regulations, Paragraph 7B  
[FCA]

...	
(5)	The [UK RIE] must make arrangements regularly to provide the [ <del>FSA</del> <u>FCA</u> ] with a list of users or members of its <i>facilities</i> .
...	

...

2.7.2 UK Schedule to the Recognition Requirements Regulations, Paragraph 19(2)(a)

<del>Without prejudice to the generality of sub-paragraph [19(1)], the [UK RCH] must ensure that-</del>	
<del>access to the [UK RCH's ] <i>facilities</i> is subject to criteria designed to protect the orderly functioning of those <i>facilities</i> and the interests of investors; [deleted]</del>	

2.7.2A UK Schedule to the Recognition Requirements Regulations, Paragraph 21A

(1)	<del>The [UK RCH] must make transparent and non-discriminatory rules, based on objective criteria, governing access to central counterparty, clearing or settlement <i>facilities</i> provided by it.</del>
(2)	<del>The rules under sub-paragraph (1) must enable an <i>investment firm</i> or a <i>credit institution</i> authorised by the <i>competent authority</i> of another <i>EEA State</i> (including a <i>branch</i> established in the <i>United Kingdom</i> of such a firm or institution) to have access to those <i>facilities</i> on the same terms as a <i>UK firm</i> for the purposes of finalising or arranging the finalisation of transactions in <i>financial instruments</i>.</del>

(3)	The <del>[UK RCH]</del> may refuse access to those <i>facilities</i> on legitimate commercial grounds. <del>[deleted]</del>
-----	-----------------------------------------------------------------------------------------------------------------------------

2.7.3 [FCA] G In assessing whether access to a *UK recognised body's facilities* is subject to criteria designed to protect the orderly functioning of the market, or of those *facilities*, and the interests of investors, the ~~FSA~~ FCA may have regard to whether:

...

...

Electronic access

2.7.4 [FCA] G The ~~FSA~~ FCA may have regard to the arrangements made to permit electronic access to the *UK recognised body's facilities* and to prevent and resolve problems likely to arise from the use of electronic systems to provide indirect access to its *facilities* by *persons* other than its *members*, including:

...

## 2.8 Settlement and clearing facilitation services

...

2.8.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 19(2)(b)~~

<del>Without prejudice to the generality of sub-paragraph [19(1)], the [UK RCH] must ensure that—</del>
<del>its clearing services involve satisfactory arrangements for securing the timely discharge (whether by performance, compromise or otherwise) of the rights and liabilities of the parties to transactions in respect of which it provides such services, (being rights and liabilities in relation to those transactions); [deleted]</del>

2.8.3 [FCA] G In determining whether there are satisfactory arrangements for securing the timely discharge of the rights and liabilities of the parties to transactions, the ~~FSA~~ FCA may have regard to the *UK recognised body's*:

(1) rules and practices relating to clearing and settlement including its arrangements with another person for the provision of clearing and settlement services;

...

(3) where relevant, arrangements for making deliveries and payments and, ~~where relevant~~, for collecting margin and holding collateral, in all relevant jurisdictions;

...

...

## 2.9 Transaction recording

...

2.9.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 19(2)(c)~~

<p><del>Without prejudice to the generality of sub-paragraph [19(1)], the [UK RCH] must ensure that-</del></p>
----------------------------------------------------------------------------------------------------------------

<p><del>satisfactory arrangements are made for recording transactions which are cleared or to be cleared by means of its facilities; [deleted]</del></p>
----------------------------------------------------------------------------------------------------------------------------------------------------------

2.9.3 [FCA] G In determining whether a *UK recognised body* has satisfactory arrangements for recording the transactions effected on its facilities, or cleared or to be cleared by another person by means of, its facilities, the ~~FSA~~ FCA may have regard to:

...

(2) the type of information recorded and the extent to which the record includes details for each transaction of:

...

(c) if the *UK recognised body's* rules make provision for transactions or clearing facilitation services to be effected, ~~cleared or to be cleared~~ in more than one type of *facility*, or under more than one part of its rules, the type of *facility* in which, or the part of its rules under which, the transaction or clearing facilitation service was effected, ~~cleared or to be cleared~~; and

...

2.9.4 G ~~Where transactions are effected on an *UK RIE* and cleared through an *UK RCH*, the *UK recognised bodies* concerned may agree which information is to be recorded by each *UK recognised body* and need not duplicate each other's records. [deleted]~~

## 2.10 Financial crime and market abuse

...

2.10.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 19(2)(d)~~

<p><del>Without prejudice to the generality of sub-paragraph [19(1)], the [UK RCH] must ensure that-</del></p>
----------------------------------------------------------------------------------------------------------------

~~appropriate measures are adopted to reduce the extent to which the [UK RCH's] facilities can be used for a purpose connected with market abuse or financial crime, and to facilitate their detection and monitor their incidence; [deleted]~~

2.10.3 G In determining whether a *UK recognised body's* measures are appropriate to  
 [FCA] reduce the extent to which its *facilities* can be used for a purpose connected with *market abuse* or *financial crime*, to facilitate their detection and to monitor their incidence, the ~~FSA~~ FCA may have regard to:

- (1) whether the rules of the *UK recognised body* enable it to disclose any information to the ~~FSA~~ FCA, or other appropriate bodies involved in the detection, prevention or pursuit of *market abuse* or *financial crime* in the *United Kingdom* or overseas; and

...

...

## 2.11 Custody

...

2.11.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 19(2)(e)~~

~~Without prejudice to the generality of sub-paragraph [19(1)], the [UK RCH] must ensure that~~

~~where the [UK RCH's] facilities include making provision for the safeguarding and administration of assets belonging to users of those facilities, satisfactory arrangements are made for that purpose. [deleted]~~

2.11.3 G In determining whether a *UK recognised body* has made satisfactory  
 [FCA] arrangements for the safeguarding and administration of assets belonging to the users of its *facilities*, the ~~FSA~~ FCA may have regard to:

...

...

## 2.12 Availability of relevant information and admission of financial instruments to trading (UK RIEs only)

...

Proper information

2.12.11 G In determining whether appropriate arrangements have been made to make  
[FCA] *relevant information* available to *persons* engaged in *dealing in specified investments admitted to trading* on the *UK RIE*, the ~~FSA~~ FCA may have regard to:

...

Own means of dissemination

...

Rules concerning the admission of financial instruments to trading on a multilateral trading facility

2.12.14 G In determining whether a *UK RIE* has clear and transparent rules concerning  
[FCA] the admission of *financial instruments* to trading on any *multilateral trading facility* operated by it, the ~~FSA~~ FCA considers that it is reasonable that the rules be based on criteria designed to promote fair and orderly trading (see *REC 2.6.2 UK*). In determining whether the rules are based on such criteria, the ~~FSA~~ FCA may have regard to:

...

## 2.13 Promotion and maintenance of standards

2.13.1 UK Schedule to the Recognition Requirements Regulations, Paragraph 6

[FCA]

...
<b>(2) The [UK RIE] must be able and willing to cooperate by the sharing of information or otherwise, with the [FSA FCA], with any other authority, body or person having responsibility in the United Kingdom for the supervision or regulation of any regulated activity or other financial service, or with an overseas regulator within the meaning of section 195 of the Act.</b>

2.13.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 20~~

<del>(1) The [UK RCH] must be able and willing to promote and maintain high standards of integrity and fair dealing in the carrying on of regulated activities by persons in the course of using the facilities provided by the [UK RCH].</del>
<del>(2) The [UK RCH] must be able and willing to promote and maintain high standards of integrity and fair dealing in the carrying on of regulated activities by persons in the course of using the facilities provided by the [UK RCH]. [deleted]</del>

2.13.3 G In determining whether a *UK recognised body* is able and willing to promote  
[FCA] and maintain high standards of integrity and fair dealing in the carrying on of *regulated activities*, the ~~FSA~~ FCA may have regard to the extent to which the

*UK recognised body* seeks to promote and encourage, through its rules, practices and procedures, conduct in *regulated activities* which is consistent with the *Code of Market Conduct* (see *MAR 1*) and with any other codes of conduct, rules or principles relating to behaviour in *regulated activities* which users of the *UK financial system* would normally expect to apply to the *regulated activity* and the conduct in question.

2.13.4 G In assessing the ability of a *UK recognised body* to cooperate with the ~~FSA~~ FCA and other appropriate bodies, the ~~FSA~~ FCA may have regard to the extent to which the constitution and rules of the *UK recognised body* and its agreements with its *members* enable it to obtain information from *members* and to disclose otherwise confidential information to the ~~FSA~~ FCA and other appropriate bodies.

2.13.5 G In assessing the willingness of a *UK recognised body* to cooperate with the ~~FSA~~ FCA and other appropriate bodies, the ~~FSA~~ FCA may have regard to:

- (1) the extent to which the *UK recognised body* is willing to provide information about it and its activities to assist the ~~FSA~~ FCA in the exercise of its functions;
- (2) the extent to which the *UK recognised body* is open with the ~~FSA~~ FCA or other appropriate bodies in regulatory matters;
- (3) how diligently the *UK recognised body* investigates or pursues enquiries from the ~~FSA~~ FCA or other appropriate bodies; and

...

...

## 2.14 Rules and consultation

...

2.14.2 UK Schedule to the Recognition Requirements Regulations, Paragraph 21

(1) The [ <i>UK RCH</i> ] must ensure that appropriate procedures are adopted for it to make rules, for keeping its rules under review and for amending them.
---------------------------------------------------------------------------------------------------------------------------------------------------------------

(2) The procedures must include procedures for consulting users of the [ <i>UK RCH's</i> ] <i>facilities</i> in appropriate cases.
------------------------------------------------------------------------------------------------------------------------------------

(3) The [ <i>UK RCH</i> ] must consult users of its <i>facilities</i> on any arrangements it proposes to make for dealing with penalty income in accordance with paragraph 22(3) ... (or on any changes it proposes to make to those arrangements): <del>[deleted]</del>
--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2.14.3 G In determining whether a *UK recognised body* has appropriate procedures for

- [FCA] it to make rules, for keeping its rules under review and for amending them, the ~~FSA~~ FCA may have regard to:
- ...
- 2.14.4 G (1) In determining whether a *UK recognised body's* procedures include procedures for consulting users of its *facilities* in appropriate cases, [FCA] the ~~FSA~~ FCA may have regard to whether those procedures include provision for consulting users of those *facilities* before changes are made to any rules relating to its *regulatory functions*.
- (2) In the ~~FSA's~~ FCA's view, a *UK recognised body's* procedures may not need to contain provision for consulting users of its *facilities* before making minor changes to any rules of an administrative or commercial character.
- 2.14.5 G (1) In determining whether a *UK recognised body's* procedures for consulting *members* and other users of its *facilities* are appropriate, [FCA] the ~~FSA~~ FCA may have regard to the range of persons to be consulted by the *UK recognised body* under those procedures.
- (2) In the ~~FSA's~~ FCA's view, consultation with a smaller range of persons may be appropriate where limited, technical changes to a *UK recognised body's* rules are proposed.
- (3) In the ~~FSA's~~ FCA's view, a *UK recognised body's* procedures may include provision to restrict consultation where it is essential to make a change to the rules without delay in order to ensure continued compliance with the *recognition requirements* or other obligations under the *Act*.
- 2.14.6 G In determining whether a *UK recognised body's* procedures for consulting [FCA] *members* and other users of its *facilities* are appropriate, the ~~FSA~~ FCA may have regard to the extent to which the procedures include:

...

## 2.15 Discipline

...

- 2.15.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 22~~

~~(1) The [UK RCH] must have effective arrangements for monitoring and enforcing compliance with its rules.~~

~~(2) The arrangements must include procedures for—  
(a) investigating complaints made to the [UK RCH] about the conduct of persons in the course of using the [UK RCH's] facilities; and  
(b) the fair, independent and impartial resolution of appeals against~~

decisions of the <del>[UK RCH]</del> .
<p><del>(3) Where the arrangements include provision for requiring the payment of financial penalties, they must include arrangements for ensuring that any amount so paid is applied only in one or more of the following ways –</del></p> <p><del>(a) towards meeting expenses incurred by the [UK RCH] in the course of the investigation of the breach in respect of which the penalty is paid, or in the course of any appeal against the decision of the [ UK RCH] in relation to that breach;</del></p> <p><del>(b) for the benefit of users of the [UK RCH's] facilities;</del></p> <p><del>(c) for charitable purposes. [deleted]</del></p>

2.15.3 G In determining whether a *UK recognised body* has effective arrangements for  
[FCA] monitoring and enforcing compliance with its rules ~~(and, in the case of a UK RIE, including its settlement arrangements)~~, the ~~FSA~~ FCA may have regard to:

...

2.15.4 G In assessing whether the procedures made by a *UK recognised body* to  
[FCA] investigate complaints about the users of its *facilities* are satisfactory, the ~~FSA~~ FCA may have regard to:

...

2.15.5 G In assessing whether the arrangements include procedures for the fair,  
[FCA] independent and impartial resolution of appeals against decisions of a *UK recognised body*, the ~~FSA~~ FCA may have regard to at least the following factors:

...

2.15.6 G In assessing whether a *UK recognised body's* arrangements include  
[FCA] appropriate provision for ensuring the application of any financial penalties in ways described in the *recognition requirement*, the ~~FSA~~ FCA may have regard to:

...

but the ~~FSA~~ FCA does not consider that it is necessary for *UK recognised bodies* to follow any specific policy in order to meet this *recognition requirement*.

## 2.16 Complaints

...

2.16.2 UK ~~Schedule to the Recognition Requirements Regulations, Paragraph 23~~

(1)	The <del>[UK RCH]</del> must have effective arrangements for the
-----	------------------------------------------------------------------

	<del>investigation and resolution of complaints arising in connection with the performance of, or failure to perform, any of its <i>regulatory functions</i>.</del>	
(2)	<del>But sub-paragraph (1) does not extend to—</del>	
-	(a)	<del>complaints about the content of rules made by the [UK RCH], or</del>
-	(b)	<del>complaints about a decision against which the complainant has the right to appeal under procedures of the kind mentioned in paragraph 22(2)(b).</del>
(3)	<del>The arrangements must include arrangements for a complaint to be fairly and impartially investigated by a <i>person</i> independent of the [UK RCH], and for him to report on the result of his investigation to the [UK RCH] and to the complainant.</del>	
(4)	<del>The arrangements must confer on the <i>person</i> mentioned in sub-paragraph (3) the power to recommend, if he thinks it appropriate, that the [UK RCH]—</del>	
-	(a)	<del>makes a compensatory payment to the complainant,</del>
-	(b)	<del>remedies the matter complained of,</del>
-	<del>or takes both of those steps.</del>	
(5)	<del>Sub-paragraph (3) is not to be taken as preventing the [UK RCH] from making arrangements for the initial investigation of a complaint to be conducted by the [UK RCH]. <u>[deleted]</u></del>	

2.16.3 G In determining whether a *UK recognised body* has effective arrangements for the investigation and resolution of complaints arising in connection with the performance of, or failure to perform, any of its *regulatory functions*, the ~~FSA~~ FCA may have regard to the extent to which the *UK recognised body's* resources and procedures enable it to:

...

2.16.4 G In determining whether a *UK recognised body's* arrangements for the investigation of complaints include appropriate arrangements for the complaint to be fairly and impartially investigated by an independent *person* (a "*complaints investigator*"), the ~~FSA~~ FCA may have regard to:

...

**2.16A Operation of a multilateral trading facility**

...

2.16A.2 G In determining whether a *UK RIE* operating a *multilateral trading facility* [FCA] complies with those requirements of Chapter I of Title II of *MiFID* and the *MiFID implementing Directive* which are applicable to a *market operator* operating such a facility, the ~~FSA~~ *FCA* will have regard to the compliance of the *UK RIE* with equivalent *recognition requirements*.

**2.17 Recognition requirements relating to the default rules of ~~UK recognised bodies~~ UK RIEs**

...

2.17.2 UK Schedule to the Recognition Requirements Regulations, Part II

[FCA]	Paragraph 10 (Default rules in respect of market contracts)	
	...	
	Paragraph 15 (Margin)	
	(1)	<del>Where the [UK RIE] provides clearing services, the [default rules] of the [UK RIE] must provide that in the event of a default, margin provided by the defaulter for his own account is not to be applied to meet a shortfall on a client account other than a client account of the defaulter.</del>
	(2)	<del>This paragraph is without prejudice to the requirements of any rules relating to clients' money made by the [FSA] under sections 138 and 139 of the Act.</del>
	-(3)	<del>For the purposes of this paragraph, "client account of the defaulter" means an account held by the [UK RIE] in the name of the defaulter in which relevant transactions effected by the defaulter have been recorded.</del>
	(4)	<del>In sub-paragraph (3) "relevant transaction" has the same meaning as in regulation 16(1) of the Financial Markets and Insolvency Regulations 1991.</del>

REC 2.17.3UK to 2.17.5G are deleted in their entirety. The deleted provisions are not shown.

...

**2A.2 Method of satisfying the RAP recognition requirements**

2A.2.1 U Recognised Auction Platforms Regulations, regulation 13

[FCA]	K	(1) In considering whether [an <i>RAP</i> ] or applicant satisfies the [ <i>RAP recognition requirements</i> ], the [ <i>FSA FCA</i> ] may-  ...
		...

2A.2.2 [FCA] G The *FSA FCA* will request information from an *RAP* or *RAP* applicant in order to determine whether it meets the *RAP recognition requirements*.

### 2A.3 Guidance on *RAP* recognition requirements

2A.3.1 [FCA] G In assessing compliance with the *RAP recognition requirements*, the *FSA FCA* will have regard to relevant guidance in *REC 2* on the equivalent requirements set out in the *Recognition Requirement Regulations*. The *FSA FCA* may also take into account compliance by the *RAP* or *RAP* applicant with the *recognition requirements* (see *REC 2A.2.1UK*). The *FSA FCA* will not make a separate assessment of compliance with the *recognition requirements* during the course of examining an application to become an *RAP* or as part of its ongoing supervision of an *RAP*, unless there is a specific reason to do so.

2A.3.2 [FCA] G The *guidance* in relation to the *recognition requirements* in the sections of *REC 2* listed in Column A of the table below applies to an *RAP* in relation to the equivalent *RAP recognition requirements* listed in Column C and (if shown) with the modifications in Column B.

Table: Guidance on *RAP* recognition requirements

Column A <i>REC 2</i> guidance which applies to an <i>RAP</i>	Column B Modification to <i>REC 2</i> guidance for an <i>RAP</i>	Column C Relevant <i>RAP recognition requirement</i>
<i>REC 2.4.3G</i> to <i>REC 2.4.6G</i> (Suitability)	In addition to the matters set out in <i>REC 2.4.3G</i> to <i>REC 2.4.6G</i> , the <i>FSA FCA</i> will have regard to whether a <i>key individual</i> has been allocated responsibility for overseeing the <i>auction platform</i> of the <i>UK recognised body</i> .	Reg 15
...	...	...
<i>REC 2.7.3G</i> to <i>REC 2.7.4G</i> (Access to facilities)	The <i>FSA FCA</i> shall have regard to whether an <i>RAP</i> provides access to bid at auctions only to those <i>persons</i> eligible to bid under article 18 of the <i>auction regulation</i> .	Reg 17(2)(a) and 20

...	...	...
<i>REC 2.12.11G to REC 2.12.12G (Availability of relevant information)</i>	<p><i>REC 2.12.11G to REC 2.12.12G are replaced with the following for an RAP:</i></p> <p><i>REC 2.12.11G</i></p> <p>In determining whether appropriate arrangements have been made to make <i>relevant information</i> available to <i>persons engaged in dealing in emissions auction products</i> the <del>FSA</del> <u>FCA</u> may have regard to:</p> <p>...</p>	Reg 17(2)(c)
...	...	...

## 2A.4 Power and procedure for RAP penalties and censures

2A.4.1 G Under regulation 5A (Power to impose civil penalties) of the *RAP*  
[FCA] *Regulations*, where the ~~FSA~~ FCA considers that an *RAP* has contravened any requirement in articles 19, 20(7), 21(1) or (2), or 54 of the *auction regulation*, the ~~FSA~~ FCA has the power to impose a civil penalty on that *RAP*.

2A.4.2 G Where the ~~FSA~~ FCA is entitled to impose a penalty on an *RAP*, it may instead  
[FCA] publish a statement censuring it.

...

2A.4.4 G The power in regulation 5A of the *RAP Regulations* to impose a civil penalty  
[FCA] or publish a statement adds to the ~~FSA's~~ FCA's other supervisory powers in relation to *RAPs* (see *REC 4*) and its power to impose penalties on an *RAP* under the *Money Laundering Regulations*. The ~~FSA~~ FCA will use this power under the *RAP Regulations* where it is appropriate to do so and with regard to the relevant factors listed in *DEPP 6.2.1 G*. In deciding between a civil penalty or a public statement, the ~~FSA~~ FCA will also have regard to the relevant factors listed in *DEPP 6.4*.

2A.4.5 G The ~~FSA~~ FCA will notify the subject of the investigation that it has appointed  
[FCA] officers to carry out an investigation under either or both the *RAP Regulations* or the *Money Laundering Regulations* and the reasons for the appointment, unless notification is likely to prejudice the investigation or otherwise result in it being frustrated. The ~~FSA~~ FCA expects to carry out a scoping visit early on in the enforcement process in most cases.

2A.4.6 G Where the ~~FSA~~ FCA uses the power to impose a penalty, it will be for an

- [FCA] amount that is effective, proportionate and dissuasive and with regard to relevant factors listed in *DEPP* 6.5 to *DEPP* 6.5D in determining the appropriate level of financial penalty.
- 2A.4.7 G The ~~FSA~~ FCA will also have regard to whether the person followed any of the ~~FSA's~~ FCA's guidance and will not take action under regulation 5A where [FCA] there are reasonable grounds for it to be satisfied that the person took all reasonable steps and exercised all due diligence to ensure that the requirement was complied with.
- 2A.4.8 G When the ~~FSA~~ FCA proposes or decides to take action against an *RAP* in [FCA] exercise of its power in regulation 5A of the *RAP Regulations*, it must give the *RAP* a *warning notice* or a *decision notice* respectively. Those notices must state the amount of the penalty or set out the terms of the statement, as applicable. On receiving a *warning notice*, the *RAP* has a right to make representations on the ~~FSA's~~ FCA's proposed decision.
- 2A.4.9 G Where the ~~FSA~~ FCA is proposing or deciding to publish a statement censuring [FCA] an *RAP* or impose a penalty on the *RAP* under regulation 5A of the *RAP Regulations*, the ~~FSA's~~ FCA's decision maker will be the *RDC*. This is to ensure that the ~~FSA's~~ FCA's power to censure or impose a penalty on an *RAP* has the same layer of separation in the decision making process, and is exercised consistently with, similar penalty and censure powers of the ~~FSA~~ FCA under other legislation. The *RDC* will make its decisions following the procedure set out in *DEPP* 3.2 or, where appropriate, *DEPP* 3.3. An *RAP* that receives a *decision notice* under regulation 5A of the *RAP Regulations* may refer the matter to the *Tribunal*.
- 2A.4.10 G Sections 393 and 394 of the *Act* apply to notices referred to in this section. [FCA] See *DEPP* 2.4 (Third party rights and access to ~~FSA~~ FCA material).
- 2A.4.11 G As with cases under the *Act*, the ~~FSA~~ FCA may settle or mediate appropriate [FCA] cases to assist it to exercise its functions in the most efficient and economic way. The settlement discount scheme set out in *DEPP* 6.7 applies to penalties imposed under the *RAP Regulations*.
- 2A.4.12 G The ~~FSA~~ FCA will apply the approach to publicity that it has outlined in *EG* 6. [FCA]

### 3 Notification rules for UK recognised bodies

#### 3.1 Application and purpose

Application

...

- 3.1.3 G The *notification rules* in this chapter are in addition to the requirements on ~~UK recognised bodies~~ UK RIEs to give notice or information to the ~~FSA~~

[FCA] FCA and if applicable, the Bank of England under sub-sections 293(5), ~~and (6) and (7)~~ of the Act.

...

Purpose

3.1.4 [FCA] G The *notification rules* in this chapter are made by the ~~FSA~~ FCA in order to ensure that it is provided with notice of events and information which it reasonably requires for the exercise of its functions under the Act.

**3.2 Form and method of notification**

...

Method of notification

3.2.2 [FCA] R Unless otherwise stated in the *notification rule*, a written notification required from a *recognised body* under any *notification rule* must be:

- (1) given to, or addressed for the attention of, the *recognised body's* usual supervisory contact at the ~~FSA~~ FCA;
- (2) delivered to the ~~FSA~~ FCA by one of the methods in REC 3.2.3R.

3.2.3 [FCA] R Methods of notification

Method of delivery	
...	
(3)	<b>Electronic mail to an address for the <i>recognised body's</i> usual supervisory contact at the <del>FSA</del> <u>FCA</u> and obtaining an electronic confirmation of receipt</b>
(4)	<b>Hand delivery to the <i>recognised body's</i> usual supervisory contact at the <del>FSA</del> <u>FCA</u></b>
(5)	<b>Fax to a fax number for the <i>recognised body's</i> usual supervisory contact at the <del>FSA</del> <u>FCA</u>, provided that the <del>FSA</del> <u>FCA</u> receives a copy of the notification by one of methods (1) – (4) in this table within five <i>business days</i> after the date of the faxed notification</b>

3.2.4 [FCA] R The address for a written notification to the ~~FSA~~ FCA is:  
 The Financial ~~Services~~ Conduct Authority  
 25 The North Colonnade  
 Canary Wharf  
 London E14 5HS

## Timely notification

- 3.2.5 R If a *notification rule* requires notification within a specified period:  
[FCA]
- (1) the *recognised body* must give the notification so as to be received by the ~~FSA~~ FCA no later than the end of that period; and
  - (2) if the end of that period falls on a *day* which is not a *business day*, the notification must be given so as to be received by the ~~FSA~~ FCA no later than the first *business day* after the end of that period.

## Service of Notice Regulations

- 3.2.6 G The Financial Services and Markets Act 2000 (Service of Notices) Regulations 2001 (SI 2001/1420) ~~contain provisions relating to the service of documents on the FSA. They do not apply to notifications required under the notification rules in this chapter and in REC 6 because of the specific rules in this section.~~  
[FCA]

**3.3 Waivers**

## Statutory power

- 3.3.1 G Under section 294 of the *Act* (Modification or waiver of rules), the ~~FSA~~ FCA may, on the application or with the consent of a *recognised body* (including an *ROIE overseas recognised body*), direct that any *notification rule* is not to apply to the body or is to apply with such modifications as may be specified in the *waiver*.  
[FCA]

...

- 3.3.3 G Under section 294(4) of the *Act*, before the ~~FSA~~ FCA may give a *waiver* of *notification rules*, it must be satisfied that:  
[FCA]

...

## Applications

- 3.3.4 G Where a *recognised body* wishes to make an application to the ~~FSA~~ FCA for a *waiver* of a *notification rule*, it should in the first instance inform its usual supervisory contact at the ~~FSA~~ FCA.  
[FCA]
- 3.3.5 G There is no application form, but applicants should make their application formally and in writing and in accordance with any direction the ~~FSA~~ FCA may make under section 294(2) of the *Act*. Each application should set out at least:  
[FCA]

...

- (3) where the *recognised body* believes that these criteria would be met if the ~~FSA~~ FCA gave a *waiver* under section 294 subject to any condition, particulars of the kind of condition contemplated.

- 3.3.6 [FCA] G The ~~FSA~~ FCA may request further information from the applicant, before deciding whether to give a *waiver* under section 294 of the *Act*.

#### Waivers

- 3.3.7 [FCA] G Any *waiver* given by the ~~FSA~~ FCA under section 294 of the *Act* will be made in writing, stating:

...

- 3.3.8 [FCA] G Where the ~~FSA~~ FCA considers that it will not give the *waiver* which has been applied for, the ~~FSA~~ FCA will give reasons to the applicant for its decision. The ~~FSA~~ FCA will endeavour, where practicable, to inform an applicant in advance where it seems that an application is likely to fail unless it is amended or expanded, so that the applicant will have the opportunity to make any necessary amendments or additions before the application is considered.

- 3.3.9 [FCA] G Where the ~~FSA~~ FCA wishes to give a *waiver* under section 294 of the *Act* with the consent of a *recognised body* (rather than on the application of a *recognised body*), the ~~FSA~~ FCA will correspond or discuss this with that body in order to agree an appropriate *waiver*.

#### Reviews of waivers

- 3.3.10 [FCA] G The ~~FSA~~ FCA will periodically review any *waiver* it has given. The ~~FSA~~ FCA has the right to revoke a *waiver* under section 294(6) of the *Act*. This right is likely to be exercised in the event of a material change in the circumstances of the *recognised body* or in any fact on the basis of which the *waiver* was given.

### 3.4 Key individuals and internal organisation

#### Purpose

- 3.4.1 [FCA] G The purpose of *REC 3.4* is to enable the ~~FSA~~ FCA to monitor changes in the arrangements a *UK recognised body* makes for the carrying out of its *relevant functions* or for overseeing the work of *key individuals* or departments responsible for its *relevant functions*.

#### Key individuals

- 3.4.2 R ~~Where, in relation to a *UK RCH*, a *person* has been appointed or elected, has resigned as, or has ceased to be, a *key individual*, that *UK RCH* must immediately give notice of that event, and give the information specified for the purposes of this rule in *REC 3.4.4R* to the *FSA*. [deleted]~~
- 3.4.2A R Where, in relation to a *UK RIE* a proposal has been made to appoint or  
[FCA] elect a *person* as a *key individual*, that *UK RIE* must at least 30 days before the date of the appointment or election give notice of that event, and give the information specified for the purposes of this rule in *REC 3.4.4AR* to the *FSA FCA*.  
[Note: Article 37(1), paragraph 1, second sentence of *MiFID*]
- ...
- 3.4.3 G ...  
[FCA]
- (4) The *FSA FCA* does not need to be notified where minor changes are made to the responsibilities of a *key individual*, but where a major change in responsibilities is made which amounts to a new appointment, the *FSA FCA* should be notified under ~~*REC 3.4.2R*~~ *REC 3.4.2AR*.
- 3.4.4 R The following information is specified for the purposes of ~~*REC 3.4.2R*~~:
- (1) ~~where a person has been appointed or elected as a *key individual*:~~
- (a) ~~that person's name;~~
- (b) ~~his date of birth;~~
- (c) ~~a description of the responsibilities which he will have in the post to which he has been appointed or elected, including a *UK RIE* which operates an *RAP* where the *person* has responsibilities both in the *UK RIE* and *RAP*, a description of the responsibilities he has in respect of each body; or~~
- (2) ~~where a *person* has resigned as or otherwise ceased to be a *key individual*, that *person*'s name. [deleted]~~
- 3.4.4A R The following information is specified for the purposes of *REC 3.4.2AR*:  
[FCA]
- ...
- (3) a description of the responsibilities which he will have in the post to which he is to be appointed or elected, including for a *UK RIE* which operates an *RAP* where the *person* has responsibilities both in the *UK RIE* and *RAP*, a description of the responsibilities he has

in respect of each body.

[Note: Article 37(1), paragraph 1, second sentence of *MiFID*]

#### Standing committees

- 3.4.5 R Where the *governing body* of a *UK recognised body* delegates any of its  
[FCA] functions (which relate to that *UK recognised body's relevant functions*) to a standing committee, or appoints a standing committee to manage or oversee the carrying out of any of that *UK recognised body's relevant functions*, that *UK recognised body* must immediately notify the ~~FSA~~ FCA of that event and give the ~~FSA~~ FCA the following information:

...

- 3.4.6 R Where:  
[FCA]

... .

the *UK recognised body* must immediately notify the ~~FSA~~ FCA of that event and give particulars of any change referred to in (1) to the ~~FSA~~ FCA.

...

### 3.5 Disciplinary action and events relating to key individuals

#### Disciplinary action

- 3.5.1 R Where any *key individual* of a *UK recognised body*:  
[FCA]

...

that body must immediately give the ~~FSA~~ FCA notice of that event, and give the information specified for the purposes of this *rule* in *REC 3.5.2R*.

...

- 3.5.3 R Where a *UK recognised body* becomes aware that any of the following  
[FCA] events has occurred in relation to a *key individual*, it must immediately give the ~~FSA~~ FCA notice of that event:

...

### 3.6 Constitution and governance

3.6.1 [FCA] R Where a *UK recognised body* is to circulate any notice or other *document* proposing any amendment to its memorandum or articles of association (or other similar agreement or *document* relating to its constitution) to:

...

that *UK recognised body* must give notice of that proposed amendment, and give the information specified for the purposes of this *rule* in *REC 3.6.2R* to the ~~FSA~~ FCA, at the same time as that notice or *document* is circulated.

...

3.6.4 [FCA] R Where a *UK recognised body* makes an amendment to its memorandum or articles of association (or other similar agreement or *document* relating to its constitution), that *UK recognised body* must immediately give the ~~FSA~~ FCA notice of that event, and give written particulars of that amendment and of the date on which it is to become or became effective.

...

3.6.6 [FCA] R Where any change is made to an agreement which relates to the constitution or governance of a *UK recognised body*:

...

that *UK recognised body* must give the ~~FSA~~ FCA notice of that event as soon as it is aware of it, and give written particulars of that change and of the date on which it is to become or became effective.

3.6.7 [FCA] G The purpose of *REC 3.6.6R* is to ensure that the ~~FSA~~ FCA is informed of changes to agreements which specify the arrangements by which a *UK recognised body* will be governed or by which important decisions will be taken within that body. It is not intended to cover any agreement by which someone is appointed to be a *key individual* or which covers the terms and conditions of service in such an appointment.

### 3.7 Auditors

3.7.1 [FCA] R Where the auditors of a *UK recognised body* cease to act as such, that *UK recognised body* must immediately give the ~~FSA~~ FCA notice of that event, and the following information:

...

3.7.2 [FCA] R Where a *UK recognised body* appoints new auditors, that body must immediately give the ~~FSA~~ FCA notice of that event, and the following information:

...

### 3.8 Financial and other information

3.8.1 R A *UK recognised body* must give the ~~FSA~~ FCA:  
[FCA]

...

3.8.2 R The time specified for the purpose of *REC* 3.8.1R is the latest of:  
[FCA]

(1) four months after the end of the financial year to which the *document* which is to be given to the ~~FSA~~ FCA relates; or

...

3.8.3 R Where an audit committee of a *UK recognised body* has prepared a report  
[FCA] in relation to any period or any matter relating to any *relevant function* of that *UK recognised body*, the *UK recognised body* must immediately give the ~~FSA~~ FCA a copy of that report.

3.8.4 R A *UK recognised body* must give the ~~FSA~~ FCA a copy of:  
[FCA]

...

3.8.5 G A *UK recognised body* is not required to provide quarterly and monthly  
[FCA] *management accounts* in respect of the same period, but *management accounts* (whether quarterly or monthly) should be submitted for all periods. A *UK recognised body* may choose whichever method is the more suitable for it, but where it intends to change from providing monthly to quarterly *management accounts* (or from quarterly to monthly *management accounts*), it should inform the ~~FSA~~ FCA of that fact.

3.8.6 R A *UK recognised body* must give the ~~FSA~~ FCA:  
[FCA]

...

3.8.7 R Where the *accounting reference date* of a *UK recognised body* is changed,  
[FCA] that body must immediately give notice of that event to the ~~FSA~~ FCA and inform it of the new *accounting reference date*.

### 3.9 Fees and incentive schemes

3.9.1 [FCA] G The purpose of *REC* 3.9.2R is to enable the ~~FSA~~ FCA to obtain information on changes to standard tariffs for matters such as *membership* and trading and of any scheme introduced by the *UK recognised body* for rebating or waiving fees or charges. A *UK recognised body* is not required to inform the ~~FSA~~ FCA of fees or charges for which the *UK recognised body* does not charge according to a standard tariff.

3.9.2 [FCA] R A *UK recognised body* must give the ~~FSA~~ FCA a summary of:

...

### 3.10 Complaints

3.10.1 [FCA] R Where a *UK recognised body's complaints investigator* has investigated a complaint arising in connection with the performance of, or failure to perform, any of its *regulatory functions*, and that *complaints investigator* has made a recommendation in respect of that complaint that the *UK recognised body* should:

...

the *UK recognised body* must immediately notify the ~~FSA~~ FCA of that event, and give the ~~FSA~~ FCA a copy of the *complaints investigator's* report and particulars of his recommendations as soon as that report or those recommendations are available to it.

### 3.11 Insolvency events

3.11.1 [FCA] R On:

...

that body must immediately give the ~~FSA~~ FCA notice of that event.

### 3.12 Legal proceedings

3.12.1 [FCA] R If any civil or criminal legal proceedings are instituted against a *UK recognised body*, it must, unless *REC* 3.12.2R applies, immediately give notice of that event and give the following information to the ~~FSA~~ FCA:

...

3.12.2 [FCA] R A *UK recognised body* is not required to give notice of civil legal proceedings or information about them to the ~~FSA~~ FCA under *REC*

3.12.1R, where:

...

### 3.13 Delegation of relevant functions

3.13.1 G (1) The purpose of *REC* 3.13 is to enable the ~~FSA~~ FCA to monitor any significant instances where *UK recognised bodies* outsource their functions to other *persons* (as permitted under Regulation 6 of the *Recognition Requirements Regulations* or, in relation to an *RAP*, under regulation 13 of the *RAP regulations*. See *REC* 2.2 and *REC* 2A.2).

[FCA]

(2) The ~~FSA~~ FCA does not need to be notified of every instance of outsourcing by a *UK recognised body*, but only where an activity or activities which form a significant part of a *relevant function* or which make a significant contribution to the performance of a *relevant function* are outsourced.

3.13.2 R Where a *UK recognised body* makes an offer or agrees to delegate any of its *relevant functions* to another *person*, it must immediately give the ~~FSA~~ FCA notice of that event, and:

[FCA]

(1) inform the ~~FSA~~ FCA of the reasons for that delegation or proposed delegation;

(2) inform the ~~FSA~~ FCA of the reasons why it is satisfied that it will continue to meet the *recognition requirements* or (for an *RAP*) *RAP recognition requirements* following that delegation;

(3) where it makes such an offer by issuing a written invitation to tender to another body or *person*, give the ~~FSA~~ FCA a copy of that invitation to tender; and

(4) where it makes such an agreement, give the ~~FSA~~ FCA a copy of that agreement.

3.13.3 R A *UK recognised body* must immediately give the ~~FSA~~ FCA notice, where it makes an offer or agrees to undertake any *relevant function* of another *UK recognised body*.

[FCA]

### 3.14 Products, services and normal hours of operation

Purpose

3.14.1 G The purpose of *REC* 3.14 is to ensure that the ~~FSA~~ FCA is informed of planned changes to the services a *UK recognised body* intends to provide and of the normal hours of operation of those services. Unplanned

[FCA]

suspensions of those services, unplanned changes in hours of operation and events causing a *UK recognised body* to be unable to provide those services should be notified to the ~~FSA~~ FCA under the *rules* in *REC 3.15*.

Products and services

- 3.14.2 [FCA] R Where a *UK RIE* proposes to *admit to trading* (or to cease to *admit to trading*) by means of its *facilities*:
- ...
- it must give the ~~FSA~~ FCA notice of that event, and the information specified for the purposes of this *rule* in *REC 3.14.6R* to the ~~FSA~~ FCA, at the same time as that proposal is first formally communicated to its *members* or shareholders (or any group or class of them).
- 3.14.2A [FCA] R When a *UK RIE* removes a *financial instrument* from trading on a *regulated market*, it must immediately give the ~~FSA~~ FCA notice of that event and relevant information including particulars of that *financial instrument* and the reasons for the action taken.  
[**Note:** Article 41(1), paragraph 2 of *MiFID*]
- 3.14.3 [FCA] R Where a *UK recognised body* proposes to provide (or cease to provide) ~~clearing services~~ clearing facilitation services in respect of:
- ...
- it must, ~~unless *REC 3.14.4R* applies,~~ give the ~~FSA~~ FCA notice of that event and the information specified for the purposes of this *rule* in *REC 3.14.6R*, at the same time as that proposal is first formally communicated to its *members* or shareholders (or any group or class of them).
- 3.14.4 R ~~A *UK RCH* is not required to give the *FSA* notice or information under *REC 3.14.3R* where it proposes to offer (or cease to offer) clearing services under an agreement with a *UK RIE* in respect of a specified investment for which that *UK RIE* is required to give the *FSA* notice under *REC 3.14.2R*, provided that the *UK RIE* has given the *FSA* the information specified in *REC 3.14.6R(3)*. [deleted]~~
- ...
- 3.14.7 [FCA] R Where:
- (1) a *UK RIE* proposes to amend the standard terms of any *derivative admitted to trading* by means of its *facilities*; or
  - (2) a ~~*UK recognised body*~~ *UK RIE* proposes to amend the standard terms relating to the provision of ~~clearing~~ for any *derivative* in respect of which it provides ~~clearing services~~ clearing facilitation

services;

it must give the ~~FSA~~ FCA notice of that event, and written particulars of those proposed amendments, at the same time as that proposal is first formally communicated to its *members* or shareholders (or any group or class of them).

- 3.14.8 R Where a *UK recognised body* proposes to make (or to cease to make) arrangements for the safeguarding and administration of assets belonging to any other *person* (other than an *undertaking* in the same *group*), that *recognised body* must give the ~~FSA~~ FCA notice of that event, and the information specified for the purposes of this *rule* in *REC* 3.14.9R, at the same time as that proposal is first formally communicated to its *members* or shareholders (or any group or class of them).

...

- 3.14.10 G The ~~FSA~~ FCA does not need to be notified of proposals to offer (or to withdraw offers of) safeguarding and administration services for individual assets of the same type. *Specified investments* (other than *securities*) falling within the same article in Part III of the *Regulated Activities Order* will normally be regarded as being of the same type. *Securities* falling within the same article in Part III of the *Regulated Activities Order* which may be given the same generic description (for example, *shares* admitted to the *UK official list*) will also normally be regarded as being of the same type.

## Hours of operation

- 3.14.11 R Where a *UK recognised body* proposes to change its normal hours of operation or (for *RAPs*) the timing, frequency or duration of its bidding windows, it must give the ~~FSA~~ FCA notice of that proposal, and particulars of, and the reasons for, the actions proposed, at the same time as the proposal is first formally communicated to its *members* or shareholders, or any group or class of them.

**3.14A Operation of a regulated market or MTF**

## Purpose

- 3.14A.1 G The purpose of *REC* 3.14A is to ensure that the ~~FSA~~ FCA is informed of planned changes to a *UK RIE* markets and their regulatory status as either a *regulated market* or *MTF*.

## Operation of a regulated market

- 3.14A.2 R Where a *UK RIE* proposes to operate a new *regulated market* or close an existing *regulated market* it must give the ~~FSA~~ FCA notice of that event and the information specified for the purposes of this *rule* in *REC* 3.14A.3R, at the same time as that proposal is first formally communicated

to its members or shareholders (or any group or class of them).

...

#### Operation of an MTF

- 3.14.A.4 [FCA] R Where a *UK RIE* proposes to operate a new *MTF* or close an existing *MTF* it must give the ~~FSA~~ FCA notice of that event and the information specified for the purposes of this *rule* in *REC* 3.14A.5R, at the same time as that proposal is first formally communicated to its *members* or shareholders (or any group or class of them).

...

### 3.15 Suspension of services and inability to operate facilities

#### Purpose

- 3.15.1 [FCA] G (1) The purpose of *REC* 3.15.2R to *REC* 3.15.5G is to enable the ~~FSA~~ FCA to obtain information where a *UK recognised body* decides to suspend the provision of its services in relation to particular *investments* or (for an *RAP*) decides to cancel an auction. Planned changes to the provision of services should be notified to the ~~FSA~~ FCA under *REC* 3.14.
- (2) *REC* 3.15.6R to *REC* 3.15.7R provide for notification to the ~~FSA~~ FCA where a *UK recognised body* is unable to operate or provide its *facilities* for reasons outside its control or where it decides to extend its hours of operation in an emergency.
- (3) *REC* 3.15.8R to *REC* 3.15.9G provide for notification to the ~~FSA~~ FCA where an *RAP* has to cancel an auction in specified circumstances.

#### Suspension

- 3.15.2 [FCA] R Where, for any reason, an *RIE*:

...

it must immediately give the ~~FSA~~ FCA notice of that event, particulars of that *derivative*, type of *security* or type of *option* in relation to a *security*, as the case may be, and the reasons for the action taken.

- 3.15.2A [FCA] R When a *UK RIE* suspends trading on a *regulated market* in any *financial instrument*, it must immediately give the ~~FSA~~ FCA notice of that event and relevant information including particulars of that *financial instrument* and the reasons for the action taken.

[Note: Article 41(1), paragraph 2 of *MiFID*]

3.15.3 R Where a *UK recognised body* suspends providing ~~clearing services~~  
[FCA] clearing facilitation services generally in respect of any *derivative* (other than an *option* in relation to a *security*), type of *security* or type of *option* in relation to a *security*, it must immediately give the ~~FSA~~ FCA notice of that event, particulars of that *derivative*, type of *security* or type of *option* in relation to a *security*, as the case may be, and the reasons for the action taken.

3.15.4 R Where a *UK recognised body* suspends any arrangements it makes for the  
[FCA] safeguarding and administration of any type of asset belonging to any other *person* (other than an *undertaking* in the same *group*), that *UK recognised body* must immediately give the ~~FSA~~ FCA notice of that event, particulars of that type of asset and the reasons for the action taken.

...

#### Inability to operate facilities

3.15.6 R Where, because of the occurrence of any event or circumstances, a *UK*  
[FCA] *recognised body* is unable to operate any of its *facilities* within its normal hours of operation, it must immediately give the ~~FSA~~ FCA notice of that inability and inform the ~~FSA~~ FCA:

...

#### Extension of hours of operation

3.15.7 R Where, because of the occurrence of any event or circumstances, a *UK*  
[FCA] *recognised body* extends its hours of operation, it must immediately give the ~~FSA~~ FCA notice of that event, and inform the ~~FSA~~ FCA:

...

#### Recognised auction platforms – cancellation of auctions

3.15.8 R Where an *RAP* has to cancel an auction in the circumstances set out in  
[FCA] articles 7(5) or 7(6) of the *auction regulation*, it must immediately give the ~~FSA~~ FCA notice of that cancellation.

3.15.9 G Under article 7(7) of the *auction regulation*, an *RAP* is required to notify the  
[FCA] ~~FSA~~ FCA of:

...

### 3.16 Information technology systems

3.16.1 G The purpose of *REC 3.16* is to ensure that the ~~FSA~~ FCA receives a copy of  
the *UK recognised body's* plans and arrangements for ensuring business

[FCA] continuity if there are major problems with its computer systems. The ~~FSA~~ FCA does not need to be notified of minor revisions to, or updating of, the *documents* containing a *UK recognised body's* business continuity plan (for example, changes to contact names or telephone numbers).

3.16.2 R Where a *UK recognised body* changes any of its plans for action in the  
[FCA] event of a failure of any of its information technology systems resulting in disruption to the operation of its *facilities*, it must immediately give the ~~FSA~~ FCA notice of that event, and a copy of the new plan.

3.16.3 R Where any reserve information technology system of a *UK recognised*  
[FCA] *body* fails in such a way that, if the main information technology system of that body were also to fail, it would be unable to operate any of its *facilities* during its normal hours of operation, that body must immediately give the ~~FSA~~ FCA notice of that event, and inform the ~~FSA~~ FCA:

...

### 3.17 Inability to discharge regulatory functions

3.17.1 R Where, because of the occurrence of any event or circumstances, a *UK*  
[FCA] *recognised body* is unable to discharge any *regulatory function*, it must immediately give the ~~FSA~~ FCA notice of its inability to discharge that function, and inform the ~~FSA~~ FCA:

...

### 3.18 Membership

3.18.1 G (1) The purpose of *REC* 3.18 is to enable the ~~FSA~~ FCA to monitor  
[FCA] changes in the types of *member* admitted by *UK recognised bodies* and to ensure that the ~~FSA~~ FCA has notice of foreign jurisdictions in which the *members* of *UK recognised bodies* are based. *UK recognised bodies* may admit *persons* who are not *authorised persons* or *persons* who are not located in the *United Kingdom*, provided that the *recognition requirements* or (for *RAPs*) *RAP recognition requirements* continue to be met.

...

(3) The information required under *REC* 3.18 is relevant to the ~~FSA's~~ FCA's supervision of the *UK recognised body's* obligations in relation to the enforceability of compliance with the *UK recognised body's* rules. It is also relevant to the ~~FSA's~~ FCA's broader responsibilities concerning ~~market confidence and financial stability~~ integrity of the UK financial system and, in particular, its functions in relation to *market abuse* and *financial crime*. It may also be necessary in the case of *members* based outside the *United Kingdom*

to examine the implications for the enforceability of *default rules* or collateral and the settlement of transactions, and thus the ability of the *UK RIE* ~~or *UK RCH*~~ to continue to meet the *recognition requirements*... a single report from the *UK recognised body* covering both notifications would be acceptable to the ~~FSA~~ FCA.

3.18.2 R Where a *UK recognised body* admits a *member* who is not an *authorised*  
[FCA] *person* of a type of which, immediately before that time, that *UK recognised body* had not admitted to *membership*, it must immediately give the ~~FSA~~ FCA notice of that event, and:

...

(2) (in relation to a *UK RIE* ~~or a *UK RCH*~~) particulars of its reasons for considering that, in admitting that type of *person* to *membership*, it is able to continue to satisfy the *recognition requirement* in paragraph 4(2)(a) ~~or paragraph 19(2)(a)~~ of the Schedule to the *Recognition Requirements Regulations* which applies to it; and

...

3.18.3 R Where a *UK recognised body* admits for the first time a *member* whose  
[FCA] head or registered office is in a jurisdiction from which that *UK recognised body* has not previously admitted *members*, it must immediately give the ~~FSA~~ FCA notice of that event, and:

...

...

### 3.19 Investigations

3.19.1 R Where a *UK recognised body* becomes aware that a person has been  
[FCA] appointed by any *regulatory body* (other than the ~~FSA~~ FCA or a *UK recognised body*) to investigate:

(1) any business transacted by means of its *facilities*, ~~if it is an *RIE* or *RAP*~~; or

(2) any aspect of the ~~clearing services~~ *clearing facilitation services* which it provides;

it must immediately give the ~~FSA~~ FCA notice of that event.

3.19.2 G A *UK recognised body* need not give the ~~FSA~~ FCA notice of:

[FCA]

...

### 3.20 Disciplinary action relating to members

3.20.1 R Where a *UK recognised body* has taken any disciplinary action against any  
[FCA] *member* or any *employee* of a *member*, in respect of a breach of a rule  
relating to the carrying on by the *UK recognised body* of any of its  
*regulatory functions*, that body must immediately notify the ~~FSA~~ FCA of  
that event, and give:

...

3.20.2 R Where an appeal is lodged against any disciplinary action referred to in  
[FCA] *REC 3.20.1R*, the *UK recognised body* must immediately give the ~~FSA~~  
FCA notice of that event, and:

...

### 3.21 Criminal offences and civil prohibitions

3.21.1 R Where a *UK recognised body* has evidence tending to suggest that any  
[FCA] *person* has:

...

it must immediately give the ~~FSA~~ FCA notice of that event, and full details  
of that evidence in writing.

...

### 3.22 Restriction of, or instruction to close out, open positions

3.22.1 R Where a *UK RIE* decides to:  
[FCA]

...

that *UK RIE* must immediately give the ~~FSA~~ FCA notice of that event, and  
the *member's* name, the nature and size of any position to be restricted or  
closed out and the reasons for the *UK RIE's* decision.

3.22.2 R Where an *RAP* proposes to impose a maximum bid size or take other  
[FCA] remedial measures to mitigate risks of *market abuse*, *financial crime* or  
anti-competitive behaviour in accordance with article 57 of the *auction  
regulation*, the *RAP* must give the ~~FSA~~ FCA notice of that event and details  
of the remedial measures proposed.

### 3.23 Default

- 3.23.1 G Where a ~~UK recognised body~~ UK RIE decides to put a *member* into default, it must immediately give notice of that event, and give the following information to the ~~FSA~~ FCA, at the same time as that decision is communicated to that *member* or to any other *member* (or group or class of them) of that body:

[FCA]

...

- (3) the names of any other exchange, *clearing house* or *auction platform* on which, to the best of that ~~UK recognised body's~~ UK RIE's knowledge, that *member* clears business or transacts for, or in respect of, its *clients*;

~~and as soon as practicable afterwards, give the FSA a summary of the member's open positions, margin liability, and cash and collateral balances in respect of that member's accounts (including client accounts).~~

### 3.24 Transfers of ownership

- 3.24.1 R When a *UK RIE* becomes aware of a transfer of ownership of the *UK RIE* which gives rise to a change in the *persons* who are in a position to exercise significant influence over the management of the *UK RIE* or (in the case of a *UK RIE* that is also an *RAP*) over the management of the *RAP*, whether directly or indirectly, it must immediately notify the ~~FSA~~ FCA of that event, and:

[FCA]

...

- 3.24.2 G The ~~FSA~~ FCA may regard a person who falls within any of the cases in section 301(B)(2) of the *Act* as being in a position to exercise significant influence.

[FCA]

### 3.25 Significant breaches of rules and disorderly trading conditions

- 3.25.1 R A *UK RIE* and an *RAP* must immediately notify the ~~FSA~~ FCA of:

[FCA]

...

### 3.26 Proposals to make regulatory provision

Statutory power

3.26.1 G Under section 300B(1) of the *Act* (Duty to notify proposal to make  
[FCA] regulatory provision), a *UK RIE* or ~~*UK RCH*~~ that proposes to make any regulatory provision must give written notice of the proposal to the ~~*FSA*~~ *FCA* without delay.

3.26.2 G Under section 300B(2) of the *Act*, the ~~*FSA*~~ *FCA* may, by rules under section  
[FCA] 293 (Notification requirements):

...

3.26.3 G Under section 300B(3) of the *Act*, the ~~*FSA*~~ *FCA* may also by rules under  
[FCA] section 293:

...

- (2) require the *UK recognised body* to provide such information relating to the proposal as may be specified in the rules or as the ~~*FSA*~~ *FCA* may reasonably require.

Disapplication of duty to notify proposal to make regulatory provision

3.26.4 R The duty in section 300B(1) of the *Act* does not apply to any of the  
[FCA] following:

...

- (2) (a) ...
- (b) the specification or any amendment of standard terms relating to the provision of ~~clearing services~~ clearing facilitation services for any *derivative*; or

...

...

Notice to the ~~*FSA*~~ *FCA*

3.26.5 R A notice under section 300B(1) of the *Act* of a proposal to make a  
[FCA] *regulatory provision* must be in writing and state expressly that it is a notice for the purpose of that section. To be effective, a notice must:

...

- (2) either be accompanied by sufficient supporting information to enable the ~~*FSA*~~ *FCA* to assess the purpose and effect of the proposed *regulatory provision* or refer to such information in circumstances where such information has already been provided to the ~~*FSA*~~ *FCA*.

- 3.26.6 [FCA] G In determining whether a *UK RIE* or ~~*UK RCH*~~ has provided sufficient supporting information, the ~~*FSA*~~ *FCA* may have regard to the extent to which the information includes: ...
- ...
- 3.26.7 [FCA] R A *UK RIE* or ~~*UK RCH*~~ must provide such additional information in connection with a notice under section 300B(1) of the *Act* as the ~~*FSA*~~ *FCA* may reasonably require.
- 3.26.8 [FCA] G Where a *UK RIE* or ~~*UK RCH*~~ wishes to give notice to the ~~*FSA*~~ *FCA* for the purposes of section 300B(1) of the *Act*, it should in the first instance inform its usual supervisory contact at the ~~*FSA*~~ *FCA*.
- 3.26.9 [FCA] G The ~~*FSA*~~ *FCA* expects that an advanced draft of any consultation document a *UK RIE* or ~~*UK RCH*~~ intends to publish in connection with a proposed *regulatory provision* could provide some or all of the information described in *REC 3.26.5R*.

## 4 Supervision

### 4.1 Application and purpose

#### Application

- 4.1.1 [FCA] G *REC 4.2 to REC 4.2E, REC 4.3, and REC 4.5 and REC 4.6A* apply to *UK recognised bodies*. *REC 4.2F to REC 4.2G, REC 4.4 and REC 4.6 to REC 4.8* apply to all *recognised bodies*. *REC 4.8* applies to applicants for recognition as a *recognised body*.

#### Purpose

- 4.1.2 [FCA] G This chapter sets out the ~~*FSA's*~~ *FCA's* approach to the supervision of *recognised bodies* and contains *guidance* on:
- ...
- (2) the ~~*FSA's*~~ *FCA's* approach to the exercise of its powers under:
- (a) (for ~~*RIEs and RCHs*~~) section 296 of the *Act* (~~*FSA's*~~ Appropriate regulator's power to give directions) or (for *RAPs*) regulation 3 of the *RAP regulations* to give directions to *recognised bodies* (*REC 4.6*);
- (b) (for ~~*RIEs and RCHs*~~) section 297 of the *Act*) (Revoking recognition) or (for *RAPs*) regulation 4 of the *RAP regulations* to revoke *recognition orders* (*REC 4.7*);
- and the procedure to be followed in those cases and where the ~~*FSA*~~ *FCA* decides to refuse an application for

recognition as a *recognised body* (REC 4.8); and

- (3) the ~~FSA's~~ FCA's approach to, and procedures for, the exercise of its powers under sections 166 and 167 of the Companies Act 1989 to give directions to ~~UK RIEs or UK RCHs~~ in relation to action under their *default rules* (REC 4.5).

4.1.3 G The ~~FSA's~~ FCA's general approach to supervision is intended to ensure  
[FCA] that:

- (1) the ~~FSA~~ FCA has sufficient assurance that *recognised bodies* continue at all times to satisfy the *recognised body requirements*; and
- (2) the ~~FSA's~~ FCA's supervisory resources are allocated, and supervisory effort is applied, in ways which reflect the actual risks to the *regulatory objectives*.

4.1.4 G In applying these principles of risk based supervision to the supervision of  
[FCA] *recognised bodies*, the ~~FSA~~ FCA has had particular regard to the special position of *recognised bodies* under the *Act* as well as to its general duties set out in section 2 of the *Act* (The ~~FSA's~~ FCA's general duties).

...

## 4.2 The supervisory relationship with UK recognised bodies

4.2.1 G The ~~FSA~~ FCA expects to have an open, cooperative and constructive  
[FCA] relationship with *UK recognised bodies* to enable it to have a broad picture of the *UK recognised body's* activities and its ability to meet the *recognised body requirements*. This broad picture is intended to complement the information which the ~~FSA~~ FCA will obtain under section 293 of the *Act* (Notification requirements) or under *notification rules* made under that section (see REC 3). The ~~FSA~~ FCA will usually arrange meetings between the Markets Division and *key individuals* of the *UK recognised body* for this purpose. The frequency and nature of these meetings may vary in accordance with the risk profile of the *UK recognised body*.

...

4.2.3 G The ~~FSA~~ FCA expects a *UK recognised body* to take its own steps to assure  
[FCA] itself that it will continue to satisfy the *recognised body requirements* when considering any changes to its business or operations.

4.2.4 G However, the ~~FSA~~ FCA also expects that *UK recognised bodies* will keep it  
[FCA] informed of all significant developments and of progress with their plans and operational initiatives, and will provide it with appropriate assurance that the *recognised body requirements* will continue to be satisfied.

#### 4.2A Publication of information by UK RIEs and RAPs

- 4.2A.1 [FCA] G Under subsections 292A(1) and (2) of the *Act*, a *UK RIE* must as soon as practicable after a *recognition order* is made in respect of it publish such particulars of the ownership of the *UK RIE*, including the identity and scale of interests of the *persons* who are in a position to exercise significant influence over the management of the *UK RIE* or (where the *UK RIE* is also an *RAP*) the *RAP*, whether directly or indirectly, as the ~~FSA~~ FCA may reasonably require.
- 4.2A.2 [FCA] G Under subsections 292A(3) and (4) of the *Act*, a *UK RIE* must as soon as practicable after becoming aware of a transfer of ownership of the *UK RIE* which gives rise to a change of *persons* who are in a position to exercise significant influence over the management of the *UK RIE* or (where the *UK RIE* is also an *RAP*) the *RAP*, whether directly or indirectly, publish such particulars of any such transfer as the ~~FSA~~ FCA may reasonably require.
- 4.2A.3 [FCA] G Under subsection 292A(5) of the *Act*, a *UK RIE* must publish such particulars of any decision it makes to suspend or remove a *financial instrument* from trading on a *regulated market* operated by it as the ~~FSA~~ FCA may reasonably require.

#### 4.2B Exercise of passport rights by a UK RIE

- 4.2B.1 [FCA] G Under section 312C of the *Act*, if a *UK RIE* wishes to make arrangements in an *EEA State* other than the *UK* to facilitate access to or use of a *regulated market*, *multilateral trading facility* or *auction platform* operated by it, it must give the ~~FSA~~ FCA written notice of its intention to do so. The notice must:
- ...
- 4.2B.2 [FCA] G The ~~FSA~~ FCA must, within one month of receiving the *UK RIE*'s notice, send a copy of it to the *Host State regulator*.
- 4.2B.3 [FCA] G The *UK RIE* may not make the arrangements until the ~~FSA~~ FCA has sent a copy of the notice to the *Host State regulator*.
- 4.2B.4 [FCA] G The requirements that a *UK RIE* must give the ~~FSA~~ FCA written notice and the *UK RIE* may not make the arrangements until the ~~FSA~~ FCA has sent a copy of it to the *Host State regulator* do not apply to arrangements made by a *UK RIE* on or before 31 October 2007.

#### 4.2C Control over a UK RIE

- 4.2C.1 [FCA] G Section 301A(1) of chapter 1A of Part XVIII of the *Act* places an obligation on a *person* who decides to acquire or increase control (see sections 301D and 301E of the *Act*) over a *UK RIE* to notify the ~~FSA~~ FCA, before making the acquisition. Furthermore, those *persons* are required to obtain the ~~FSA's~~ FCA's approval before acquiring control or increasing the level of control held.
- 4.2C.2 [FCA] G The ~~FSA~~ FCA will approve an acquisition or an increase in control if it is satisfied that the acquisition by the *person* seeking approval does not pose a threat to the sound and prudent management of any financial market operated by the *UK RIE* (see section 301F(4) of the *Act*). The reference to any financial market is to be read as including a reference to any *auction platform* as a result of the *RAP regulations*.
- 4.2C.3 [FCA] G If a proposed acquirer has complied with the obligation to notify, the procedure the ~~FSA~~ FCA will follow if it approves or does not approve of that *person* acquiring or increasing control is set out in sections 301F and 301G of the *Act*.
- ...
- 4.2C.6 [FCA] G The ~~FSA's~~ FCA's internal arrangements provide for any decisions to refuse to approve an acquisition or object to an existing control to be taken at an appropriately senior level.
- 4.2C.7 [FCA] G If the ~~FSA~~ FCA refuses to approve an acquisition or objects to an existing control, the *person* concerned may refer the matter to the *Tribunal* (see *EG* 2.39).
- 4.2C.8 [FCA] G The powers the ~~FSA~~ FCA can exercise in the event that a *person* acquires or continues to exercise control notwithstanding the ~~FSA's~~ FCA's refusal to approve the acquisition of control or the ~~FSA's~~ FCA's objection to the exercise of control are set out in sections 301J and 301K of the *Act*.

...

#### **4.2D Suspension and removal of financial instruments from trading**

- 4.2D.1 [FCA] G (1) Under section 313A of the *Act*, the ~~FSA~~ FCA may for the purpose of protecting:
- ...
- (2) If the ~~FSA~~ FCA exercises this power, the *UK RIE* concerned may refer the matter to the *Tribunal*.
- 4.2D.2 [FCA] G The procedure the ~~FSA~~ FCA will follow if it exercises its power to require a *UK RIE* to suspend or remove a *financial instrument* from trading is set out in sections 313B to 313BE of the *Act*. The ~~FSA's~~ FCA's internal

arrangements provide for decisions to exercise this power to be taken at an appropriately senior level. If the ~~FSA~~ FCA exercises this power, the *UK RIE* concerned and the issuer (if any) of the relevant *financial instrument* may refer the matter to the *Tribunal*(see *EG 2.39*).

- 4.2D.3 G Under section 313C(1) of the *Act*, if the ~~FSA~~ FCA exercises its power to  
[FCA] require a *UK RIE* to suspend or remove a *financial instrument* from trading, it must as soon as reasonably practicable:

...

- 4.2D.4 G Under section 313C(2) of the *Act*, if the ~~FSA~~ FCA receives notice from a  
[FCA] *UK RIE* that the *UK RIE* has suspended or removed a *financial instrument* from trading on a *regulated market* operated by it, the ~~FSA~~ FCA must inform the competent authorities of all other *EEA States* of the action taken by the *UK RIE*.

- 4.2D.5 G Under sections 313C(3) and (4) of the *Act*, if the ~~FSA~~ FCA receives notice  
[FCA] from the competent authority of another *EEA State* that that authority, pursuant to Article 41.2 of *MiFID* has required the suspension of a *financial instrument* from trading, the ~~FSA~~ FCA must require each *UK RIE* to suspend the instrument from trading on any *regulated market* or *multilateral trading facility* operated by the *UK RIE*.

- 4.2D.6 G Under sections 313C(3) and (5) of the *Act*, if the ~~FSA~~ FCA receives notice  
[FCA] from the competent authority of another *EEA State* that that authority, pursuant to Article 41.2 of *MiFID* has required the removal of a *financial instrument* from trading, the ~~FSA~~ FCA must require each *UK RIE* to remove the instrument from trading on any *regulated market* or *multilateral trading facility* operated by the *UK RIE*.

#### 4.2E **Information: compliance of ~~UK RIEs~~ UK recognised bodies with the ~~MiFID Regulation and Auction Regulation~~ EU requirements**

- 4.2E.1 G Under section 293A of the *Act*, the ~~FSA~~ FCA may require a ~~UK RIE~~ UK  
[FCA] *recognised body* to give such information as it reasonably requires in order to satisfy itself that the ~~UK RIE~~ UK *recognised body* is complying with ~~the MiFID Regulation~~, and (if the *UK RIE* operates an *RAP*) ~~the *auction regulation*~~. any qualifying EU provision that is specified, or of a description specified, for the purposes of section 293A of the *Act* by the Treasury.

After REC 4.2E insert the following new sections. The text is not underlined.

#### 4.2F **Information gathering power on FCA's own initiative**

- 4.2F.1 G (1) While the *FCA* will seek to obtain information from an *RIE* in the  
context of an open, cooperative and constructive relationship with

- [FCA] the *RIE*, where it appears to the *FCA* that obtaining information in that context will not achieve the necessary results, the *FCA* or (as the case may be) its officers may, under section 165(7) of the *Act*, by notice in writing, require any of the following persons to provide or produce specified information or information of a specified description, at a specified place and before the end of a reasonable period, in such form and with such verifications or authentications as it may reasonably require:
- (a) the *RIE*; or
  - (b) a person who is connected with the *RIE*.
- (2) Under section 165(11) of the *Act*, a person is connected with a *recognised body* if he is or has at any relevant time been:
- (a) a member of the *RIE's* group; or
  - (b) a controller of the *RIE*; or
  - (c) any other member of a partnership of which the *RIE* is a member; or
  - (d) a person mentioned in Part I of Schedule 15 of the *Act* (reading references in that Part to the 'authorised person' as references to the *RIE*).

#### 4.2G Reports by skilled persons

- 4.2G.1 G (1) Where the *FCA* exercises its power conferred by section 166(1) of the *Act* (Reports by skilled persons), *SUP 5.5.1R*, *SUP 5.5.5R* and *SUP 5.5.9R* (to the extent they relate to the *FCA's* powers under section 166 of the *Act*) apply to a *RIE* in the same way as they apply to a *firm*.
- [FCA] (2) The guidance in *SUP 5* which relates to the *FCA's* power in section 166 of the *Act* also applies to a *RIE* in the same way as it applies to a *firm*.

Amend the following as shown.

#### 4.3 Risk assessment for UK recognised bodies

- 4.3.1 G Information is needed to support the ~~*FSA's*~~ *FCA's* risk based approach to the supervision of all regulated entities. Risk based supervision is intended to ensure that the allocation of supervisory resources and the supervisory process are compatible with the *regulatory objectives* and the ~~*FSA's*~~ *FCA's* general duties under the *Act*. The central element of the process of risk
- [FCA]

based supervision is a systematic assessment by the ~~FSA~~ FCA (a risk assessment) of the main supervisory risks and concerns for each regulated entity.

- 4.3.2 [FCA] G For each *UK recognised body*, the ~~FSA~~ FCA will conduct a periodic risk assessment. This assessment will take into account relevant considerations including the special position of *recognised bodies* under the *Act*, the nature of the *UK recognised body's members*, the position of other users of its *facilities* and the business environment more generally.
- 4.3.3 [FCA] G The risk assessment will guide the ~~FSA's~~ FCA's supervisory focus. It is important, therefore, that there is good dialogue between the ~~FSA~~ FCA and the *recognised body*. The ~~FSA~~ FCA expects to review its risk assessment with the staff of the *UK recognised body* to ensure factual accuracy and a shared understanding of the key issues, and may discuss the results of the risk assessment with *key individuals* of the *UK recognised body*. If appropriate, the ~~FSA~~ FCA may send a detailed letter to the body's *chief executive*, chairman or both with proposals for further action or work to address particular concerns or issues and seek their comments on the risk assessment.

#### 4.4 Complaints

...

The ~~FSA's~~ FCA's arrangements

- 4.4.2 [FCA] G The *Act* does not provide a mechanism for appeals to the ~~FSA~~ FCA from decisions by *recognised bodies* in relation to complaints. However, the ~~FSA~~ FCA is required by section 299 of the *Act* (Complaints about recognised bodies) to have arrangements to investigate complaints (called *relevant complaints* in the *Act*) which it considers relevant to the question of whether a *recognised body* should remain recognised as such. This section describes aspects of the ~~FSA's~~ FCA's arrangements for investigating *relevant complaints*.
- 4.4.3 [FCA] G Where the ~~FSA~~ FCA receives a complaint about a *recognised body*, it will, in the first instance, seek to establish whether the complainant has approached the *recognised body*. Where this is not the case, the ~~FSA~~ FCA will ask the complainant to complain to the *recognised body*. Where the complainant is dissatisfied with the handling of the complaint, but has not exhausted the *recognised body's* own internal complaints procedures (in the case of a complaint against a *UK recognised body*, including by applying to that body's *complaints investigator*), the ~~FSA~~ FCA will encourage the complainant to do so.
- 4.4.4 [FCA] G The ~~FSA~~ FCA will not usually consider a complaint which has not, in the first instance, been made to the *recognised body* concerned, unless there is good reason for believing that it is a *relevant complaint* which merits early

consideration by the ~~FSA~~ FCA.

4.4.5 [FCA] G When it is considering a *relevant complaint*, the ~~FSA~~ FCA will make its own enquiries as appropriate with the *recognised body*, the complainant and other *persons*. It will usually ask the *recognised body* and the complainant to comment upon any preliminary or draft conclusions of its review and to confirm any matters of fact at that stage.

4.4.6 [FCA] G The ~~FSA~~ FCA will communicate the outcome of its review of a *relevant complaint* to the complainant and the *recognised body*, but will normally only discuss any action which it considers the *recognised body* should take with the *recognised body* itself.

**4.5 ~~FSA~~ FCA supervision of action by ~~UK recognised bodies~~ UK RIEs under their default rules**

4.5.1 [FCA] G ~~UK recognised bodies~~ UK RIEs which, under their *rules*, have *market contracts* are required to have *default rules* enabling them (among other things) to take action in relation to a *member* who appears to be unable to meet his obligations in respect of one or more unsettled *market contracts*. The detailed *recognition requirements* relating to the *default rules* are set out in *REC 2.17*.

...

4.5.3 [FCA] G The Companies Act 1989 also gives the ~~FSA~~ FCA powers to supervise the taking of action under *default rules*. Under section 166 of the Companies Act 1989 (Powers of the ~~FSA~~ appropriate regulator to give directions) (see *REC 4.5.4G*), the ~~FSA~~ FCA may direct a ~~UK recognised body~~ UK RIE to take, or not to take, action under its *default rules*. Before exercising these powers the ~~FSA~~ FCA must consult the ~~recognised body concerned~~ UK RIE. The ~~FSA~~ FCA may also exercise these powers if a *relevant office-holder* applies to it under section 167 of the Companies Act 1989 (Application to determine whether default proceedings to be taken) (see *REC 4.5.9G*).

4.5.4 [FCA] G The Companies Act 1989: section 166

The <u>FCA</u> may issue a "positive" direction (to take action) under section 166(2)(a) of the Companies Act 1989:	
	Where in any case a [ <u>UK RIE</u> ] <del>or</del> [ <del>UK RCH</del> ] has not taken action under its <i>default rules</i> - if it appears to [the <del>FSA</del> <u>FCA</u> ] that it could take action, [the <del>FSA</del> <u>FCA</u> ] may direct it to do so,
but under section 166(3)(a) of the Companies Act 1989:	
	Before giving such a direction the [ <del>FSA</del> <u>FCA</u> ] shall consult the [ <u>UK RIE</u> ] <del>or</del> [ <del>UK RCH</del> ] in question; and [the <del>FSA</del> <u>FCA</u> ] shall not

	<p>give a direction unless [the <del>FSA</del> <u>FCA</u>] is satisfied, in the light of that consultation that failure to take action would involve undue risk to investors or other participants in the market, <del>or that the direction is necessary having regard to the public interest in the financial stability of the United Kingdom, or that the direction is necessary to facilitate a proposed or possible use of a power under Part 1 of the Banking Act 2009 or in connection with a particular exercise of a power under that Part.</del></p>
<p>The <del>FSA</del> <u>FCA</u> may issue a "negative" direction (not to take action) under section 166(2)(b) of the Companies Act 1989:</p>	
	<p>Where in any case a [<del>UK RIE</del>] <del>or</del> [<del>UK RCH</del>] has not taken action under its <i>default rules</i> - if it appears to the [<del>FSA</del> <u>FCA</u>] that it is proposing to take or may take action, [the <del>FSA</del> <u>FCA</u>] may direct it not to do so.</p>
<p>but under section 166(3)(b) of the Companies Act 1989:</p>	
	<p>Before giving such a direction the [<del>FSA</del> <u>FCA</u>] shall consult the [<del>UK RIE</del>] <del>or</del> [<del>UK RCH</del>] in question; and the [<del>FSA</del> <u>FCA</u>] shall not give a direction unless [the <del>FSA</del> <u>FCA</u>] is satisfied, in the light of that consultation that the taking of action would be premature or otherwise undesirable in the interests of investors or other participants in the market, <del>or that the direction is necessary having regard to the public interest in the financial stability of the United Kingdom, or that the direction is necessary to facilitate a proposed or possible use of a power under Part 1 of the Banking Act 2009 or in connection with a particular exercise of a power under that Part.</del></p>

4.5.5 [FCA] G The ~~FSA's~~ view is that the exercise of these powers will only be justified in exceptional circumstances. The most likely case in which the ~~FSA~~ would consider exercising them is if there were a need to coordinate action by different ~~UK recognised bodies~~ because, for example: Other than in exceptional circumstances, the FCA will consult with the Bank of England before exercising these powers.

- (1) ~~the likelihood of a default may not be apparent to all UK recognised bodies; or~~
- (2) ~~there was a need to avoid premature default action by one UK recognised body;~~
- (3) ~~significantly different settlement prices had been fixed by different UK recognised bodies.~~

...

4.5.8 [FCA] G Under section 166(7) of the Companies Act 1989, where a ~~UK recognised body~~ UK RIE has taken action either of its own accord or in response to a direction, the ~~FSA~~ FCA may direct it to do or not to do specific things

subject to these being within the powers of the ~~UK recognised body~~ concerned UK RIE under its *default rules*. However, ~~the FSA cannot give such a direction unless it is satisfied that:~~

- (1) where the UK RIE is acting in accordance with a direction given by the FCA to take action under section 166(2)(a) of the Act on the basis that failure to take action would involve undue risk to investors or other participants in the market, the FCA will not direct it to do or not to do specific things which the UK RIE has power to do under its default rules, unless the FCA is satisfied that this will not impede or frustrate the proper and efficient conduct of the default proceedings; and
- (2) where the UK RIE has taken action under its default rules without being directed to do so, the FCA will not direct it to do or not to do specific things which the UK RIE has power to do under its default rules, unless the FCA is satisfied that:
  - (a) the direction will not impede or frustrate the proper and efficient conduct of the default proceedings; or
  - (b) the direction is necessary:
    - (i) having regard to the public interest in the stability of the UK financial system;
    - (ii) to facilitate a proposed or possible use of a power under Part 1 of the Banking Act 2009 (special resolution regime); or
    - (iii) in connection with a particular exercise of a power under Part 1 of the Banking Act 2009.

#### Section 167 of the Companies Act 1989

- 4.5.9 G Where, in relation to a *member* (or *designated non-member*) of a UK RIE  
[FCA] ~~or a member of a UK RCH:~~

...

has been made or passed and the ~~UK recognised body~~ UK RIE has not taken action under its default rules as a result of this event or of the matters giving rise to it, a *relevant office-holder* appointed in connection with the order, award or resolution may make an application to the ~~FSA~~ FCA under section 167 of the Companies Act 1989 (Application to determine whether default proceedings to be taken).

- 4.5.10 G The effect of an application under section 167 of the Companies Act 1989  
[FCA] is to require the *UK recognised body* concerned to take action under its *default rules* or to require the ~~FSA~~ FCA to take action under section 166 of the Companies Act 1989 (see REC 4.5.4G).

4.5.11 G The procedure is that the ~~FSA~~ FCA must notify the *UK recognised body* of  
[FCA] the application and, unless within three *business days* after receipt of that notice, the *UK recognised body*:

...

(2) notifies the ~~FSA~~ FCA that it proposes to take action forthwith; or

(3) is directed to take action by the ~~FSA~~ FCA under section 166(2)(a) of the Companies Act 1989;

...

#### 4.6 The section 296 power to give directions

4.6.1 G Under section 296 of the *Act* (~~FSA's~~ FCA's power to give directions) and  
[FCA] (for *RAPs*) under regulation 3 of the *RAP regulations*, the ~~FSA~~ FCA has the power to give directions to a *recognised body* to take specified steps in order to secure its compliance with the *recognised body requirements*. In the case of a *UK RIE* (including one which operates an *RAP*) those steps may include granting the ~~FSA~~ FCA access to the *UK RIE's* premises for the purposes of inspecting those premises or any documents on the premises and the suspension of the carrying on of any *regulated activity* by the *UK RIE* for the period specified in the direction.

4.6.2 G ~~The FSA must also give a direction to a RIE or RCH if it is directed to do so by the Treasury under section 308 of the Act (Directions by the Treasury).~~ [deleted]

4.6.3 G The ~~FSA~~ FCA is likely to exercise its power under section 296 of the *Act* or regulation 3 of the *RAP regulations* if it considers that:

...

4.6.4 G Under section 298(7) of the *Act* (Directions and revocation: procedure),  
[FCA] and (for *RAPs*) regulation 5(7) of the *RAP regulations*, the ~~FSA~~ FCA need not follow the consultation procedure set out in the rest of section 298 (see *REC* 4.8) ~~or (for RAPs) regulation 5 of the RAP regulations~~; or may cut short that procedure, if it considers it ~~essential~~ reasonably necessary to do so. ~~For RAPs, the FCA need not follow the procedure set out in regulation 5 of the RAP regulations or may cut short the procedure, if it considers it essential to do so. The FSA is likely to consider it essential to cut short the procedure if, in the absence of immediate action, there would be:~~

(1) ~~a serious risk of substantial losses to investors, particularly retail clients; or~~

(2) ~~a serious threat to market confidence or to the stability of the UK~~

~~financial system; or~~

- (3) ~~a serious risk of money laundering or other serious financial crime.~~

After REC 4.6 insert the following new section. The text is not underlined.

#### **4.6A The section 192C power to direct qualifying parent undertakings**

- 4.6A.1 G (1) Under section 192C of the *Act* (Power to direct qualifying parent undertaking), the *FCA* has the power to give a direction to the qualifying parent undertaking of a *UK RIE* if the general condition is satisfied.
- [FCA]
- (2) For the purposes of section 192C of the *Act*, a parent undertaking of a *UK RIE* is a ‘qualifying parent undertaking’ if:
- (a) the parent undertaking is a body corporate which is incorporated in the United Kingdom, or has a place of business in the United Kingdom;
  - (b) the parent undertaking is not itself an *authorised person*, a *RIE* or a *RCH*; and
  - (c) the parent undertaking is a financial institution of a kind prescribed by the Treasury by order.
- (3) For the purposes of section 192C of the *Act*, the general condition is that the *FCA* considers that it is desirable to give the direction in order to advance one or more of its operational objectives.
- (4) In exercising or deciding whether to exercise its power under section 192(c) of the *Act*, the *FCA* will have regard to any statement of policy published under this section and for the time being in force.

#### **[Note:**

1. Treasury has issued a draft order for consultation prescribing the types of financial institutions which are qualifying parent undertakings. *See the draft Financial Services and Markets Act 2000 (Prescribed Financial Institutions) Order 201\**, as published in the Treasury consultation paper titled ‘A new approach to financial regulation: draft secondary legislation’: [http://www.hm-treasury.gov.uk/d/condoc\\_fin\\_regulation\\_draft\\_secondary\\_leg.pdf](http://www.hm-treasury.gov.uk/d/condoc_fin_regulation_draft_secondary_leg.pdf).

2. The FCA has issued a draft statement of policy for consultation with respect to the giving of directions under section 192C. *See Chapter 5 and Appendix 7 of CP 12/34: [web address tbc]*

Amend the following provisions as shown.

## 4.7 The section 297 power to revoke recognition

- 4.7.1 [FCA] G Under section 297 of the *Act* (Revoking recognition) and (for *RAPs*) under regulation 4 of the *RAP regulations*, the ~~FSA~~ FCA has the power to revoke a *recognition order* relating to a *recognised body*.
- 4.7.2 [FCA] G The ~~FSA~~ FCA will revoke a *recognition order* if:
- (1) ~~it is directed to so by the Treasury under section 308 of the Act (Directions by the Treasury); or [deleted]~~
  - (2) the *recognised body* has asked the ~~FSA~~ FCA to revoke the order.
- 4.7.2A [FCA] G Where the ~~FSA~~ FCA makes a revocation order under section 297 of the *Act* in relation to a *UK RIE* which is also an *RAP*, the ~~FSA~~ FCA will also revoke the *recognition order* relating to its status as an *RAP*.
- 4.7.3 [FCA] G The ~~FSA~~ FCA will usually consider revoking a *recognition order* if:
- ...
- (2) it would not be possible for the *recognised body* to comply with a direction under section 296 of the *Act* (~~FSA's~~ FCA's power to give directions) or (for *RAPs*) regulation 3 of the *RAP regulations*; or
  - (3) for some other reason, it would not be appropriate for the ~~FSA~~ FCA to give a direction under section 296 or (for *RAPs*) regulation 3 of the *RAP regulations*; or
- ...
- 4.7.4 [FCA] G The ~~FSA~~ FCA would be likely to consider the conditions in *REC* 4.7.3G (2) or *REC* 4.7.3G(3) to be triggered in the following circumstances:
- ...
- 4.7.5 [FCA] G In addition to the relevant factors set out in *REC* 4.7.4G, the ~~FSA~~ FCA will usually consider that it would not be able to secure an ~~overseas-recognised body's~~ ROIE's compliance with the *recognition requirements* or other obligations in or under the *Act* by means of a direction under section 296 of the *Act*, if it appears to the ~~FSA~~ FCA that the ~~overseas-recognised body~~ ROIE is prevented by any change in the legal framework or supervisory arrangements to which it is subject in its *home territory* from complying with the *recognition requirements* or other obligations in or under the *Act*.

## 4.8 The section 298 procedure

4.8.1 G A decision to:

[FCA]

...

(2) make a direction under section 296 (~~FSA's~~ FCA's powers to give directions) or (for *RAPs*) regulation 3 of the *RAP regulations*; or

(3) ...

is a serious one and section 298 of the *Act* (Directions and revocation: procedure) and (for *RAPs*) regulation 5 of the *RAP regulations* set out a ~~procedure~~ procedures (see *REC* 4.8.9G) which the ~~FSA~~ FCA will follow, unless, in the case of a revocation of a *recognition order*, the *recognised body* concerned has given its consent (see section 297(1) or regulation 4(1) of the *RAP regulations*) or:

(a) in a case where the ~~FSA~~ FCA proposes to make a direction under section 296 ~~or (for *RAPs*) under regulation 3 of the *RAP regulations*~~, it considers it is essential reasonably necessary not to follow, or to cut short, the procedure (see ~~*REC* 4.6.4G and *REC* 4.8.7G~~); or

(b) (for *RAPs*) in a case where the *FCA* proposes to make a direction under regulation 3 of the *RAP regulations*, it considers it is essential not to follow, or to cut, short, the procedure.

4.8.2 G The ~~FSA's~~ FCA's internal arrangements provide for any of these decisions to be taken at an appropriately senior level.

[FCA]

4.8.3 G In considering whether it would be appropriate to exercise the powers under section 296 or section 297 of the *Act* or (for *RAPs*) regulation 3 or 4 of the *RAP regulations*, the ~~FSA~~ FCA will have regard to all relevant information and factors including:

[FCA]

...

4.8.4 G In considering whether or not to make a *recognition order*, the ~~FSA~~ FCA will have regard to all relevant information and factors, including its *guidance* to *recognised bodies* and applicants and the information provided by applicants. Details of the application processes and other *guidance* for applicants are set out in *REC* 5 and (for overseas applications) *REC* 6.

[FCA]

4.8.5 G The procedures laid down in section 298 of the *Act* and (for *RAPs*)

[FCA] regulation 5 of the *RAP regulations* are summarised, with the *FSA's FCA's* guidance about the actions it proposes to take in following these procedures, in the ~~table~~ tables at *REC 4.8.9G* and *REC 4.8.10G* respectively.

4.8.6 [FCA] G Before exercising its powers under section 296 or section 297 of the *Act* or (for *RAPs*) regulation 3 or 4 of the *RAP regulations*, the *FSA FCA* will usually discuss its intention, and the basis for this, with the *key individuals* or other appropriate representatives of the *recognised body*. It will usually discuss its intention not to make a *recognition order* with appropriate representatives of the applicant.

4.8.7 G ~~Under section 298(7) of the *Act* and (for *RAPs*) regulation 5(7) of the *RAP regulations*, the *FSA* need not follow the procedure in section 298 in relation to giving a direction under section 296 of the *Act* or (for *RAPs*) regulation 5 of the *RAP regulations* in relation to giving a direction under regulation 3, when it considers it essential not to do so. Guidance on the circumstances in which the *FSA* will usually act in this way is given in *REC 4.6.4G*. [deleted]~~

4.8.8 G ~~In relation to a *RIE* and *RCH*, under section 290(6) of the *Act*, the *FSA* need not follow the procedure in section 298 in relation to a refusal to make a *recognition order* if (under section 307) the Treasury has not given its approval for the *recognition order* to be made. Further guidance is given in *REC 5* and *REC 6* (for overseas applications). [deleted]~~

4.8.9 [FCA] G Key steps in the section 298 and (for *RAPs*) regulation 5 procedure

	The <i>FSA FCA</i> will:	Guidance
(1)	give written notice to the <i>recognised body RIE</i> (or applicant);	The notice will state why the <i>FSA FCA</i> intends to take the action it proposes to take, and include an invitation to make representations, and the <del>date by</del> <u>period within</u> which representations should be made ( <u>unless subsequently extended by the <i>FCA</i></u> ).
(2)	take such steps as it considers reasonably practicable to bring the notice to the attention of the <i>members of the recognised body</i> or of the applicant, as the case may be;	The <i>FSA</i> will also notify <i>persons</i> individually (as far as it considers it reasonably practicable to do so) if it considers that the action it proposes to take would affect them adversely in a way which would be different from its effect on
(3)	publish the notice so as to	

	bring it to the attention of other <i>persons</i> likely to be affected;	other <i>persons</i> of the same class.
(4) (2)	receive representations from the <i>recognised body RIE</i> or applicant concerned, <del>any member of the recognised body or applicant, and any other person who is likely to be affected by the action the FSA proposes to take;</del>	The <del>FSA</del> <u>FCA</u> will not usually consider oral representations without first receiving written representations from the <i>person concerned RIE</i> (or <u>applicant</u> ). It will normally only hear oral representations from the <del>recognised body RIE</del> (or applicant) <del>itself or of a person whom it has notified individually, on request.</del>
(5) (3)	write promptly to <del>any person the RIE (or applicant) who requests the opportunity to make oral representations if it decides not to hear that person's representations;</del>	The <del>FSA</del> <u>FCA</u> will indicate why it will not hear oral representations and the <del>FSA</del> <u>FCA</u> will allow the <i>person concerned RIE</i> (or <u>applicant</u> ) further time to respond.
(6) (4)	have regard to representations made;	
(7) (5)	(when it has reached its decision) notify the <del>recognised body RIE</del> (or applicant) concerned in writing;	
(8)	(if it has decided to give a <del>direction, or revoke or refuse to make a recognition order</del> ) take such steps as it considers reasonably practicable to bring its decision to the attention of <del>members of the recognised body or applicant and to other persons likely to be affected.</del>	The <del>FSA</del> will usually give notice of its decision to the same <i>persons</i> and in the same manner as it gave notice of its intention to act.

4.8.10 G For RAPs, key steps in the regulation 5 procedure

[FCA]

	<u>The FCA will:</u>	<u>Guidance</u>
(1)	<u>give written notice to the RAP (or applicant);</u>	<u>The notice will state why the FCA intends to take the action it proposes to take, and include an invitation to make representations, and the date by which representations should be made.</u>
(2)	<u>take such steps as it considers reasonably practicable to bring the notice to the attention of the members of the RAP or of the applicant, as the case may be;</u>	<u>The FCA will also notify persons individually (as far as it considers it reasonably practicable to do so) if it considers that the action it proposes to take would affect them adversely in a way which would be different from its effect on other persons of the same class.</u>
(3)	<u>publish the notice so as to bring it to the attention of other persons likely to be affected;</u>	
(4)	<u>receive representations from the RAP or applicant concerned, any member of the RAP or applicant, and any other person who is likely to be affected by the action the FCA proposes to take;</u>	<u>The FCA will not usually consider oral representations without first receiving written representations from the person concerned. It will normally only hear oral representations from the RAP (or applicant) itself or of a person whom it has notified individually, on request.</u>
(5)	<u>write promptly to any person who requests the opportunity to make oral representations if it decides not to hear that person's representations;</u>	<u>The FCA will indicate why it will not hear oral representations and the FCA will allow the person concerned further time to respond.</u>
(6)	<u>have regard to representations made;</u>	

(7)	<u>(when it has reached its decision) notify the <i>RAP</i> (or applicant) concerned in writing;</u>	
(8)	<u>(if it has decided to give a direction, or revoke or refuse to make a <i>recognition order</i>) take such steps as it considers reasonably practicable to bring its decision to the attention of <i>members</i> of the <i>RAP</i> or applicant and to other <i>persons</i> likely to be affected.</u>	<u>The <i>FCA</i> will usually give notice of its decision to the same <i>persons</i> and in the same manner as it gave notice of its intention to act.</u>

After REC 4.8 insert the following new section. The text is not underlined.

#### 4.9 Disciplinary measures

4.9.1 [FCA] G (1) Under sections 312E and 312F of the *Act*, if the *FCA* considers that a *recognised body* has contravened a requirement imposed by the *FCA* under any provision of the *Act* that relates to a *RIE*, or under any provision of the *Act* whose contravention constitutes an offence the *FCA* has power to prosecute, or by a qualifying EU provision specified by the Treasury, it may:

- (a) publish a statement to that effect; or
- (b) impose on the body a financial penalty of such amount as it considers appropriate.

(2) The procedures and policies which the *FCA* will follow if it proposes to publish a statement under section 312E or to impose a penalty under section 312F, and if it decides to publish such statement or impose such penalty, are set out in *DEPP*.

(3) In exercising or deciding whether to exercise its power to impose a penalty under section 312F of the *Act*, the *FCA* will also have regard to any statement of policy published under this section and in force at a time when the contravention in question occurred.

[**Note:** The *FCA* has issued a statement of policy for consultation with respect to the exercise of its powers under section 312F of the *Act*.]

4.9.2 [FCA] G (1) Under section 192K of the *Act*, if the *FCA* considers that a qualifying parent undertaking of a *UK RIE* has contravened a requirement of a direction given by the *FCA* under section 192C of the *Act*, or a provision of rules made by the *FCA* under section

192J of the *Act*, it may:

- (a) impose a penalty of such amount as it considers appropriate on the qualifying parent undertaking of the *UK RIE*, or any person who was knowingly concerned in the contravention; or
  - (b) publish a statement censuring the person.
- (2) The procedures which the *FCA* will follow if it proposes to take action, and if it decides to take action against a person, under section 192K are set out in *DEPP*.
- (3) In exercising or deciding whether to exercise its power under section 192K of the *Act*, the *FCA* will also have regard to any statement of policy published under this section and in force at a time when the contravention in question occurred.

[**Note:** The *FCA* has issued a statement of policy for consultation with respect to the exercise of its powers under section 192K of the *Act*.]

Amend the following as shown.

## 5 Applications for recognition (UK recognised bodies)

### 5.1 Introduction and legal background

- 5.1.1 [FCA] G A *body corporate* or an unincorporated association may apply to the ~~*FSA*~~ *FCA* for recognition as a *UK recognised body* under sections 287 (Application by an investment exchange) or 288 (Application by a clearing house) of the *Act*.
- 5.1.1A [FCA] G A *UK RIE* may apply to the ~~*FSA*~~ *FCA* for recognition as an *RAP* under regulation 2 of the *RAP regulations*.
- 5.1.2 [FCA] G This chapter sets out *guidance* for *UK* applicants and for *UK* entities which are considering making an application. *Guidance* for applicants and prospective applicants for ~~*overseas recognised body*~~ *ROIE* status is given in *REC 6*.

*REC 5.1.3G* to *5.1.7G* have been deleted in their entirety. The deleted text is not shown.

### 5.2 Application process

- 5.2.1 G An applicant for *recognised body* status needs to demonstrate to the ~~*FSA*~~ *FCA* that it is able to meet the *recognised body requirements* before a

- [FCA] *recognition order* can be made. Once it has been recognised, a *recognised body* has to comply with the *recognised body requirements* at all times. (*Guidance on the recognised body requirements applicable to UK recognised bodies* (and applicants) is given in *REC 2* and *REC 2A*).
- 5.2.1A [FCA] G In addition, under section 290A of the *Act* (Refusal of recognition on ground of excessive regulatory provision), the ~~FSA~~ FCA must refuse to make a *recognition order* in relation to a body applying for recognition as a ~~UK RIE or UK RCH~~ if it appears to the ~~FSA~~ FCA that an existing or proposed *regulatory provision* of the applicant in connection with the applicant's business as an investment exchange or the provision by the applicant of ~~clearing services~~ *clearing facilitation services* imposes, or will impose, an excessive requirement (as defined in section 300A of the *Act*) on *persons* directly or indirectly affected by it.
- 5.2.2 [FCA] G (1) There is no standard application form. A prospective applicant should contact the Markets Division at the ~~FSA~~ FCA at an early stage for advice on the preparation, scheduling and practical aspects of its application.
- ...
- 5.2.3 [FCA] G An application should:
- (1) be made in accordance with any directions the ~~FSA~~ FCA may make under section 287 (Application by an investment exchange), ~~section 288 (Application by a clearing house)~~ of the *Act* or (for *RAPs*) regulation 2 of the *RAP regulations*;
  - (2) in the case of an application under ~~sections~~ section 287 ~~or 288~~ of the *Act*, be accompanied by the applicant's *regulatory provisions* and in the case of an application under section 287 of the *Act* information required pursuant to sub-sections 287(3)(c), (d) and (e) of the *Act* (see *REC 5.2.3AG*) (the material specifically prescribed in section 287 or section 288);
  - (3) be accompanied by the information, evidence and explanatory material (including supporting documentation) necessary to demonstrate to the ~~FSA~~ FCA that the *recognised body requirements* will be met; and
- ...
- ...
- 5.2.5 [FCA] G A prospective applicant who is an *authorised person* may wish to consult the ~~FSA~~ FCA about the extent to which information which it has already supplied in connection with its status as an *authorised person* can be used to support an application to become a *UK recognised body*.

- 5.2.5A [FCA] G A *UK RIE* applying for recognition as an *RAP* may wish to consult the ~~FSA~~ FCA about the extent to which information which it has already supplied in connection with its status as a *UK RIE* can be used to support an application to be recognised as an *RAP*.
- 5.2.6 [FCA] G Under section 289 of the *Act* (Applications: supplementary) or (for an *RAP* applicant) regulation 2 of the *RAP regulations*, the ~~FSA~~ FCA may require the applicant to provide additional information, and may require the applicant to verify any information in any manner. In view of their likely importance for any application, the ~~FSA~~ FCA will normally wish to arrange for its own inspection of an applicant's information technology systems.
- 5.2.6A [FCA] G In the case of an application to become a *UK RIE* or an *RAP*, under subsection 290(1B) of the *Act* and (for an *RAP* applicant) regulation 2(8) of the *RAP regulations*, the application must be determined by the ~~FSA~~ FCA before the end of the period of six *months* beginning with the date on which it receives the completed application.
- 5.2.7 [FCA] G At any time after making a formal application, the applicant may make amendments to its rules, guidance or any other part of its application submitted to the ~~FSA~~ FCA. ~~Any amendments or additional information (except in relation to an *RAP* applicant) are likely to be forwarded by the *FSA* to the Director General of Fair Trading and the Treasury under section 303 of the *Act* (Initial report by Director) (see *REC 5.1.5G*).~~
- 5.2.8 [FCA] G (1) The ~~FSA~~ FCA will keep the applicant informed of the progress of the application.
- (2) It may be necessary to ask the applicant to clarify or amplify some aspects of its proposals. The ~~FSA~~ FCA may wish to discuss various aspects of the application and may invite the applicant to attend one or more meetings for that purpose. When requested to do so, the ~~FSA~~ FCA will explain the nature of the information which it has asked an applicant to supply in connection with its application.
- 5.2.9 G (1) ~~While the *FSA* is considering an application under section 287 or 288 of the *Act*, the Office of Fair Trading will be reviewing the regulatory provisions so that the Director General of Fair Trading is able to make the report required by section 303 of the *Act*. [deleted]~~
- (2) ~~When the Director General of Fair Trading has issued his report, if the circumstances described in *REC 5.1.4 G* apply, the Competition Commission must normally make its own report under section 306 of the *Act*. [deleted]~~
- 5.2.10 G ~~In relation to an application under section 287 or 288 of the *Act*, where the *FSA* considers that an applicant satisfies the *recognition requirements* and in the case of an application to become a *UK RIE*, the *MiFID implementing requirements*, and that the Treasury has had an opportunity to consider any~~

reports from the Director General of Fair Trading and the Competition Commission, the *FSA* will then seek the Treasury's approval, under section 307 of the *Act* (Recognition orders: role of the Treasury), to the making of a *recognition order*. [deleted]

5.2.11 G Under section 307 of the *Act*, in relation to an application under section 287 or 288 of the *Act*, the Treasury will have to follow the advice of the Director General of Fair Trading or the Competition Commission as appropriate unless it considers that there are exceptional circumstances for not doing so. The Treasury will therefore ordinarily give its approval to the making of a *recognition order* if the applicant's *regulatory provisions* are not considered to have a significantly adverse effect on competition or, if they are considered to have that effect, the effect is justified. It will ordinarily refuse its approval if the applicant's *regulatory provisions* are considered to have any significantly adverse effect on competition and that effect is not considered to be justified. [deleted]

5.2.12 [FCA] G Where the *FSA FCA* considers that it is unlikely to make a *recognition order*, or (in the case of a *UK RIE* or *UK RCH*) to seek the Treasury's approval, it will discuss its concerns with the applicant as early as possible with a view to enabling the applicant to make changes to its rules or guidance, or other parts of the application (see *REC 5.2.7G*). If the *FSA FCA* decides that it will not make a *recognition order*, it will follow the procedure set out in section 298 of the *Act* (Directions and revocation: procedure) or (in the case of an *RAP*) regulation 5 of the *RAP regulations* and described in more detail in *REC 4.8*.

5.2.13 G In relation to an application under section 287 or 288 of the *Act*, the *FSA* will notify the applicant if the Treasury does not give its approval under section 307 of the *Act* (Recognition orders: role of the Treasury). Under section 290 (Recognition orders), the *FSA* does not have to follow the section 298 procedure (see *REC 4.8*) in this case and will not normally do so. The Treasury is required in those circumstances to follow a similar procedure under section 310 of the *Act* (Procedure on the exercise of certain powers by the Treasury). [deleted]

5.2.14 [FCA] G Information and supporting documentation (see *REC 5.2.4G*)

...	
(3)	Details of the <i>facilities</i> which the applicant plans to operate, including details of the trading platform or (for an <i>RAP</i> ) <i>auction platform</i> , settlement arrangements, <del>clearing services</del> <i>clearing facilitation services</i> and <i>custody</i> services which it plans to supply. An applicant for <i>RAP</i> status must provide details on the relationship between the <i>auction platform</i> and any secondary market in <i>emissions auction products</i> which it operates or plans to operate.
...	

(12)	Details of its arrangements for managing any counterparty risks, <del>including details of margining systems, guarantee funds and insurance arrangements.</del>
...	
(14)	Details of arrangements for complying with the <i>notification rules</i> and other requirements to supply information to the <del>FSA</del> <u>FCA</u> .
...	
(16)	A summary of the legal due diligence carried out in relation to ascertaining the enforceability of its rules (including <i>default rules</i> ) <del>and arrangements for margin against any of its members based outside the United Kingdom,</del> and the results and conclusions reached.
...	
(21)	Details of criteria, rules and arrangements for selecting <i>specified investments</i> to be admitted to trading on (or cleared by) an <del>RIE, or to be cleared by an RCH</del> and, where relevant, details of how information regarding <i>specified investments</i> will be disseminated to users of its <i>facilities</i> .
(22)	Details of arrangements for cooperating with the <del>FSA</del> <u>FCA</u> and other appropriate authorities, including draft memoranda of understanding or letters.
...	

## 6 Overseas Investment Exchanges ~~and Overseas Clearing Houses~~

### 6.1 Introduction and legal background

6.1.1 G The Act prohibits any *person* from carrying on, or purporting to carry on, regulated activities in the United Kingdom unless that *person* is an *authorised person* or an *exempt person*. If an *overseas investment exchange* ~~or overseas clearing house~~ wishes to undertake *regulated activities* in the United Kingdom, it will need to:

[FCA]

(1) obtain a *Part IV 4A permission* from the ~~FSA~~ FCA;

...

(4) obtain *exempt persons status* by being declared by the ~~FSA~~ FCA to be ~~(in the case of an overseas investment exchange) an ROIE or (in the case of an overseas clearing house) an ROCH.~~

6.1.2 G Having the status of an ~~overseas recognised body~~ ROIE facilitates the

[FCA] participation of *overseas investment exchanges* and ~~*overseas clearing houses*~~ in *UK markets*. In comparison with *authorisation*, it reduces the involvement which *UK* authorities need to have in the day-to-day affairs of an *overseas recognised body* because they are able to rely substantially on the supervisory and regulatory arrangements in the country where the applicant's head office is situated.

## 6.2 Applications

- 6.2.1 G (1) *Overseas investment exchanges* and ~~*overseas clearing houses*~~ which are considering whether to seek *authorisation* or *recognition* should first consider whether they will be carrying on *regulated activities* in the *United Kingdom*. *Overseas investment exchanges* and ~~*overseas clearing houses*~~ which do not carry on *regulated activities* in the *United Kingdom* need take no action.
- [FCA]
- (2) Prospective applicants should discuss *authorisation* and *recognition* with the ~~*FSA*~~ FCA before deciding whether to seek *authorisation* or *recognition*.
- 6.2.2 G A prospective applicant may wish to contact the Markets Division at the ~~*FSA*~~ FCA at an early stage for advice on the preparation, scheduling and practical aspects of an application to become an *overseas recognised body*.
- [FCA]
- 6.2.3 G Applicants for *authorised person* status should refer to the ~~*FSA*~~ FCA website "How do I get authorised":
- [FCA] ~~<http://www.fsa.gov.uk/Pages/Doing/how/index.shtml>~~  
<http://www.fca.org.uk/firms/about-authorisation> Applications for *recognition* as an *overseas recognised body* should be addressed to:  
 The Financial ~~*Services*~~ Conduct Authority (Markets Division)  
 25 The North Colonnade  
 Canary Wharf  
 London E14 5HS
- 6.2.4 G There is no standard application form for application for *recognition* as an ~~*overseas recognised body*~~ ROIE. An application should be made in accordance with any direction the ~~*FSA*~~ FCA may make under section 287 (Application by an investment exchange) or ~~section 288 (Application by a clearing house)~~ of the *Act* and should include:
- [FCA]
- (1) the information, evidence and explanatory material necessary to demonstrate to the ~~*FSA*~~ FCA that the *recognition requirements* (set out in *REC* 6.3) will be met;
- ...
- (7) information identifying the following (if not contained in the *documents* listed in (5) or (6) or the material referred to in (1)):

...

- (b) any type of *specified investment* dealt in on, or arranged to be cleared by through the applicant;

...

6.2.5 G The ~~FSA~~ FCA may require further information from the applicant and may need to have discussions with the appropriate authorities in the applicant's *home territory*. To allow sufficient time for applications to be processed and for the necessary contacts to be made with the appropriate *home territory* authorities, applications should be made not later than six months before the applicant wishes the *recognition order* to take effect. No guarantee can be given that a decision will be reached within this time, although the ~~FSA~~ FCA will endeavour to meet the applicant's reasonable timing requirements.

[FCA]

...

### 6.3 Recognition requirements

6.3.1 G Before making a recognition order, the ~~FSA~~ FCA will need to be satisfied that the *recognition requirements* in section 292(3) of the *Act* (Overseas investment exchanges ~~and clearing houses~~) have been met. These requirements are the only *recognition requirements* applicable to ~~overseas recognised bodies~~ ROIEs.

[FCA]

6.3.2 UK Sections 292(3) and 292(4) state:

[FCA]

<b>Section 292(3)</b>	
<b>The requirements are that-</b>	
(a)	<b>investors are afforded protection equivalent to that which they would be afforded if the body concerned were required to comply with <i>recognition requirements</i>, <u>other than such requirements which are expressed in regulations under section 286 not to apply for the purposes of this paragraph</u>;</b>
(b)	<b>there are adequate procedures for dealing with a <i>person who is unable, or likely to become unable, to meet his obligations in respect of one or more market contracts connected with the</i> [ROIE] <del>or</del> [ROCH];</b>
(c)	<b>the applicant is able and willing to co-operate with the [FSA-FCA] by the sharing of information and in other ways; and</b>
(d)	<b>adequate arrangements exist for co-operation between the [FSA-FCA] and those responsible for the supervision of the applicant in the country or territory in which the applicant's head office is</b>

	situated.
<b>Section 292(4)</b>	
<b>In considering whether it is satisfied as to the requirements mentioned in subsections (3)(a) and (b), the [<del>FSA</del> <u>FCA</u>] is to have regard to-</b>	
...	

- 6.3.3 G The reference to *recognition requirements* in section 292(3)(a) of the *Act* is a  
[FCA] reference to the requirements applicable to *UK RIEs* or *UK RCHs* in the *Recognition Requirements Regulations*. These requirements are set out, together with *guidance*, in *REC 2*.

REC 6.4 has been deleted in its entirety. The deleted text is not shown.

## 6.5 ~~FSA~~ FCA decision on recognition

- 6.5.1 G If the ~~FSA~~ FCA considers that the requirements of the *Act* are satisfied, it may  
[FCA] make a *recognition order*, which will state the date on which it takes effect.
- 6.5.2 G Where the ~~FSA~~ FCA considers that it is unlikely to make a *recognition order*,  
[FCA] it will discuss its concerns with the applicant with a view to enabling the applicant to make changes to its rules or guidance, or other parts of the application. If the ~~FSA~~ FCA decides to refuse to make a *recognition order*, it will follow the procedure set out in section 298 of the *Act* (Directions and revocation: procedure) (which applies in consequence of section 290(5) of the *Act* (Recognition orders)) which is described in more detail in *REC 4.8*.
- 6.5.3 G ~~The FSA will notify the applicant if the Treasury fails to give its approval under section 307 of the Act (Recognition orders: role of the Treasury). Under section 290, the FSA is not required to follow the procedure under section 298 in this case and will not normally do so. [deleted]~~

## 6.6 Supervision

- 6.6.1 G An *overseas recognised body* ROIE is required to notify the ~~FSA~~ FCA of  
[FCA] certain events and give information to it on a regular basis and when certain specified events occur. Section 295 of the *Act* (Notification: overseas investment exchanges and overseas clearing houses) requires each *overseas recognised body* ROIE to provide the ~~FSA, the Treasury and the Director General of Fair Trading~~ FCA with a report (at least once a year) which contains:
- (1) a statement as to whether any events have occurred which are likely:

- (a) to affect the ~~FSA's~~ FCA's assessment of whether it is satisfied that the ~~overseas recognised body~~ ROIE continues to satisfy the *recognition requirements* set out in section 292(3) of the Act (Overseas investment exchanges and overseas clearing houses) (see *REC* 6.3); ~~and~~
- (b) ~~to have any effect on competition;~~
- (2) the information specified in the ~~FSA's~~ FCA's notification rules for ~~overseas recognised bodies~~ ROIEs (see *REC* 6.7).

6.6.2 [FCA] G The following events are examples of events likely to affect an assessment of whether an ~~overseas recognised body~~ ROIE is continuing to satisfy the *recognition requirements*, ~~or to have an effect on competition:~~

- (1) significant changes to any relevant law or regulation in its *home territory*, including laws or regulations:
  - (a) governing exchanges or, if relevant to an ROIE's satisfaction of the recognition requirements, clearing houses;
  - ...
  - (c) designed to protect the interests of *clients* of *members* of the ~~overseas recognised body~~ ROIE, or of a class of bodies which includes the ~~overseas recognised body~~ ROIE;
  - (d) which affect:
    - (i) the ability of the ~~overseas recognised body~~ ROIE to seek information (whether compulsorily or voluntarily) from its *members*, including information relating to the price and volume of transactions, the identity of parties to transactions, and the movement of funds associated with transactions;
    - (ii) ~~which affect~~ the ability of the ~~overseas recognised body~~ ROIE to pass such information, on request, to *UK* authorities;
  - ...
- (3) significant changes to the practices of the ~~overseas recognised body~~ ROIE applying to any *regulated activities* carried on by it in the *United Kingdom*;
- (4) any other event or series of events in relation to the body which:
  - (a) affects or may significantly affect cooperation between the ~~overseas recognised body~~ ROIE, or its supervisor in its *home territory*, and the ~~FSA~~ FCA; or...

...

6.6.3 G The period covered by a report submitted under section 295(1) of the Act starts  
[FCA] on the day after the period covered by its last report or, if there is no such report, after the making of the *recognition order* recognising the ~~overseas recognised body~~ ROIE as such, and ends on the date specified in the report or, if no date is specified, on the date of the report.

6.6.4 G If an ~~overseas recognised body~~ ROIE changes the period covered by its report,  
[FCA] it should ensure that the first day of the period covered by a report is the day immediately following the last day of the period covered by the previous report.

...

6.6.6 G Copies of the report should be sent to the ~~FSA, the Treasury and the Director~~  
[FCA] ~~General of Fair Trading~~ FCA within two months after the end of the period to which it relates.

## 6.7 Notification rules for overseas recognised bodies

### Application

6.7.1 R The *notification rules* in this chapter, which are made under sections 293  
[FCA] (Notification requirements) and 295 of the *Act* (Notification: overseas investment exchanges and overseas clearing houses), apply to all ~~overseas recognised bodies~~ ROIEs.

### Purpose

6.7.2 G The *notification rules* in this chapter are made by the ~~FSA~~ FCA in order to  
[FCA] ensure that it is provided with notice of events and information which it reasonably requires for the exercise of its functions under the *Act*.

### Reports under section 295

6.7.3 R Where an ~~overseas recognised body~~ ROIE includes in its report made under  
[FCA] section 295(1) of the *Act* (Notification: overseas investment exchanges and overseas clearing houses) a statement in compliance with section 295(2)(a) of the *Act* that an event has occurred in the period covered by that report which is likely to affect the ~~FSA's~~ FCA's assessment of whether it is satisfied as to the requirements set out in section 292(3) (Overseas investment exchanges and overseas clearing houses), it must include particulars of that event.

6.7.4 R An ~~overseas recognised body~~ ROIE must include in its report submitted in  
[FCA] compliance with section 295(1) of the *Act*:

...

## First report

- 6.7.5 R An ~~overseas recognised body~~ ROIE must include in the first report submitted  
[FCA] under section 295(1) of the Act after the *recognition order* in relation to that  
~~overseas recognised body~~ ROIE is made:

...

after the application for recognition was submitted to the ~~FSA~~ FCA but which were not included in the application or in any supplementary information submitted to the ~~FSA~~ FCA before the *recognition order* was made.

- 6.7.6 G *Guidance* on the period covered by an ~~overseas recognised body's~~ ROIE's  
[FCA] report submitted in compliance with section 295(1) of the Act is given in *REC*  
6.6.3G.

## Changes of address

- 6.7.7 R Where an ~~overseas recognised body~~ ROIE proposes to change:  
[FCA]

...

it must give notice to the ~~FSA~~ FCA and inform it of the new address at least 14 days before the change is effected.

## Revocation or modification of home territory licence, permission or authorisation

- 6.7.8 R Where an ~~overseas recognised body~~ ROIE has notice that any licence,  
[FCA] permission or authorisation which it requires to conduct any *regulated activity*  
in its *home territory* has been or is about to be:

...

- (2) modified in any way which would materially restrict the ~~overseas recognised body~~ ROIE in performing any regulated activity in its home territory or in the United Kingdom;

it must immediately notify the ~~FSA~~ FCA of that fact and must give the ~~FSA~~ FCA the information specified for the purposes of this *rule* in *REC* 6.7.9R, as soon as that information is known to it.

- 6.7.9 R The following information is specified for the purposes of *REC* 6.7.8R:  
[FCA]

- (1) particulars of the licence, permission or authorisation which has been or is to be revoked or modified, including particulars of the ~~overseas recognised body's~~ ROIE's *regulated activities* to which it relates;

- (2) an explanation of how the revocation or modification restricts or will restrict the ~~overseas recognised body~~ ROIE in carrying on any

*regulated activity* in its *home territory* or in the *United Kingdom*;

...

...

Form and method of notification

- 6.7.12 R The *rules* relating to the form and method of notification in *REC 3.2* also apply to ~~*overseas recognised bodies*~~ *ROIEs*.  
[FCA]

Waivers

- 6.7.13 G ~~*Overseas recognised bodies*~~ *ROIEs* may apply to the ~~*FSA*~~ *FCA* for a waiver of any of the *notification rules*. The procedure is the same as that for applications from *UK recognised bodies*. *Guidance* on the procedure is given in *REC 3.3*.  
[FCA]

## 6.8 ~~Powers of direction and revocation of recognition orders~~ to supervise

- 6.8.1 G The ~~*FSA*~~ *FCA* has similar powers to supervise ~~*overseas recognised bodies*~~ *ROIEs* to those it has to supervise ~~*UK recognised bodies*~~ *UK RIEs*. It may (in addition to any other powers it might exercise):  
[FCA]

- (1) give directions to an ~~*overseas recognised body*~~ *ROIE* under section 296 of the *Act* (Authority's power to give directions) if it has failed, or is likely to fail, to satisfy the *recognition requirements* or if it has failed to comply with any other obligation imposed by or under the *Act*; or
- (2) revoke a *recognition order* under section 297 of the *Act* (Revoking recognition) if an ~~*overseas recognised body*~~ *ROIE* is failing, or has failed, to comply with the *recognition requirements* or any other obligation in or under the *Act*; or
- (3) require an *ROIE* or a person connected with the *ROIE*, under section 165 of the *Act*, to provide or produce specified information or information of a specified description, at a specified place and before the end of a reasonable period, in such form and with such verifications or authentications as it may reasonably require; or
- (4) require any of the following persons, under section 166 of the *Act*, to provide the *FCA* with a report on any matter, or appoint a skilled person to provide the *FCA* with information or produce documents with respect to any matter:
  - (a) the *ROIE*; or
  - (b) any other member of the *ROIE*'s group; or

- (c) a partnership of which the ROIE is a member; or
- (d) a person who has at any time been a person falling within (a), (b) or (c).

6.8.2 G The ~~FSA~~ FCA will follow the approach in *REC 4.6*, *REC 4.7* and *REC 4.8*,  
[FCA] *REC 4.2F* and *REC 4.2G* if it is considering exercising these powers in relation to an ~~overseas recognised body~~ ROIE.

## 6A EEA market operators in the United Kingdom

### 6A.1 Exercise of passport rights by EEA market operator

6A.1.1 G Under section 312A of the Act, an *EEA market operator* may make  
[FCA] arrangements in the *United Kingdom* to facilitate access to, or use of, a *regulated market* or *multilateral trading facility* operated by it if:

...

- (2) the *Home State regulator* has given the ~~FSA~~ FCA notice of the operator's intention.

...

### 6A.2 Removal of passport rights from EEA market operator

6A.2.1 G Under section 312B of the Act, the ~~FSA~~ FCA may prohibit an *EEA market*  
[FCA] *operator* from making or, as the case may be, continuing arrangements in the *United Kingdom*, to facilitate access to, or use of, a *regulated market*, or *multilateral trading facility*, operated by the operator if:

- (1) the ~~FSA~~ FCA has clear and demonstrable grounds for believing that the operator has contravened a relevant requirement; and
- (2) the ~~FSA~~ FCA has first complied with sections 312B(3) to (9) of the Act.

...

6A.2.3 G The procedure the ~~FSA~~ FCA will follow if it is to exercise this prohibition  
[FCA] power is set out in sections 313B(3) to (9) of the Act.

6A.2.4 G If the ~~FSA~~ FCA exercises this prohibition power it must at the earliest  
[FCA] opportunity notify the Commission and *ESMA* of the action taken in relation to the operator.

6A.2.5 G The operator's *exempt person* status ceases to apply if the ~~FSA~~ FCA exercises

[FCA] this prohibition power.

6A.2.6 G The operator's right to make arrangements in the *United Kingdom*, to facilitate access to, or use of, a *regulated market*, or *multilateral trading facility*, operated by the operator may be reinstated (together with its *exempt person* status) if the ~~FSA~~ FCA is satisfied that the contravention which led the ~~FSA~~ FCA to exercise its prohibition power has been remedied.

...

**TP 1 Transitional provisions**

**TP 1.1 Introduction**

[FCA]

...	
3	<del>GEN also contains some technical transitional provisions that apply throughout the Handbook and which are designed to ensure a smooth transition at commencement. These include transitional provisions relevant to record keeping and notification requirements</del>

REC TP 1.2 is deleted in its entirety. The deleted text is not shown.

...

**Sch 2 Notification requirements**

Sch 2.1 G

[FCA]

...
For completeness, summary details of the main notification requirements in the <i>Act</i> itself and the <i>Companies Act 1989</i> are also included in the table. The summary of these statutory provisions here should not be taken to imply that these are obligations imposed by the <del>FSA</del> <u>FCA</u> under its powers nor that the following summary supersedes or alters the meaning of these provisions.
<del>Guidance on the statutory notification requirements for overseas recognised bodies ROIEs</del> is given in REC 6.6.

Sch 2.2 G

[FCA]

Reference to legislation or Handbook	Matter to be notified	Contents of notification	Trigger event	Time allowed
<del>UK recognised bodies UK RIEs</del>				
The <i>Act</i> 293(5)	Changes to <i>rules</i> and	Details of change	Change to rule or guidance	Without delay

	<i>guidance</i>			
<i>UK RIEs and UK RCHs</i>				
The Act s300B(1)	Proposal to make <i>regulatory provision</i>	Details of proposal	Proposal to make <i>regulatory provision</i>	Without delay
Companies Act 1989 s157	Proposed changes to <i>default rules</i>	Details of proposed change	Proposal to change <i>default rules</i>	14 days in advance of change
<i>UK RIEs</i>				
The Act s293(6)(a)	Changes to arrangements for <del>clearing services</del> <i>clearing facilitation services in respect of on-exchange transactions</i>	Details of change	Change to arrangements	Without delay
The Act s293(6)(b)	Changes to criteria determining to whom it will provide <del>clearing services</del> <i>clearing facilitation services</i>	Details of change	Change to criteria	Without delay
<i>UK RCHs</i>				
The Act s293(7)(a)	Changes to <i>RIEs</i> for whom <del>clearing services</del> provided	Details of change	Change to <i>RIE</i>	Without delay
The Act s293(7)(b)	Changes to criteria determining to whom (other than <i>RIEs</i> ) it will provide <del>clearing services</del>	Details of change	Change to criteria	Without delay <sup>†</sup>
<i>RAPs</i>				
The Act s293(6)(a)	Changes to arrangements	Details of change	Change to arrangements	Without delay

	for clearing transactions effected on the auction platform			
...	...	...	...	...
<i>Overseas recognised bodies-ROIEs</i>				
The Act s295	Report to <del>FSA</del> <u>FCA</u>	Statement as to whether events have occurred which would affect the <del>FSA's</del> <u>FCA's</u> assessment of whether the <i>recognition requirements</i> are met <del>or</del> which might have an effect on competition	Not applicable	Once a year
<i>Notification rules for overseas recognised bodies ROIEs (see REC 6.7)</i>				
REC 6.7.3 R	Events which might affect the <del>FSA's</del> <u>FCA's</u> assessment of whether the <i>recognition requirements</i> are met	Particulars of event	Not applicable	Include in report under s295
...	...	...	...	...

REC Sch 3 and Sch 4 are deleted in their entirety. The deleted text is not shown.

...

**Sch 6 Rules that can be waived**

Sch 6.1  
[FCA]

<p>The <i>notification rules</i> in REC 3 and REC 6 can be <i>waived</i> by the <del>FSA</del> <u>FCA</u> under section 294 of the Act (Modification or waiver of rules). (The statutory notification requirements, also summarised in Schedule 2 to REC, cannot be <i>waived</i> by the <del>FSA</del> <u>FCA</u>.)</p>
<p><del>The fees rules in REC 7 cannot be waived by the FSA.</del></p>



## Schedule A

### Part 1

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of	Sections 88A-88F	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
sponsor)		
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making)	Section 137A	Section 137G

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
power)		
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial	Section 213	Section 213

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
difficulties)		
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

## Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions,	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	None.
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None



## Part 3

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

## Part 4

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None

## Part 5

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Part 6

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)



## Part 7

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

## Part 10

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

## Appendix 3: Section 21

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# Legal Cutover (Decision Procedure and Penalties Manual) Instrument 2013

**LEGAL CUTOVER (DECISION PROCEDURE AND PENALTIES MANUAL)  
INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance and statements of policy and procedure.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
  - (8) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
  - (9) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument; and
  - (10) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2.

### **Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant Instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

### **Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex C to this Instrument.

### **Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, amends, issues, gives, or imposes:
  - (1) Each provision in Annex B to this Instrument;
  - (2) Each provision in Annex C to this Instrument that meets all of the conditions in paragraph 7; and
  - (3) Any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex C that meets all of the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6 are that a provision is:
  - (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and
  - (2) Identified as “FCA” in Column 3 of Annex A to this Instrument.
- 8 The conditions referred to in paragraph 6(3) are that a provision is:
  - (1) Identified as “Designated” in column 2 of Annex A to this Instrument, and

- (2) Identified as “FCA” in column 3 of Annex A to this Instrument.
- 9 The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:
- (1) Section 88C (Action under s.88A: statement of policy);
  - (2) Section 89S (Action under s.89Q: statement of policy);
  - (3) Section 139A (Power of the FCA to give guidance);
  - (4) Section 192N (Imposition of penalties under section 192K: statement of policy);
  - (5) Section 249 (Disciplinary measures);
  - (6) Section 312J (Statement of policy);
  - (7) Section 345D (Imposition of penalties on auditors or actuaries: statement of policy); and
  - (8) section 395 (The FCA’s and PRA’s procedures).
- 10 The rule-making powers in paragraph 8 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

#### **Commencement: Financial Conduct Authority**

- 11 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force on 1 April 2013.
- 13 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

#### **Amendments to the Handbook**

- 14 The modules of the FCA’s Handbook of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this Instrument listed in column (2).

(1)	(2)
Glossary of definitions	Annex B
Decision Procedure and Penalties manual (DEPP)	Annex C

#### **Citation**

- 15 This Instrument may be cited as the Legal Cutover (Decision Procedure and Penalties Manual) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

## Annex A

## Designation of the Decision Procedure and Penalties Manual (DEPP)

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Relevant regulator</b>
DEPP 1.1.1	Designated	FCA
DEPP 1.1.2	Designated	FCA
DEPP 1.2.1	Designated	FCA
DEPP 1.2.2	Designated	FCA
DEPP 1.2.3	Designated	FCA
DEPP 1.2.4	Designated	FCA
DEPP 1.2.4A	Made	FCA
DEPP 1.2.4B	Made	FCA
DEPP 1.2.4C	Made	FCA
DEPP 1.2.4D	Made	FCA
DEPP 1.2.4E	Made	FCA
DEPP 1.2.5	Designated	FCA
DEPP 1.2.6	Designated	FCA
DEPP 1.2.6A	Designated	FCA
DEPP 1.2.7	Designated	FCA
DEPP 1.2.8	Designated	FCA
DEPP 1.2.9	Designated	FCA
DEPP 2.1.1	Designated	FCA
DEPP 2.1.2	Designated	FCA
DEPP 2.1.3	Designated	FCA
DEPP 2.1.4	Designated	FCA
DEPP 2.2.1	Designated	FCA
DEPP 2.2.2	Designated	FCA
DEPP 2.2.3	Designated	FCA
DEPP 2.2.4	Designated	FCA
DEPP 2.2.5	Designated	FCA
DEPP 2.3.1	Designated	FCA
DEPP 2.3.2	Designated	FCA
DEPP 2.3.3	Designated	FCA
DEPP 2.3.4	Designated	FCA
DEPP 2.3.5	Designated	FCA
DEPP 2.3.6	Designated	FCA
DEPP 2.4.1	Designated	FCA
DEPP 2.5.1	Designated	FCA

DEPP 2.5.2	Designated	FCA
DEPP 2.5.3	Designated	FCA
DEPP 2.5.4	Designated	FCA
DEPP 2.5.5	Designated	FCA
DEPP 2.5.5A	Made	FCA
DEPP 2.5.6	Designated	FCA
DEPP 2.5.6A	Made	FCA
DEPP 2.5.7	Designated	FCA
DEPP 2.5.7A	Designated	FCA
DEPP 2.5.8	Designated	FCA
DEPP 2.5.9	Designated	FCA
DEPP 2.5.10	Designated	FCA
DEPP 2.5.11	Designated	FCA
DEPP 2.5.11A	Made	FCA
DEPP 2.5.11B	Made	FCA
DEPP 2.5.11C	Made	FCA
DEPP 2.5.11D	Made	FCA
DEPP 2.5.12	Designated	FCA
DEPP 2.5.13	Designated	FCA
DEPP 2.5.14	Designated	FCA
DEPP 2.5.15	Designated	FCA
DEPP 2.5.16	Designated	FCA
DEPP 2.5.17	Designated	FCA
DEPP 2.5.18	Designated	FCA
DEPP 2 Annex 1	Designated	FCA
DEPP 2 Annex 2	Designated	FCA
DEPP 3.1.1	Designated	FCA
DEPP 3.1.2	Designated	FCA
DEPP 3.1.3	Designated	FCA
DEPP 3.2.1	Designated	FCA
DEPP 3.2.2	Designated	FCA
DEPP 3.2.3	Designated	FCA
DEPP 3.2.4	Designated	FCA
DEPP 3.2.5	Designated	FCA
DEPP 3.2.6	Designated	FCA
DEPP 3.2.7	Designated	FCA
DEPP 3.2.8	Designated	FCA
DEPP 3.2.9	Designated	FCA
DEP 3.2.10	Designated	FCA
DEPP 3.2.11	Designated	FCA
DEPP 3.2.12	Designated	FCA
DEPP 3.2.13	Designated	FCA
DEPP 3.2.14	Designated	FCA
DEPP 3.2.14A	Made	FCA
DEPP 3.2.14B	Made	FCA
DEPP 3.2.14C	Made	FCA

DEPP 3.2.14D	Made	FCA
DEPP 3.2.14E	Made	FCA
DEPP 3.2.14F	Made	FCA
DEPP 3.2.14G	Made	FCA
DEPP 3.2.14H	Made	FCA
DEPP 3.2.15	Designated	FCA
DEPP 3.2.16	Designated	FCA
DEPP 3.2.17	Designated	FCA
DEPP 3.2.18	Designated	FCA
DEPP 3.2.19	Designated	FCA
DEPP 3.2.20	Designated	FCA
DEPP 3.2.21	Designated	FCA
DEPP 3.2.22	Designated	FCA
DEPP 3.2.23	Designated	FCA
DEPP 3.2.24	Designated	FCA
DEPP 3.2.25	Designated	FCA
DEPP 3.2.26	Designated	FCA
DEPP 3.2.27	Designated	FCA
DEPP 3.3.1	Designated	FCA
DEPP 3.3.2	Designated	FCA
DEPP 3.3.3	Designated	FCA
DEPP 3.4.1	Designated	FCA
DEPP 3.4.2	Designated	FCA
DEPP 3.4.3	Designated	FCA
DEPP 3.4.4	Designated	FCA
DEPP 4.1.1	Designated	FCA
DEPP 4.1.2	Designated	FCA
DEPP 4.1.2A	Made	FCA
DEPP 4.1.3	Designated	FCA
DEPP 4.1.4	Designated	FCA
DEPP 4.1.5	Designated	FCA
DEPP 4.1.6	Designated	FCA
DEPP 4.1.7	Designated	FCA
DEPP 4.1.8	Designated	FCA
DEPP 4.1.9	Designated	FCA
DEPP 4.1.10	Designated	FCA
DEPP 4.1.11	Designated	FCA
DEPP 4.1.12	Designated	FCA
DEPP 4.1.13	Designated	FCA
DEPP 4.1.14	Made	FCA
DEPP 4.2.1	Designated	FCA
DEPP 4.2.2	Designated	FCA
DEPP 5.1.1	Designated	FCA
DEPP 5.1.2	Designated	FCA
DEPP 5.1.3	Designated	FCA
DEPP 5.1.4	Designated	FCA

DEPP 5.1.5	Designated	FCA
DEPP 5.1.6	Designated	FCA
DEPP 5.1.7	Designated	FCA
DEPP 5.1.8	Designated	FCA
DEPP 5.1.9	Designated	FCA
DEPP 5.1.10	Designated	FCA
DEPP 6.1.1	Designated	FCA
DEPP 6.1.2	Designated	FCA
DEPP 6.2.1	Designated	FCA
DEPP 6.2.2	Designated	FCA
DEPP 6.2.2A	Designated	FCA
DEPP 6.2.3	Designated	FCA
DEPP 6.2.4	Designated	FCA
DEPP 6.2.5	Designated	FCA
DEPP 6.2.6	Designated	FCA
DEPP 6.2.7	Designated	FCA
DEPP 6.2.8	Designated	FCA
DEPP 6.2.9	Designated	FCA
DEPP 6.2.9A	Designated	FCA
DEPP 6.2.10	Designated	FCA
DEPP 6.2.11	Designated	FCA
DEPP 6.2.12	Designated	FCA
DEPP 6.2.13	Designated	FCA
DEPP 6.2.14	Designated	FCA
DEPP 6.2.15	Designated	FCA
DEPP 6.2.16	Designated	FCA
DEPP 6.2.17	Designated	FCA
DEPP 6.2.18	Designated	FCA
DEPP 6.2.19	Designated	FCA
DEPP 6.2.20	Designated	FCA
DEPP 6.2.21	Designated	FCA
DEPP 6.2.22	Designated	FCA
DEPP 6.2.23	Designated	FCA
DEPP 6.2.24	Designated	FCA
DEPP 6.2.25	Designated	FCA
DEPP 6.2.26	Designated	FCA
DEPP 6.2.27	Designated	FCA
DEPP 6.2.28	[Deleted]	[Deleted]
DEPP 6.3.1	Designated	FCA
DEPP 6.3.2	Designated	FCA
DEPP 6.4.1	Designated	FCA
DEPP 6.4.2	Designated	FCA
DEPP 6.5.1	Designated	FCA
DEPP 6.5.2	Designated	FCA
DEPP 6.5.3	Designated	FCA
DEPP 6.5A.1	Designated	FCA
DEPP 6.5A.2	Designated	FCA

DEPP 6.5A.3	Designated	FCA
DEPP 6.5A.4	Designated	FCA
DEPP 6.5A.5	Designated	FCA
DEPP 6.5B.1	Designated	FCA
DEPP 6.5B.2	Designated	FCA
DEPP 6.5B.3	Designated	FCA
DEPP 6.5B.4	Designated	FCA
DEPP 6.5B.5	Designated	FCA
DEPP 6.5C.1	Designated	FCA
DEPP 6.5C.2	Designated	FCA
DEPP 6.5C.3	Designated	FCA
DEPP 6.5C.4	Designated	FCA
DEPP 6.5C.5	Designated	FCA
DEPP 6.5D.1	Designated	FCA
DEPP 6.5D.2	Designated	FCA
DEPP 6.5D.3	Designated	FCA
DEPP 6.5D.4	Designated	FCA
DEPP 6.5D.4A	Designated	FCA
DEPP 6.5D.5	Designated	FCA
DEPP 6.6.1	Designated	FCA
DEPP 6.6.2	Designated	FCA
DEPP 6.6.3	Designated	FCA
DEPP 6.6.4	Designated	FCA
DEPP 6.6.5	Designated	FCA
DEPP 6.7.1	Designated	FCA
DEPP 6.7.2	Designated	FCA
DEPP 6.7.3	Designated	FCA
DEPP 6.7.4	Designated	FCA
DEPP 6.7.5	Designated	FCA
DEPP 6.7.6	Designated	FCA
DEPP 6A.1.1	Designated	FCA
DEPP 6A.1.2	Designated	FCA
DEPP 6A.1.3	Designated	FCA
DEPP 6A.1.4	Designated	FCA
DEPP 6A.2.1	Designated	FCA
DEPP 6A.2.2	Designated	FCA
DEPP 6A.2.3	Designated	FCA
DEPP 6A.2.4	Designated	FCA
DEPP 6A.2.5	Made	FCA
DEPP 6A.3.1	Designated	FCA
DEPP 6A.3.2	Designated	FCA
DEPP 6A.3.3	Designated	FCA
DEPP 6A.3.4	Designated	FCA
DEPP 6A.4.1	Designated	FCA
DEPP 6A.4.2	Designated	FCA
DEPP 6A.4.3	Designated	FCA

DEPP 7.1.1	Designated	FCA
DEPP 7.1.2	Designated	FCA
DEPP 7.1.3	Designated	FCA
DEPP 7.1.4	Designated	FCA
DEPP 7.2.1	Designated	FCA
DEPP 7.2.2	Designated	FCA
DEPP 7.2.3	Designated	FCA
DEPP 7.2.4	Designated	FCA
DEPP 7.2.5	Designated	FCA
DEPP 7.2.6	Designated	FCA
DEPP 7.2.7	Designated	FCA
DEPP 7.2.8	Designated	FCA
DEPP 7.2.9	Designated	FCA
DEPP 7.2.10	Designated	FCA
DEPP 7.2.11	Designated	FCA
DEPP 7.2.12	Designated	FCA
DEPP 7.2.13	Designated	FCA
DEPP 7.2.14	Designated	FCA
DEPP 7.2.15	Designated	FCA
DEPP 7.2.16	Designated	FCA
DEPP 7.2.17	Designated	FCA
DEPP 7.2.18	Designated	FCA
DEPP 7.2.19	Designated	FCA
DEPP 7.2.20	Designated	FCA
Sch 1	Designated	FCA
Sch 2	Designated	FCA
Sch 3	Designated	FCA
Sch 4	Designated	FCA
TP1	Designated	FCA

## Annex B

### Amendments to the Glossary of definitions

Insert the following new definition in the appropriate alphabetical position. The text is not underlined.

*primary information provider*                      a person approved by the *FCA* under section 89P of the *Act*.

Amend the following definitions as shown. Underlining indicates new text and striking through indicates deleted text.

*breach*                                              in *DEPP*:

(1)      misconduct in respect of which the ~~FSA~~ FCA is empowered to take action pursuant to section 66 (Disciplinary powers) of the *Act*; or

(2)      a contravention in respect of which the ~~FSA~~ FCA is empowered to impose a penalty pursuant to section 91 (Penalties for breach of listing rules) of the *Act*; or

...

(4)      behaviour amounting to *market abuse*, or to *requiring or encouraging market abuse*, in respect of which the ~~FSA~~ FCA takes action pursuant to section 123 (Power to impose penalties in cases of market abuse) of the *Act*;

(5)      a contravention of any directly applicable *EU* regulation made under *MiFID*; ~~or~~

(6)      a contravention in respect of which the ~~FSA~~-FCA is empowered to take action pursuant to section 131G (Breach of short selling regulation: Power to impose penalty or issue censure) of the *Act*;

(7)      a contravention in respect of which the FCA is empowered to take action pursuant to section 88A (Disciplinary powers: contravention of s.88(3)(c) or (e)) of the Act;

(8)      a contravention in respect of which the FCA is empowered to take action pursuant to section 89Q (Disciplinary powers: contravention of s.89P(4)(b) or

(d) of the Act;

- (9) a contravention in respect of which the FCA is empowered to take action pursuant to section 192K (Power to impose penalty or issue censure) of the Act;
- (10) a contravention in respect of which the FCA is empowered to take action pursuant to section 249 (Disciplinary measures) of the Act;
- (11) a contravention in respect of which the FCA is empowered to take action pursuant to section 312E (Public censure) or section 312F (Financial penalties) of the Act; or
- (12) a contravention in respect of which the FCA is empowered to take action pursuant to section 345 (Disciplinary measures: FCA) of the Act.

## Annex C

### Amendments to the Decision Procedure and Penalties manual (DEPP)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### 1.1 Application and Purpose

##### Application

- 1.1.1 G This manual (*DEPP*) is relevant to *firms, approved persons* and other *persons*, whether or not they are regulated by the ~~FSA~~ FCA. It sets out:
- (1) the ~~FSA~~ FCA's decision-making procedure for giving *statutory notices*. These are *warning notices, decision notices* and *supervisory notices* (*DEPP* 1.2 to *DEPP* 5);
  - (1A) the FCA's decision-making procedure in cases where the PRA is required to seek the FCA's consent before approving an application (a) for Part 4A permission; (b) for the variation of a Part 4A permission; or (c) to perform a controlled function (see DEPP 2.5.6AG);
  - (1B) the FCA's decision-making procedure where it is deciding under section 391(1)(c) of the Act to publish information about the matter to which a warning notice relates (see DEPP 3.2.14AG to DEPP 3.2.14HG);
  - (2) the ~~FSA~~ FCA's policy with respect to the imposition and amount of penalties under the *Act* (see *DEPP* 6);
  - (2A) the ~~FSA~~ FCA's policy with respect to the imposition of suspensions or restrictions, and the period for which those suspensions or restrictions are to have effect, under the *Act* (see *DEPP* 6A);
  - (3) the ~~FSA~~ FCA's policy with respect to the conduct of interviews by investigators appointed in response to a request from an overseas regulator or an *EEA regulator* (*DEPP* 7).

##### Purpose

- 1.1.2 G The purpose of *DEPP* is to satisfy the requirements of sections 63C(1), 69(1), 88C(1), 89S(1), 93(1), 124(1), 131FA, 131J(1), 169(9), 192N(1), 210(1), 312J(1), 345D(1) and 395 of the *Act* that the ~~FSA~~ FCA publish the statements of procedure or policy referred to in *DEPP* 1.1.1G.

#### 1.2 Introduction to statutory notices

## Statutory and related notices

1.2.1 G Section 395 of the *Act* (The *FSA's FCA's* and *PRA's* procedures) requires the *FSA FCA* to publish a statement of its procedure for the giving of *statutory notices*. The procedure must be designed to secure, among other things, that the decision which gives rise to the obligation to give a *statutory notice* is taken by a person not directly involved in establishing the evidence on which that decision is based or by two or more persons who include a person not directly involved in establishing that evidence. The types of *statutory notices* and related notices, and the principal references to them in the *Act* and *DEPP* are set out in *DEPP* 1.2.2G.

1.2.2 G Table: Summary of statutory and related notices

Notice	Description	Act reference	Further information
<i>Warning notice</i>	Gives the recipient details about action that the <i>FSA FCA</i> proposes to take and about the right to make representations.	Section 387	<i>DEPP</i> 2.2
<i>Decision notice</i>	Gives the recipient details about action that the <i>FSA FCA</i> has decided to take. The <i>FSA FCA</i> may also give a further <i>decision notice</i> if the recipient of the original <i>decision notice</i> consents.	Section 388	<i>DEPP</i> 2.3
...			
<i>Final notice</i>	Sets out the terms of the action that the <i>FSA FCA</i> is taking.	Section 390	<i>DEPP</i> 1.2.4G
<i>Supervisory notice</i>	Gives the recipient details about action that the <i>FSA FCA</i> has taken or proposes to take, for example to vary a <i>Part IV Part 4A permission</i> .	Section 395(13)	<i>DEPP</i> 2.2 and <i>DEPP</i> 2.3

...

Decisions relating to applications for authorisation or approval made to the PRA

1.2.4A G Section 395 of the *Act* also requires the *FCA* to publish a statement of its procedure for decisions which gives rise to an obligation for the PRA to include a statement under section 387(1A) in a *warning notice* or a

statement under section 388(1A) in a *decision notice* as follows:

- (1) Section 387(1A) provides that where the *FCA* proposes to refuse consent for the purposes of section 55F, 55I or 59 of the *Act*, or to give conditional consent as mentioned in section 55F(5) or 55I(8), the *warning notice* given by the *PRA* must (a) state that fact, and (b) give the reasons for the *FCA*'s proposal.
  - (2) Section 388(1A) provides that where the *FCA* has decided to refuse consent for the purposes of section 55F, 55I or 59 of the *Act*, or to give conditional consent as mentioned in section 55F(5) or 55I(8), the *decision notice* given by the *PRA* must (a) state that fact, and (b) give the reasons for the *FCA*'s decision.
- 1.2.4B G Where an application for *Part 4A* permission is made to the *PRA* as the appropriate regulator (section 55A(2)(a) of the *Act*), the *PRA* may only give permission with the consent of the *FCA* (section 55F of the *Act*). *FCA* consent can be conditional on the *PRA* imposing limitations or specifying the permission is for certain regulated activities only.
- 1.2.4C G Where an application to vary a *Part 4A* permission is made to the *PRA* as the appropriate regulator (section 55A(2)(a) of the *Act*), the *PRA* may only give permission with the consent of the *FCA* (section 55I of the *Act*). The *FCA* may withhold its consent to a proposed variation if it appears to it that it is desirable to do so in order to advance one or more of its operational objectives. *FCA* consent can be conditional on the *PRA* imposing limitations, or the *PRA* specifying the permission is for certain regulated activities only.
- 1.2.4D G Where an application to perform a *controlled function* is made to the *PRA* as the appropriate regulator, the *PRA* can only approve a person to perform a *controlled function* with the consent of the *FCA* (section 59(4)(b)) of the *Act*.
- 1.2.4E G The procedure must be designed to secure, among other things, that the decision is taken by a person not directly involved in establishing the evidence on which that decision is based, or by two or more persons who include a person not directly involved in establishing that evidence.

The decision makers

- 1.2.5 G Decisions on whether to give a *statutory notice* will be taken by a 'decision maker'. The ~~*FSA*~~ *FCA*'s assessment of who is the appropriate decision maker is subject to the requirements of section 395 of the *Act* and will depend upon the nature of the decision, including its complexity, importance and urgency. References to the 'decision maker' in *DEPP* are to:
- (1) the *Regulatory Decisions Committee (RDC)*; or

- (2) ~~FSA~~ FCA staff under *executive procedures*; or
  - (3) ~~FSA~~ FCA staff under the *settlement decision procedure*.
- 1.2.6 G The decision maker will also take decisions associated with a *statutory notice* (a '*statutory notice associated decision*'). *Statutory notice associated decisions* include decisions:
- (1) to set or extend the period for making representations;
  - (2) on whether the ~~FSA~~ FCA is required to give a copy of the *statutory notice* to any third party and, if so, the period for the third party to make representations; and
  - (3) on whether to refuse access to ~~FSA~~ FCA material, relevant to the relevant *statutory notice*, under section 394 of the *Act*.
- ...
- 1.2.7 G In each case, the decision maker will make decisions by applying the relevant statutory tests, having regard to the context and nature of the matter, that is, the relevant facts, law, and ~~FSA~~ FCA priorities and policies (including on matters of legal interpretation).
- 1.2.8 G The ~~FSA~~ FCA will make and retain appropriate records of those decisions, including records of meetings and the representations (if any) and materials considered by the decision makers.
- 1.2.9 G *DEPP 2* to *DEPP 5* set out:
- ...
- (3) the procedure for decision making by ~~FSA~~ FCA staff under *executive procedures* (*DEPP 4*);
  - (4) the procedure for decision making by ~~FSA~~ FCA staff under the *settlement decision procedure* (*DEPP 5*).

## 2 Statutory notices and the allocation of decision making

### 2.1 Statutory notices

...

- 2.1.3 G *DEPP 2 Annex 1G* and *DEPP 2 Annex 2G* identify the provisions of the *Act* or other enactment giving rise to the need for the relevant notice, and whether the decision maker is the *RDC* or ~~FSA~~ FCA staff under *executive procedures* in each case.

Consistent decision making

- 2.1.4 G ~~FSA~~ FCA staff responsible for the taking of a *statutory notice* decision under *executive procedures* may refer the matter to the *RDC* for the *RDC* to decide whether to give the statutory notice if:

...

- (2) the relevant ~~FSA~~ FCA staff believe, having regard to all the circumstances, that the *RDC* should have responsibility for the decision. The relevant considerations might include:

- (a) the desirability of consistency in ~~FSA~~ FCA decision making;

...

## 2.2 Warning notices and first supervisory notices

- 2.2.1 G If ~~FSA~~ FCA staff consider that action requiring a *warning notice* or first *supervisory notice* is appropriate, they will recommend to the relevant decision maker that the notice be given.

- 2.2.2 G For first *supervisory notices*, the ~~FSA~~ FCA staff will recommend whether the action should take effect immediately, on a specified date, or when the matter is no longer open to review (see *DEPP* 2.2.5G).

- 2.2.3 G The decision maker will:

- (1) consider whether the material on which the recommendation is based is adequate to support it; the decision maker may seek additional information about or clarification of the recommendation, which may necessitate additional work by the relevant ~~FSA~~ FCA staff;
- (2) satisfy itself that the action recommended is appropriate in all the circumstances;
- (3) decide whether to give the notice and the terms of any notice given.

- 2.2.4 G If the ~~FSA~~ FCA decides to take no further action and the ~~FSA~~ FCA had previously informed the *person* concerned that it intended to recommend action, the ~~FSA~~ FCA will communicate this decision promptly to the *person* concerned.

...

## 2.3 Decision notices and second supervisory notices

## Approach of decision maker

- 2.3.1 G If a decision maker is asked to decide whether to give a *decision notice* or second *supervisory notice*, it will:

...

- (2) consider any representations made (whether written, oral or both) and any comments by ~~FSA~~ FCA staff or others in respect of those representations;

...

## Default procedures

- 2.3.2 G If the ~~FSA~~ FCA receives no response or representations within the period specified in a *warning notice*, the decision maker may regard as undisputed the allegations or matters in that notice and a *decision notice* will be given accordingly. A *person* who has received a *decision notice* and has not previously made any response or representations to the ~~FSA~~ FCA, may nevertheless refer the ~~FSA~~ FCA's decision to the *Tribunal*.

- 2.3.3 G If the ~~FSA~~ FCA receives no response or representations within the period specified in a first *supervisory notice*, the ~~FSA~~ FCA will not give a second *supervisory notice*. The outcome depends on when the relevant action took or takes effect (as stated in the notice). If the action:

...

...

## Further decision notice

- 2.3.5 G Under section 388(3) of the *Act*, following the giving of a *decision notice* but before the ~~FSA~~ FCA takes action to which the *decision notice* relates, the ~~FSA~~ FCA may give the *person* concerned a further *decision notice* relating to different action concerning the same matter. Under section 388(4) of the *Act*, the ~~FSA~~ FCA can only do this if the *person* receiving the further *decision notice* gives its consent. In these circumstances the following procedure will apply:

- (1) ~~FSA~~ FCA staff will recommend to the decision maker that a further *decision notice* be given, either before or after obtaining the *person's* consent;

...

- (3) if the decision maker decides that the action proposed is inappropriate, he will decide not to give the further *decision notice*. In this case, the original *decision notice* will stand and

the *person's* rights in relation to that notice will be unaffected. If the *person's* consent has already been obtained, the ~~FSA~~ FCA will notify the *person* of the decision not to give the further *decision notice*;

...

- 2.3.6 G For the purpose of establishing whether the *person* receiving the further *decision notice* gives its consent, the ~~FSA~~ FCA will normally require consent in writing.

## 2.4 Third party rights and access to ~~FSA~~ FCA material

- 2.4.1 G Sections 393 (Third party rights) and 394 (Access to ~~FSA~~ FCA material) of the *Act* confer additional procedural rights relating to third parties and to disclosure of ~~FSA~~ FCA material. These rights apply in certain *warning notice* and *decision notice* cases referred to in section 392 of the *Act* (Application of sections 393 and 394). The cases in which these additional rights apply are identified in *DEPP 2* Annex 1G by asterisks; these are generally cases in which the *warning notice* or *decision notice* is given on the ~~FSA~~ FCA's own initiative rather than in response to an application or notification made to the ~~FSA~~ FCA.

## 2.5 Provision for certain categories of decision

...

Different decision makers

- 2.5.2 G The decision to give a *warning notice* and a *decision notice* in a particular matter will often not be taken by the same decision maker. Certain types of action require that the *warning notice* decision be taken by ~~FSA~~ FCA staff under *executive procedures* and the *decision notice* decision be taken by the *RDC*. Similarly, in enforcement cases the *RDC* might take the decision to give a *warning notice*, but the decision to give a *decision notice* could be taken by the *settlement decision makers* on the basis that the *person* concerned does not contest the action proposed (see *DEPP 5*).

Decisions relating to applications for FCA authorisation or approval

- 2.5.3 G ~~FSA~~ FCA staff under *executive procedures* will take the decision to give a *warning notice* if the ~~FSA~~ FCA proposes to:
- (1) refuse an application for a ~~Part IV~~ Part 4A permission or to refuse an application to cancel a ~~Part IV~~ Part 4A permission;

- (2) impose a limitation or a requirement which was not applied for, or specify a narrower description of regulated activity than that applied for, on the grant of a ~~Part IV~~ Part 4A permission;
- (3) refuse an application to vary a ~~Part IV~~ Part 4A permission, or to restrict a ~~Part IV~~ Part 4A permission on the grant of a variation (by imposing a limitation or a requirement which was not applied for or by specifying a narrower description of regulated activity than that applied for);
- (3A) refuse an application to vary a requirement imposed under section 55L of the Act, or to impose a new requirement;
- (3B) exercise its power under section 55L(1) of the Act in connection with an application to the PRA for a Part 4A permission or the variation of a Part 4A permission;

...

...

2.5.5A G If representations are made in response to a warning notice proposing the action set out at DEPP 2.5.3G(3B), FCA staff under executive procedures will take the decision to give a decision notice.

2.5.6 G If representations are made in response to a *warning notice* proposing the action set out at ~~DEPP 2.5.3G~~, *DEPP 2.5.3G(2)*, *DEPP 2.5.3G(3)*, *DEPP 2.5.3G(3A)*, or *DEPP 2.5.3G(6)*, then the RDC will take the decision to give a *decision notice* if the action involves a fundamental change variation or requirement (see *DEPP 2.5.8G*) ~~to the nature of a permission~~. Otherwise, the decision to give the *decision notice* will be taken by ~~FSA~~ FCA staff under *executive procedures*.

Decisions relating to applications for PRA authorisation or approval

2.5.6A G FCA staff under executive procedures will take the decision where the FCA is proposing or deciding to:

- (1) refuse its consent to the granting by the PRA of an application for a Part 4A permission, or give its consent subject to conditions;
- (2) refuse its consent to the granting by the PRA of an application for the variation of a Part 4A permission, or give its consent subject to conditions; or
- (3) refuse its consent to the granting by the PRA of an application to perform a controlled function.

~~FSA~~ FCA's own-initiative powers

- 2.5.7 G The *RDC* will take the decision to give a *supervisory notice* exercising the ~~*FSA FCA's own-initiative power powers*~~ (by removing a regulated activity, by imposing a limitation or requirement or by specifying a narrower description of regulated activity) if the action involves a fundamental change variation or requirement (see *DEPP 2.5.8G*) ~~to the nature of a *permission*~~. Otherwise, the decision to give the ~~*decision supervisory notice*~~ will be taken by ~~*FSA FCA*~~ staff under *executive procedures*.
- 2.5.7A G Notwithstanding *DEPP 2.5.7G*, ~~*FSA FCA*~~ staff under *executive procedures* will be the decision maker whenever a *firm* agrees not to contest the ~~*FSA FCA's*~~ exercise of its ~~*own-initiative power powers*~~, including where the ~~*FSA FCA's*~~ action involves a fundamental variation or requirement change to the nature of a *permission*.
- 2.5.8 G A fundamental variation or requirement change to the nature of a *permission* means:
- ...
- (3) ~~restricting a *firm* from taking on new business, dealing with a particular category of *client* or handling *client money* by imposing a *limitation or requirement*, or refusing an application to vary or cancel such a *limitation or requirement*; or [deleted]~~
- (4) imposing or varying an assets requirement (as defined in section 48(3) ~~55P~~ of the *Act* (Prohibitions and restrictions)), or refusing an application to vary or cancel such a requirement.

#### Decisions relating to listing of securities

- 2.5.9 G ~~*FSA FCA*~~ staff under *executive procedures* will take the following *statutory notice* decisions:
- ...
- (2) the suspension of *listing* on the ~~*FSA FCA's*~~ own initiative or at the request of the issuer;
- ...
- 2.5.10 G The *RDC* will take *statutory notice decisions* relating to the discontinuance of listing of securities on the ~~*FSA FCA's*~~ own initiative.
- 2.5.11 G If securities have matured or otherwise ceased to exist the ~~*FSA FCA*~~ will remove any reference to them from the official list. This is a purely administrative process, and not a discontinuance of listing in the sense used in Part 6 of the *Act*.

#### Decisions relating to imposition of limitations or other restrictions of sponsors and primary information providers

- 2.5.11 A G Under section 88(4)(aa) of the Act, if the FCA proposes to impose limitations or other restrictions on the services to which a sponsor's approval relates, it must give him a warning notice. If, after considering any representations made in response to the warning notice, the FCA decides to impose limitations or other restrictions on the services to which a sponsor's approval relates, it must give him a decision notice. Where the sponsor has requested or otherwise agrees to the limitation or other restriction, FCA staff under executive procedures will take the decision to give the warning notice and decision notice. Otherwise, the RDC will take the decision to give the warning notice and decision notice.
- 2.5.11 B G If the FCA is proposing or deciding to refuse a sponsor's application for the withdrawal or variation of a limitation or other restriction on the services to which a sponsor's approval relates under section 88(8)(d) of the Act, the decision maker will be FCA staff under executive procedures where FCA staff decided to impose the limitation or other restriction. Otherwise, the RDC will take the decision to give the warning notice and decision notice.
- 2.5.11 C G Under section 89P(5)(b) of the Act, if the FCA proposes to impose limitations or other restrictions on the dissemination of regulated information to which a primary information provider's approval relates, it must give him a warning notice. If, after considering any representations made in response to the warning notice, the FCA decides to impose limitations or other restrictions on the dissemination of regulated information to which a primary information provider's approval relates, it must give him a decision notice. Where the primary information provider has requested or otherwise agrees to the limitation or other restriction, FCA staff under executive procedures will take the decision to give the warning notice and decision notice. Otherwise, the RDC will take the decision to give the warning notice and decision notice.
- 2.5.11 D G Under section 89P(9)(d) of the Act, if the FCA is proposing or deciding to refuse a primary information provider's application for the withdrawal or variation of a limitation or other restriction on the dissemination of regulated information to which a primary information provider's approval relates, the decision maker will be FCA staff under executive procedures where FCA staff decided to impose the limitation or other restriction. Otherwise, the RDC will take the decision to give the warning notice and decision notice.

Modified procedures in collective investment scheme and certain other cases

- 2.5.12 G FSA FCA staff will usually inform or discuss with the person concerned any action they contemplate before they recommend to the RDC that the FSA FCA takes formal action. The FSA FCA may also be invited to exercise certain powers by the persons who would be affected by the exercise of those powers. In these circumstances if the person

concerned has agreed to or accepted the action proposed then the decisions referred to in *DEPP 2.5.13G* will be taken by ~~FSA~~ FCA staff under *executive procedures* rather than by the *RDC*.

2.5.13 G The decisions referred to in *DEPP 2.5.12G* are:

...

- (3) the decision to give a *supervisory notice* in accordance with regulation 27(3), (8) or 9(b) of the *OEIC Regulations*; and
- (4) the decision to give a *warning notice* or *decision notice* pursuant to regulation 24 or regulation 28 of the *OEIC Regulations*;
- (5) ~~the decision to give a direction under section 42B(1) of the Building Societies Act 1986 that a building society transfers all its engagements to one or more other building societies or that it transfers its business to an existing company (under section 94 or section 97 respectively of the Building Societies Act 1986); and [deleted]~~
- (6) ~~the decision to give a decision notice under section 93(6) of the Building Societies Act 1986 (permission for successor society on amalgamation) where the terms of the permission have been agreed with the successor building society. [deleted]~~

...

2.5.15 G A decision to give a *warning notice* or *decision notice* refusing an application for an *authorisation order* declaring a unit trust scheme to be an *AUT* or *ICVC* will be taken by the *RDC* only if the application is by an *authorised fund manager* who is not the *operator* of an existing *AUT* or *ICVC*. Otherwise, the decision to give the *warning notice* or *decision notice* will be taken by ~~FSA~~ FCA staff under *executive procedures*.

2.5.16 G A notice under paragraph 15A(4) of Schedule 3 to the *Act* relating to the application by an *EEA firm* for approval to manage a *UCITS scheme* is not a *warning notice*, but the ~~FSA~~ FCA will operate a procedure for this notice which will be similar to the procedure for a *warning notice*.

Notices under ~~the Building Societies Act 1986~~ and other enactments

2.5.17 G The ~~FSA~~ FCA expects to adopt a procedure in respect of notices under enactments other than the *Act* which is similar to that for *statutory notices* under the *Act*, but which recognises any differences in the legislative framework and requirements. *DEPP 2 Annex 1G* and *DEPP 2 Annex 2G* therefore identify notices to be given pursuant to other enactments and the relevant ~~FSA~~ FCA decision maker.

- 2.5.18 G Some of the distinguishing features of notices given under enactments other than the *Act* are as follows:
- (1) ~~Building Societies Act 1986, section 36A: There is no right to refer a decision to issue a prohibition order under section 36A to the *Tribunal*. Accordingly, a *decision notice* under section 36A(5A) is not required to give an indication of whether any such rights exists. A *decision notice* under section 36A(5A) may only relate to the issue of a prohibition order under section 36A. Where such a *decision notice* is given, no *final notice* is required under section 390 of the *Act* and the *FSA* may issue the order at the same time as or after giving the *decision notice*. For the purposes of section 391 of the *Act* (Publication), the *decision notice* is treated as if it were a *final notice*. [deleted]~~
  - (2) ~~Building Societies Act 1986, section 93(6): the *FSA* notifies the successor of the *permission* by giving it a *decision notice*. The *decision notice* is not preceded by the giving of a *warning notice*. No *final notice* is required under section 390 of the *Act* and for the purposes of section 391 of the *Act* (Publication, the *decision notice* is treated as if it were a *final notice*. The giving of *permission* is treated for the purposes of section 55 of the *Act* (Right to refer matters to the *Tribunal* as if it were the determination of an application made by the successor under Part IV of the *Act*. Part IX of the *Act* (Hearings and appeals) accordingly applies, but with the omission of section 133(9), which would otherwise prevent the *FSA* from giving the *permission* on the terms notified in the *decision notice* until after any reference and appeal. [deleted]~~
  - (3) Friendly Societies Act 1992, section 58A: The *warning notice* and *decision notice* must set out the terms of the direction which the ~~*FSA*~~ *FCA* proposes or has decided to give and any specification of when the friendly society is to comply with it. A *decision notice* given under section 58A(3) must give an indication of the society's right, given by section 58A(5), to have the matter referred to the *Tribunal*. A *decision notice* under section 58A(3) may only relate to action under the same section of the Friendly Societies Act 1992 as the action proposed in the *warning notice*. A *final notice* under section 390 of the *Act* must set out the terms of the direction and state the date from which it takes effect. Section 392 of the *Act* is to be read as if it included references to a *warning notice* given under section 58A(1) and a *decision notice* given under section 58A(3).

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- G Note: Third party rights and access to ~~FSA~~ FCA material apply to the powers listed in this Annex where indicated by an asterisk \* (see *DEPP* 2.4)

Section of the Act	Description	Handbook reference	Decision maker
52(6)(a) 55X(1)(a) and(b)	when the <del>FSA</del> <u>FCA</u> is proposing to grant an application for a <i>Part IV Part 4A permission</i> with a <i>limitation</i> or a <i>requirement</i> which was not applied for, or with a narrower description of <i>regulated activity</i> than that applied for	SUP 6	<i>Executive procedures</i>
52(6)(b) 55X(1)(c) and (d)	when the <del>FSA</del> <u>FCA</u> is proposing to grant an application to vary a <i>firm's Part IV Part 4A permission</i> but, other than as part of the application, to restrict the <i>Part IV Part 4A permission</i> (either by imposing a <i>limitation</i> or <i>requirement</i> which was not applied for or by specifying a narrower description of <i>regulated activity</i> than that applied for)		<i>Executive procedures</i>
55X(1)(e)	when the <u>FCA</u> is proposing to exercise its power under section 55L(1) in connection with an application to the <u>PRA</u> for a <i>Part 4A permission</i> or the variation of a <i>Part 4A permission</i>		<i>Executive procedures</i>
52(7) 55X(2)	when the <del>FSA</del> <u>FCA</u> is proposing to refuse an application for a <i>Part IV Part 4A permission</i>		<i>Executive procedures</i>
52(7) 55X(2)	when the <del>FSA</del> <u>FCA</u> is proposing to refuse an application to vary a <i>firm's Part IV Part 4A permission</i>	SUP 6	<i>Executive procedures</i>

<u>52(7)</u> <u>55X(2)</u>	when the <del>FSA</del> <u>FCA</u> is proposing to refuse an application to cancel a <del>firm's Part IV Part 4A</del> <u>permission</u>	<i>SUP 6</i>	<i>Executive procedures</i>
<u>55X(2)</u>	when the <u>FCA</u> is proposing to refuse an application for the variation of a <u>requirement imposed under section 55L</u> or for the imposition of a new <u>requirement</u>		<i>RDC or executive procedures</i> <i>See DEPP 2.5.6G</i>
<u>52(9)(a)</u> <u>55X(4)(a)</u> <u>55X(4)(b)</u>	when the <del>FSA</del> <u>FCA</u> is deciding to grant an application for a <del>Part IV Part 4A</del> <u>permission</u> with a <u>limitation</u> or a <u>requirement</u> which was not applied for, or with a narrower description of <u>regulated activity</u> than that applied for		<i>RDC or executive procedures</i> <i>See DEPP 2.5.6G</i>
<u>52(9)(b)</u> <u>55X(4)(c)</u> <u>55X(4)(d)</u>	when the <del>FSA</del> <u>FCA</u> is deciding to grant an application to vary a <del>firm's Part IV Part 4A</del> <u>permission</u> but, other than as part of the application, to restrict the <del>Part IV Part 4A</del> <u>permission</u> (either by imposing a <u>limitation</u> or <u>requirement</u> which was not applied for or by specifying a narrower description of <u>regulated activity</u> than that applied for)	<i>SUP 6</i>	<i>RDC or executive procedures</i> <i>See DEPP 2.5.6G</i>
<u>55X(4)(e)</u>	when the <u>FCA</u> is deciding to exercise its power under section 55L(1) in connection with an application to the <u>PRA</u> for a <u>Part 4A permission</u> or the variation of a <u>Part 4A permission</u>		<i>Executive procedures</i>
<u>52(9)(e)</u> <u>55X(4)(f)</u>	when the <del>FSA</del> <u>FCA</u> is deciding to refuse an application for a <del>Part IV Part 4A</del> <u>permission</u>		<i>RDC or executive procedures</i> <i>See DEPP</i>

			2.5.5G
<u>52(9)(e)</u> <u>55X(4)(f)</u>	when the <del>FSA</del> <u>FCA</u> is deciding to refuse an application to vary a <i>firm's <del>Part IV</del> <u>Part 4A</u> permission</i>	<i>SUP 6</i>	<i>RDC or executive procedures</i> See <i>DEPP 2.5.6G</i>
<u>55X(4)(f)</u> <u>52(9)(e)</u>	when the <del>FSA</del> <u>FCA</u> is deciding to refuse an application to cancel a <i>firm's <del>Part IV</del> <u>Part 4A</u> permission</i>	<i>SUP 6</i>	<i>RDC or executive procedures</i> See <i>DEPP 2.5.5G</i>
<u>55X(4)(f)</u>	When the <u>FCA</u> is deciding to refuse an application for the variation of a <i>requirement</i> imposed under section 55L or for the imposition of a <i>new requirement</i>		<i>RDC or executive procedures</i> See <i>DEPP 2.5.6G</i>
<u>54(1)/(2)</u> <u>55Z(1)</u> <u>55Z(2)</u>	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to cancel a <i>firm's <del>Part IV</del> <u>Part 4A</u> permission</i> otherwise than at its request *		<i>RDC</i>
<u>57(1)/(3)</u>	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to make a <i>prohibition order</i> against an individual*		<i>RDC</i>
<u>58(3)/(4)</u>	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for the variation or revocation of a <i>prohibition order</i>		<i>RDC</i>
<u>62(2)</u>	when the <del>FSA</del> <u>FCA</u> is proposing to refuse an application for approval of a <i>person</i> performing a <i>controlled function</i>	<i>SUP 10</i>	<i>Executive procedures</i>
<u>62(3)</u>	when the <del>FSA</del> <u>FCA</u> is deciding to refuse an application for approval of a <i>person</i> performing a <i>controlled function</i>	<i>SUP 10</i>	<i>RDC or executive procedures</i> See <i>DEPP 2.5.5G</i>

63(3)/(4)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to withdraw approval from an <i>approved person</i> *		<i>RDC</i>
63B(1)/(3)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to impose a penalty on a <i>person</i> under section 63A *		<i>RDC</i>
67(1)/(4)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to take action against an <i>approved person</i> by exercising the disciplinary powers conferred by section 66*		<i>RDC</i>
76(4)/(5)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for <i>listing</i> of securities	<i>LR 2 and LR 3</i>	<i>Executive procedures</i>
78(10)/(11)(a)	when the <del>FSA</del> <u>FCA</u> has suspended, on its own initiative, the <i>listing</i> of securities and is proposing or deciding to refuse an application by an issuer for cancellation of the suspension	<i>LR 5</i>	<i>Executive procedures</i>
78A(4)/(5)	When the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application by the <i>issuer</i> of the securities for the discontinuance or suspension of the <i>listing</i> of the securities	<i>LR 5</i>	<i>Executive procedures</i>
78A(7)/(8)(a)	When the <del>FSA</del> <u>FCA</u> has suspended the <i>listing</i> of securities on the application of the <i>issuer</i> of the securities and is proposing or deciding to refuse an application by the <i>issuer</i> for the cancellation of the suspension	<i>LR 5</i>	<i>Executive procedures</i>

87M(2)/(3)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to publish a statement censuring an issuer of <i>transferable securities</i> , a <i>person</i> offering <i>transferable securities</i> to the public or a <i>person</i> requesting the admission of <i>transferable securities</i> to trading on a <i>regulated market</i>		<i>RDC</i>
<del>88(4)/(6)</del> 88(4)(a) 88(6)(a) 88(8)(a)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to <del>(1)</del> refuse a <i>person's</i> application for approval as a <i>sponsor</i> ; <del>or</del> <del>(2)</del> <u>on its own initiative</u> , <del>cancel a <i>person's</i> approval as a <i>sponsor</i></del>	LR 8	<i>RDC</i>
88(4)(a) 88(6)(a) 88(8)(b)	when the <u>FCA</u> is <u>proposing or deciding to refuse a <i>sponsor's</i> application for the suspension of an approval as a <i>sponsor</i></u>		<u><i>Executive procedures</i></u>
88(4)(a) 88(6)(a) 88(8)(c)	when the <u>FCA</u> is <u>proposing or deciding to refuse a <i>sponsor's</i> application for the withdrawal of the suspension of an approval as a <i>sponsor</i></u>		<u><i>Executive procedures</i></u>
88(4)(a) 88(6)(a) 88(8)(d)	when the <u>FCA</u> is <u>proposing or deciding to refuse a <i>sponsor's</i> application for the withdrawal or variation of a limitation, or other restriction on the services to which a <i>sponsor's</i> approval relates</u>		<u><i>RDC or executive procedures</i></u>  <u><i>See DEPP 2.5.11BG</i></u>
88(4)(aa) 88(6)(aa)	when the <u>FCA</u> is <u>proposing or deciding to impose limitations or restrictions on the services to which a <i>sponsor's</i> approval relates</u>		<u><i>RDC or executive procedures</i></u>  <u><i>See DEPP 2.5.11AG</i></u>
88(4)(b)	when the <u>FCA</u> is <u>proposing</u>		<u><i>RDC</i></u>

88(6)(b)	or deciding to cancel a <i>sponsor's</i> approval as a <i>sponsor</i> otherwise than at the <i>sponsor's</i> request*		
88B(1) 88B(5)	when the <i>FCA</i> is proposing or deciding to take action against a <i>sponsor</i> by exercising the disciplinary powers conferred by section 88A*		<i>RDC</i>
89(2)/(3)	when the <i>FSA</i> is proposing or deciding to publish a statement censuring a <i>sponsor</i> *		<i>RDC</i>
89K(2)/(3)	when the <i>FSA</i> <i>FCA</i> is proposing or deciding to publish a statement that an <i>issuer</i> of <i>securities</i> admitted to trading on a <i>regulated market</i> is failing or has failed to comply with an applicable transparency obligation		<i>RDC</i>
89P(5)(a) 89P(7)(a) 89P(9)(a)	when the <i>FCA</i> is proposing or deciding to refuse a <i>person's</i> application for approval as a <i>primary information provider</i>		<i>RDC</i>
89P(5)(a) 89P(7)(a) 89P(9)(b)	when the <i>FCA</i> is proposing or deciding to refuse a <i>primary information provider's</i> application for the suspension of an approval as a <i>primary information provider</i>		<i>Executive procedures</i>
89P(5)(a) 89P(7)(a) 89P(9)(c)	when the <i>FCA</i> is proposing or deciding to refuse a <i>primary information provider's</i> application for the withdrawal of the suspension of an approval as a <i>primary information provider</i>		<i>Executive procedures</i>

89P(5)(a) 89P(7)(a) 89P(9)(d)	when the <i>FCA</i> is proposing or deciding to refuse a <i>primary information provider's</i> application for the withdrawal or variation of a limitation or other restriction on the dissemination of <i>regulated information</i> to which a <i>primary information provider's</i> approval relates		<i>RDC</i> or <i>executive procedures</i>  <i>See DEPP 2.5.11DG</i>
89P(5)(b) 89P(7)(b)	when the <i>FCA</i> is proposing or deciding to impose <i>limitations</i> or other restrictions on the dissemination of <i>regulated information</i> to which a <i>primary information provider's</i> approval relates.		<i>RDC</i> or <i>executive procedures</i>  <i>See DEPP 2.5.11AG</i>
89P(5)(c) 89P(7)(c)	when the <i>FCA</i> is proposing or deciding to cancel a <i>person's</i> approval as a <i>primary information provider</i> otherwise than at the <i>primary information provider's</i> request		<i>RDC</i>
89R(1) 89R(5)	when the <i>FCA</i> is proposing or deciding to take action against a <i>primary information provider</i> by exercising the disciplinary powers conferred by section 89Q		<i>RDC</i>
92(1)/(4)	when the <del><i>FSA</i></del> <i>FCA</i> is proposing or deciding to take action against any person under section 91 for breach of <i>Part 6 rules</i> *		<i>RDC</i>
126(1)/ 127(1)	when the <del><i>FSA</i></del> <i>FCA</i> is proposing or deciding to impose a sanction for <i>market abuse</i> *		<i>RDC</i>
131H(1)/ (4)	when the <del><i>FSA</i></del> <i>FCA</i> is proposing or deciding to		<i>RDC</i>

	take action against a <i>person</i> under section 131G*		
189(4)/(7)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a change in <i>control</i> following receipt of a <i>section 178 notice</i>	SUP 11	<i>Executive procedures</i>
189(4)/(7)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to approve a change in <i>control</i> with conditions, following receipt of a <i>section 178 notice</i>	SUP 11	<i>Executive procedures</i>
187(1)/(3) 188(1) 191A(4)/(6)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a <i>person</i> who has acquired or increased control without giving a <i>section 178 notice</i>	SUP 11	<i>Executive procedures</i>
191A(4)/(6)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a <i>person's control</i> on the basis of the matters in section 186	SUP 11	<i>Executive procedures</i>
191A(4)/(6)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a <i>person's control</i> on the grounds that he is in breach of a condition imposed under section 187	SUP 11	<i>Executive procedures</i>
<u>192L(1)</u> <u>192L(4)</u>	when the <u>FCA</u> is <u>proposing or deciding to take action against a qualifying parent undertaking by exercising the disciplinary powers conferred by section 192K*</u>		<u>RDC</u>
200(4)/(5)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for variation or rescission of a requirement imposed on an <i>EEA incoming firm</i>		<i>RDC or executive procedures</i> See DEPP 2.5.6G

207(1)/ 208(1)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to publish a statement (under section 205) or impose a financial penalty (under section 206) or suspend a <i>permission</i> or impose a restriction in relation to the carrying on of a <i>regulated activity</i> (under section 206A) . This applies in respect of an <i>authorised person</i> , or an <i>unauthorised person</i> to whom section 404C applies.*		<i>RDC</i>
245(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for an <i>authorisation</i> order declaring a <i>unit trust scheme</i> to be an <i>AUT</i>	<i>COLL 2</i>	<i>RDC</i> or <i>executive procedures</i> See <i>DEPP</i> 2.5.15G
<u>249</u> 345B(1)/(4)	when the <u>FCA</u> is <u>proposing or deciding to take action against an auditor by exercising the disciplinary powers conferred by section 249*</u>		<u><i>RDC</i></u>
252(1)/(4)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse approval of a proposal to replace the <i>trustee</i> or <i>manager</i> of an <i>AUT</i>	<i>COLL 2</i>	<i>Executive procedures</i>
252A(4)(b)/(6)(a)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse approval of a proposal by the <i>manager</i> of a <i>feeder UCITS</i> to make an alteration to the <i>trust deed</i> to enable the <i>feeder UCITS</i> to convert into a <i>UCITS scheme</i> which is not a <i>feeder UCITS</i>	<i>COLL 11</i>	<i>Executive procedures</i>
255(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to make an order under section	None, but see Chapter 14	<i>RDC</i>

	254 revoking the <i>authorisation order</i> of an <i>AUT</i> *	of the Regulatory Guide <i>EG</i> .	
256(4)/(5)	when the <del>FSA</del> <i>FCA</i> is proposing or deciding to refuse a request for the revocation of the <i>authorisation order</i> of an <i>AUT</i>		<i>RDC</i>
260(1)/(2)	when the <del>FSA</del> <i>FCA</i> , on an application to revoke or vary a direction under section 257, proposes or decides to refuse to revoke or vary the direction or proposes or decides to vary the direction otherwise than in accordance with the application		<i>RDC</i>
264(2)/ 265(4)	[deleted]		
269(1)/(2)	when the <del>FSA</del> <i>FCA</i> , on an application under section 267(4) or (5) by an <i>operator</i> of a section 264 <i>recognised scheme</i> to revoke or vary a direction that the promotion of the <i>scheme</i> be suspended, proposes or decides to refuse the application or to vary the direction otherwise than in accordance with the application		<i>RDC</i>
271(1)/(3)	when the <del>FSA</del> <i>FCA</i> is proposing or deciding to refuse approval of a <i>collective investment scheme</i> as a <i>recognised scheme</i> under section 270	<i>COLL 9</i>	<i>Executive procedures</i>

276(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for an order declaring a <i>collective investment scheme</i> to be a <i>recognised scheme</i> under section 272	COLL 9	<i>Executive procedures</i>
280(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to direct that a section 270 <i>recognised scheme</i> is to cease to be recognised or to revoke a section 272 order in respect of a <i>recognised scheme</i> *		<i>RDC</i>
301G(3)(b)/(5)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a proposed acquisition of a <i>UK RIE</i> following receipt of a section 301A notice .	REC 4.2C	<i>Executive procedures</i>
301I(3)/(4)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a <i>person</i> who has acquired or increased <i>control</i> in a <i>UK RIE</i> without giving a section 301 notice	REC 4.2C	<i>Executive procedures</i>
301I(3)/(4)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to object to a <i>person's</i> control in a <i>UK RIE</i> on the basis of the approval requirement in section 301F(4)	REC 4.2C	<i>Executive procedures</i>
312G(1) 312H(1)	when the <u>FCA</u> is proposing or deciding to take action against a <i>recognised investment exchange</i> by exercising the disciplinary powers conferred by sections 312E and 312F*		<i>RDC</i>
313B(9)	[deleted]		
313B(10)/(11)	[deleted]		

313BB(5) 313BC(5)	when, upon the application of an institution, the <del>FSA</del> <u>FCA</u> is proposing or deciding not to revoke a requirement imposed on an institution under section 313A or is proposing or deciding that a requirement imposed on a class of institutions under section 313A will continue to apply to the applicant	REC 4.2D	<i>Executive procedures</i>
313BD(5) 313BE(4)	when, upon the application of an <i>issuer</i> , the <del>FSA</del> <u>FCA</u> is proposing or deciding not to revoke a requirement imposed on an institution or a class of institutions under section 313A or to revoke a requirement imposed on a class of institutions under section 313A in relation to the class apart from one or more specified members of it, or one or more specified members of the class only	REC 4.2D	<i>Executive procedures</i>
321(8)/(9)	<del>when the FSA is proposing or deciding to refuse an application for variation or revocation of a direction or a requirement imposed on a former underwriting member of Lloyd's*</del>		<i>RDC</i>
331(1)/(3)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to make an order disapplying the exemption from the <i>general prohibition</i> under section 327*		<i>RDC</i>
331(7)/(8)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for the variation or revocation of an order made under section 329*		<i>RDC</i>

345(2)/(3) 345B(1) 345B(4)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to disqualify an auditor or <i>actuary</i> from being the auditor of, or acting as an <i>actuary</i> for, any <i>authorised person</i> or class of <i>authorised person</i> or from being the auditor of any <i>AUT</i> or <i>ICVC</i> *		<i>RDC</i>
345B(1) 345B(4)	when the <i>FCA</i> is <u>proposing or deciding to disqualify an auditor from being the auditor of any <i>recognised investment exchange</i> or any class of <i>recognised investment exchange</i>*</u>		<i>RDC</i>
345B(1) 345B(4)	when the <i>FCA</i> is <u>proposing or deciding to take action against an auditor or <i>actuary</i> by exercising the disciplinary powers conferred by sections 345(2)(c) or (d)*</u>		<i>RDC</i>
385(1) 386(1)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to exercise the power under section 384(5) to require a <i>person</i> to pay restitution*		<i>RDC</i>
404A(8)(a)	In connection with a <i>consumer redress scheme</i> , when the <i>FCA</i> is proposing to make a determination of whether a failure by a relevant firm has caused (or may cause) loss or damage to a <i>consumer</i> , or what the redress should be in respect of the failure	<i>CONRED</i>	<i>Executive procedures</i>
404A(8)(a)	In connection with a <i>consumer redress scheme</i> , when the <i>FCA</i> is deciding to make a determination of whether a failure by a	<i>CONRED</i>	<i>Executive procedures</i>

	relevant firm has caused (or may cause) loss or damage to a <i>consumer</i> , or what the redress should be in respect of the failure		
412B(2)/(3)	when the <del>FSA</del> <i>FCA</i> is proposing/deciding to refuse to approve a relevant system as defined in section 412A(9) of the <i>Act</i>		<i>Executive procedures</i>
412B(4)/(5)	when the <del>FSA</del> <i>FCA</i> is proposing/deciding to suspend or withdraw its approval in relation to a relevant system as defined in section 412A(9) of the <i>Act</i> *		<i>Executive procedures</i>
412B(8)/(9)	when the <del>FSA</del> <i>FCA</i> is proposing/deciding to refuse an application to cancel the suspension of approval in relation to a relevant system as defined in section 412A(9) of the <i>Act</i> *		<i>Executive procedures</i>
Paragraph 15A(4) of Schedule 3	when the <del>FSA</del> <i>FCA</i> is notifying an <i>EEA firm</i> wishing to manage a <i>UCITS scheme</i> and its <i>Home State regulator</i> that the <i>EEA firm</i> does not comply with the <i>fund application rules</i> , or is not authorised by its <i>Home State regulator</i> to manage the type of <i>collective investment scheme</i> for which <i>authorisation</i> is required, or has not provided the documentation required under article 20(1) of the <i>UCITS Directive</i>	<i>SUP 13A</i> <i>See DEPP 2.5.16G</i>	<i>Executive procedures</i>
Paragraph 15A(5) of Schedule 3	[deleted]		
Paragraph 15B(3) (2)(a) of Schedule	when the <del>FSA</del> <i>FCA</i> is deciding not to withdraw a notice issued to an <i>EEA firm</i>	<i>SUP 13A</i>	<i>Executive procedures</i>

3	wishing to manage a <i>UCITS scheme</i> and to its <i>Home State regulator</i> that the <i>EEA firm</i> does not comply with the <i>fund application rules</i> , or is not authorised by its <i>Home State regulator</i> to manage the type of <i>collective investment scheme</i> for which <i>authorisation</i> is required, or has not provided the documentation required under article 20(1) of the <i>UCITS Directive</i>		
Paragraph 19(8)/(12) of Schedule 3	when the <i>FSA FCA</i> is proposing or deciding to refuse to give a <i>consent notice</i> to a <i>UK firm</i> wishing to establish a <i>branch</i> under an <i>EEA right</i>	<i>SUP 13</i>	<i>RDC</i>

<b>Section of the Building Societies Act 1986</b>	Description	Handbook reference	Decision maker
<del>36A(5)/(5A)</del>	<del>when the <i>FSA</i> is proposing or deciding to issue a prohibition order under section 36A prohibiting the continuance or carrying on of an activity and requiring the disposal of assets acquired or otherwise in a <i>building society's</i> possession by virtue of the activity, where the society has failed to carry into effect a restructuring plan which it has been directed to carry out by the <i>FSA</i> under section 36(8)</del>	<del>See <i>DEPP 2.5.18G(1)</i></del>	<del><i>RDC</i></del>
<del>46A(1)(a)/(3)(a)</del>	<del>when the <i>FSA</i> is proposing or deciding to give a direction under section</del>		<del><i>RDC</i></del>

	36(3), (5), (6), (7) or (10) requiring a <i>building society</i> to submit for its approval a restructuring plan or to submit to the society's members the requisite transfer resolutions for a transfer of the society's business to a company or (if such a direction is given) imposing limitations on the issue of shares, acceptance of deposits or making of loans or requiring the society to take certain steps or refrain from certain action or requiring the removal of a director or other officer*		
46A(1)(b)/(3)(b)	when the FSA is proposing or deciding to give a direction under section 42B(1) (other than a direction varying a previous direction with the agreement of the <i>building society</i> concerned) that a <i>building society</i> transfers all its engagements to one or more other <i>building societies</i> under section 94 or that it transfers its business to an existing company under section 97*		<i>RDC or executive procedures</i> <i>See DEPP 2.5.12G</i>
93(6)	when the FSA on an amalgamation between <i>building societies</i> , each of which has a <i>Part IV Part 4A permission</i> to accept deposits, notifies the successor society of the terms of its <i>Part IV Part 4A permission</i>	<i>DEPP 2.5.18G(2)</i>	<i>executive procedures</i> <i>see DEPP 2.5.12G</i>

<b>Section of the Credit Unions Act 1979</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
20	where the <i>FSA FCA</i> is proposing to cancel or suspend the registration of a <i>credit union</i> or to petition for the winding up of a <i>credit union</i>		<i>RDC</i>

<b>Articles of the Credit Unions (Northern Ireland) Order 1985</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
60(1), 61(1) and 63	where the <i>FSA FCA</i> is proposing to consent to the Registrar of Credit Unions for Northern Ireland cancelling or suspending the registration of a <i>Northern Ireland credit union</i> , or petitioning for the winding up of a <i>Northern Ireland credit union</i>		<i>RDC</i>

<b>Section of the Friendly Societies Act 1992</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
58A(1)(a)/(3)(a)	when the <i>FSA FCA</i> is proposing or deciding to give a direction under section 54 or section 55 requiring a <i>friendly society</i> to take or refrain from taking steps where certain activities have become disproportionate to those of the <i>friendly society</i> group or, as the case may be, the society, or varying such a direction other than at the	See <i>DEPP</i> 2.5.18G(3)	<i>RDC</i>

	request of the society*		
58A(1)(b)/(3)(b)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to give a direction under section 90 providing for a transfer of the engagements of a <i>friendly society</i> *		<i>RDC</i>
85(4A)	when the <del>FSA</del> <u>FCA</u> , on an amalgamation between <i>friendly societies</i> each of which has a <del>Part IV</del> <u>Part 4A</u> <i>permission</i> , notifies the successor society of the terms of its <del>Part IV</del> <u>Part 4A</u> <i>permission</i>		<i>RDC</i> or <i>executive procedures</i> See <i>DEPP</i> 2.5.12G

<b>OEIC Regulations reference</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Regulation 16(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application for an <i>authorisation order</i> in respect of a proposed <i>ICVC</i>	<i>COLL 2</i>	<i>RDC</i> or <i>executive procedures</i> See <i>DEPP</i> 2.5.15G
Regulation 22(1)/(2)/(4)/(5)	when the <del>FSA</del> <u>FCA</u> is proposing to refuse approval of (or, having given a <i>warning notice</i> , deciding to refuse) a proposal to replace the <i>depository</i> or director of an <i>ICVC</i> , or any other proposal or decision falling within regulation 21	<i>COLL 2</i>	<i>Executive procedures</i>

Regulation 22A(5)(b)/(8)(a)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse approval of a proposal by an <i>ICVC</i> which is a <i>feeder UCITS</i> to make an alteration to its <i>instrument of incorporation</i> to enable it to convert into a <i>UCITS scheme</i> which is not a <i>feeder UCITS</i>	COLL 11	<i>Executive procedures</i>
Regulation 24(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to revoke an <i>authorisation order</i> relating to an <i>ICVC</i> under regulation 23(1)*		<i>RDC</i>
Regulation 28(1)/(2)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application to revoke or vary a direction in accordance with a request under regulation 25(7) or to vary the direction in accordance with the application		<i>RDC</i>
Paragraph 20 of Schedule 5	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to use the disqualification powers under section 249(1)*		<i>RDC</i>

<b>Regulated Activities Order</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Article 95(2)/(3)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding not to include, or to remove, an <i>appointed representative</i> from the <i>Register</i> *	<i>SUP</i> 12.4.10G	<i>RDC</i>
Article 95(7)/(8)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to refuse an application to revoke a determination not to include, or to remove, an <i>appointed representative</i> from the <i>Register</i> *	<i>SUP</i> 12.4.10G	<i>RDC</i>

<b>Payment Services Regulations</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Regulations 9(7) and 14	when the <del>FSA</del> <u>FCA</u> is proposing to refuse an application for authorisation as an <i>authorised payment institution</i> , or for registration as a <i>small payment institution</i> , or to impose a requirement, or to refuse an application to vary an authorisation		<i>Executive procedures</i>
Regulations 9(8)(a) and 14	when the <del>FSA</del> <u>FCA</u> is deciding to refuse an application for authorisation as an <i>authorised payment institution</i> , or for registration of a <i>small payment institution</i> , or to impose a requirement, or to refuse an application to vary an authorisation		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Regulations 10(2) and 10(3)(a) and 14	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to either cancel an <i>authorised payment institution's</i> authorisation, or to cancel a <i>small payment institution's</i> registration, otherwise than at that institution's own request*		<i>RDC</i>
Regulations 11(6), 11(9), 11(10)(b) and 14	When the <del>FSA</del> is exercising its powers to vary a person's authorisation on its own initiative		<i>RDC</i> or <i>Executive procedures</i> See also <i>DEPP</i> 3.4 (Note 1)
Regulation 24(2)	when the <del>FSA</del> <u>FCA</u> is proposing to refuse to register an <i>EEA branch</i>		<i>Executive procedures</i>
Regulation 24(3)(a)	when the <del>FSA</del> <u>FCA</u> is deciding to refuse to register an <i>EEA branch</i>		<i>Executive procedures</i> where no representations

			are made in response to a warning notice, otherwise by the <i>RDC</i>
Regulations 24(2) and 24(3)(a)	when the <i>FSA FCA</i> is proposing or deciding to cancel the registration of an <i>EEA branch</i> *		<i>RDC</i>
Regulation 29(9)	when the <i>FSA FCA</i> is proposing to refuse an application for registration as an <i>agent</i>		<i>Executive procedures</i>
Regulation 29(10)(a)	when the <i>FSA FCA</i> is deciding to refuse an application for registration as an <i>agent</i>		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Regulations 30(2) and 30(3)(a)	when the <i>FSA FCA</i> is proposing or deciding to remove an <i>agent</i> from the <i>FSA Financial Services Register</i> otherwise than at the request of a <i>payment institution</i> *		<i>RDC</i>
Regulations 86(1) and 86(3)	when the <i>FSA FCA</i> is proposing, or deciding, to impose a financial penalty*		<i>RDC</i>
Regulations 86(1) and 86(3)	when the <i>FSA FCA</i> is proposing, or deciding, to publish a statement that a <i>payment service provider</i> has contravened the <i>Payment Services Regulations</i> *		<i>RDC</i>
Regulations 89(1) and 89(3)	when the <i>FSA FCA</i> is proposing or deciding to exercise its powers to require restitution*		<i>RDC</i>

Regulation 121(7)	when the <del>FSA</del> <u>FCA</u> is proposing to decide that it has not received the required information or that the required conditions are not met as concerns deemed authorisation		<i>Executive Procedures</i>
Regulation 121(8)	when the <del>FSA</del> <u>FCA</u> is deciding that it has not received the required information or that the required conditions are not met as concerns deemed authorisation		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Schedule 5 paragraph 1	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to publish a statement that a relevant person has been knowingly concerned with a contravention of the <i>Payment Services Regulations</i> (Note 2)		<i>RDC</i>
Schedule 5 paragraph 1	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to impose a financial penalty against a relevant person (Note 3)		<i>RDC</i>

## Notes:

~~(1) The *RDC* will take the decision to give a notice exercising the FSA own initiative power if the action involves:~~

- ~~(a) removing a type of activity from an authorisation or registration; or  
(b) refusing an application to include a type of activity in an authorisation or registration; or  
(c) restricting a person from taking on new business, dealing with a particular category of customer or refusing an application to vary or cancel such a restriction; or  
(d) imposing or varying a capital requirement, or refusing an application to vary or cancel such a requirement.~~

~~For all other types of action the decision to give a notice will be taken by FSA staff under *executive procedures*.~~

(2) The *Payment Services Regulations* do not require third party rights and access to ~~FSA~~ FCA material when the ~~FSA~~ FCA exercises this

power. However, the *FSA FCA* generally intends to allow for third party rights and access to material when exercising this power.

(3) The *Payment Services Regulations* do not require third party rights and access to *FSA FCA* material when the *FSA FCA* exercises this power. However, the *FSA FCA* generally intends to allow for third party rights and access to material when exercising this power.

<b>Regulated Covered Bonds Regulations 2008</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Regulation 13(4)/(5)(a)	when the <i>FSA FCA</i> is proposing or deciding to refuse an application under regulation 8	<i>RCB 6</i>	<i>Executive procedures</i>
Regulation 20(5)/(6)(a)	when the <i>FSA FCA</i> is proposing or deciding not to approve a material change	<i>RCB 6</i>	<i>Executive procedures</i>
Regulation 25(5)/(6)(a)	when the <i>FSA FCA</i> is proposing or deciding not to approve a change of ownership	<i>RCB 6</i>	<i>Executive procedures</i>
Regulation 32(1)(a)/ (2)(a)	before the <i>FSA FCA</i> gives a direction under regulation 30 or when it decides to make the direction	<i>RCB 6</i>	<i>Executive procedures</i>
Regulation 32(1)(b)/(2)(b)	before the <i>FSA FCA</i> removes an <i>issuer</i> from the register of <i>issuers</i> under regulation 31 or when it decides to remove the <i>issuer</i> from the register of <i>issuers</i> *	<i>RCB 6</i>	<i>Executive procedures</i>
Regulation 35(1)/(3)	when the <i>FSA FCA</i> is proposing or deciding to impose a penalty on a person under regulation 34*	<i>RCB 6</i>	<i>RDC</i>

<b>Cross-Border Payments in Euro Regulations 2010</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Regulations 7(1) and 7(3)	when the <i>FSA FCA</i> is proposing or deciding to impose a financial penalty*		RDC
Regulations 7(1) and 7(3)	when the <i>FSA FCA</i> is proposing or deciding to publish a statement that a <i>payment service provider</i> has contravened the <i>EU Cross-Border Regulation</i> *		RDC
Regulations 10(1) and 10(3)	when the <i>FSA FCA</i> is proposing or deciding to exercise its powers to require restitution*		RDC
Schedule paragraph 1	when the <i>FSA FCA</i> is proposing or deciding to publish a statement that a relevant person has been knowingly concerned with a contravention of the <i>EU Cross-Border Regulation</i> (Note 1)		RDC
Schedule paragraph 1	when the <i>FSA FCA</i> is proposing or deciding to impose a financial penalty against a relevant person (Note 1)		RDC
<p>Note:</p> <p>(1) The <i>Cross-Border Payments in Euro Regulations</i> do not require third party rights and access to <i>FSA FCA</i> material when the <i>FSA FCA</i> exercises this power. However, the <i>FSA FCA</i> generally intends to allow for third party rights and access to material when exercising this power.</p>			

<b>Electronic Money Regulations</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Regulations	where the <i>FSA FCA</i> is		<i>Executive</i>

9(6) and 15	proposing to refuse an application for authorisation as an <i>authorised electronic money institution</i> , or for registration as a <i>small electronic money institution</i> , or impose a requirement, or refuse to vary an authorisation or registration		<i>procedures</i>
Regulations 9(7)(a) and 15	when the <i>FSA FCA</i> is deciding to refuse an application for authorisation as an <i>authorised electronic money institution</i> , or for registration as a <i>small electronic money institution</i> , or impose a requirement or refuse to vary an authorisation or registration		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Regulations 10(4), 10(5)(a) and 15	when the <i>FSA FCA</i> is proposing or deciding to either cancel an <i>authorised electronic money institution's</i> authorisation, or to cancel a <i>small electronic money institution's</i> registration otherwise than at that institution's own request *		<i>RDC</i>
Regulations 11(6), 11(9), 11(10)(b) and 15	when the <i>FSA FCA</i> is exercising its powers to vary an <i>electronic money institution's</i> authorisation or vary a <i>small electronic money institution's</i> registration on its own initiative		<i>RDC</i> or <i>Executive procedures</i> (Note 1)
Regulation 29(2)	when the <i>FSA FCA</i> is proposing to refuse to register an <i>EEA branch of an authorised electronic</i>		<i>Executive procedures</i>

	<i>money institution</i>		
Regulation 29(3)(a)	when the <i>FSA FCA</i> is deciding to refuse to register an <i>EEA branch of an authorised electronic money institution</i>		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Regulation 29(2) and Regulation 29(3)(a)	when the <i>FSA FCA</i> is proposing or deciding to cancel the registration of an <i>EEA branch of an authorised electronic money institution*</i>		<i>RDC</i>
Regulation 34(9)	when the <i>FSA FCA</i> is proposing to refuse an application for registration as an <i>agent</i>		<i>Executive procedures</i>
Regulation 34(10)(a)	when the <i>FSA FCA</i> is deciding to refuse an application for registration as an <i>agent</i>		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Regulations 35(2) and 35(3)(a)	when the <i>FSA FCA</i> is proposing or deciding to remove an <i>agent</i> from the <i>FSA Financial Services Register</i> otherwise than at the request of the <i>electronic money institution *</i>		<i>RDC</i>
Regulations 53(1) and 53(3)	when the <i>FSA FCA</i> is proposing, or deciding, to publish a statement that an <i>electronic money issuer</i> has contravened the <i>Electronic Money Regulations *</i>		<i>RDC</i>

Regulations 53(1) and 53(3)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding, to impose a financial penalty *		<i>RDC</i>
Regulations 53(1) and 53(3)	When the <del>FSA</del> <u>FCA</u> is proposing or deciding to suspend the authorisation of an <i>authorised electronic money institution</i> or registration of a <i>small electronic money institution</i> , or to limit or otherwise restrict the carrying on of <i>electronic money issuance or payment services</i> business by an <i>electronic money institution</i> *		<i>RDC</i>
Regulations 56(1) and 56(3)	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to exercise its powers to require restitution*		<i>RDC</i>
Regulation 74(7)	when the <del>FSA</del> <u>FCA</u> is proposing to decide not to include a person on the register		<i>Executive procedures</i>
Regulation 74(8) (a)	when the <del>FSA</del> <u>FCA</u> is deciding not to include a person on the register		<i>Executive procedures</i> where no representations are made in response to a warning notice, otherwise by the <i>RDC</i>
Schedule 3, paragraph 1	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to publish a statement that a relevant person has been knowingly concerned with a contravention of the <i>Electronic Money Regulations</i> (Note 2)		<i>RDC</i>

Schedule 3, paragraph 1	when the <i>FSA FCA</i> is proposing or deciding to impose a financial penalty against a relevant person (Note 2)		<i>RDC</i>
<p>Notes:</p> <p>(1) The <i>RDC</i> will take the decision to give the notice exercising the <i>FSA FCA</i>'s own-initiative power if the action involves: ...</p> <p>(2) The <i>Electronic Money Regulations</i> do not require third party rights and access to <i>FSA FCA</i> material when the <i>FSA FCA</i> exercises this power. However, the <i>FSA FCA</i> generally intends to allow for third party rights and access to material when exercising this power.</p>			

Recognised Auction Platforms Regulations 2011	Description	Handbook reference	Decision maker
Regulation 5A	where the <i>FCA</i> is proposing or deciding to publish a statement censuring an <i>RAP</i> , or to impose a financial penalty on an <i>RAP</i> .	<i>REC 2A.4</i>	<i>RDC</i>

## 2 Supervisory notices

### Annex

#### 2

#### G

Section of the Act	Description	Handbook reference	Decision maker
<del>53(4)/(7)</del> (8)(b) 55Y(4) 55Y(7)	when the <i>FSA FCA</i> is exercising its <i>own-initiative variation power</i> to vary a firm's <i>Part IV Part 4A permission</i>	<i>SUP 7</i>	<i>RDC</i> or <i>executive procedures</i> See <i>DEPP 2.5.7G</i>

<u>55Y(8)(b)</u>			
<u>55Y(4)</u> <u>55Y(7)</u> <u>55Y(8)(b)</u>	when the <i>FCA</i> is exercising its own-initiative requirement power		<i>RDC</i> or <i>executive procedures</i> See <i>DEPP 2.5.7G</i>
78(2)/(5)	when the <del>FSA</del> <i>FCA</i> is proposing to discontinue or discontinues the <i>listing</i> of a security	<i>LR 5</i>	<i>RDC</i> or <i>executive procedures</i> See <i>DEPP 2.5.9G(4)</i> and <i>DEPP 2.5.10G</i>
78(2)/(5)	when the <del>FSA</del> <i>FCA</i> is proposing to suspend or suspends the <i>listing</i> of a security	<i>LR 5</i>	<i>Executive procedures</i>
78A(2)/(8)(b)	when the <del>FSA</del> <i>FCA</i> discontinues or suspends the <i>listing</i> of a security on the application of the issuer of the security	<i>LR 5</i>	<i>Executive procedures</i>
87O(2)/(5)	when the <del>FSA</del> <i>FCA</i> is proposing or deciding to exercise or deciding to maintain, vary or revoke any of the powers in sections 87K or 87L in respect of an infringement of any applicable provision.	<i>PR 5</i>	<i>Executive procedures</i>
<u>88F(2)/(5)/(6)(b)</u>	when the <i>FCA</i> is proposing or deciding to take action to suspend, limit or restrict a <i>sponsor's</i> approval under section 88E		<i>Executive procedures</i>
<u>89V(2)</u> <u>89V(5)</u> <u>89 V(6)(b)</u>	when the <i>FCA</i> is proposing or deciding to take action to suspend, limit or restrict a <i>primary information provider's</i> approval under section 89U		<i>Executive procedures</i>

96C	when the <del>FSA</del> <u>FCA</u> is proposing to suspend or suspends trading in a <i>financial instrument</i>	<i>DTR</i>	<i>Executive procedures</i>
<u>137Q(5)</u> <u>137Q(8)(a)</u>	when the <u>FCA</u> gives a <u>direction under section 137Q</u>		<i>Executive procedures</i>
191B(1)	when the <del>FSA</del> <u>FCA</u> gives a <i>restriction notice</i> under section 191B		<i>Executive procedures</i>
197(3)/ (6)/ (7)(b)	when the <del>FSA</del> <u>FCA</u> is exercising its power of intervention in respect of an <i>incoming firm</i>	<i>SUP 14</i>	<i>RDC or executive procedures</i> See <i>DEPP 2.5.7G</i> and <i>2.5.7AG</i>
259(3)/ (8)/ (9)(b)	when the <del>FSA</del> <u>FCA</u> is exercising its power to give or, on its own initiative, to vary a direction to the <i>manager</i> and <i>trustee</i> of an <i>AUT</i>	<i>COLL</i>	<i>RDC</i>
268(3)/ (7)(a) or (9)(a) (as a result of (8)(b)/(13))	when the <del>FSA</del> <u>FCA</u> is proposing or deciding to give or, on its own initiative, to vary a direction to the <i>operator</i> of a <i>recognised scheme</i>	<i>COLL</i>	<i>RDC</i>
282 (3)/ (6)/ (7)(b)	when the <del>FSA</del> <u>FCA</u> is exercising its power to give a direction to an <i>operator, trustee</i> or <i>depository</i> of a <i>recognised scheme</i>	<i>COLL</i>	<i>RDC</i>
301J(1)	when the <del>FSA</del> <u>FCA</u> gives a <i>restriction notice</i> under section 301J		<i>Executive procedures</i>
321(2)/(5)	when the <del>FSA</del> <u>FCA</u> is exercising its power to impose a requirement on a former underwriting		<i>RDC</i>

	member of Lloyd's		
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<b>OEIC Regulations reference</b>	<b>Description</b>	<b>Handbook reference</b>	<b>Decision maker</b>
Regulation 27	when the <del>FSA</del> <u>FCA</u> is exercising its power to give or, on its own initiative, to vary a direction to an <i>ICVC</i> and its <i>depository</i>	<i>COLL</i>	<i>RDC</i>

<b><u>Payment Services Regulations</u></b>	<b><u>Description</u></b>	<b><u>Handbook reference</u></b>	<b><u>Decision maker</u></b>
11(6) 11(9) 11(10)(b) 14	When the <u>FCA</u> is exercising its powers to vary a person's <u>authorisation on its own initiative</u>		<i>RDC</i> or <i>Executive procedures</i> See also <i>DEPP 3.4</i> (Note 1)

Notes:

(1) The *RDC* will take the decision to give a notice exercising the FCA's own initiative power if the action involves:

(a) removing a type of activity from an authorisation or registration; or

(b) refusing an application to include a type of activity in an authorisation or registration; or

(c) restricting a person from taking on new business, dealing with a particular category of customer or refusing an application to vary or cancel such a restriction; or

(d) imposing or varying a capital requirement, or refusing an application to vary or cancel such a requirement.

For all other types of action the decision to give a notice will be taken by FCA staff under *executive procedures*.

### 3 The nature and procedure of the RDC

#### 3.1 The Regulatory Decisions Committee

3.1.1 G The *Regulatory Decisions Committee (RDC)* is a committee of the

~~FSA~~ FCA Board. It is part of the ~~FSA~~ FCA. It exercises certain regulatory powers on behalf of the ~~FSA~~ FCA and is accountable to the ~~FSA~~ FCA Board for its decisions generally.

- 3.1.2 G (1) The *RDC* is separate from the ~~FSA~~ FCA's executive management structure. Apart from its Chairman, none of the members of the *RDC* is an ~~FSA~~ FCA employee.
- (2) All members of the *RDC* are appointed for fixed periods by the ~~FSA~~ FCA Board. The ~~FSA~~ FCA Board may remove a member of the *RDC*, but only in the event of that member's misconduct or incapacity.
- 3.1.3 G The *RDC* has its own legal advisers and support staff. The *RDC* staff are separate from the ~~FSA~~ FCA staff involved in conducting investigations and making recommendations to the *RDC*.

### 3.2 The operation of the *RDC*

...

Conflicts of interest

...

- 3.2.5 G (1) If a member of the *RDC* has a potential conflict of interest in any matter in which he is asked to participate he will disclose the conflict to the *RDC* Office, and disclose it:
  - (a) in the case of the Chairman of the *RDC*, to the Chairman or Deputy Chairman of the ~~FSA~~ FCA; or
  - (b) in the case of a Deputy Chairman of the *RDC*, to the Chairman of the *RDC*, or if he is unavailable to the Chairman or Deputy Chairman of the ~~FSA~~ FCA; or

...

...

...

Procedure: general

...

- 3.2.10 G If the *RDC* considers it relevant to its consideration, it may ask ~~FSA~~ FCA staff to explain or provide any or all of the following:
  - (1) additional information about the matter (which ~~FSA~~ FCA staff

may seek by further investigation); or

- (2) further explanation of any aspect of the *FSA FCA* staff recommendation or accompanying papers; or
- (3) information about *FSA FCA* priorities and policies (including as to the *FSA FCA's* view on the law or on the correct legal interpretation of provisions of the *Act*).

- 3.2.11 G The *RDC* has no power under the *Act* to require *persons* to attend before it or provide information. It is not a tribunal and will make a decision based on all the relevant information available to it, which may include views of *FSA FCA* staff about the relative quality of witness and other evidence.

Procedure: warning notices and first supervisory notices

- 3.2.12 G If *FSA FCA* staff consider that action is appropriate in a matter for which the *RDC* is the decision maker, they will make a recommendation to the *RDC* that a *warning notice* or a *supervisory notice* should be given.

...

- 3.2.14 G If the *RDC* decides that the *FSA FCA* should give a *warning notice* or a first *supervisory notice*:

...

- (4) the *RDC* staff will make appropriate arrangements for the disclosure of the substantive communications between the *RDC* and the *FSA FCA* staff who made the recommendation on which the *RDC's* decision is based. This may include providing copies in electronic format.

- 3.2.14A G If *FCA* staff consider that it is appropriate to publish information about the matter to which a *warning notice* falling within section 391(1ZB) of the *Act* relates, they will make a recommendation to the *RDC* that such information should be published.

- 3.2.14B G The *RDC* will consider whether it is appropriate in all the circumstances to publish information about the matter to which a *warning notice* falling within section 391(1ZB) of the *Act* relates. The *FCA's* policy on publishing such information is set out in *EG 6*.

- 3.2.14C G If the *RDC* proposes that the *FCA* should publish information about the matter to which a *warning notice* falling within section 391(1ZB) of the *Act* relates:

- (1) the *RDC* will settle the wording of the statement it proposes the *FCA* should publish (warning notice statement);

- (2) the RDC staff will make appropriate arrangements for the warning notice statement it proposes the FCA should publish to be given to the persons to whom the warning notice was given or copied;
- (3) the proposed warning notice statement will specify the time allowed for the recipient to respond in writing to the RDC. This will normally be 14 days;
- (4) the recipient of a proposed warning notice statement may request an extension of the time allowed for its response. Such a request must normally be made within seven days of the proposed warning notice statement being given; and
- (5) the RDC will not normally grant a request by a person to whom the warning notice statement was given to make his response in person.
- 3.2.14D G If no response to the proposed warning notice statement is received, the FCA will make appropriate arrangements to publish the warning notice statement.
- 3.2.14E G However, if the RDC receives a response from the person to whom the proposed warning notice statement was given, the RDC will consider their response and decide whether it is appropriate in all the circumstances to publish information about the matter to which the warning notice relates.
- 3.2.14F G If the RDC decides that the FCA should publish a warning notice statement:
- (1) the RDC will settle the wording of the warning notice statement; and
- (2) the FCA will make appropriate arrangements for the warning notice statement to be published.
- 3.2.14G G If the RDC decides that the FCA should not publish a warning notice statement the RDC staff will notify the relevant parties (including the relevant FCA staff) in writing of that decision.
- 3.2.14H G References to the RDC in DEPP 3.2.14AG to DEPP 3.2.14GG are to the Chairman of the RDC panel which issued the warning notice or, if he is unavailable, either the Chairman of the RDC or a Deputy Chairman of the RDC.

Procedure: representations

- 3.2.15 G (1) A warning notice or a first supervisory notice will (as required by the Act) specify the time allowed for making representations. This will not be less than ~~28~~ 14 days.

- (2) The ~~FSA~~ FCA will also, when giving a *warning notice* or a first *supervisory notice*, specify a time within which the recipient is required to indicate whether he wishes to make oral representations.
- 3.2.16 G (1) The recipient of a *warning notice* or a first *supervisory notice* may request an extension of the time allowed for making representations. Such a request must normally be made within ~~14~~ seven days of the notice being given.
- (2) If a request is made, the Chairman or a Deputy Chairman of the *RDC* will decide whether to allow an extension, and, if so, how much additional time is to be allowed for making representations. In reaching his decision he may take account of any relevant comments from the ~~FSA~~ FCA staff responsible for the matter.
- (3) The *RDC* staff will notify the relevant party and the ~~FSA~~ FCA staff responsible for the matter of the decision in writing.
- 3.2.17 G ...
- (2) In making those arrangements the *RDC* staff will draw the Chairman's or Deputy Chairman's attention to any particular issues about the timing of the meeting which have been raised by the recipient of the notice or the relevant ~~FSA~~ FCA staff.
- 3.2.18 G The chairman of the relevant meeting will ensure that the meeting is conducted so as to enable:
- (1) the recipient of the *warning notice* or first *supervisory notice* to make representations;
- (2) the relevant ~~FSA~~ FCA staff to respond to those representations;
- (3) the *RDC* members to raise with those present any points or questions about the matter (whether in response to particular representations or more generally about the matter); and
- (4) the recipient of the notice to respond to points made by ~~FSA~~ FCA staff or the *RDC*;
- but the chairman may ask the recipient of the notice or ~~FSA~~ FCA staff to limit their representations or response in length or to particular issues arising from the *warning notice* or first *supervisory notice*.
- ...
- 3.2.21 G The *RDC* will not, after the ~~FSA~~ FCA has given a *warning notice* or a first *supervisory notice*, meet with or discuss the matter whilst it is

still ongoing with the ~~FSA~~ FCA staff responsible for the case without other relevant parties being present or otherwise having the opportunity to respond.

Procedure: decision notices and second supervisory notices

- 3.2.22 G If no representations are made in response to the *warning notice* or first *supervisory notice*, the ~~FSA~~ FCA will regard as undisputed the allegations or matters set out in the notice and the default procedure will apply: see *DEPP* 2.3.2G to *DEPP* 2.3.4G.
- ...
- 3.2.24 G If the *RDC* decides that the ~~FSA~~ FCA should give a *decision notice* or a second *supervisory notice*:
- ...
- (2) the *RDC* will make any relevant *statutory notice associated decisions*, including whether the ~~FSA~~ FCA is required to give a copy of the notice to a third party; and
- ...
- 3.2.25 G If the *RDC* decides that the ~~FSA~~ FCA should not give a *decision notice* or a second *supervisory notice* the *RDC* staff will notify the relevant parties (including the relevant ~~FSA~~ FCA staff) in writing of that decision.

Discontinuance of ~~FSA~~ FCA action

- 3.2.26 G ~~FSA~~FCA staff responsible for recommending action to the *RDC* will continue to assess the appropriateness of the proposed action in the light of new information or representations they receive and any material change in the facts or circumstances relating to a particular matter. It may be therefore that they decide to give a *notice of discontinuance* to a person to whom a *warning notice* or *decision notice* has been given. The decision to give a *notice of discontinuance* does not require the agreement of the *RDC*, but ~~FSA~~ FCA staff will inform the *RDC* of the discontinuance of the proceedings.
- ...

### 3.4 Urgent supervisory notice cases

...

- 3.4.3 G In an exceptionally urgent case the decision to give a *supervisory notice* may be taken by a member of the ~~FSA~~ FCA's executive of at

least director of division level if:

- (1) ~~FSA~~ FCA staff consider that the action should be taken before a recommendation to the Chairman or a Deputy Chairman of the *RDC* can be made; and

...

- 3.4.4 G In the circumstances described in *DEPP* 3.4.3G, the ~~FSA~~ FCA considers that it may be necessary for an ~~FSA~~ FCA director of division to take the decision to give the *supervisory notice* even if he has been involved in establishing the evidence on which the decision is based, as permitted by section 395(3) of the *Act*. Where practicable, however, ~~FSA~~ FCA staff will seek to ensure that the ~~FSA~~ FCA director has not been so involved.

#### 4 Decisions by ~~FSA~~ FCA staff under executive procedures

##### 4.1 Executive decision maker

Who takes the decision

- 4.1.1 G All *statutory notice decisions* under *executive procedures* and decisions referred to in *DEPP* 2.5.6AG will be taken either by a *senior staff committee* or by an individual ~~FSA~~ FCA staff member.
- 4.1.2 G In ~~either the case of a *senior staff committee*~~, the decision will be taken by ~~FSA~~ FCA staff who have not been directly involved in establishing the evidence on which the decision is based or by two or more *FCA* staff who include a person not directly involved in establishing that evidence, except in accordance with section 395(3) of the *Act*.
- 4.1.2A G In the case of an individual *FCA* staff member, the decision will be taken by someone who has not been directly involved in establishing the evidence on which the decision is based, except in accordance with section 395(3) of the *Act*.

Decisions by senior staff committee

- 4.1.3 G The ~~FSA~~ FCA's senior executive committee will from time to time determine that particular categories of *statutory notice decision* to be taken under *executive procedures* and decisions referred to in *DEPP* 2.5.6AG will be taken by a *senior staff committee*.
- 4.1.4 G A *senior staff committee* will consist of such ~~FSA~~ FCA staff members as the ~~FSA~~ FCA's senior executive committee may from time to time determine. The ~~FSA~~ FCA's senior executive committee may authorise the chairman of a *senior staff committee* to select its other members. A *senior staff committee* is accountable for its decisions to the ~~FSA~~ FCA

FCA's senior executive committee and, through it, to the FSA FCA Board.

...

- 4.1.6 G A *senior staff committee* will operate on the basis of a recommendation from an FSA FCA staff member of at least the level of associate, and with the benefit of legal advice from an FSA FCA staff member of at least the level of associate.

Decisions by individual FSA FCA staff members

- 4.1.7 G *Statutory notice decisions* to be taken under *executive procedures* and decisions referred to in DEPP 2.5.6AG, and not falling within the responsibility of a *senior staff committee*, will be taken by an individual FSA FCA staff member. The decision will be:

- (1) made by an executive director of the FSA FCA Board or his delegate (who will be of at least the level of associate);
- (2) on the recommendation of an FSA FCA staff member of at least the level of associate; and
- (3) with the benefit of legal advice from an FSA FCA staff member of at least the level of associate;

except for decisions made in relation to consumer redress schemes pursuant to provisions of the Consumer Redress Schemes sourcebook (*CONRED*), where (1) will apply, but not (2) or (3).

- 4.1.8 G The individual who takes a decision under *executive procedures* is accountable to the FSA FCA Board directly (if an executive director) or otherwise through line management responsible for the decision concerned.
- 4.1.9 G An FSA FCA staff member who considers that a *statutory notice decision* or a decision referred to in DEPP 2.5.6AG should be taken above his own level is free to refer that decision to a more senior level. If an FSA FCA staff member consults another staff member about a decision, the decision remains the independent decision of the FSA FCA staff member who consults his colleague, unless it is agreed that the decision should instead be taken by the colleague, and the colleague has the delegated authority to do so.
- 4.1.10 G If an individual responsible for a decision under *executive procedures* (or a more senior FSA FCA staff member with responsibilities in relation to the decision concerned) considers that it warrants collective consideration, the individual may:
- (1) take the decision himself, following consultation with other FSA FCA staff members, as above; or

...

#### Conflicts of interest

- 4.1.11 G (1) *FSA FCA* staff are required by their contract of employment to comply with a code of conduct which imposes strict rules to cover the handling of conflicts of interest which may arise from personal interests or associations. *FSA FCA* staff subject to a conflict of interest must declare that interest to the *person* to whom they are immediately responsible for a decision.
- (2) If a member of a *senior staff committee* has a potential conflict of interest in any matter in which he is asked to participate he will disclose the conflict to the secretariat of the *senior staff committee*, and disclose it:
- (a) in the case of the chairman of the senior staff committee, to a member of the *FSA FCA's* senior executive committee or, if the *person* with the conflict is the chairman of the *FSA FCA's* senior executive committee, to the Chairman of the *FSA FCA*;
- (b) in the case of the deputy chairman of the senior staff committee, to the chairman of the committee, or if he is unavailable, to a member of the *FSA FCA's* senior executive committee;

...

...

#### Procedure

- 4.1.13 G The procedure for taking decisions under *executive procedures* will generally be less formal and structured than that for decisions by the *RDC*. Broadly, however, *FSA FCA* staff responsible for taking *statutory notice* decisions under *executive procedures* will follow a procedure similar to that described at *DEPP 3.2.7G* to *DEPP 3.2.27G* for the *RDC* except that:

...

- (2) in a case where the decision will be taken by individual members of *FSA FCA* staff, the distinction between the role of the *RDC*, its Chairman and the *RDC* staff has no application;
- (3) the *FSA FCA* staff responsible for taking the *statutory notice decision* may be advised by legal advisers who have also advised *FSA FCA* staff recommending action by the *FSA FCA*;
- (4) the *FSA FCA* will not normally disclose the communications

between the ~~FSA~~ FCA staff recommending that action be taken and those responsible for the decision to give the *statutory notice* unless the ~~FSA~~ FCA has stated publicly that it will adopt a practice of disclosing such communications, or a class of communications, in respect of particular categories of decision taken by ~~FSA~~ FCA staff under *executive procedures*; and

...

- 4.1.14 G Broadly, FCA staff responsible for taking decisions referred to in DEPP 2.5.6AG will follow a procedure similar to that described at DEPP 3.2.7G to DEPP 3.2.27G for the RDC (subject to the exceptions in DEPP 4.1.13G(1) to (5) which also reflects that these decisions are not *statutory notice* decisions.

## 4.2 Urgent statutory notice cases

- 4.2.1 G If ~~FSA~~ FCA staff recommend that action be taken and they consider that the decision falls within the responsibility of a *senior staff committee*:

- (1) in general the ~~FSA~~ FCA staff's recommendation will go before the *senior staff committee*;

...

- (4) in an exceptionally urgent *statutory notice* case, if in the ~~FSA~~ FCA staff's opinion:

...

- (b) an urgent decision on the proposed action is necessary to protect the interests of consumers;

the decision may be taken by a member of the ~~FSA~~ FCA's executive of at least director of division level (which may include an acting director) or, in the case of a *senior staff committee* which reports directly to the ~~FSA~~ FCA's senior executive committee, by a member of that committee.

- 4.2.2 G In the circumstances described in DEPP 4.2.1G(4) the ~~FSA~~ FCA considers that it may be necessary for an ~~FSA~~ FCA director of division or member of a *senior staff committee* to take the decision to give a *supervisory notice* even if he has been involved in establishing the evidence on which the decision is based, as permitted by section 395(3) of the *Act*. Where practicable, however, ~~FSA~~ FCA staff will seek to ensure that the ~~FSA~~ FCA director or committee member has not been so involved.

## 5 Settlement decision procedure

### 5.1 Settlement decision makers

#### Introduction

- 5.1.1 G (1) A *person* subject to enforcement action may agree to a financial penalty or other outcome rather than contest formal action by the ~~FSA~~ FCA.
- (2) The fact that he does so will not usually obviate the need for a statutory notice recording the ~~FSA~~ FCA's decision to take that action. Where, however, the *person* subject to enforcement action agrees not to contest the content of a proposed *statutory notice*, the decision to give that statutory notice will be taken by senior ~~FSA~~ FCA staff.
- (3) The decision will be taken jointly by two members of the ~~FSA~~ FCA's senior management, one of whom will be of at least director of division level (which may include an acting director) and the other of whom will be of at least head of department level (the "*settlement decision makers*").
- (4) At least one of the *settlement decision makers* will not be from the Enforcement and Financial Crime Division. The other *settlement decision maker* will usually be, but need not be, from the Enforcement and Financial Crime Division. ~~Consistent with section 395(2) of the Act, a~~ A *settlement decision maker* will not have been directly involved in establishing the evidence on which the decision is based.

...

#### Procedure: general

- 5.1.2 G A *person* who is or may be subject to enforcement action may wish to discuss the proposed action with ~~FSA~~ FCA staff through settlement discussions.
- 5.1.3 G Settlement discussions may take place at any time during the enforcement process if both parties agree. This might be before the giving of a *warning notice*, before a *decision notice*, or even after referral of the matter to the *Tribunal*. But the ~~FSA~~ FCA would not normally agree to detailed settlement discussions until it has a sufficient understanding of the nature and gravity of the suspected misconduct or issue to make a reasonable assessment of the appropriate outcome. Settlement after a *decision notice* will be rare.
- 5.1.4 G ~~FSA~~ FCA staff and the *person* concerned may agree that neither the ~~FSA~~ FCA nor the *person* concerned would seek to rely against the other on any admissions or statements made in the course of their

settlement discussions if the matter is considered subsequently by the *RDC* or the *Tribunal*.

Procedure: participation of decision makers in discussions

- 5.1.5 G ...
- (2) If the *settlement decision makers* have not been involved in the discussions, but an agreement has been reached, they may ask to meet the relevant *FSA FCA* staff or the *person* concerned in order to assist in the consideration of the proposed settlement.
- 5.1.6 G The terms of any proposed settlement:
- (1) will be put in writing and be agreed by *FSA FCA* staff and the *person* concerned;
- (2) may refer to a draft of the proposed *statutory notices* setting out the facts of the matter and the *FSA FCA's* conclusions;
- (3) may, depending upon the stage in the enforcement process at which agreement is reached, include an agreement by the *person* concerned to:
- (a) waive and not exercise any rights under sections 387 (Warning notices) and 394 (Access to Authority material) of the *Act* to notice of, or access to, material relied upon by the *FSA FCA* and any secondary material which might undermine the *FSA FCA* decision to give the *statutory* notice;
- ...
- (c) not object to the giving of a *decision notice* before the expiry of the 28 14 day period after the giving of a *warning notice* specified under section 387 of the *Act*;
- (d) not dispute with the *FSA FCA* the facts and matters set out in a *warning notice, decision notice, supervisory notice* or *final notice* and to waive and not exercise any right under section 208 (Decision notice) of the *Act* to refer the matter to the *Tribunal*.
- 5.1.7 G The *settlement decision makers* may:
- ...
- whether or not the *settlement decision makers* have met with the relevant *FSA FCA* staff or the *person* concerned.

- 5.1.8 G (1) Where the *settlement decision makers* decline to issue a *statutory notice* despite the proposed settlement, they may invite ~~FSA~~ FCA staff and the *person* concerned to enter into further discussions to try to achieve an outcome the *settlement decision makers* would be prepared to endorse.
- (2) However, if the proposed action by the ~~FSA~~ FCA has been submitted to the *RDC* for consideration, it will be for the *RDC* to decide:

...

#### Settlement by mediation

- 5.1.9 G The ~~FSA~~ FCA and other parties may agree to mediation as a way of facilitating settlement in appropriate cases.

#### Third party rights

- 5.1.10 G (1) *DEPP* 2.4 sets out the ~~FSA~~ FCA's approach to giving third parties copies of *statutory notices* pursuant to section 393 (Third party rights) of the *Act*.

...

## 6 Penalties

### 6.1 Introduction

- 6.1.1 G *DEPP* 6 includes the ~~FSA~~ FCA's statement of policy with respect to the imposition and amount of penalties under the *Act*, as required by sections 63C(1), 69(1), ~~88C~~, ~~89S~~, 93(1), 124(1), 131J(1), ~~192N~~, and 210(1), ~~312J~~ and ~~345D~~ of the *Act*.
- 6.1.2 G The principal purpose of imposing a financial penalty or issuing a *public censure* is to promote high standards of regulatory and/or market conduct by deterring *persons* who have committed *breaches* from committing further *breaches*, helping to deter other *persons* from committing similar *breaches*, and demonstrating generally the benefits of compliant behaviour. Financial penalties and *public censures* are therefore tools that the ~~FSA~~ FCA may employ to help it to achieve its ~~regulatory objectives~~ statutory objectives.

### 6.2 Deciding whether to take action

- 6.2.1 G The ~~FSA~~ FCA will consider the full circumstances of each case when determining whether or not to take action for a financial penalty or *public censure*. Set out below is a list of factors that may be relevant

for this purpose. The list is not exhaustive: not all of these factors may be applicable in a particular case, and there may be other factors, not listed, that are relevant.

...

- (2) The conduct of the *person* after the *breach*, including the following:
- (a) how quickly, effectively and completely the *person* brought the *breach* to the attention of the *FSA FCA* or another relevant regulatory authority;
- ...
- (f) the nature and extent of any false or inaccurate information given by the person and whether the information appears to have been given in an attempt to knowingly mislead the *FSA FCA*.
- (3) The previous disciplinary record and compliance history of the *person* including:
- (a) whether the *FSA FCA* (or any *previous regulator*) has taken any previous disciplinary action resulting in adverse findings against the *person*;
- ...
- (c) whether the *FSA FCA* (or any *previous regulator*) has previously taken protective action in respect of a *firm*, using its own initiative powers, by means of a variation of a ~~Part IV~~ *Part 4A permission* or otherwise, or has previously requested the *firm* to take remedial action, and the extent to which such action has been taken; and
  - (d) the general compliance history of the *person*, including whether the *FSA FCA* (or any *previous regulator*) has previously issued the *person* with a private warning.
- (4) *FSA FCA guidance* and other published materials:

The *FSA FCA* will not take action against a person for *behaviour* that it considers to be in line with *guidance*, other materials published by the *FSA FCA* in support of the *Handbook* or *FSA FCA*-confirmed Industry Guidance which were current at the time of the *behaviour* in question. (The manner in which *guidance* and other published materials may otherwise be relevant to an enforcement case is described in EG 2.)

- (5) Action taken by the *FSA or FCA* in previous similar cases.
- (6) Action taken by other domestic or international regulatory authorities:

Where other regulatory authorities propose to take action in respect of the *breach* which is under consideration by the *FSA FCA*, or one similar to it, the *FSA FCA* will consider whether the other authority's action would be adequate to address the *FSA FCA's* concerns, or whether it would be appropriate for the *FSA FCA* to take its own action.

- 6.2.2 G When deciding whether to take action for *market abuse* or *requiring or encouraging*, the *FSA FCA* may consider the following additional factors:

...

- (2) The impact, having regard to the nature of the *behaviour*, that any financial penalty or *public censure* may have on the financial markets or on the interests of *consumers*:

...

- (c) in the context of a *takeover bid*, the *FSA FCA* may consider that the impact of the use of its powers is likely to have an adverse effect on the timing or outcome of that bid, and therefore it would not be in the interests of financial markets or *consumers* to take action for *market abuse* during the *takeover bid*. If the *FSA FCA* considers that the proposed use of its powers may have that effect, it will consult the *Takeover Panel* and give due weight to its views.

- 6.2.2A G The factors to which the *FSA FCA* will have regard when deciding whether to impose a penalty under regulation 34 of the *RCB Regulations* are set out in *RCB 4.2.3G*.

Discipline for breaches of *FSA FCA* rules on systems and controls against money laundering

- 6.2.3 G The *FSA FCA's* rules on systems and controls against *money laundering* are set out in *SYSC 3.2* and *SYSC 6.3*. The *FSA FCA*, when considering whether to take action for a financial penalty or censure in respect of a breach of those rules, will have regard to whether a *firm* has followed relevant provisions in the Guidance for the UK financial sector issued by the Joint Money Laundering Steering Group.

Action against approved persons under section 66 of the Act

- 6.2.4 G The primary responsibility for ensuring compliance with a *firm's*

regulatory obligations rests with the *firm* itself. However, the *FSA FCA* may take disciplinary action against an *approved person* where there is evidence of personal culpability on the part of that *approved person*. Personal culpability arises where the *behaviour* was deliberate or where the *approved person's* standard of *behaviour* was below that which would be reasonable in all the circumstances at the time of the conduct concerned.

- 6.2.5 G In some cases it may not be appropriate to take disciplinary measures against a *firm* for the actions of an *approved person* (an example might be where the *firm* can show that it took all reasonable steps to prevent the *breach*). In other cases, it may be appropriate for the *FSA FCA* to take action against both the *firm* and the *approved person*. For example, a *firm* may have breached the *rule* requiring it to take reasonable care to establish and maintain such systems and controls as are appropriate to its business (*SYSC 3.1.1R* or *SYSC 4.1.10R*), and an *approved person* may have taken advantage of those deficiencies to front run orders or misappropriate assets.
- 6.2.6 G In addition to the general factors outlined in *DEPP 6.2.1G*, there are some additional considerations that may be relevant when deciding whether to take action against an *approved person* pursuant to section 66 of the *Act*. This list of those considerations is non-exhaustive. Not all considerations below may be relevant in every case, and there may be other considerations, not listed, that are relevant.
- (1) The *approved person's* position and responsibilities. The *FSA FCA* may take into account the responsibility of those exercising *significant influence functions* in the *firm* for the conduct of the *firm*. The more senior the *approved person* responsible for the misconduct, the more seriously the *FSA FCA* is likely to view the misconduct, and therefore the more likely it is to take action against the *approved person*.
- ...
- 6.2.7 G The *FSA FCA* will not discipline *approved persons* on the basis of vicarious liability (that is, holding them responsible for the acts of others), provided appropriate delegation and supervision has taken place (see *APER 4.6.13G* and *APER 4.6.14G*). In particular, disciplinary action will not be taken against an *approved person* performing a *significant influence function* simply because a regulatory failure has occurred in an area of business for which he is responsible. The *FSA FCA* will consider that an *approved person* performing a *significant influence function* may have breached *Statements of Principle 5* to *7* only if his conduct was below the standard which would be reasonable in all the circumstances at the time of the conduct concerned (see also *APER 3.1.8G*).

...

- 6.2.9 G Where disciplinary action is taken against an *approved person* the onus will be on the ~~FSA~~ FCA to show that the *approved person* has been guilty of misconduct.

Action under section 63A of the Act against persons that perform a controlled function without approval

- 6.2.9A G In addition to the general factors outlined in *DEPP* 6.2.1G, there are some additional considerations that the ~~FSA~~ FCA will have regard to when deciding whether to take action against a *person* that performs a *controlled function* without approval contrary to section 63A of the *Act*.
- (1) The conduct of the *person*. The ~~FSA~~ FCA will take into consideration whether, while performing *controlled functions* without approval, the *person* committed misconduct in respect of which, if he had been approved, the ~~FSA~~ FCA could have taken action pursuant to section 66 of the *Act* and, if so, the seriousness of that misconduct.
  - (2) The extent to which the *person* could reasonably be expected to have known that he was performing a *controlled function* without approval. The circumstances in which the ~~FSA~~ FCA would expect to be satisfied that a *person* could reasonably be expected to have known that he was performing a *controlled function* without approval include:
    - ...
    - ...
    - (5) The appropriateness of taking action against the *person* instead of, or in addition to, taking action against an *authorised person*. In assessing this, the ~~FSA~~ FCA will take into consideration the extent of the culpability of an *authorised person* for the *person* performing a *controlled function* without approval. For example, a relevant factor may be that an *authorised person* decided that the *person* did not need to obtain approval and it was reasonable for the *person* to rely on the *authorised person's* judgment.
    - (6) The *person's* position and responsibilities. The more senior the *person* that performs a *controlled function* without approval, the more seriously the ~~FSA~~ FCA is likely to view his behaviour, and therefore the more likely it is to take action against the *person*.

Action against directors, former directors and persons discharging managerial responsibilities for breaches under Part VI of the Act

- 6.2.10 G The primary responsibility for ensuring compliance with Part VI of the

*Act*, the *Part 6 rules*, the *prospectus rules* or a provision otherwise made in accordance with the *Prospectus Directive* or a requirement imposed under such provision rests with the persons identified in section 91(1) and section 91(1A) (Penalties for breach of Part 6 rules) of the *Act* respectively. Normally therefore, any disciplinary action taken by the ~~FSA~~ FCA for contraventions of these obligations will in the first instance be against those persons.

- 6.2.11 G However, in the case of a contravention by a *person* referred to in section 91(1)(a) or section 91(1)(b)(~~†~~) or section 91(1A) of the *Act* ("P"), where the ~~FSA~~ FCA considers that another *person* who was at the material time a *director* of P was knowingly concerned in the contravention, the ~~FSA~~ FCA may take disciplinary action against that *person*. In circumstances where the ~~FSA~~ FCA does not consider it appropriate to seek a disciplinary sanction against P (notwithstanding a breach of relevant requirements by such person), the ~~FSA~~ FCA may nonetheless seek a disciplinary sanction against any other person who was at the material time a *director* of P and was knowingly concerned in the contravention.

...

- 6.2.13 G In deciding whether to take action, the ~~FSA~~ FCA will consider the full circumstances of each case. Factors that may be relevant for this purpose include, but are not limited to, the factors at *DEPP* 6.2.1G.

#### Discipline for breaches of the Principles for Businesses

- 6.2.14 G The *Principles* are set out in *PRIN* 2.1.1R. The *Principles* are a general statement of the fundamental obligations of *firms* under the *regulatory system*. The *Principles* derive their authority from the ~~FSA~~ FCA's rule-making powers set out in section ~~138~~ 137A (General rule-making power) of the *Act*. A breach of a *Principle* will make a *firm* liable to disciplinary action. Where the ~~FSA~~ FCA considers this is appropriate, it will discipline a *firm* on the basis of the *Principles* alone.
- 6.2.15 G In determining whether a *Principle* has been breached, it is necessary to look to the standard of conduct required by the *Principle* in question at the time. Under each of the *Principles*, the onus will be on the ~~FSA~~ FCA to show that a *firm* has been at fault in some way.

#### Discipline for breaches of the Listing Principles

- 6.2.16 G The Listing Principles are set out in *LR* 7. The Listing Principles are a general statement of the fundamental obligations of *listed companies*. The Listing Principles derive their authority from the ~~FSA~~ FCA's rule making powers set out in section 73A(1) (Part 6 Rules) of the *Act*. A breach of a Listing Principle will make a *listed company* liable to disciplinary action by the ~~FSA~~ FCA.
- 6.2.17 G In determining whether a Listing Principle has been broken, it is

necessary to look to the standard of conduct required by the Listing Principle in question. Under each of the Listing Principles, the onus will be on the *FSA FCA* to show that a *listed company* has been at fault in some way. This requirement will differ depending upon the Listing Principle.

...

Action involving other regulatory authorities or enforcement agencies

- 6.2.19 G Some types of *breach* may potentially result not only in action by the *FSA FCA*, but also action by other domestic or overseas regulatory authorities or enforcement agencies.
- 6.2.20 G When deciding how to proceed in such cases, the *FSA FCA* will examine the circumstances of the case, and consider, in the light of the relevant investigation, disciplinary and enforcement powers, whether it is appropriate for the *FSA FCA* or another authority to take action to address the *breach*. The *FSA FCA* will have regard to all the circumstances of the case including whether the other authority has adequate powers to address the *breach* in question.
- 6.2.21 G In some cases, it may be appropriate for both the *FSA FCA* and another authority to be involved, and for both to take action in a particular case arising from the same facts. For example, a breach of *RIE* rules may be so serious as to justify the *FSA FCA* varying or cancelling the *firm's Part IV permission*, or withdrawing approval from *approved persons*, as well as action taken by the *RIE*. In such cases, the *FSA FCA* will work with the relevant authority to ensure that cases are dealt with efficiently and fairly, under operating arrangements in place (if any) between the *FSA FCA* and the relevant authority.
- 6.2.22 G In relation to *behaviour* which may have happened or be happening in the context of a *takeover bid*, the *FSA FCA* will refer to the *Takeover Panel* and give due weight to its views. Where the *Takeover Code* has procedures for complaint about any behaviour, the *FSA FCA* expects parties to exhaust those procedures. The *FSA FCA* will not, save in exceptional circumstances, take action under any of section 123 (*FSA's FCA's* power to impose penalties), section 129 (Power of court to impose penalties), section 381 (Injunctions), sections 383 or 384 (Restitution) in respect of *behaviour* to which the *Takeover Code* is relevant before the conclusion of the procedures available under the *Takeover Code*.
- 6.2.23 G The *FSA FCA* will not take action against a *person* over *behaviour* which (a) conforms with the *Takeover Code* or rules of an *RIE* and (b) falls within the terms of any provision of the *Code of Market Conduct* which states that *behaviour* so conforming does not amount to *market abuse*. The *FSA FCA* will seek the *Takeover Panel's* or relevant *RIE's* views on whether *behaviour* complies with the *Takeover Code* or *RIE*

rules and will attach considerable weight to its views.

- 6.2.24 G If any of the circumstances in *DEPP* 6.2.26G apply, and the *FSA FCA* considers that the use of its disciplinary powers under section 123 or section 129, or of its injunctive powers under section 381 or of its powers relating to restitution under section 383 or 384 is appropriate, it will not take action during an offer to which the *Takeover Code* applies except in the circumstances set out in *DEPP* 6.2.27G.
- 6.2.25 G In any case where the *FSA FCA* considers that the use of its powers under any of sections 123, 129, 381, 383 or 384 of the *Act* may be appropriate, if that use may affect the timetable or outcome of a *takeover bid* or where it is appropriate in the context of any exercise by the *Takeover Panel* of its powers and authority, the *FSA FCA* will consult the *Takeover Panel* before using any of those powers.
- 6.2.26 G Where the *behaviour* of a *person* which amounts to *market abuse* is *behaviour* to which the *Takeover Code* is relevant, the use of the *Takeover Panel's* powers will often be sufficient to address the relevant concerns. In cases where this is not so, the *FSA FCA* will need to consider whether it is appropriate to use any of its own powers under the *market abuse regime*. The principal circumstances in which the *FSA FCA* is likely to consider such exercise are:
- ...
- (2) where the *FSA FCA's* approach in previous similar cases (which may have happened otherwise than in the context of a *takeover bid*) suggests that a financial penalty should be imposed;
- ...
- (5) where for any other reason the *Takeover Panel* asks the *FSA FCA* to consider the use of any of its powers referred to in *DEPP* 6.2.22G.
- ...
- 6.2.27 G The exceptional circumstances in which the *FSA FCA* will consider the use of powers during a *takeover bid* are listed in *DEPP* 6.2.26G(1), *DEPP* 6.2.26G(3) and *DEPP* 6.2.26G(4), and, depending on the circumstances, *DEPP* 6.2.26G(5).

...

### 6.3 Penalties for market abuse

- 6.3.1 G Section 123(2) of the *Act* states that the *FSA FCA* may not impose a

penalty on a *person* if there are reasonable grounds to be satisfied that:

...

- 6.3.2 G The factors which the ~~FSA~~ FCA may take into account when deciding whether either of the two conditions in *DEPP* 6.3.1G are met include, but are not limited to:

...

- (2) whether the ~~FSA~~ FCA has published any *guidance* or other materials on the *behaviour* in question and if so, the extent to which the *person* sought to follow that *guidance* or take account of those materials (see the Reader's Guide to the *Handbook* regarding the status of *guidance*.) The ~~FSA~~ FCA will consider the nature and accessibility of any *guidance* or other published materials when deciding whether it is relevant in this context and, if so, what weight it should be given;

...

#### 6.4 Financial penalty or public censure

- 6.4.1 G The ~~FSA~~ FCA will consider all the relevant circumstances of the case when deciding whether to impose a penalty or issue a *public censure*. As such, the factors set out in *DEPP* 6.4.2G are not exhaustive. Not all of the factors may be relevant in a particular case and there may be other factors, not listed, that are relevant.

- 6.4.2 G The criteria for determining whether it is appropriate to issue a *public censure* rather than impose a financial penalty include those factors that the ~~FSA~~ FCA will consider in determining the amount of penalty set out in *DEPP* 6.5A to *DEPP* 6.5D. Some particular considerations that may be relevant when the ~~FSA~~ FCA determines whether to issue a *public censure* rather than impose a financial penalty are:

...

- (3) if the *breach* is more serious in nature or degree, this may be a factor in favour of a financial penalty, on the basis that the sanction should reflect the seriousness of the *breach*; other things being equal, the more serious the *breach*, the more likely the ~~FSA~~ FCA is to impose a financial penalty;
- (4) if the *person* has brought the *breach* to the attention of the ~~FSA~~ FCA, this may be a factor in favour of a *public censure*, depending upon the nature and seriousness of the *breach*;
- (5) if the *person* has admitted the *breach* and provides full and immediate co-operation to the ~~FSA~~ FCA, and takes steps to

ensure that those who have suffered loss due to the *breach* are fully compensated for those losses, this may be a factor in favour of a *public censure*, rather than a financial penalty, depending upon the nature and seriousness of the *breach*;

- (6) if the *person* has a poor disciplinary record or compliance history (for example, where the *FSA or FCA* has previously brought disciplinary action resulting in adverse findings in relation to the same or similar *behaviour*), this may be a factor in favour of a financial penalty, on the basis that it may be particularly important to deter future cases;
- (7) the *FSA or FCA's* approach in similar previous cases: the *FSA FCA* will seek to achieve a consistent approach to its decisions on whether to impose a financial penalty or issue a *public censure*; and
- (8) the impact on the *person* concerned. It would only be in an exceptional case that the *FSA FCA* would be prepared to agree to issue a *public censure* rather than impose a financial penalty if a financial penalty would otherwise be the appropriate sanction. Examples of such exceptional cases could include :
  - (a) where the application of the *FSA FCA's* policy on serious financial hardship (set out in *DEPP 6.5D*) results in a financial penalty being reduced to zero;
  - (b) where there is verifiable evidence that the *person* would be unable to meet other regulatory requirements, particularly financial resource requirements, if the *FSA FCA* imposed a financial penalty at an appropriate level; or
  - (c) in Part VI cases in which the *FSA FCA* may impose a financial penalty, where there is the likelihood of a severe adverse impact on a *person's* shareholders or a consequential impact on market confidence or market stability if a financial penalty was imposed. However, this does not exclude the imposition of a financial penalty even though this may have an impact on a *person's* shareholders.

## 6.5 Determining the appropriate level of financial penalty

- 6.5.1 G For the purpose of *DEPP 6.5* to *DEPP 6.5D* and *DEPP 6.6.2G*, the term "firm" means *firms, sponsors, primary information providers, recognised investment exchanges, qualifying parent undertakings, actuaries, auditors* and those *unauthorised persons* who are not individuals.

- 6.5.2 G The ~~FSA~~ FCA's penalty-setting regime is based on the following principles:
- ...
- 6.5.3 G ...
- (3) The ~~FSA~~ FCA recognises that a penalty must be proportionate to the *breach*. The ~~FSA~~ FCA may decrease the level of the penalty arrived at after applying Step 2 of the framework if it considers that the penalty is disproportionately high for the *breach* concerned. For cases against firms, the ~~FSA~~ FCA will have regard to whether the firm is also an individual (for example, a sole trader) in determining whether the figure arrived at after applying Step 2 is disproportionate.
- ...
- (5) The ~~FSA~~ FCA may decide to impose a financial penalty on a mutual (such as a *building society*), even though this may have a direct impact on that mutual's *customers*. This reflects the fact that a significant proportion of a mutual's *customers* are shareholder-members; to that extent, their position involves an assumption of risk that is not assumed by *customers* of a firm that is not a mutual. Whether a firm is a mutual will not, by itself, increase or decrease the level of a financial penalty.
- (6) Part III (Penalties and Fees) of Schedule 1ZA to the *Act* specifically provides that the ~~FSA~~ FCA may not, in determining its policy with respect to the amount of penalties, take account of expenses which it incurs, or expects to incur, in discharging its functions.

## 6.5A The five steps for penalties imposed on firms

### Step 1 - disgorgement

- 6.5A.1 G (1) The ~~FSA~~ FCA will seek to deprive a firm of the financial benefit derived directly from the *breach* (which may include the profit made or loss avoided) where it is practicable to quantify this. The ~~FSA~~ FCA will ordinarily also charge interest on the benefit.
- (2) Where the success of a firm's entire business model is dependent on breaching ~~FSA~~ FCA rules or other requirements of the *regulatory system* and the *breach* is at the core of the firm's *regulated activities*, the ~~FSA~~ FCA will seek to deprive the firm of all the financial benefit derived from such activities. Where a firm agrees to carry out a redress programme to

compensate those who have suffered loss as a result of the *breach*, or where the FSA FCA decides to impose a redress programme, the FSA FCA will take this into consideration. In such cases the final penalty might not include a disgorgement element, or the disgorgement element might be reduced.

...

Step 2 - the seriousness of the *breach*

- 6.5A.2 G (1) The FSA FCA will determine a figure that reflects the seriousness of the *breach*. In many cases, the amount of revenue generated by a firm from a particular product line or business area is indicative of the harm or potential harm that its *breach* may cause, and in such cases the FSA FCA will determine a figure which will be based on a percentage of the firm's revenue from the relevant products or business areas. The FSA FCA also believes that the amount of revenue generated by a firm from a particular product or business area is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. However, the FSA FCA recognises that there may be cases where revenue is not an appropriate indicator of the harm or potential harm that a firm's *breach* may cause, and in those cases the FSA FCA will use an appropriate alternative.
- (2) In those cases where the FSA FCA considers that revenue is an appropriate indicator of the harm or potential harm that a firm's *breach* may cause, the FSA FCA will determine a figure which will be based on a percentage of the firm's "relevant revenue". "Relevant revenue" will be the revenue derived by the firm during the period of the *breach* from the products or business areas to which the *breach* relates. Where the *breach* lasted less than 12 *months*, or was a one-off event, the relevant revenue will be that derived by the firm in the 12 months preceding the end of the *breach*. Where the firm was in existence for less than 12 *months*, its relevant revenue will be calculated on a pro rata basis to the equivalent of 12 *months'* relevant revenue.
- (3) Having determined the relevant revenue, the FSA FCA will then decide on the percentage of that revenue which will form the basis of the penalty. In making this determination the FSA FCA will consider the seriousness of the *breach* and choose a percentage between 0% and 20%. This range is divided into five fixed levels which represent, on a sliding scale, the seriousness of the *breach*. The more serious the *breach*, the higher the level. For penalties imposed on firms there are the following five levels:
- ...
- (4) The FSA FCA will assess the seriousness of a *breach* to

determine which level is most appropriate to the case.

- (5) In deciding which level is most appropriate to a case involving a firm, the *FSA FCA* will take into account various factors, which will usually fall into the following four categories:

...

...

- (10) Additional factors to which the *FSA FCA* will have regard when determining the appropriate level of financial penalty to be imposed under regulation 34 of the *RCB Regulations* are set out in *RCB 4.2.5G*.

...

- (13) In those cases where revenue is not an appropriate indicator of the harm or potential harm that a firm's *breach* may cause, the *FSA FCA* will adopt a similar approach, and so will determine the appropriate Step 2 amount for a particular *breach* by taking into account relevant factors, including those listed above. In these cases the *FSA FCA* may not use the percentage levels that are applied in those cases in which revenue is an appropriate indicator of the harm or potential harm that a firm's *breach* may cause.

### Step 3 - mitigating and aggravating factors

- 6.5A.3 G (1) The *FSA FCA* may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the *breach*. Any such adjustments will be made by way of a percentage adjustment to the figure determined at Step 2.
- (2) The following list of factors may have the effect of aggravating or mitigating the *breach*:
- (a) the conduct of the firm in bringing (or failing to bring) quickly, effectively and completely the *breach* to the *FSA FCA's* attention (or the attention of other regulatory authorities, where relevant);
- (b) the degree of cooperation the firm showed during the investigation of the *breach* by the *FSA FCA*, or any other regulatory authority allowed to share information with the *FSA FCA*;

...

- (d) any remedial steps taken since the *breach* was identified, including whether these were taken on the firm's own initiative or that of the ~~FSA~~ FCA or another regulatory authority; for example, identifying whether *consumers* or investors or other market users suffered loss and compensating them where they have; correcting any misleading statement or impression; taking disciplinary action against staff involved (if appropriate); and taking steps to ensure that similar problems cannot arise in the future. The size and resources of the firm may be relevant to assessing the reasonableness of the steps taken;
- ...
- (f) whether the firm had previously been told about the ~~FSA~~ FCA's concerns in relation to the issue, either by means of a private warning or in supervisory correspondence;
- ...
- (k) whether ~~FSA~~FCA *guidance* or other published materials had already raised relevant concerns, and the nature and accessibility of such materials; and
- (l) whether the ~~FSA~~FCA publicly called for an improvement in standards in relation to the behaviour constituting the *breach* or similar behaviour before or during the occurrence of the *breach*.

#### Step 4 - adjustment for deterrence

- 6.5A.4 G (1) If the ~~FSA~~ FCA considers the figure arrived at after Step 3 is insufficient to deter the firm who committed the *breach*, or others, from committing further or similar breaches then the ~~FSA~~ FCA may increase the penalty. Circumstances where the ~~FSA~~ FCA may do this include:
- (a) where the ~~FSA~~ FCA considers the absolute value of the penalty too small in relation to the *breach* to meet its objective of credible deterrence;
  - (b) where previous ~~FSA~~ FCA action in respect of similar *breaches* has failed to improve industry standards. This may include similar *breaches* relating to different products (for example, action for mis-selling or claims handling failures in respect of 'x' product may be relevant to a case for mis-selling or claims handling failures in respect of 'y' product);
  - (c) where the ~~FSA~~ FCA considers it is likely that similar

*breaches* will be committed by the firm or by other firms in the future in the absence of such an increase to the penalty; and

- (d) where the ~~FSA~~ FCA considers that the likelihood of the detection of such a *breach* is low.

#### Step 5 - settlement discount

- 6.5A.5 G The ~~FSA~~ FCA and the firm on whom a penalty is to be imposed may seek to agree the amount of any financial penalty and other terms. In recognition of the benefits of such agreements, *DEPP* 6.7 provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the ~~FSA~~ FCA and the firm concerned reached an agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

### 6.5B The five steps for penalties imposed on individuals in non-market abuse cases

#### Step 1 - disgorgement

- 6.5B.1 G The ~~FSA~~ FCA will seek to deprive an individual of the financial benefit derived directly from the *breach* (which may include the profit made or loss avoided) where it is practicable to quantify this. The ~~FSA~~ FCA will ordinarily also charge interest on the benefit. Where the success of a firm's entire business model is dependent on breaching ~~FSA~~ FCA rules or other requirements of the *regulatory system* and the individual's *breach* is at the core of the firm's *regulated activities*, the ~~FSA~~ FCA will seek to deprive the individual of all the financial benefit he has derived from such activities.

...

#### Step 2 - the seriousness of the breach

- 6.5B.2 G (1) The ~~FSA~~ FCA will determine a figure which will be based on a percentage of an individual's "relevant income". "Relevant income" will be the gross amount of all benefits received by the individual from the employment in connection with which the *breach* occurred (the "relevant employment"), and for the period of the *breach*. In determining an individual's relevant income, "benefits" includes, but is not limited to, salary, bonus, pension contributions, *share* options and *share* schemes; and "employment" includes, but is not limited to, employment as an adviser, *director*, partner or contractor.

...

(3) This approach reflects the ~~FSA~~ FCA's view that an individual receives remuneration commensurate with his responsibilities, and so it is reasonable to base the amount of penalty for failure to discharge his duties properly on his remuneration. The ~~FSA~~ FCA also believes that the extent of the financial benefit earned by an individual is relevant in terms of the size of the financial penalty necessary to act as a credible deterrent. The ~~FSA~~ FCA recognises that in some cases an individual may be approved for only a small part of the work he carries out on a day-to-day basis. However, in these circumstances the ~~FSA~~ FCA still considers it appropriate to base the relevant income figure on all of the benefit that an individual gains from the relevant employment, even if his employment is not totally related to a *controlled function*.

(4) Having determined the relevant income the ~~FSA~~ FCA will then decide on the percentage of that income which will form the basis of the penalty. In making this determination the ~~FSA~~ FCA will consider the seriousness of the *breach* and choose a percentage between 0% and 40%.

...

(6) The ~~FSA~~ FCA will assess the seriousness of a *breach* to determine which level is most appropriate to the case.

(7) In deciding which level is most appropriate to a case against an individual, the ~~FSA~~ FCA will take into account various factors which will usually fall into the following four categories:

...

...

(9) Factors relating to the nature of a *breach* by an individual include:

...

(n) whether the individual took any steps to comply with ~~FSA~~ FCA rules, and the adequacy of those steps;

...

(q) in relation to a contravention of section 63A of the *Act*, whether the individual performed *controlled functions* without approval and, while doing so, committed misconduct in respect of which, if the individual had been an *approved person*, the ~~FSA~~ FCA would have been empowered to take action pursuant to section 66 of the *Act*; and

- (r) in relation to a contravention of section 63A of the *Act*, the extent to which the individual could reasonably be expected to have known that he was performing a *controlled function* without approval. The circumstances in which the ~~FSA~~ FCA would expect to be satisfied that a *person* could reasonably be expected to have known that he was performing a *controlled function* without approval include:

...

...

### Step 3 - mitigating and aggravating factors

- 6.5B.3 G (1) The ~~FSA~~ FCA may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the *breach*. Any such adjustments will be made by way of a percentage adjustment to the figure determined at Step 2.
- (2) The following list of factors may have the effect of aggravating or mitigating the *breach*:
- (a) the conduct of the individual in bringing (or failing to bring) quickly, effectively and completely the *breach* to the ~~FSA~~ FCA's attention (or the attention of other regulatory authorities, where relevant);
- (b) the degree of cooperation the individual showed during the investigation of the *breach* by the ~~FSA~~ FCA, or any other regulatory authority allowed to share information with the ~~FSA~~ FCA;
- ...
- (d) any remedial steps taken since the *breach* was identified, including whether these were taken on the individual's own initiative or that of the ~~FSA~~ FCA or another regulatory authority;
- ...
- (f) whether the individual had previously been told about the ~~FSA~~ FCA's concerns in relation to the issue, either by means of a private warning or in supervisory correspondence;
- ...

- (k) Whether ~~FSA~~ FCA *guidance* or other published materials had already raised relevant concerns, and the nature and accessibility of such materials;
- (l) whether the ~~FSA~~ FCA publicly called for an improvement in standards in relation to the behaviour constituting the *breach* or similar behaviour before or during the occurrence of the *breach*;
- ...
- (n) in relation to a contravention of section 63A of the *Act*, whether the *person's* ~~firm~~ firm or another ~~firm~~ firm has previously withdrawn an application for the *person* to perform the same or a similar *controlled function* or has had such an application rejected by the ~~FSA~~ FCA.

#### Step 4 - adjustment for deterrence

- 6.5B.4 G (1) If the ~~FSA~~ FCA considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the *breach*, or others, from committing further or similar *breaches* then the ~~FSA~~ FCA may increase the penalty. Circumstances where the ~~FSA~~ FCA may do this include:
- (a) where the ~~FSA~~ FCA considers the absolute value of the penalty too small in relation to the *breach* to meet its objective of credible deterrence;
  - (b) where previous ~~FSA~~ FCA action in respect of similar *breaches* has failed to improve industry standards. This may include similar *breaches* relating to different products (for example, action for mis-selling or claims handling failures in respect of 'x' product may be relevant to a case for mis-selling or claims handling failures in respect of 'y' product);
  - (c) where the ~~FSA~~ FCA considers it is likely that similar *breaches* will be committed by the individual or by other individuals in the future;
  - (d) where the ~~FSA~~ FCA considers that the likelihood of the detection of such a *breach* is low; and
  - ...

#### Step 5 - settlement discount

- 6.5B.5 G The ~~FSA~~ FCA and the individual on whom a penalty is to be imposed may seek to agree the amount of any financial penalty and other terms. In recognition of the benefits of such agreements, *DEPP* 6.7 provides

that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the ~~FSA~~ FCA and the individual concerned reached an agreement. The settlement discount does not apply to the disgorgement of any benefit calculated at Step 1.

## 6.5C The five steps for penalties imposed on individuals in market abuse cases

Step 1 - disgorgement

- 6.5C.1 G The ~~FSA~~ FCA will seek to deprive an individual of the financial benefit derived as a direct result of the *market abuse* (which may include the profit made or loss avoided) where it is practicable to quantify this. The ~~FSA~~ FCA will ordinarily also charge interest on the benefit.

Step 2 - the seriousness of the market abuse

- 6.5C.2 G (1) The ~~FSA~~ FCA will determine a figure dependent on the seriousness of the *market abuse* and whether or not it was referable to the individual's employment. This reflects the ~~FSA~~ FCA's view that where an individual has been put into a position where he can commit *market abuse* because of his employment the fine imposed should reflect this by reference to the gross amount of all benefits derived from that employment.
- (2) In cases where the *market abuse* was referable to the individual's employment, the figure for the purpose of Step 2 will be the greater of:
- ...
- (c) for *market abuse* cases which the ~~FSA~~ FCA assesses to be seriousness level 4 or 5, £100,000. How the ~~FSA~~ FCA will assess the seriousness level of the *market abuse* is explained in paragraphs (9) to (16) below. The ~~FSA~~ FCA usually expects to assess *market abuse* committed deliberately as seriousness level 4 or 5.
- (3) In cases where the *market abuse* was not referable to the individual's employment, the figure for the purpose of Step 2 will be the greater of:
- ...
- (b) for *market abuse* cases which the ~~FSA~~ FCA assesses to be seriousness level 4 or 5, £100,000. How the ~~FSA~~ FCA will assess the seriousness level of the *market abuse* is explained in paragraphs (9) to (16) below. The ~~FSA~~ FCA

usually expects to assess *market abuse* committed deliberately as seriousness level 4 or 5.

...

- (6) In cases where the *market abuse* was referable to the individual's employment:
- (a) the ~~FSA~~ FCA will determine the percentage of relevant income which will apply by considering the seriousness of the *market abuse* and choosing a percentage between 0% and 40%; and
  - (b) the ~~FSA~~ FCA will determine the profit multiple which will apply by considering the seriousness of the *market abuse* and choosing a multiple between 0 and 4.
- (7) In cases where the *market abuse* was not referable to the individual's employment the ~~FSA~~ FCA will determine the profit multiple which will apply by considering the seriousness of the *market abuse* and choosing a multiple between 0 and 4.

...

- (9) The ~~FSA~~ FCA will assess the seriousness of the *market abuse* to determine which level is most appropriate to the case.
- (10) In deciding which level is most appropriate to a *market abuse* case, the ~~FSA~~ FCA will take into account various factors which will usually fall into the following four categories:

...

...

### Step 3 - mitigating and aggravating factors

- 6.5C.3 G (1) The ~~FSA~~ FCA may increase or decrease the amount of the financial penalty arrived at after Step 2, but not including any amount to be disgorged as set out in Step 1, to take into account factors which aggravate or mitigate the *market abuse*. Any such adjustments will be made by way of a percentage adjustment to the figure determined at Step 2.
- (2) The following list of factors may have the effect of aggravating or mitigating the *market abuse*:
- (a) the conduct of the individual in bringing (or failing to bring) quickly, effectively and completely the *market abuse* to the ~~FSA~~ FCA's attention (or the attention of other regulatory authorities, where relevant);

- (b) the degree of cooperation the individual showed during the investigation of the *market abuse* by the ~~FSA~~ FCA, or any other regulatory authority allowed to share information with the ~~FSA~~ FCA;
- (c) whether the individual assists the ~~FSA~~ FCA in action taken against other individuals for *market abuse* and/or in criminal proceedings;
- ...
- (e) whether the individual had previously been told about the ~~FSA~~ FCA's concerns in relation to the issue, either by means of a private warning or in supervisory correspondence;
- ...
- (h) Whether ~~FSA~~ FCA *guidance* or other published materials had already raised relevant concerns, and the nature and accessibility of such materials; and
- ...

#### Step 4 - adjustment for deterrence

- 6.5C.4 G (1) If the ~~FSA~~ FCA considers the figure arrived at after Step 3 is insufficient to deter the individual who committed the *market abuse*, or others, from committing further or similar abuse then the ~~FSA~~ FCA may increase the penalty. Circumstances where the ~~FSA~~ FCA may do this include:
- (a) where the ~~FSA~~ FCA considers the absolute value of the penalty too small in relation to the *market abuse* to meet its objective of credible deterrence;
  - (b) where previous ~~FSA~~ FCA action in respect of similar *market abuse* has failed to improve industry standards; and
  - ...

#### Step 5 - settlement discount

- 6.5C.5 G The ~~FSA~~ FCA and the individual on whom a penalty is to be imposed may seek to agree the amount of any financial penalty and other terms. In recognition of the benefits of such agreements, *DEPP* 6.7 provides that the amount of the financial penalty which might otherwise have been payable will be reduced to reflect the stage at which the ~~FSA~~ FCA and the individual concerned reached an agreement. The settlement discount does not apply to the disgorgement of any benefit

calculated at Step 1.

## 6.5D Serious financial hardship

### 6.5D.1 G

(1) The ~~FSA~~ FCA's approach to determining penalties described in *DEPP* 6.5 to *DEPP* 6.5C is intended to ensure that financial penalties are proportionate to the *breach*. The ~~FSA~~ FCA recognises that penalties may affect persons differently, and that the ~~FSA~~ FCA should consider whether a reduction in the proposed penalty is appropriate if the penalty would cause the subject of enforcement action serious financial hardship.

(2) Where an individual or firm claims that payment of the penalty proposed by the ~~FSA~~ FCA will cause them serious financial hardship, the ~~FSA~~ FCA will consider whether to reduce the proposed penalty only if:

...

(b) the individual or firm provides full, frank and timely disclosure of the verifiable evidence, and cooperates fully in answering any questions asked by the ~~FSA~~ FCA about their financial position.

(3) The onus is on the individual or firm to satisfy the ~~FSA~~ FCA that payment of the penalty will cause them serious financial hardship.

...

#### Individuals

6.5D.2 G (1) In assessing whether a penalty would cause an individual serious financial hardship, the ~~FSA~~ FCA will consider the individual's ability to pay the penalty over a reasonable period (normally no greater than three years). The ~~FSA~~ FCA's starting point is that an individual will suffer serious financial hardship only if during that period his net annual income will fall below £14,000 and his capital will fall below £16,000 as a result of payment of the penalty. Unless the ~~FSA~~ FCA believes that both the individual's income and capital will fall below these respective thresholds as a result of payment of the penalty, the ~~FSA~~ FCA is unlikely to be satisfied that the penalty will result in serious financial hardship.

(2) The ~~FSA~~ FCA will consider all relevant circumstances in determining whether the income and capital threshold levels

should be increased in a particular case.

- (3) The ~~FSA~~ FCA will consider agreeing to payment of the penalty by instalments where the individual requires time to realise his assets, for example by waiting for payment of a salary or by selling property.
- (4) For the purposes of considering whether an individual will suffer serious financial hardship, the ~~FSA~~ FCA will consider as capital anything that could provide the individual with a source of income, including savings, property (including personal possessions), *investments* and land. The ~~FSA~~ FCA will normally consider as capital the equity that an individual has in the home in which he lives, but will consider any representations by the individual about this; for example, as to the exceptionally severe impact a sale of the property might have upon other occupants of the property or the impracticability of re-mortgaging or selling the property within a reasonable period.
- (5) The ~~FSA~~ FCA may also consider the extent to which the individual has access to other means of financial support in determining whether he is able to pay the penalty without being caused serious financial hardship.

...

- (7) There may be cases where, even though the individual has satisfied the ~~FSA~~ FCA that payment of the financial penalty would cause him serious financial hardship, the ~~FSA~~ FCA considers the *breach* to be so serious that it is not appropriate to reduce the penalty. The ~~FSA~~ FCA will consider all the circumstances of the case in determining whether this course of action is appropriate, including whether:

...

- (c) Previous ~~FSA~~ FCA action in respect of similar *breaches* has failed to improve industry standards; or
- (d) the individual has spent money or dissipated assets in anticipation of ~~FSA~~ FCA or other enforcement action with a view to frustrating or limiting the impact of action taken by the ~~FSA~~ FCA or other authorities.

#### Prohibition orders and withdrawal of approval

- 6.5D.3 G In cases against individuals, including *market abuse* cases, the ~~FSA~~ FCA may make a *prohibition order* under section 56 of the *Act* or withdraw an individual's approval under section 63 of the *Act*, as well as impose a financial penalty. Such action by the ~~FSA~~ FCA reflects the

~~FSA~~ FCA's assessment of the individual's fitness to perform *regulated activity* or suitability for a particular role, and does not affect the ~~FSA~~ FCA's assessment of the appropriate financial penalty in relation to a *breach*. However, the fact that the ~~FSA~~ FCA has made a *prohibition order* against an individual or withdrawn his approval, as a result of which the individual may have less earning potential, may be relevant in assessing whether the penalty will cause the individual serious financial hardship.

#### Firms

- 6.5D.4 G (1) The ~~FSA~~ FCA will consider reducing the amount of a penalty if a firm will suffer serious financial hardship as a result of having to pay the entire penalty. In deciding whether it is appropriate to reduce the penalty, the ~~FSA~~ FCA will take into consideration the firm's financial circumstances, including whether the penalty would render the firm insolvent or threaten the firm's solvency. The ~~FSA~~ FCA will also take into account its ~~regulatory objectives~~ statutory objectives, for example in situations where *consumers* would be harmed or market confidence would suffer, the ~~FSA~~ FCA may consider it appropriate to reduce a penalty in order to allow a firm to continue in business and/or pay redress.
- (2) There may be cases where, even though the firm has satisfied the ~~FSA~~ FCA that payment of the financial penalty would cause it serious financial hardship, the ~~FSA~~ FCA considers the *breach* to be so serious that it is not appropriate to reduce the penalty. The ~~FSA~~ FCA will consider all the circumstances of the case in determining whether this course of action is appropriate, including whether:
- ...
- (c) previous ~~FSA~~ FCA action in respect of similar *breaches* has failed to improve industry standards; or
- (d) the firm has spent money or dissipated assets in anticipation of ~~FSA~~ FCA or other enforcement action with a view to frustrating or limiting the impact of action taken by the ~~FSA~~ FCA or other authorities.

#### Withdrawal of authorisation

- 6.5D.4 G A The ~~FSA~~ FCA may withdraw a firm's *authorisation* under section 33 of the *Act*, as well as impose a financial penalty. Such action by the ~~FSA~~ FCA does not affect the ~~FSA~~ FCA's assessment of the appropriate financial penalty in relation to a *breach*. However, the fact that the ~~FSA~~ FCA has withdrawn a firm's *authorisation*, as a result of which the firm may have less earning potential, may be relevant in assessing whether the penalty will cause the firm serious financial hardship.

## Transfers of assets

- 6.5D.5 G Where the *FSA FCA* considers that, following commencement of an *FSA FCA* investigation, an individual or firm has reduced their solvency in order to reduce the amount of any disgorgement or financial penalty payable, for example by transferring assets to third parties, the *FSA FCA* will normally take account of those assets when determining whether the individual or firm would suffer serious financial hardship as a result of the disgorgement and financial penalty.

## 6.6 Financial penalties for late and incomplete submission of reports

- 6.6.1 G (1) The *FSA FCA* attaches considerable importance to the timely submission by *firms* of reports. This is because the information that they contain is essential to the *FSA FCA*'s assessment of whether a *firm* is complying with the requirements and standards of the *regulatory system* and to the *FSA FCA*'s understanding of that *firm's* business.
- (2) *DEPP* 6.6.1G to *DEPP* 6.6.5G set out the *FSA FCA*'s policy in relation to financial penalties for late submission of reports and is in addition to the *FSA FCA*'s policy relating to financial penalties as set out in *DEPP* 6.5 to *DEPP* 6.5D.
- 6.6.2 G In addition to the factors considered in Step 2 for cases against firms (*DEPP* 6.5A) and cases against individuals (*DEPP* 6.5B), the following considerations are relevant.
- (1) In general, the *FSA FCA*'s approach to disciplinary action arising from the late submission of a report will depend upon the length of time after the due date that the report in question is submitted.
- (2) If the *person* concerned is an individual, it is open to him to make representations to the *FSA FCA* as to why he should not be the subject of a financial penalty, or why a lower penalty should be imposed. If he does so, the matters to which the *FSA FCA* will have regard will include the matters set out in *DEPP* 6.5B. It should be noted that an administrative difficulty such as pressure of work does not, in itself, constitute a relevant circumstance for this purpose.
- (3) The *FSA FCA* will have regard to repeated failures to submit reports on time. In the majority of cases involving such repeated failure, the *FSA FCA* considers that it will be appropriate to seek more serious disciplinary sanctions or other enforcement action, including seeking to apply for the

cancellation of the *firm's* firm's permission.

- (4) The ~~FSA~~ FCA will also have regard to the submission frequency of the late report when assessing the seriousness of the contravention. For example, a short delay in submitting a weekly or monthly report can have serious implications for the supervision of the *firm* firm in question. Such a delay may therefore be subject to a higher penalty than might otherwise be the case.

...

- 6.6.3 G In addition, in appropriate cases, the ~~FSA~~ FCA may bring disciplinary action against the *approved persons* within the *firm's* management who are ultimately responsible for ensuring that the *firm's* reports are completed and returned to the ~~FSA~~ FCA.
- 6.6.4 G In applying the *guidance* in this section, the ~~FSA~~ FCA may treat a report which is materially incomplete or inaccurate as not received until it has been submitted in a form which is materially complete and accurate. For the purposes of the *guidance*, the ~~FSA~~ FCA may also treat a report as not received where the method by which it is submitted to the ~~FSA~~ FCA does not comply with the prescribed method of submission.
- 6.6.5 G In most late reporting cases, it will not be necessary for the ~~FSA~~ FCA to appoint an investigator since the fact of the breach will be clear. It follows that the ~~FSA~~ FCA will not usually send the *firm* concerned a preliminary findings letter for late-reporting disciplinary action.

## 6.7 Discount for early settlement

- 6.7.1 G *Persons* subject to enforcement action may be prepared to agree the amount of any financial penalty, or the length of any period of suspension or restriction, and other conditions which the ~~FSA~~ FCA seeks to impose by way of such action. Such conditions might include, for example, the amount or mechanism for the payment of compensation to consumers. The ~~FSA~~ FCA recognises the benefits of such agreements, in that they offer the potential for securing earlier redress or protection for consumers and the saving of cost to the *person* concerned and the ~~FSA~~ FCA itself in contesting the financial penalty, suspension or restriction. The penalty that might otherwise be payable, or the length of the period of suspension or restriction that might otherwise be imposed, in respect of a *breach* by the *person* concerned will therefore be reduced to reflect the timing of any settlement agreement.

The settlement discount scheme applied to financial penalties

- 6.7.2 G In appropriate cases the ~~FSA~~ FCA's approach will be to negotiate with the *person* concerned to agree in principle the amount of a financial penalty having regard to the ~~FSA~~ FCA's statement of policy as set out in *DEPP* 6.5 to *DEPP* 6.5D and *DEPP* 6.6. (This starting figure will take no account of the existence of the *settlement discount scheme* described in this section.) Such amount ("A") will then be reduced by a percentage of A according to the stage in the process at which agreement is reached. The resulting figure ("B") will be the amount actually payable by the *person* concerned in respect of the *breach*. However, where part of a proposed financial penalty specifically equates to the disgorgement of profit accrued or loss avoided then the percentage reduction will not apply to that part of the penalty.
- 6.7.3 G (1) The ~~FSA~~ FCA has identified four stages of an action for these purposes:
- (a) the period from commencement of an investigation until the ~~FSA~~ FCA has:
- ...
- ...
- (2) The communication of the ~~FSA~~ FCA's assessment of the appropriate penalty for the purposes of *DEPP* 6.7.3G(1)(a) need not be in a prescribed form but will include an indication of the *breaches* alleged by the ~~FSA~~ FCA. It may include the provision of a draft *warning notice*.
- ...
- 6.7.4 G (1) Any settlement agreement between the ~~FSA~~ FCA and the *person* concerned will therefore need to include a statement as to the appropriate penalty discount in accordance with this procedure.
- (2) In certain circumstances the *person* concerned may consider that it would have been possible to reach a settlement at an earlier stage in the action, and argue that it should be entitled to a greater percentage reduction in penalty than is suggested by the table at *DEPP* 6.7.3G(3). It may be, for example, that the ~~FSA~~ FCA no longer wishes to pursue its action in respect of all of the acts or omissions previously alleged to give rise to the *breach*. In such cases, the *person* concerned might argue that it would have been prepared to agree an appropriate penalty at an earlier stage and should therefore benefit from the discount which would have been available at that time. Equally, ~~FSA~~ FCA staff may consider that greater openness from the *person* concerned could have resulted in an earlier settlement.

...

- (4) However, in exceptional cases the *FSA FCA* may accept that there has been a substantial change in the nature or seriousness of the action being taken against the *person* concerned, and that an agreement would have been possible at an earlier stage if the action had commenced on a different footing. In such cases the *FSA FCA* and person concerned may agree that the amount of the reduction in penalty should reflect the stage at which a settlement might otherwise have been possible.

- 6.7.5 G In cases in which the *settlement discount scheme* is applied, the fact of settlement and the level of the discount to the financial penalty imposed by the *FSA FCA* will be set out in the *final notice*.

The settlement discount scheme applied to suspensions and restrictions

- 6.7.6 G The *settlement discount scheme* which applies to the amount of a financial penalty, described in *DEPP 6.7.2G* to *DEPP 6.7.5G*, also applies to the length of the period of a suspension or restriction, having regard to the *FSA FCA's* statement of policy as set out in *DEPP 6A.3*.

## **6A The power to impose a suspension or restriction**

### **6A.1 Introduction**

- 6A.1.1 G *DEPP 6A* sets out the *FSA FCA's* statement of policy with respect to the imposition of suspensions or restrictions, and the period for which those suspensions or restrictions are to have effect, under the *Act*, as required by sections 69(1), 88C(1), 89S(1) and 210(1) of the *Act*.
- 6A.1.2 G (1) For the purposes of *DEPP 6A*, "suspension" refers ~~both~~ to the suspension of:
- (a) any *permission* which an *authorised person* has to carry on a *regulated activity* (under section 206A of the *Act*), ~~and~~
  - (b) ~~the suspension of~~ any approval of the performance by an *approved person* of any function to which the approval relates (under section 66 of the *Act*),
  - (c) a sponsor's approval (under section 88A(2)(b) of the Act),
  - (d) and a primary information provider's approval (under section 89Q(2)(b) of the Act); and
- (2) "restriction" refers ~~both~~ to limitations or other restrictions in

relation to:

- (i) the carrying on of a *regulated activity* by an *authorised person* (under section 206A of the Act), ~~and~~
- (ii) ~~to limitations or other restrictions in relation to the performance by an *approved person* of any function to which any approval relates (under section 66 of the Act),~~
- (iii) the performance of services to which a *sponsor's* approval relates (under section 88A(2)(c) of the Act), and
- (iv) the dissemination of *regulated information* by a *primary information provider* (under section 89Q(2)(c) of the Act).

6A.1.3 G The power to impose a suspension or a restriction is a disciplinary measure which the ~~FSA~~ FCA may use in addition to, or instead of, imposing a financial penalty or issuing a *public censure*. The principal purpose of imposing a suspension or a restriction is to promote high standards of regulatory and/or market conduct by deterring *persons* who have committed *breaches* from committing further *breaches*, helping to deter other *persons* from committing similar *breaches*, and demonstrating generally the benefits of compliant behaviour. Suspensions and restrictions are therefore tools that the ~~FSA~~ FCA may employ to help it to achieve its ~~regulatory~~ statutory objectives. Examples of restrictions that we may impose include:

...

6A.1.4 G ~~As the power~~ The powers to impose a suspension or a restriction in relation to *authorised persons* and *approved persons* is a disciplinary ~~measure,~~ measures; where the ~~FSA~~ FCA considers it necessary to take action, for example, to protect *consumers* from an *authorised person*, the ~~FSA~~ FCA will seek to cancel or vary the *authorised person's permissions*. If the ~~FSA~~ FCA has concerns with a *person's* fitness to be approved, and considers it necessary to take action, the ~~FSA~~ FCA will seek to prohibit the *approved person* or withdraw its approval. While the powers to impose a suspension or a restriction in relation to *sponsors* and *primary information providers* under sections 88A(2)(b)/(c) and 89Q(2)(b)/(c) of the Act are disciplinary measures, the *FCA* can impose suspensions, limitations or other restrictions in relation to *sponsors* and *primary information providers* in other circumstances.

## 6A.2 Deciding whether to take action

- 6A.2.1 G The *FSA FCA* will consider the full circumstances of each case and determine whether it is appropriate to impose a suspension or restriction. The *FSA FCA* will usually make this decision at the same time as it determines whether or not to impose a financial penalty or a *public censure*.
- 6A.2.2 G The *FSA FCA* will take into account relevant factors in deciding whether it is appropriate to impose a suspension or restriction. These may include factors listed in *DEPP* 6.2. There may also be other factors, not listed in *DEPP* 6.2, that are relevant.
- 6A.2.3 G The *FSA FCA* will consider it appropriate to impose a suspension or restriction where it believes that such action will be a more effective and persuasive deterrent than the imposition of a financial penalty alone. This is likely to be the case where the *FSA FCA* considers that direct and visible action in relation to a particular *breach* is necessary. Examples of circumstances where the *FSA FCA* may consider it appropriate to impose a suspension or restriction include:
- (1) where the *FSA FCA* (or any *previous regulator*) has taken any previous disciplinary action resulting in adverse findings against the *person*;
  - (2) where the *FSA FCA* has previously taken action in respect of similar *breaches* and has failed to improve industry standards;
  - ...
  - (6) if, in accordance with *DEPP* 6.5D, the *FSA FCA* considers that a proposed penalty would cause the subject of enforcement action serious financial hardship and that it is appropriate to reduce the proposed penalty.
- 6A.2.4 G The *FSA FCA* expects usually to suspend or restrict a *person* from carrying out activities directly linked to the *breach*. However, in certain circumstances the *FSA FCA* may also suspend or restrict a *person* from carrying out activities that are not directly linked to the *breach*, for example, where an *authorised person's* relevant business area no longer exists or has been restructured.
- 6A.2.5 G For the purposes of section 89S(1)(d) of the Act, the FCA expects usually to suspend the approval of a *primary information provider*.

## 6A.3 Determining the appropriate length of the period of suspension or restriction

6A.3.1 G The ~~FSA~~ FCA will consider all the relevant circumstances of a case when it determines the length of the period of suspension or restriction (if any) that is appropriate for the *breach* concerned, and is also a sufficient deterrent. Set out below is a list of factors that may be relevant for this purpose. The list is not exhaustive: not all of these factors may be applicable in a particular case, and there may be other factors, not listed, that are relevant.

6A.3.2 G The following factors may be relevant to determining the appropriate length of the period of suspension or restriction to be imposed on a *person* under the *Act*:

(1) Deterrence

When determining the appropriate length of the period of suspension or restriction, the ~~FSA~~ FCA will have regard to the principal purpose for which it imposes sanctions, namely to promote high standards of regulatory and/or market conduct by deterring *persons* who have committed *breaches* from committing further *breaches* and helping to deter other *persons* from committing similar *breaches*, as well as demonstrating generally the benefits of compliant business.

(2) The seriousness of the breach

The ~~FSA~~ FCA will have regard to the seriousness of the *breach*. In assessing this, it will consider the impact and nature of the *breach*, and whether it was committed deliberately or recklessly. Where the *breach* was committed by an *authorised person*, relevant factors may include those listed in *DEPP* 6.5A.2G(6) to (9). Where the *breach* was committed by an *approved person*, relevant factors may include those listed in *DEPP* 6.5B.2G(8) to (11). There may also be other factors, not listed in these sections, that are relevant.

(3) Aggravating and mitigating factors

The ~~FSA~~ FCA will have regard to factors that may aggravate or mitigate a *breach*. Where the breach was committed by an *authorised person*, *sponsor* or *primary information provider*, relevant factors may include those listed in *DEPP* 6.5A.3G(2). Where the *breach* was committed by an *approved person*, relevant factors may include those listed in *DEPP* 6.5B.3G(2). There may also be other factors, not listed in these sections, that are relevant.

(4) The impact of suspension or restriction on the person in breach

The following considerations may be relevant to the assessment of the impact of suspension or restriction on an *authorised person, sponsor or primary information provider*:

- (a) the *authorised person's, sponsor's or primary information provider's* expected lost revenue and profits from not being able to carry out the suspended or restricted activity;
- (b) the cost of any measures the *authorised person, sponsor or primary information provider* must undertake to comply with the suspension or restriction;
- ...
- (d) the effect on other areas of the *authorised person's, sponsor's or primary information provider's* business; and
- (e) whether the suspension or restriction would cause the *authorised person, sponsor or primary information provider* serious financial hardship.

...

...

6A.3.3 G The ~~FSA~~ FCA may delay the commencement of the period of suspension or restriction. In deciding whether this is appropriate, the ~~FSA~~ FCA will take into account all the circumstances of a case. Considerations that may be relevant in respect of an *authorised person, sponsor or primary information provider* include:

...

- (2) any practical measures the *authorised person, sponsor or primary information provider* needs to take before the period of suspension or restriction begins, for example, changes to its systems and controls to enable it to stop or limit the activity in question;
- (3) the impact of the suspension or restriction on other costs incurred by the *authorised person, sponsor or primary information provider*, for example, cancelling suppliers or suspending employees.

6A.3.4 G The ~~FSA~~ FCA and the *person* on whom a suspension or restriction is to be imposed may seek to agree the length of the period of suspension or restriction and other terms. In recognition of the benefits of such agreements, *DEPP* 6.7 provides that the length of a period of suspension or restriction which might otherwise have been imposed will be reduced to reflect the stage at which the ~~FSA~~ FCA

and the *person* concerned reached an agreement.

#### **6A.4 The interaction between the power to impose suspensions or restrictions and the power to impose penalties or public censures**

- 6A.4.1 G The deterrent effect and impact on a *person* of a suspension or restriction, by itself or in combination with a financial penalty, may be greater than where only a financial penalty is imposed. The ~~FSA~~ FCA will consider the overall impact and deterrent effect of the sanctions it imposes when determining the level of penalty and the length of suspension or restriction.
- 6A.4.2 G The ~~FSA~~ FCA expects usually to take the following approach in respect of the interaction between a suspension or restriction and a financial penalty or *public censure*:
- (1) The ~~FSA~~ FCA will determine which sanction, or combination of sanctions, is appropriate for the *breach*.
  - (2) If the ~~FSA~~ FCA, following the approach set out in *DEPP* 6.2, considers it appropriate to impose a financial penalty, it will calculate the appropriate level of the financial penalty, following the approach set out in *DEPP* 6.5 to *DEPP* 6.5D.
  - (3) If the ~~FSA~~ FCA, following the approach set out in *DEPP* 6A.2, considers it appropriate to impose a suspension or restriction, it will calculate the appropriate length of the period of suspension or restriction, following the approach set out in *DEPP* 6A.3.
  - (4) Where the ~~FSA~~ FCA considers it appropriate to impose both a financial penalty and a suspension or restriction, it will decide whether the combined impact on the *person* is likely to be disproportionate in respect to the *breach* and the deterrent effect of the sanctions.
  - (5) If the ~~FSA~~ FCA considers the combined impact on the *person* is likely to be disproportionate, it will decide whether to reduce the period of suspension or restriction, the amount of the financial penalty or both, so that the combined impact of the sanctions is proportionate in relation to the *breach* and the deterrent effect of the sanctions. The ~~FSA~~ FCA will decide which sanction to reduce after considering all the circumstances of the case.
  - (6) In deciding the final level of the financial penalty and the length of the period of suspension or restriction, the ~~FSA~~ FCA will also take into account any representations by the *person* that the combined impact will cause them serious financial

hardship. The ~~FSA~~ FCA will take the approach set out in *DEPP* 6.5D in assessing this.

- 6A.4.3 G The ~~FSA~~ FCA may depart from the approach set out in *DEPP* 6A.4.2G. For example, the ~~FSA~~ FCA may at the outset consider that a financial penalty is the only appropriate sanction for a *breach* but, having determined the appropriate level of financial penalty, may consider it appropriate to reduce the amount of the financial penalty for serious financial hardship reasons. In such a situation, the ~~FSA~~ FCA may consider it appropriate to impose a suspension or restriction even if the ~~FSA~~ FCA at the outset did not consider such a sanction to be appropriate. The ~~FSA~~ FCA will take into account whether the *person* would suffer serious financial hardship in deciding the length of the period of suspension or restriction, and may decide not to impose a suspension or restriction if it considers such action would result in serious financial hardship.

## 7 Statement of policy on section 169(7) interviews conducted on behalf of overseas and EEA regulators

### 7.1 Application and purpose

#### Application

- 7.1.1 G *DEPP* 7 applies when the ~~FSA~~ FCA:

...

- 7.1.2 G In *DEPP* 7, a "requested interview" means any interview conducted for the purposes of an investigation under section 169(1)(b) or section 131FA of the *Act* in relation to which the ~~FSA~~ FCA has given a direction under section 169(7) or section 131FA of the *Act*.

#### Purpose

- 7.1.3 G The purpose of *DEPP* 7 is to set out the ~~FSA~~ FCA's statement of policy on the conduct of interviews to which a direction under section 169(7) or section 131FA has been given or the ~~FSA~~ FCA is considering giving. The ~~FSA~~ FCA is required to prepare and publish this statement of policy by section 169(9) and (11) and section 131FA of the *Act*. As required by section 169(10) and section 131FA of the *Act*, the Treasury has approved the statement of policy.
- 7.1.4 G The ~~FSA~~ FCA is keen to promote co-operation with *overseas regulators* and *EEA regulators*. It views provision of assistance to *overseas regulators* and *EEA regulators* as an essential part of the principles set out in section 2(3)(e) of the *Act* to which it must have regard in discharging its general functions.

## 7.2 Interviews

### Appointment of investigator and confidentiality of information

- 7.2.1 G Under section 169(1)(b) and section 131FA of the *Act*, the ~~FSA~~ FCA may appoint an investigator to investigate any matter at the request of an *overseas regulator* or *EEA regulator*. The powers of the investigator appointed by the ~~FSA~~ FCA (referred to here as the '~~FSA's~~ FCA's investigator') include the power to require *persons* to attend at a specified time and place and answer questions (the compulsory interview power).
- 7.2.2 G Where the ~~FSA~~FCA appoints an investigator in response to a request from an *overseas regulator* or *EEA regulator* it may, under section 169(7) or section 131FA of the *Act*, direct him to permit a representative of that regulator to attend and take part in any interviews conducted for the purposes of the investigation. The ~~FSA~~ FCA may only give a direction under section 169(7) or section 131FA if it is satisfied that any information obtained by an *overseas regulator* or *EEA regulator* as a result of the interview will be subject to the safeguards equivalent to those contained in Part XXIII (Public Record, Disclosure of Information and Cooperation) of the *Act*.

...

### Policy on use of investigative powers

- 7.2.4 G The ~~FSA~~ FCA's policy on how it will use its investigative powers, including its power to appoint investigators, in support of *overseas regulators* and *EEA regulators*, is set out in the ~~FSA~~ FCA's Enforcement Guide (*EG*).

### Use of direction powers

- 7.2.5 G The ~~FSA~~ FCA may need to consider whether to use its direction power at two stages of an investigation:
- ...
- 7.2.6 G Before making a direction under section 169(7) or section 131FA the ~~FSA~~ FCA will discuss and determine with the *overseas regulator* or *EEA regulator* how this statement of policy will apply to the conduct of the interview, taking into account all the circumstances of the case. Amongst other matters, the ~~FSA~~ FCA will at this stage determine the extent to which the representative of the *overseas regulator* or *EEA regulator* will be able to participate in the interview. The *overseas regulator* or *EEA regulator* will be notified of this determination on the issuing of the direction.

- 7.2.7 G The direction will contain the identity of the representative of the *overseas regulator* or *EEA regulator* that is permitted to attend any interview and the role that he will play in the interview. If the *FSA FCA* envisages that there will be more than one interview in the course of the investigation, the direction may also specify which interview(s) the representative is allowed to attend.

#### Conduct of interview

- 7.2.8 G In circumstances where an interview is to be conducted as part of the investigation, the *FSA FCA's* investigator will have conduct of the interview. In general, the *FSA FCA's* investigators will be employees of the *FSA FCA*, but in appropriate cases the *FSA FCA* may appoint *persons* who are not its employees. In those cases, the *FSA FCA* may choose to require that an *FSA FCA* employee is present at the interview and may choose to appoint that *person* as an investigator.
- 7.2.9 G The *FSA FCA's* investigator will act on behalf of the *FSA FCA* and under its control. He may be instructed to permit the representative of the *overseas regulator* or *EEA regulator* to assist in the preparation of the interview. Where the *FSA FCA* considers it appropriate, it may permit the representative to attend and ask questions of the interviewee in the course of the interview. The interview will be conducted according to the terms of the direction and the notification referred to in *DEPP 7.2.6G*.
- 7.2.10 G If the direction does permit the representative of an *overseas regulator* or *EEA regulator* to attend the interview and ask the interviewee questions, the *FSA FCA's* investigator will retain control of the interview throughout. Control of the interview means the following will apply:
- (1) The *FSA FCA's* investigator instigates and concludes the interview, introduces everyone present and explains the procedure of the interview. He warns the interviewee of the possible consequences of refusing to answer questions and the uses to which any answers that are given can and cannot be put. The *FSA FCA's* investigator will always ask preliminary questions, such as those establishing the identity of the interviewee.
  - (2) The *FSA FCA's* investigator determines the duration of the interview and when, if at all, there should be any breaks in the course of it.
  - (3) The *FSA FCA's* investigator has responsibility for making a record of the interview. The record should note the times and duration of any breaks in the interview and any periods when the representative of the *overseas regulator* or *EEA regulator* was either present or not present.

(4) Where the ~~FSA~~ FCA's investigator considers it appropriate, he may either suspend the interview, ask the overseas representative to leave the interview, or terminate the interview and reschedule it for another occasion. In making that decision he will bear in mind the terms of the direction, any agreement made with the *overseas regulator* or *EEA regulator* as to the conduct of the interview and the contents of this statement of policy.

7.2.11 G The ~~FSA~~ FCA will in general provide written notice of the appointment of an investigator to the *person* under investigation pursuant to the request of an *overseas regulator* or *EEA regulator*. Whether or not the interviewee is the *person* under investigation, the ~~FSA~~ FCA's investigator will inform the interviewee of the provisions under which he has been appointed, the identity of the requesting authority and general nature of the matter under investigation. The interviewee will also normally be informed if a representative of the *overseas regulator* or *EEA regulator* is to attend and take part in the interview. Notification of any of these matters may not be provided in advance of the interview if the ~~FSA~~ FCA believes that the circumstances are such that notification would be likely to result in the investigation being frustrated.

...

7.2.13 G The ~~FSA~~ FCA's investigator will determine the venue and timing of the interview. The interviewee will be notified of the venue and timing of the interview in advance and in writing.

7.2.14 G When the ~~FSA~~ FCA's investigator has exercised the compulsory interview power, at the outset of the interview the interviewee will be given an appropriate warning. The warning, amongst other things, must state that the interviewee is obliged to answer all questions put to them during the interview, including any put by the representative of the *overseas regulator* or *EEA regulator*. It will also state that in criminal proceedings or proceedings for *market abuse* the ~~FSA~~ FCA will not use as evidence against the interviewee any information obtained under compulsion during the interview.

7.2.15 G The ~~FSA~~ FCA's investigator may decide which documents or other information may be put to the interviewee, and whether it is appropriate to give the interviewee sight of the *documents* before the interview takes place. Where the *overseas regulator* or *EEA regulator* wishes to ask questions about *documents* during the interview and the ~~FSA~~ FCA's investigator wishes to inspect those *documents* before the interview, he will be given the opportunity to do so. If the ~~FSA~~ FCA's investigator wishes to inspect them and has not been able to do so before the interview, he may suspend the interview until he has had an opportunity to inspect them.

- 7.2.16 G When the ~~FSA~~ FCA's investigator has exercised the compulsory interview power, the ~~FSA~~ FCA's investigator will require the *person* attending the interview to answer questions. Where appropriate, questions may also be posed by the representative of the *overseas regulator* or *EEA regulator*. The interviewee will also be required to answer these questions. The ~~FSA~~ FCA's investigator may intervene at any stage during questioning by the representative of the *overseas regulator* or *EEA regulator*.

#### Language

- 7.2.17 G Interviews will, in general, be conducted in English. Where the interviewee's first language is not English, at the request of the interviewee arrangements will be made for the questions to be translated into the interviewee's first language and for his answers to be translated back into English. If a translator is employed at the request of the representative of the *overseas regulator* or *EEA regulator* then the translation costs will normally be met by the *overseas regulator* or *EEA regulator*. Where interviews are being conducted in pursuance of an *EU* law obligation these costs will be met by the ~~FSA~~ FCA. In any event, the meeting of costs in relation to translators and, where applicable, the translation of *documents* will always be agreed in advance with the *overseas regulator* or *EEA regulator*.

#### Tape-recording

- 7.2.18 G All compulsory interviews will be tape-recorded. The method of recording will be decided on and arranged by the ~~FSA~~ FCA's investigator. Costs will be addressed similarly to that set out in the preceding paragraph. The ~~FSA~~ FCA will not provide the *overseas regulator* or *EEA regulator* with transcripts of the tapes of interviews unless specifically agreed to, but copies of the tapes will normally be provided where requested. The interviewee will be provided with a copy of tapes of the interview but will only be provided with transcripts of the tapes or translations of any transcripts if he agrees to meet the cost of producing them.

#### Representation

- 7.2.19 G The interviewee may be accompanied at the interview by a legal adviser or a non-legally qualified observer of his choice. The costs of any representation will not be met by the ~~FSA~~ FCA. The presence at the interview of a representative of the *overseas regulator* or *EEA regulator* may mean that the interviewee wishes to be represented or accompanied by a *person* either from or familiar with that regulator's jurisdiction. As far as practical the arrangements for the interview should accommodate this wish. However, the ~~FSA~~ FCA reserves the right to proceed with the interview if it is not possible to find such a *person* within a reasonable time or no such *person* is able to attend at

a suitable venue.

- 7.2.20 G In relation to the publication of investigations by *overseas regulators* or *EEA regulators*, the ~~FSA~~ FCA will pursue a policy similar to the policy that relates to its own investigations.

## TP 1 Transitional provisions applying to the Decision Procedure and Penalties Manual

Table DEPP TP 1

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision dates in force:	(6) Handbook provision coming into force
...					
3	DEPP	G	<p>DEPP 1 to DEPP 5 take effect on 28 August 2007, save to the extent described below:</p> <p>DEPP 1 to DEPP 5 do not apply to any <i>statutory notice</i> or related notice issued on or after 28 August where a <i>warning notice</i>, first <i>supervisory notice</i> or <i>decision notice</i> was given by the <del>FSA</del> <u>FCA</u> before 28 August in relation to the same matter. The procedure to be followed in respect of such <i>statutory notices</i> or related notices given on or after 28 August will be the same as that described in the Decision making manual (DEC) immediately before DEPP comes into effect.</p>	From 28 August 2007	28 August 2007
4	DEPP	G	<p>DEPP 6 takes effect on 28 August 2007, save to the extent described below.</p> <p>The <del>FSA's</del> <u>FCA's</u> policy in respect of the imposition</p>	From 28 August 2007	28 August 2007

		and amount of penalty will continue to be as described in the Enforcement manual (ENF) in relation to any <i>statutory notice</i> or related notice given on or after 28 August where a <i>warning notice</i> , first <i>supervisory notice</i> or <i>decision notice</i> was given by the <del>FSA</del> <u>FCA</u> before 28 August in relation to the same matter.		
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...

**Sch 3 Fees and other required payments**

...

Sch 3.2 G

The <del>FSA's</del> <u>FCA's</u> power to impose financial penalties is contained in:	
	<u>Section 63A (Power to impose penalties) of the Act</u>
	<u>Section 66 (Disciplinary powers) of the Act</u>
	<u>Section 88A (Disciplinary powers: contravention of s.88(3)(c) or (e)) of the Act</u>
	<u>Section 89Q (Disciplinary powers: contravention of s.89P(4)(b) or (d)) of the Act</u>
	<u>Section 91 (Penalties for breach of Part 6 Rules) of the Act</u>
	<u>Section 123 (Power to impose penalties in cases of market abuse) of the Act</u>
	<u>Section 131G (Power to impose penalty or issue censure) of the Act</u>
	<u>Section 192K (Power to impose penalty or issue censure) of the Act</u>
	<u>Section 206 (Financial penalties) of the Act</u>
	<u>Section 249 (Disciplinary measures) of the Act</u>
	<u>Section 312F (Financial penalties) of the Act</u>

	Section 345 (Disciplinary measures) of the <i>Act</i>
	Part III of Schedule 4 <u>1ZA</u> (The Financial Services <u>Conduct Authority</u> ) to the <i>Act</i>
	...

#### Sch 4 Powers Exercised

Sch 4.1 G The following powers and related provisions in or under the *Act* have been exercised by the ~~FSA~~ FCA to make the statements of policy in *DEPP*:

	...
	Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the <i>Payment Services Regulations</i> and by paragraph 1 of the Schedule to the <i>Cross-Border Payments in Euro Regulations</i> )
	Section 88C (Action under s.88A: statement of policy)
	Section 89S (Action under s. 89Q: statement of policy)
	...
	Section <del>157(1) (Guidance)</del> <u>139A</u> (Power of the FCA to give guidance)
	Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the <i>Payment Services Regulations</i> )
	Section 192N (Imposition of penalties under section 192K: statement of policy)
	Section 210(1) (Statements of policy) (including as applied by regulation 86(6) of the <i>Payment Services Regulations</i> and by paragraph 3 of the Schedule to the <i>Cross-Border Payments in Euro Regulations</i> )
	Section 249 (Disciplinary measures)
	Section 312J (Statement of policy)
	Section 345D (Imposition of penalties on auditors or actuaries: statement of policy)

Sch 4.2 G

	...
The following additional powers and related provisions have been exercised by the FSA <i>FCA</i> to make the statements of policy in <i>DEPP</i> :	
	...

## SCHEDULE A

### Part 1

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 59 (Approval for particular arrangements)	Section 59	
Section 72 (The competent authority)	Part VI	
Section 73A (Part 6 Rules)	Section 73A	
Section 74 (The official list)	Section 74	
Section 75 (Applications for listing)	Section 75	
Section 77 (Discontinuance and suspension of listing)	Section 77	
Section 79 (Listing particulars and other documents)	Section 79	
Section 80 (General duty of disclosure in listing particulars)	Section 80	
Section 81 (Supplementary listing particulars)	Section 81	
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	
Section 87 (Election to have prospectus)	Section 87	
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 87B (Exemptions from disclosure)	Section 87B	
Section 87G (Supplementary prospectus)	Section 87G	
Section 88 (Sponsors)	Section 88	
Section 89 (Public censure of sponsor)	Sections 88A-88F	
Section 89A (Transparency rules)	Section 89A	
Section 89B (Provision of voteholder information)	Section 89B	
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	
Section 89D (Notification of voting rights held by issuer)	Section 89D	
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	
Section 89F (Transparency rules: interpretation etc)	Section 89F	
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	
Section 89O (Corporate governance rules)	Section 89O	
Section 96 (Obligations of issuers of listed securities)	Section 96	
Section 96A (Disclosure of information requirements)	Section 96A	
Section 96C (Suspension of	Section 96C	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
trading)		
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	
Section 118(8) (Market abuse)	Section 118(8)	
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	
Section 138 (General rule-making power)	Section 137A	
Section 138(1) (General rule-making power)	Section 137A(1)	
Section 139 (Miscellaneous ancillary matters)	Section 137B	
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	
Section 139A (General rules about remuneration)	Sections 137H and 137I	
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	
Section 141 (Insurance business rules)	Section 137A(1)	
Section 142(2) (Insurance business: regulations supplementing Authority's	Section 137A(1)	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
rules)		
Section 144 (Price stabilising rules)	Section 137Q	
Section 145 (Financial promotion rules)	Section 137R	
Section 146 (Money laundering rules)	Section 137A(1)	
Section 147 (Control of information rules)	Section 137P	
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	
Section 149 (Evidential provisions)	Section 138C	
Section 150(2) (Actions for damages)	Section 138D(3)	
Section 156 (General supplementary powers)	Section 137T	
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	
Section 214 (General)	Section 214	
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	
Section 216 (Continuity of long-term insurance policies)	Section 216	
Section 217 (Insurers in financial difficulties)	Section 217	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 218(2)(b) (Annual report)	Section 218(2)(b)	
Section 223 (Management expenses)	Section 223	
Section 223C (Payments in error)	Section 223C	
Section 224F (Rules about relevant schemes)	Section 224F	
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	
Section 229 (Awards)	Section 229	
Section 234 (Industry funding)	Section 234	
Section 238(5) (Restrictions on promotion)	Section 238(5)	
Section 239 (Single property schemes)	Section 239	
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	
Section 247 (Trust scheme rules)	Section 247	
Section 248 (Scheme particulars rules)	Section 248	
Section 278 (Rules as to scheme particulars)	Section 278	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 283(1) (Facilities and information in UK)	Section 283(1)	
Section 293 (Notification requirements)	Section 293	
Section 293(1) (Notification requirements)	Section 293(1)	
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	
Section 322 (Rules applicable to former underwriting members)	None	
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	
Section 340 (Appointment)	Section 340	
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	
Paragraph 12(1) (Funding of the relevant costs by	Paragraph 12(1) (Funding of the relevant costs by	

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	

## SCHEDULE A

## Part 2

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	(Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
	Regulations 2008 (SI 2008/346).	

**SCHEDULE A****Part 3**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 64(2) (Conduct: statements and codes)	Section 64(2)	
Section 119 (The code)	Section 119	
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	
Section 121 (Codes: procedure)	Section 121	

## SCHEDULE A

## Part 4

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 63C(1) (Statement of policy)	Section 63C(1)	
Section 64 (Conduct: statements and codes)	Section 64	
Section 64(1) (Conduct: statements and codes)	Section 64(1)	
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	
Section 69(1) (Statement of policy)	Section 69(1)	
Section 93 (Statement of policy)	Section 93	
Section 93(1) (Statement of policy)	Section 93(1)	
Section 124 (Statement of policy)	Section 124	
Section 124(1) (Statement of policy)	Section 124(1)	
Section 131J(1) (Statement of policy)	Section 131J(1)	
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	
Section 210(1) (Statements of policy)	Section 210(1)	
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	
Section 395(5) (The Authority's procedures)	Section 395(5)	
Section 404(3) (Consumer redress schemes)	Section 404(3)	
Section 404A (Rules under s404: supplementary)	Section 404A	



## SCHEDULE A

## Part 5

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 51 (Applications under this Part)	Section 55U	
Section 60 (Applications for approval)	Section 60	
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	
Section 182 (Notification)	Section 179	
Section 218A (Authority's power to require information)	Section 218A	
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	
Section 250 (Modification or waiver of rules)	Section 250	
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	
Section 274 (Applications for recognition of individual schemes)	Section 274	
Section 287 (Application by an investment exchange)	Section 287	
Section 294 (Modification or waiver of rules)	Section 294	
Section 294(2) (Modification or waiver of rules)	Section 294(2)	

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 316 (Direction by Authority)	Section 316	
Section 317 (The core provisions)	Section 317	
Section 318 (Exercise of powers through Council)	Section 318	
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	

## SCHEDULE A

## Part 7

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	

**SCHEDULE A****Part 8**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 157 (Guidance)	Section 139A	
Section 157(1) (Guidance)	Section 139A(1)	
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	

## SCHEDULE A

## Part 10

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	

## Appendix 3: Section 22

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# Legal Cutover (Enforcement Guide) Instrument 2013

**LEGAL CUTOVER (ENFORCEMENT GUIDE) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Handbook" means the Authority's Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority's Handbook website at 11h59 pm on 27 February 2013;
- (8) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act;
- (9) "FSA Instrument" means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument; and
- (10) "FCA Relevant Instrument" means a Relevant Instrument designated by the Financial Conduct Authority under paragraph 2.

**Designation of rules etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority designates the rules, guidance, requirements, codes, schemes, statements or directions, set out in each FSA Instrument (or part of such instrument) by which the Authority made, issued, gave, imposed or amended each part or provision of the Handbook, identified as:
  - (1) “Designated” in Column 2 of Annex A to this Instrument; and
  - (2) “FCA” in Column 3 of Annex A to this Instrument.
- 3 As required by Article 3(1)(c) and (d) of the Designation Order, the Financial Conduct Authority specifies that:
  - (1) The FCA Relevant Instruments were made, issued, given or imposed by the Authority under the provisions set out in the relevant FSA Instrument;
  - (2) The FCA Relevant Instruments collectively were made, issued, given or imposed by the Authority under the provisions set out in column 1 of Parts 1 to 10 of Schedule A to this Instrument; and
  - (3) The FCA Relevant Instruments collectively are treated as made, issued, given or imposed by the Financial Conduct Authority under the corresponding provisions set out in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 In accordance with Article 2(2)(a) of the Designation Order, each FCA Relevant Instrument is treated as having been made, issued, given or imposed by the Financial Conduct Authority.

**Modification of rules etc. by the Financial Conduct Authority**

- 5 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in Annex B to this Instrument.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 6 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 9, the Financial Conduct Authority makes, amends, issues, gives, or imposes:
  - (1) each provision in Annex B to this Instrument that meets all of the conditions in paragraph 7
  - (2) any amendment that is not a modification made in accordance with paragraph 5 specified in a provision in Annex B to this instrument that meets all the conditions in paragraph 8.
- 7 The conditions referred to in paragraph 6 are that a provision is:
  - (1) Identified as “Made” in Column 2 of Annex A to this Instrument; and

(2) Identified as “FCA” in Column 3 of Annex A to this Instrument.

8 The conditions referred to in paragraph 6(2) are that a provision is:

(1) Identified as “designated” in column 2 of Annex A to this Instrument, and

(2) Identified as “FCA” in column 3 of Annex A to this instrument.

9 The Financial Conduct Authority makes, amends, issues, gives or imposes the provisions in paragraph 6 in exercise of the following powers and related provisions of the 2000 Act, as amended by the 2012 Act:

(1) Section 139A (Power of the FCA to give guidance).

### **Commencement: Financial Conduct Authority**

10 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the designation (in paragraph 2) and the modification (in paragraph 5) of each FCA Relevant Instrument comes into effect on 1 April 2013.

11 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force on 1 April 2013.

12 The Financial Conduct Authority directs that paragraph 6 of this Instrument comes into force immediately after the coming into force of the designations in paragraph 2 and the modifications in paragraph 5.

### **Amendments to the Handbook**

13 The Enforcement Guide (EG) of the FCA’s Handbook of rules and guidance is amended in accordance with Annex B to this Instrument.

### **Citation**

14 This Instrument may be cited as the Legal Cutover (Enforcement Guide) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

## Annex A

## Designation of the Enforcement Guide (EG)

In addition to identifying provisions Designated or Made by this Instrument, Column 2 also identifies, for convenience and without operative effect, those provisions of the Handbook that will no longer have effect after “legal cutover”.

<b>Handbook Provision</b>	<b>Made, designated or no longer in force after legal cutover</b>	<b>Designation</b>
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1.2	Designated	FCA
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Annex 2	Designated	FCA

## Annex B

### Amendments to the Enforcement Guide (EG)

In this Annex, underlining indicates new text and striking through indicates deleted text, unless otherwise stated.

#### The Enforcement Guide

##### Contents list

##### 1. Introduction

*Overview*

##### 2. The ~~FSA's~~ FCA's approach to enforcement

...

*Specific enforcement powers*

##### 7. Penalties, suspensions and censures

##### 8. Variation and cancellation of permission and imposition of requirements on the ~~FSA's~~ FCA's own initiative and intervention against incoming firms

...

##### 18. Cancellation of approval as sponsor on the ~~FSA's~~ FCA's own initiative

Annex 2: Guidelines on the investigation of cases of interest or concern to the ~~FSA~~ FCA and other prosecuting and other investigating authorities

...

## 1. Introduction

- 1.1 This guide describes the ~~FSA's~~ FCA's approach to exercising the main enforcement powers given to it by the Financial Services and Markets Act 2000 (the *Act*) and by regulation 12 of the *Unfair Terms Regulations*. It is broken down into two parts. The first part provides an overview of enforcement policy and process, with chapters about the ~~FSA's~~ FCA's approach to enforcement (chapter 2), the use of its main information gathering and investigation powers under the *Act* (chapter 3), the conduct of investigations (chapter 4), settlement (chapter 5) and publicity (chapter 6). The second part contains an explanation of the ~~FSA's~~ FCA's policy concerning specific enforcement powers such as its powers to: vary a *firm's* ~~Part IV~~ Part 4A permission and impose requirements on its own initiative (chapter 8); make *prohibition orders*

(chapter 9); prosecute criminal offences (chapter 12); and powers which the ~~FSA~~ FCA has been given under legislation other than the *Act* (chapter 19).

- 1.2 In the areas set out below, the *Act* expressly requires the ~~FSA~~ FCA to prepare and publish statements of policy or procedure on the exercise of its enforcement and investigation powers and in relation to the giving of *statutory notices*.
- (1) section 63C requires the ~~FSA~~ FCA to publish a statement of its policy on the imposition, and amount, of financial penalties on *persons* that perform a *controlled function* without approval;
  - (1A) sections 69 and 210 require the ~~FSA~~ FCA to publish statements of policy on the imposition of financial penalties, suspensions or restrictions on *firms*, *approved persons* and *unauthorised persons* to whom section 404C applies, the amount of financial penalties imposed, and the period for which suspensions or restrictions are to have effect;
  - (1B) section 88C requires the *FCA* to publish a statement of policy on the imposition of financial penalties, suspensions or restrictions on *sponsors*, the amount of financial penalties imposed, and the period for which suspensions or restrictions are to have effect;
  - (1C) section 89S requires the *FCA* to publish a statement of policy on the imposition of financial penalties, suspensions or restrictions on *primary information providers*, the amount of financial penalties imposed, the time period for any suspensions or restrictions, and the matters in relation to which, suspensions or restrictions are to have effect;
  - (2) section 93 requires the ~~FSA~~ FCA to publish a statement of its policy on the imposition, and amount, of financial penalties under section 91 of the *Act* (penalties for breach of Part 6 rules);
  - (3) section 124 requires the ~~FSA~~ FCA to publish a statement of its policy on the imposition, and amount, of financial penalties for *market abuse*;
  - (3-A) section 131FA requires the ~~FSA~~ FCA to publish a statement of its policy on the conduct of certain interviews in response to requests from *EEA regulators*; and
  - (3A) section 131J requires the ~~FSA~~ FCA to publish a statement of its policy on the imposition, and amount, of financial penalties imposed under section 131G;
  - (4) section 169 requires the ~~FSA~~ FCA to publish a statement of its policy on the conduct of certain interviews in response to requests from *overseas regulators*; and
  - (4A) section 192N requires the *FCA* to publish a statement of its policy on the imposition, and amount, of financial penalties on qualifying parent undertakings under section 192K of the *Act*;

- (4B) section 312J requires the *FCA* to publish a statement of its policy on the imposition, and amount, of financial penalties on *recognised investment exchanges* under section 312F of the *Act*;
- (4C) section 345D requires the *FCA* to publish a statement of its policy on the imposition, and amount, of financial penalties on *auditors* and *actuaries* under sections 249 and 345 of the *Act*; and
- (5) section 395 requires the ~~FSA~~ *FCA* to issue a statement of procedures relating to:
- (a) the giving of *supervisory notices*, *warning notices* and *decision notices*;
  - (b) the giving of consent to the *PRA* in respect of applications made to the *PRA* for *Part 4A permission*, variation of *Part 4A permission* and approval to hold *controlled functions*; and
  - (c) the publishing of information about matters to which certain *warning notices* relate.

These policies are set out in the Decision Procedure and Penalties manual (*DEPP*), a module of the ~~FSA Handbook~~ *FCA Handbook*. References to the policies are made at appropriate places in the guide.

- 1.3 This guide includes material on the investigation, disciplinary and criminal prosecution powers that are available to the ~~FSA~~ *FCA* when it is performing functions as the *competent authority* under Part VI of the *Act* (Official listing). The *Act* provides a separate statutory framework within which the ~~FSA~~ *FCA* must operate when it acts in that capacity. When determining whether to exercise its powers in its capacity as competent authority under Part VI, the ~~FSA~~ *FCA* will have regard to the matters and objectives which apply to the *competent authority* function.
- 1.4 The ~~FSA~~ *FCA* has a range of enforcement powers, and in any particular enforcement situation, the ~~FSA~~ *FCA* may need to consider which power to use and whether to use one or more powers. So in any particular case, it may be necessary to refer to a number of chapters of the guide.
- 1.5 Since most of the ~~FSA~~ *FCA*'s enforcement powers are derived from it, this guide contains a large number of references to the *Act*. Users of the guide should therefore refer to the *Act* as well as to the guide where necessary. In the event of a discrepancy between the *Act*, or other relevant legislation, and the description of an enforcement power in the guide, the provisions of the *Act* or the other relevant legislation prevail. Defined terms used in the text are shown in italic type. Where a word or phrase is in italics, its definition will be the one used for that word or phrase in the glossary to the ~~FSA Handbook~~ *FCA Handbook*.

...

- 1.8 The material in this guide does not form part of the ~~FSA Handbook~~ *FCA Handbook* and is not *guidance on rules*, but it is 'general guidance' as defined in section ~~158~~ 139B of the *Act*. If you have any doubt about a legal or other provision or your responsibilities under the *Act* or other relevant requirements, you should seek appropriate legal advice from your legal adviser.

## 2. **The FSA's FCA's approach to enforcement**

- 2.1 The FSA's FCA's effective and proportionate use of its enforcement powers plays an important role in the pursuit of its ~~regulatory~~ *statutory objectives*, including its operational objectives of securing an appropriate degree of ~~protecting~~ protection for consumers, ~~maintaining confidence in~~ protecting and enhancing the integrity of the UK financial system, ~~financial stability and reducing financial crime~~ and promoting effective competition in the interests of consumers. For example, using enforcement helps to contribute to the protection of *consumers* and to deter future contraventions of ~~FSA~~ FCA and other applicable requirements and *financial crime*. It can also be a particularly effective way, through publication of enforcement outcomes, of raising awareness of regulatory standards.
- 2.2 There are a number of principles underlying the FSA's FCA's approach to the exercise of its enforcement powers:
- (1) The effectiveness of the regulatory regime depends to a significant extent on maintaining an open and co-operative relationship between the ~~FSA~~ FCA and those it regulates.
  - (2) The ~~FSA~~ FCA will seek to exercise its enforcement powers in a manner that is transparent, proportionate, responsive to the issue, and consistent with its publicly stated policies.
  - (3) The ~~FSA~~ FCA will seek to ensure fair treatment when exercising its enforcement powers.
  - (4) The ~~FSA~~ FCA will aim to change the behaviour of the *person* who is the subject of its action, to deter future non-compliance by others, to eliminate any financial gain or benefit from non-compliance, and where appropriate, to remedy the harm caused by the non-compliance.
- 2.3 Enforcement is only one of a number of regulatory tools available to the ~~FSA~~ FCA. As a risk based regulator with limited resources, throughout its work the ~~FSA~~ FCA prioritises its resources in the areas which pose the biggest threat to its ~~regulatory~~ *statutory objectives*. This applies as much to the enforcement tool as it does to any other tool available to it. The next section of this chapter summarises how in practice the ~~FSA~~ FCA takes a risk based approach towards its use of the enforcement tool, and the subsequent sections comment on other aspects of the FSA's FCA's approach to enforcement.

- 2.4 Where a *firm* or other *person* has failed to comply with the requirements of the *Act*, the *rules*, or other relevant legislation, it may be appropriate to deal with this without the need for formal disciplinary or other enforcement action. The proactive supervision and monitoring of *firms*, and an open and cooperative relationship between *firms* and their supervisors, will, in some cases where a contravention has taken place, lead the ~~FSA~~ FCA to decide against taking formal disciplinary action. However, in those cases, the ~~FSA~~ FCA will expect the *firm* to act promptly in taking the necessary remedial action agreed with its supervisors to deal with the ~~FSA's~~ FCA's concerns. If the *firm* does not do this, the ~~FSA~~ FCA may take disciplinary or other enforcement action in respect of the original contravention.

### **Case selection: Firms and approved persons, market abuse cases and listing matters**

- 2.5 Other than in the area of a *firm's* failure to satisfy the ~~FSA's~~ FCA's *Threshold Conditions* for authorisation (as to which, see paragraph 2.11), the selection method for cases involving *firms* and *approved persons*, *market abuse* and listing matters (for example, breaches of the listing, prospectus or disclosure *rules*) occurs at two main levels:

...

- 2.6 The ~~FSA~~ FCA does not have a set of enforcement priorities that are distinct from the priorities of the ~~FSA~~ FCA as a whole. Rather, the ~~FSA~~ FCA consciously uses the enforcement tool to deliver its overall strategic priorities. The areas and issues which the ~~FSA~~ FCA as an organisation regards as priorities at any particular time are therefore key in determining at a strategic level how enforcement resource should be allocated. ~~FSA~~ FCA priorities will influence the use of resources in its supervisory work and as such, make it more likely that the ~~FSA~~ FCA will identify possible breaches in these priority areas. Further, should evidence emerge of potential breaches, these areas are more likely to be supported by enforcement action than non-priority areas.
- 2.7 One way in which the ~~FSA~~ FCA focuses on priority areas is through its thematic work. This work involves the ~~FSA~~ FCA looking at a particular issue or set of issues across a sample of *firms*. Themes are, in general, selected to enable the ~~FSA~~ FCA to improve its understanding of particular industry areas or to assess the validity of concerns the ~~FSA~~ FCA has about risks those areas may present to the *regulatory statutory objectives*. Thematic work does not start with the presumption that it will ultimately lead to enforcement outcomes. But if the ~~FSA~~ FCA finds significant issues, these may become the subject of enforcement investigations as they would if the ~~FSA~~ FCA had discovered them in any other circumstance. Also, by definition, the fact they are in areas that are of importance to the ~~FSA~~ FCA means, following the ~~FSA's~~ FCA's risk-based approach through, that they are proportionately more likely to result in the ~~FSA~~ FCA determining that an enforcement investigation should be carried out than issues in lower priority areas.
- 2.8 This does not mean that the ~~FSA~~ FCA will only take enforcement action in priority strategic areas. There will always be particularly serious cases where enforcement

action is necessary, ad hoc cases of particular significance in a markets, *consumer* protection or *financial crime* context, or cases that the FSA FCA thinks are necessary to achieve effective deterrence.

- 2.9 The combination of the priority given to certain types of misconduct over others and the FSA's FCA's risk-based approach to enforcement means that certain cases will be subject to enforcement action and others not, even where they may be similar in nature or impact. The FSA's FCA's choice as to the use of the enforcement tool is therefore a question of how the FSA FCA uses its resources effectively and efficiently and how it ensures that it is an effective regulator.
- 2.10 Before it proceeds with an investigation, the FSA FCA will satisfy itself that there are grounds to investigate under the statutory provisions that give the FSA FCA powers to appoint investigators. If the statutory test is met, it will decide whether to carry out an investigation after considering all the relevant circumstances. To assist its consideration of cases, the FSA FCA has developed a set of assessment criteria. The current criteria (which are published on the Enforcement section of the FSA FCA web site<sup>1</sup>) are framed as a set of questions. They take account of the FSA's FCA's *regulatory* *statutory objectives*, its strategic/supervision priorities (see above) and other issues such as the response of the *firm* or individual to the issues being referred. Not all of the criteria will be relevant to every case and there may be other considerations which are not mentioned in the list but which are relevant to a particular case. The FSA's FCA's assessment will include considering whether using alternative tools is more appropriate taking into account the overall circumstances of the *person* or *firm* concerned and the wider context. Another consideration will be whether the FSA FCA is under a Community obligation to take action on behalf of, or otherwise to provide assistance to, an authority from another *EU* member state. Paragraph 2.15 discusses the position where other authorities may have an interest in a case.

#### **Case selection: Threshold Conditions cases**

- 2.11 The FSA FCA often takes a different approach to that described above where *firms* no longer meet the *threshold conditions*. The FSA FCA views the *threshold conditions* as being fundamental requirements for *authorisation* and it will generally take action in all such cases which come to its attention and which cannot be resolved through the use of supervisory tools. The FSA FCA does not generally appoint investigators in such cases. Instead, *firms* are first given an opportunity to correct the failure. If the *firm* does not take the necessary remedial action, the FSA FCA will consider whether its *permission* to carry out regulated business should be varied and/or cancelled. However, there may be cases where the FSA FCA considers that a formal investigation into a *threshold conditions* concern is appropriate.

#### **Case selection: Unauthorised business**

- 2.12 Where this poses a significant risk to the *consumer* protection objective or to the FSA's FCA's other *regulatory objectives*, *unauthorised* activity will be a matter of

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<sup>1</sup> <http://www.FSA.gov.uk/pages/Doing/Regulated/Law/criteria.shtml> [web address tbc]

serious concern for the ~~FSA~~ FCA. The ~~FSA~~ FCA deals with cases of suspected *unauthorised* activity in a number of ways and it will not use its investigation powers and/or take enforcement action in every single instance.

- 2.13 The ~~FSA's~~ FCA's primary aim in using its investigation and enforcement powers in the context of suspected *unauthorised* activities is to protect the interests of *consumers*. The ~~FSA's~~ FCA's priority will be to confirm whether or not a *regulated activity* has been carried on in the United Kingdom by someone without *authorisation* or exemption, and, if so, the extent of that activity and whether other related contraventions have occurred. It will seek to assess the risk to *consumers'* assets and interests arising from the activity as soon as possible.
- 2.14 The ~~FSA~~ FCA will assess on a case-by-case basis whether to carry out a formal investigation, after considering all the available information. Factors it will take into account include:

...

- (2) whether the ~~FSA~~ FCA considers that the *persons* concerned are willing to co-operate with it;
- (3) whether obligations of confidentiality inhibit individuals from providing information unless the ~~FSA~~ FCA compels them to do so by using its formal powers;

...

#### **Cases where other authorities have an interest**

- 2.15 Action before or following an investigation may include, for example, referring some issues or information to other authorities for consideration, including where another authority appears to be better placed to take action. For example, when considering whether to use its powers to conduct formal investigations into market misconduct, the ~~FSA~~ FCA will take into account whether another regulatory authority is in a position to investigate and deal with the matters of concern (as far as a *recognised investment exchange* or *recognised clearing house* is concerned, the ~~FSA~~ FCA will consider the extent to which the relevant exchange or clearing house has adequate and appropriate powers to investigate and deal with a matter itself). Equally, in some cases, the ~~FSA~~ FCA may investigate and/or take action in parallel with another domestic or international authority. This topic is discussed further in *DEPP* 6.2.19G to *DEPP* 6.2.28G, paragraph 3.16 of this guide and in the case of action concerning criminal offences, paragraph 12.11.

#### **Investigations into PRA-authorised persons**

- 2.15A A need for a joint investigation with the PRA may arise where either the FCA or the PRA identifies circumstances which suggest that a firm or individual has committed misconduct that adversely affects both regulators' statutory objectives. In such cases, the regulators will determine whether they should carry out separate but coordinated investigations, or whether it would be more appropriate for one of the regulators to

carry out an investigation, keeping the other informed. (See also *EG* 4.34 to *EG* 4.35).

### **Assisting overseas regulators**

- 2.16 The ~~FSA~~ FCA views co-operation with its overseas counterparts as an essential part of its regulatory functions. Section ~~354~~ 354A of the *Act* imposes a duty on the ~~FSA~~ FCA to take such steps as it considers appropriate to co-operate with others who exercise functions similar to its own. This duty extends to authorities in the UK and overseas. In fulfilling this duty the ~~FSA~~ FCA may share information which it is not prevented from disclosing, including information obtained in the course of the ~~FSA's~~ FCA's own investigations, or exercise certain of its powers under Part XI of the *Act*. Further details of the ~~FSA's~~ FCA's powers to assist overseas regulators are provided at *EG* 3.12 – 3.15 (Investigations to assist overseas authorities), *EG* 3.15A – D (Information requests and investigations to assist EEA regulators in relation to short selling), *EG* 4.8 (Use of statutory powers to require the production of documents, the provision of information or the answering of questions), *EG* 4.25 – 4.27 (Interviews in response to a request from an overseas regulator or EEA regulator), and *EG* 8.18 – 8.25 (Exercising the power under section ~~47~~ 55Q to vary or cancel a firm's ~~Part IV~~ Part 4A permission, or to impose requirements on a firm in support of an overseas regulator: the FCA's policy). The ~~FSA's~~ FCA's statement of policy in relation to interviews which representatives of overseas regulators or EEA regulators attend and participate in is set out in *DEPP* 7.

### **Sources of cases**

- 2.17 The ~~FSA~~ FCA may be alerted to possible contraventions or breaches by complaints from the public or *firms*, by referrals from other authorities or through its own enquiries and supervisory activities. *Firms* may also bring their own contraventions to the ~~FSA's~~ FCA's attention, as they are obliged to do under Principle 11 of the *Principles for Businesses* and *rules* in the ~~FSA's~~ FCA's Supervision manual.

### **Enforcement and the ~~FSA's~~ FCA's Principles for Businesses ('the Principles')**

- 2.18 The ~~FSA's~~ FCA's approach to regulation involves a combination of high-level principles and detailed *rules* and *guidance*. ~~While this broad structure is both necessary and desirable, the FSA is moving towards a more principles-based approach. This is because the FSA believes an approach that is based less on detailed rules and that focuses more on outcomes will allow it to achieve its regulatory objectives in a more efficient and effective way. The FSA regards the increased emphasis on the Principles as a development of its current approach rather than a fundamental change of direction.~~
- 2.19 This policy approach is leading to increased focus on principles-based enforcement action. ~~The use of the Principles in enforcement cases is far from new. They have been used regularly in an enforcement context over many years. However, as part of its overall strategy in this area, the FSA~~ The FCA will be giving more prominence to the *Principles* including, in appropriate cases, ~~taking~~ take enforcement action on the basis of the *Principles* alone (see also *DEPP* 6.2.14G). This will have the benefit of providing further clear examples of how the *Principles* work in practice.

- 2.20 The ~~FSA~~ FCA wishes to encourage *firms* to exercise judgement about, and take responsibility for, what the *Principles* mean for them in terms of how they conduct their business. But we also recognise the importance of an environment in which *firms* understand what is expected of them. So we have indicated that *firms* must be able reasonably to predict, at the time of the action concerned, whether the conduct would breach the *Principles*. This has sometimes been described as the “reasonable predictability test” or “condition of predictability”, but it would be wrong to think of this as a legal test to be met in deciding whether there has been a breach of ~~FSA~~ FCA *rules*. Rather, our intention has been to acknowledge that firms may comply with the *Principles* in different ways; and to indicate that the ~~FSA~~ FCA will not take enforcement action unless it was possible to determine at the time that the relevant conduct fell short of our requirements.
- 2.21 To determine whether there has been a failure to comply with a *Principle*, the standards we will apply are those required by the *Principles* at the time the conduct took place. The ~~FSA~~ FCA will not apply later, higher standards to behaviour when deciding whether to take enforcement action for a breach of the *Principles*. Importantly, however, where conduct falls below expected standards the ~~FSA~~ FCA considers that it is legitimate for consequences to follow, even if the conduct is widespread within the industry or the *Principle* is expressed in general terms.

### **FSA FCA guidance and supporting materials**

- 2.22 The ~~FSA~~ FCA uses *guidance* and other materials to supplement the *Principles* where it considers this would help *firms* to decide what action they need to take to meet the necessary standard.
- 2.23 *Guidance* is not binding on those to whom the ~~FSA's~~ FCA's *rules* apply. Nor are the variety of materials (such as case studies showing good or bad practice, ~~FSA~~ FCA speeches, and generic letters written by the ~~FSA~~ FCA to Chief Executives in particular sectors) published to support the *rules* and *guidance* in the Handbook. Rather, such materials are intended to illustrate ways (but not the only ways) in which a person can comply with the relevant *rules*.
- 2.24 *DEPP* 6.2.1G(4) explains that the ~~FSA~~ FCA will not take action against someone where we consider that they have acted in accordance with what we have said. However, *guidance* does not set out the minimum standard of conduct needed to comply with a *rule*, nor is there any presumption that departing from *guidance* indicates a breach of a *rule*. If a *firm* has complied with the *Principles* and other *rules*, then it does not matter whether it has also complied with other material the ~~FSA~~ FCA has issued.
- 2.25 *Guidance* and supporting materials are, however, potentially relevant to an enforcement case and a decision maker may take them into account in considering the matter. Examples of the ways in which the ~~FSA~~ FCA may seek to use *guidance* and supporting materials in an enforcement context include:

...

- (3) To inform a view of the overall seriousness of the breaches e.g. the decision maker could decide that the breach warranted a higher penalty in circumstances where the ~~FSA~~ FCA had written to chief executives in the sector in question to reiterate the importance of ensuring a particular aspect of its business complied with relevant regulatory standards.
- (4) To inform the consideration of a *firm's* defence that the ~~FSA~~ FCA was judging the *firm* on the basis of retrospective standards.

...

...

- 2.27 The ~~FSA~~ FCA may take action in areas in which it has not issued *guidance* or supporting materials.

### **Industry guidance**

- 2.28 The ~~FSA~~ FCA recognises that Industry Guidance has an important part to play in a principles-based regulatory environment, and that firms may choose to follow such guidance as a means of seeking to meet the ~~FSA's~~ FCA's requirements. This will be true especially where Industry Guidance has been 'confirmed' by the ~~FSA~~ FCA. ~~DEPP 6.2.1(4)G~~ 6.2.1G(4) confirms that, as with ~~FSA~~ FCA *guidance* and supporting materials, the ~~FSA~~ FCA will not take action against a firm for behaviour that we consider is in line with ~~FSA~~ FCA-confirmed Industry Guidance that was current when the conduct took place.
- 2.29 Equally, however, ~~FSA~~ FCA-confirmed Industry Guidance is not mandatory. The ~~FSA~~ FCA does not regard adherence to Industry Guidance as the only means of complying with ~~FSA~~ FCA *rules* and *Principles*. Rather, it provides examples of behaviour which meets the ~~FSA's~~ FCA's requirements; and non-compliance with confirmed Industry Guidance creates no presumption of a breach of those requirements.
- 2.30 Industry Guidance may be relevant to an enforcement case in ways similar to those described at paragraph 2.25. But the ~~FSA~~ FCA is aware of the concern that *firms* must have scope to exercise their own judgement about what ~~FSA~~ FCA *rules* require, and that Industry Guidance should not become a new prescriptive regime in place of detailed ~~FSA~~ FCA *rules*. This, and the specific status of ~~FSA~~ FCA-confirmed Industry Guidance, will be taken into account when the ~~FSA~~ FCA makes judgements about the relevance of Industry Guidance in enforcement cases.

### **Senior management responsibility**

- 2.31 The ~~FSA~~ FCA is committed to ensuring that senior managers of *firms* fulfil their responsibilities. The ~~FSA~~ FCA expects senior management to take responsibility for ensuring *firms* identify risks, develop appropriate systems and controls to manage those risks, and ensure that the systems and controls are effective in practice. The ~~FSA~~ FCA will not pursue senior managers where there is no personal culpability. However, where senior managers are themselves responsible for misconduct, the ~~FSA~~ FCA

*FCA* will, where appropriate, bring cases against individuals as well as *firms*. The *FSA FCA* believes that deterrence will most effectively be achieved by bringing home to such individuals the consequences of their actions. The *FSA's FCA's* policy on disciplinary action against senior management and against other *approved persons* under section 66 of the *Act* is set out in *DEPP 6.2.4G* to *DEPP 6.2.9G*. The *FSA's FCA's* policy on prohibition and withdrawal of approval is set out ~~out~~ in chapter 9 of this guide.

- 2.32 The *FSA FCA* recognises that cases against individuals are very different in their nature from cases against corporate entities and the *FSA FCA* is mindful that an individual will generally face greater risks from enforcement action, in terms of financial implications, reputation and livelihood than would a corporate entity. As such, cases against individuals tend to be more strongly contested, and at many practical levels are harder to prove. They also take longer to resolve. However, taking action against individuals sends an important message about the *FSA's FCA's regulatory statutory objectives* and priorities and the *FSA FCA* considers that such cases have important deterrent values. The *FSA FCA* is therefore committed to pursuing appropriate cases robustly, and will dedicate sufficient resources to them to achieve effective outcomes.

### Co-operation

- 2.33 An important consideration before an enforcement investigation and/or enforcement action is taken forward is the nature of a *firm's* overall relationship with the *FSA FCA* and whether, against that background, the use of enforcement tools is likely to further the *FSA's FCA's* aims and objectives. So, for any similar set of facts, using enforcement tools will be less likely if a *firm* has built up over time a strong track record of taking its senior management responsibilities seriously and been open and communicative with the *FSA FCA*. In addition, a *firm's* conduct in response to the specific issue which has given rise to the question of whether enforcement tools should be used will also be relevant. In this respect, relevant matters may include whether the *person* has self-reported, helped the *FSA FCA* establish the facts and/or taken remedial action such as addressing any systems and controls issues and compensating any consumers who have lost out. Such matters will not, however, necessarily mean that enforcement tools will not be used. The *FSA FCA* has to consider each case on its merits and in the wider regulatory context, and any such steps cannot automatically lead to no enforcement sanction. However, they may in any event be factors which will mitigate the penalty.
- 2.34 On its web site, the *FSA FCA* has given anonymous examples of where it has decided not to investigate or take enforcement action in relation to a possible *rule* breach because of the way in which the *firm* has conducted itself when putting the matter right. This is part of an article entitled 'The benefits to firms and individuals of co-operating with the *FSA FCA*'<sup>2</sup>. However, in those cases where enforcement action is not taken and/or a formal investigation is not commenced, the *FSA FCA* will expect the *firm* to act promptly to take the necessary remedial action agreed with its supervisors to deal with the *FSA's FCA's* concerns. If the *firm* does not do this, the

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<sup>2</sup> <http://www.fsa.gov.uk/Pages/doing/regulated/law/focus/co-operating.shtml> [web address tbc]

~~FSA~~ FCA may take disciplinary or other enforcement action in respect of the original contravention.

### **Late reporting or non-submission of reports to the ~~FSA~~ FCA**

- 2.35 The ~~FSA~~ FCA attaches considerable importance to the timely submission by *firms* of reports required under ~~FSA~~ FCA rules. This is because the information contained in such reports is essential to the ~~FSA's~~ FCA's assessment of whether a *firm* is complying with the requirements and standards of the regulatory system and to the ~~FSA's~~ FCA's understanding of that *firm's* business. So, in the majority of cases involving non-submission of reports or repeated failure to submit complete reports on time, the ~~FSA~~ FCA considers that it will be appropriate to seek to cancel the *firm's* *permission*. Where the ~~FSA~~ FCA does not cancel a *permission*, it may take action for a financial penalty against a *firm* that submits a report after the due date (see *DEPP* 6.6.1G to *DEPP* 6.6.5G).

...

### **Decision making in the context of regulatory enforcement action**

- 2.37 When the ~~FSA~~ FCA is proposing to exercise its regulatory enforcement powers, the *Act* generally requires the ~~FSA~~ FCA to give *statutory notices* (depending on the nature of the action, a *warning notice* and *decision notice* or *supervisory notice*) to the subject of the action. The person to whom a *warning notice* or *supervisory notice* is given has a right to make representations on the ~~FSA's~~ FCA's proposed decision.
- 2.38 The procedures the ~~FSA~~ FCA will follow when giving *supervisory notices*, *warning notices* and *decision notices* are set out in *DEPP* 1 to 5. Under these procedures, the decisions to issue such notices in contested enforcement cases are generally taken by the *RDC*, an ~~FSA~~ FCA Board committee that is appointed by, and accountable to, the ~~FSA~~ FCA Board for its decisions generally. Further details about the *RDC* can be found in *DEPP* 3 and on the pages of the ~~FSA~~ FCA web site relating to the *RDC*.<sup>3</sup> However, decisions on settlements and *statutory notices* arising from them are taken by two members of the ~~FSA's~~ FCA's senior management, under a special settlement decision procedure (see chapter 5).
- 2.39 A *person* who receives a *decision notice* or *supervisory notice* has a right to refer the matter to the *Tribunal* within prescribed time limits. The *Tribunal* is independent of the ~~FSA~~ FCA and members of the *Tribunal* are appointed by the Lord Chancellors Department. Where a matter has been referred to it, the *Tribunal* will determine what action, if any, it is appropriate for the ~~FSA~~ FCA to take in relation to that matter. Further details about the *Tribunal* can be found in an item on the *Tribunal* on the Enforcement pages of the ~~FSA~~ FCA web site<sup>4</sup> and on the *Tribunal's* own web site<sup>5</sup>.

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<sup>3</sup> <http://www.fsa.gov.uk/Pages/About/Who/board/committees/RDC/index.shtml> [web address tbc]

<sup>4</sup> <http://www.fsa.gov.uk/pages/doing/regulated/law/focus/tribunal.shtml> [web address tbc]

<sup>5</sup> <http://www.financeandtaxtribunals.gov.uk/>

### 3 Use of information gathering and investigation powers

3.1 The ~~FSA~~ FCA has various powers under sections 97, 131E, 131FA, 165 to 169 and 284 of the *Act* to gather information and appoint investigators, and to require the production of a report by a *skilled person*. In any particular case, the ~~FSA~~ FCA will decide which powers, or combination of powers, are most appropriate to use having regard to all the circumstances. Further comments on the use of these powers are set out below.

3.1A Information may also be provided to the ~~FSA~~ FCA voluntarily. For example, *firms* may at times commission an internal investigation or a report from an external law firm or other professional adviser and decide to pass a copy of this report to the ~~FSA~~ FCA. Such reports can be very helpful for the ~~FSA~~ FCA in circumstances where enforcement action is anticipated or underway. The ~~FSA's~~ FCA's approach to using firm-commissioned reports in an enforcement context is set out at the end of this chapter.

#### Information requests (section 165)

3.2 The ~~FSA~~ FCA may use its section 165 power to require information and documents from *firms* to support both its supervisory and its enforcement functions.

3.3 An officer with authorisation from the ~~FSA~~ FCA may exercise the section 165 power to require information and documents from *firms*. This includes an ~~FSA~~ FCA employee or an agent of the ~~FSA~~ FCA.

#### Reports by skilled persons (section ~~sections~~ sections 166 and 166A)

3.4 Under section 166 of the *Act*, the ~~FSA~~ FCA has a power to require a *firm* and certain other persons to provide a report by a *skilled person*, or itself to appoint a skilled person to produce such a report. The ~~FSA~~ FCA may use its section 166 power to require reports by *skilled persons* to support both its supervision and enforcement functions.

3.5 The factors the ~~FSA~~ FCA will consider when deciding whether to use the section 166 power include:

(1) If the ~~FSA's~~ FCA's objectives for making further enquiries are predominantly for the purposes of fact finding i.e. gathering historic information or evidence for determining whether enforcement action may be appropriate, the ~~FSA's~~ FCA's information gathering and investigation powers under sections 167 and 168 of the *Act* are likely to be more effective and more appropriate than the power under section 166.

(2) If the ~~FSA's~~ FCA's objectives include obtaining expert analysis or recommendations (or both) for, say, the purposes of seeking remedial action, it may be appropriate to use the power under section 166 instead of, or in conjunction with, the ~~FSA's~~ FCA's other available powers.

3.6 Where it exercises this power, the ~~FSA~~ FCA will make clear both to the *firm* and to the *skilled person* the nature of the concerns that led the ~~FSA~~ FCA to decide to

appoint a *skilled person* and the possible uses of the results of the report. But a report the FSA FCA commissions for purely diagnostic purposes could identify issues which could lead to the appointment of an investigator and/or enforcement action.

- 3.6A Under section 166A of the Act, the FCA also has a power to require a firm to appoint a skilled person to collect or update information, or itself to appoint a skilled person to do so, where it considers that the firm has failed to provide information required by the FCA or update information previously provided to the FCA.
- 3.7 Chapter 5 of the FSA's FCA's Supervision manual (Reports by skilled persons) contains *rules* and guidance that will apply whenever the FSA FCA uses the section 166 power and 166A powers.

### **Investigations into general and specific concerns (sections 167 and 168)**

- 3.8 Where the FSA FCA has decided that an investigation is appropriate (see chapter 2) and it appears to it that there are circumstances suggesting that contraventions or offences set out in section 168 may have happened, the FSA FCA will normally appoint investigators pursuant to section 168. Where the circumstances do not suggest any specific breach or contravention covered by section 168, but, the FSA FCA still has concerns about a *firm*, an *appointed representative*, a *recognised investment exchange* or an *unauthorised incoming ECA provider*, such that it considers there is good reason to conduct an investigation into the nature, conduct or state of the *person's* business or a particular aspect of that business, or into the ownership or control of an *authorised person*, the FSA FCA may appoint investigators under section 167.
- 3.9 In some cases involving both general and specific concerns, the FSA FCA may consider it appropriate to appoint investigators under both section 167 and section 168 at the outset. Also, where, for example, it has appointed investigators under section 167, it may subsequently decide that it is appropriate to extend the appointment to cover matters under section 168 as well.

### **Official listing investigations (section 97)**

- 3.10 If the FSA FCA has decided to carry out an investigation where there are circumstances suggesting that contraventions set out in section 97 may have happened, it will normally appoint investigators pursuant to that section. An investigator appointed under section 97 is treated under the *Act* as if they were appointed under section 167(1).

### **Investigations into collective investment schemes (section 284)**

- 3.11 The FSA FCA may appoint investigators under section 284 to conduct an investigation into the affairs of a *collective investment scheme* if it appears to it that it is in the interests of the participants or general participants to do so or that the matter is of public concern.

### **Investigations to assist overseas authorities (section 169)**

- 3.12 The FSA's FCA's power to conduct investigations to assist overseas authorities is contained in section 169 of the *Act*. The section provides that at the request of an

*overseas regulator*, the ~~FSA~~ FCA may use its power under section 165 to require the production of documents or the provision of information under section 165 or to appoint a person to investigate any matter.

- 3.13 If the *overseas regulator* is a *competent authority* and makes a request in pursuance of any Community obligation, section 169(3) states that the ~~FSA~~ FCA must, in deciding whether or not to exercise its investigative power, consider whether the exercise of that power is necessary to comply with that obligation.
- 3.14 Section 169(4) and (5) set out factors that the ~~FSA~~ FCA may take into account when deciding whether to use its investigative powers. However, these provisions do not apply if the ~~FSA~~ FCA considers that the use of its investigative powers is necessary to comply with a Community obligation.
- 3.15 When it considers whether to use its investigative power, and whether section 169(4) applies, the ~~FSA~~ FCA will first consider whether it is able to assist without using its formal powers, for example by obtaining the information voluntarily. Where that is not possible, the ~~FSA~~ FCA may take into account all of the factors in section 169(4), but may give particular weight to the seriousness of the case and its importance to persons in the United Kingdom, and to the public interest.

#### **Information requests and investigations to assist EEA regulators in relation to short selling**

- 3.15A The ~~FSA~~ FCA may use its section 131E power to require information and documents from natural or legal persons to support both its monitoring and its enforcement functions.
- 3.15B An officer with authorisation from the ~~FSA~~ FCA may exercise the section 131E power to require information and documents from natural or legal persons. This includes an ~~FSA~~ FCA employee or an agent of the ~~FSA~~ FCA.
- 3.15C The ~~FSA's~~ FCA's power to conduct investigations to assist *EEA regulators* in respect of the *short selling regulation* is contained in section 131FA of the *Act*. The section provides that at the request of an *EEA regulator* or ESMA, the ~~FSA~~ FCA may either use its power under section 131E to require the production of information, or appoint a person to investigate any matter.
- 3.15D Section 131FA states that the ~~FSA~~ FCA must, in deciding whether or not to exercise its investigative power, consider whether the exercise of that power is necessary to comply with an obligation under the *short selling regulation*.

#### **Liaison where other authorities have an interest**

- 3.16 The ~~FSA~~ FCA has agreed guidelines that establish a framework for liaison and cooperation in cases where certain other UK authorities have an interest in investigating or prosecuting any aspect of a matter that the ~~FSA~~ FCA is considering for investigation, is investigating or is considering prosecuting. These guidelines are set out in Annex 2 to this guide.

**FSA FCA approach to firms conducting their own investigations in anticipation of FSA FCA enforcement action.**

*Firm-commissioned reports: the desirability of early discussion and agreement where enforcement is anticipated*

- 3.17 The FSA FCA recognises that there are good reasons for *firms* wishing to carry out their own investigations. This might be for, for example, disciplinary purposes, general good management, or operational and risk control. The *firm* needs to know the extent of any problem, and it may want advice as to what immediate or short-term measures it needs to take to mitigate or correct any problems identified. The FSA FCA encourages this proactive approach and does not wish to interfere with a *firm's* legitimate procedures and controls.
- 3.18 A *firm's* report – produced internally or by an external third party – can clearly assist the *firm*, but may also be useful to the FSA FCA where there is an issue of regulatory concern. Sharing the outcome of an investigation can potentially save time and resources for both parties, particularly where there is a possibility of the FSA FCA taking enforcement action in relation to a *firm's* perceived misconduct or failing. This does not mean that *firms* are under any obligation to share the content of legally privileged reports they are given or advice they receive. It is for the *firm* to decide whether to provide such material to the FSA FCA. But a *firm's* willingness to volunteer the results of its own investigation, whether protected by legal privilege or otherwise, is welcomed by the FSA FCA and is something the FSA FCA may take into account when deciding what action to take, if any. (The FSA's FCA's approach to deciding whether to take action is described in more detail in *DEPP* 6.2 and paragraph 2.4 of this Guide.)
- 3.19 Work done or commissioned by the *firm* does not fetter the FSA's FCA's ability to use its statutory powers, for example to require a skilled person's report under section 166 of the *Act* or to carry out a formal enforcement investigation; nor can a report commissioned by the *firm* be a substitute for formal regulatory action where this is needed or appropriate. But even if formal action is needed, it may be that a report could be used to help the FSA FCA decide on the appropriate action to take and may narrow the issues or obviate the need for certain work.
- 3.20 The FSA FCA invites *firms* to consider, in particular, whether to discuss the commissioning and scope of a report with FSA FCA staff where:
- (1) *firms* have informed the FSA FCA of an issue of potential regulatory concern, as required by *SUP* 15; or
  - (2) the FSA FCA has indicated that an issue or concern has or may result in a referral to Enforcement.
- 3.21 The FSA's FCA's approach in commenting on the proposed scope and purpose of the report will vary according to the circumstances in which the report is commissioned; it does not follow that the FSA FCA will want to be involved in discussing the scope of a report in every situation. But if the *firm* anticipates that it will proactively disclose a report to the FSA FCA in the context of an ongoing or prospective

enforcement investigation, then the potential use and benefit to be derived from the report will be greater if the ~~FSA~~ FCA has had the chance to comment on its proposed scope and purpose.

3.22 Some themes or issues are common to any discussion about the potential use or value of a report to the ~~FSA~~ FCA. These include:

- (1) to what extent the ~~FSA~~ FCA will be able to rely on the report in any subsequent enforcement proceedings;
- (2) to what extent the ~~FSA~~ FCA will have access to the underlying evidence or information that was relied upon in producing the report;
- (3) where legal privilege or other professional confidentiality is claimed over any material gathered or generated in the investigation process, to what extent such material may nevertheless be disclosed to the ~~FSA~~ FCA, on what basis and for what purposes the ~~FSA~~ FCA may use that material;

...

- (7) whether the investigation will be limited to ascertaining facts or will also include advice or opinions about breaches of ~~FSA~~ FCA rules or requirements;
- (8) how the *firm* intends to inform the ~~FSA~~ FCA of progress and communicate the results of the investigation; and

....

3.23 In certain circumstances the ~~FSA~~ FCA may prefer that a *firm* does not commission its own investigation (whether an internal audit report or a report by external advisers) because action by the *firm* could itself be damaging to an ~~FSA~~ FCA investigation. This is true in particular of criminal investigations, where alerting the suspects could have adverse consequences. For example, where the ~~FSA~~ FCA suspects that individuals are abusing positions of trust within financial institutions and that an insider dealing ring is operating, it might notify the relevant *firm* but would not want the *firm* to embark on its own investigation: to do so would alert those under investigation and prejudice on-going monitoring of the suspects and other action. *Firms* are therefore encouraged to be alive to the possibility that their own investigations could prejudice or hinder a subsequent ~~FSA~~ FCA investigation, and, if in doubt, to discuss this with the ~~FSA~~ FCA. The ~~FSA~~ FCA recognises that *firms* may be under time and other pressures to establish the relevant facts and implications of possible misconduct, and will have regard to this in discussions with the *firm*.

3.24 Nothing in paragraphs 3.17 to 3.23 extends or increases the scope of the existing duty to report facts or issues to the ~~FSA~~ FCA in accordance with *SUP* 15 or *Principle* 11.

*Firm-commissioned reports: material gathered*

3.25 Where a *firm* does conduct or commission an investigation, it is very helpful if the *firm* maintains a proper record of the enquiries made and interviews conducted. This

will inform the FSA's FCA's judgment about whether any further work is needed and, if so, where the FSA's FCA's efforts should be focused.

- 3.26 How the results of an investigation are presented to the FSA FCA may differ from case to case; the FSA FCA acknowledges that different circumstances may call for different approaches. In this sense, one size does not fit all. The FSA FCA will take a pragmatic and flexible approach when deciding how to receive the results of an investigation. However, if the FSA FCA is to rely on a report as the basis for taking action, or not taking action, then it is important that the *firm* should be prepared to give the FSA FCA underlying material on which the report is based as well as the report itself. This includes, for example, notes of interviews conducted by the lawyers, accountants or other professional experts carrying out the investigation.
- 3.27 The FSA FCA is not able to require the production of “protected items”, as defined in the *Act*, but it is not uncommon for there to be disagreement with *firms* about the scope of this protection. Arguments about whether certain documents attract privilege tend to be time-consuming and delay the progress of an investigation. If a *firm* decides to give a report to the FSA FCA, then the FSA FCA considers that the greatest mutual benefit is most likely to flow from disclosure of the report itself and any supporting papers. A reluctance to disclose these source materials will, in the FSA's FCA's opinion, devalue the usefulness of the report and may require the FSA FCA to undertake additional enquiries.

*Firm-commissioned reports: FSA FCA use of reports and the protection of privileged and confidential material*

- 3.28 For reasons that the FSA FCA can understand, *firms* may seek to restrict the use to which a report can be put, or assert that any legal privilege is waived only on a limited basis and that the *firm* retains its right to assert legal privilege as the basis for non-disclosure in civil proceedings against a private litigant.
- 3.29 The FSA FCA understands that the concept of a limited waiver of legal privilege is not one which is recognised in all jurisdictions; the FSA FCA considers that English law does permit such “limited waiver” and that legal privilege could still be asserted against third parties notwithstanding disclosure of a report to the FSA FCA. However, the FSA FCA cannot accept any condition or stipulation which would purport to restrict its ability to use the information in the exercise of the FSA's FCA's statutory functions. In this sense, the FSA FCA cannot ‘close its eyes’ to information received or accept that information should, say, be used only for the purposes of supervision but not for enforcement.
- 3.30 This does not mean that information provided to the FSA FCA is unprotected. The FSA FCA is subject to strict statutory restrictions on the disclosure of confidential information (as defined in section 348 of the *Act*), breach of which is a criminal offence (under section 352 of the *Act*). Reports and underlying materials provided voluntarily to the FSA FCA by a *firm*, whether covered by legal privilege or not, are confidential for these purposes and benefit from the statutory protections.
- 3.31 Even in circumstances where disclosure of information would be permitted under the “gateways” set out in the Financial Services and Markets Act 2000 (Disclosure of

Confidential Information) Regulations, the ~~FSA~~ FCA will consider carefully whether it would be appropriate to disclose a report provided voluntarily by a *firm*. The ~~FSA~~ FCA appreciates that *firms* feel strongly about the importance of maintaining confidentiality, and that *firms* are more likely to volunteer information to the regulator when they know that the regulator is mindful of this sensitivity and the impact of potential disclosure. Accordingly, if the ~~FSA~~ FCA contemplates disclosing a report voluntarily provided by a *firm*, the *firm* will normally be notified and given the opportunity to make representations about the proposed disclosure. The exceptions to this include circumstances where disclosure is urgently needed, where notification might prejudice an investigation or defeat the purpose for which the information had been requested, or where notification would be inconsistent with the ~~FSA's~~ FCA's international obligations.

## 4 Conduct of investigations

### Notifying the person under investigation where notice is a requirement under section 170

- 4.1 The ~~FSA~~ FCA will always give written notice of the appointment of investigators to the *person* under investigation if it is required to give such notice under section 170 of the *Act*. In such cases, if there is a subsequent change in the scope or conduct of the investigation and, in the ~~FSA's~~ FCA's opinion, the *person* under investigation is likely to be significantly prejudiced if not made aware of this, that *person* will be given written notice of the change. It is impossible to give a definitive list of the circumstances in which a *person* is likely to be significantly prejudiced by not being made aware of a change in the scope or conduct of an investigation. However, this may include situations where there may be unnecessary costs from dealing with an aspect of an investigation which the ~~FSA~~ FCA no longer intends to pursue.

### Notifying the person under investigation where notice is not required under the Act

- 4.2 The *Act* does not always require the ~~FSA~~ FCA to give written notice of the appointment of investigators, for example, where investigators are appointed as a result of section 168(1) or (4) of the *Act* and the ~~FSA~~ FCA believes that the provision of notice would be likely to result in the investigation being frustrated, or where investigators are appointed as a result of section 168(2) of the *Act*.
- 4.3 Although the ~~FSA~~ FCA is not required to give written notice of the appointment of investigators appointed as a result of section 168(2), when it becomes clear who the *person* under investigation is, the ~~FSA~~ FCA will, nevertheless, normally notify them that they are under investigation when it exercises its statutory powers to require information from them, providing such notification will not, in the ~~FSA's~~ FCA's view, prejudice the ~~FSA's~~ FCA's ability to conduct the investigation effectively.

### Notification where a particular person is not yet under investigation

- 4.4 In investigations into possible *insider dealing, market abuse, misleading statements and practices offences*, breaches of the *general prohibition*, the restriction on *financial promotion*, or the prohibition on promoting *collective investment schemes*,

the investigator may not know the identity of the perpetrator or may be looking into market circumstances at the outset of the investigation rather than investigating a particular *person*. In those circumstances, the FSA FCA will give an indication of the nature and subject matter of its investigation to those who are required to provide information to assist with the investigation. As soon as a *person* becomes the focus of the FSA's FCA's enquiries, the FSA FCA will consider whether it is appropriate to notify that *person* that they are under investigation. The FSA FCA will usually notify them when it exercises its statutory powers to require information from them unless doing so would prejudice the FSA's FCA's ability to conduct the investigation effectively.

### **Appointment of additional investigators**

- 4.5 In some cases, the FSA FCA will appoint an additional investigator or additional investigators during the course of an investigation. If this occurs and the FSA FCA has previously told the subject it has appointed investigators, then the FSA FCA will normally give the person written notice of the appointment(s).

### **Notice of termination of investigations**

- 4.6 Except where the FSA FCA has issued a *warning notice*, and the FSA FCA has subsequently discontinued the proceedings, the *Act* does not require the FSA FCA to provide notification of the termination of an investigation or subsequent enforcement action. However, where the FSA FCA has given a *person* written notice that it has appointed an investigator and later decides to discontinue the investigation without any present intention to take further action, it will confirm this to the *person* concerned as soon as it considers it is appropriate to do so, bearing in mind the circumstances of the case.

### **What a subject of investigation can say to third parties**

- 4.7 As is explained in the chapter of this guide on publicity (chapter 6), the FSA FCA will not normally make public the fact that it is or is not investigating a matter and its expectation is that the *person* under investigation will also treat the matter as confidential. However, subject to the restrictions on disclosure of confidential information in section 348 of the *Act*, this does not stop the *person* under investigation from seeking professional advice or making their own enquiries into the matter, from giving their auditors appropriate details of the matter or from making notifications required by law or contract.

### **Use of statutory powers to require the production of documents, the provision of information or the answering of questions**

- 4.8 The FSA's FCA's standard practice is generally to use statutory powers to require the production of documents, the provision of information or the answering of questions in interview. This is for reasons of fairness, transparency and efficiency. It will sometimes be appropriate to depart from this standard practice, for example:
- (1) For suspects or possible suspects in criminal or *market abuse* investigations, the FSA FCA may prefer to question that *person* on a voluntary basis, possibly under caution. In such a case, the interviewee does not have to answer but if

they do, those answers may be used against them in subsequent proceedings, including criminal or *market abuse* proceedings.

- (2) In the case of third parties with no professional connection with the financial services industry, such as the victims of an alleged fraud or misconduct, the FSA FCA will usually seek information voluntarily.
  - (3) In some cases, the FSA FCA is asked by *overseas regulators* or *EEA regulators* to obtain documents or conduct interviews on their behalf. In these cases, the FSA FCA will not necessarily adopt its standard approach as it will consider with the *overseas regulator* or *EEA regulator* the most appropriate method for obtaining evidence for use in their country.
- 4.9 *Firms* and *approved persons* have an obligation to be open and co-operative with the FSA FCA (as a result of Principle 11 for Businesses and Statement of Principle 4 for Approved Persons respectively). The FSA FCA will make it clear to the *person* concerned whether it requires them to produce information or answer questions under the *Act* or whether the provision of answers is purely voluntary. The fact that the *person* concerned may be a regulated person does not affect this.
- 4.10 The FSA FCA will not bring disciplinary proceedings against a *person* under the above *Principles* simply because, during an investigation, they choose not to attend or answer questions at a purely voluntary interview. However, there may be circumstances in which an adverse inference may be drawn from the reluctance of a *person* (whether or not they are a *firm* or *approved person*) to participate in a voluntary interview.
- 4.11 If a *person* does not comply with a requirement imposed by the exercise of statutory powers, they may be held to be in contempt of court. The FSA FCA may also choose to bring proceedings for breach of *Principle 11* or *Statement of Principle 4* as this is a serious form of non-cooperation.

### Scoping discussions

- 4.12 For cases involving *firms* or *approved persons*, the FSA FCA will generally hold scoping discussions with the *firm* or individuals concerned close to the start of the investigation (and may do so in other cases). The purpose of these discussions is to give the *firm* or individuals concerned in the investigation an indication of: why the FSA FCA has appointed investigators (including the nature of and reasons for the FSA's FCA's concerns); the scope of the investigation; how the process is likely to unfold; the individuals and documents the team will need access to initially and so on. There is a limit, however, as to how specific the FSA FCA can be about the nature of its concerns in the early stages of an investigation. The FSA FCA team for the purposes of the scoping discussions will normally include the nominated supervisor if the subject is a fixed portfolio firm ~~which is relationship managed~~.
- 4.13 In addition to the initial scoping discussions, there will be an ongoing dialogue with the *firm* or individuals throughout the investigative process. Where the nature of the FSA's FCA's concerns changes significantly from that notified to the person under investigation and the FSA FCA, having reconsidered the case, is satisfied that it is

appropriate in the circumstances to continue the investigation, the ~~FSA~~ FCA will notify the person of the change in scope.

### **Involvement of ~~FSA~~ FCA supervisors during the investigation phase**

- 4.14 ~~As a general rule, the FSA supervisors of a firm are not directly involved in an enforcement investigation. This approach has its advantages in that it maintains a~~ A clear division between the conduct of the investigation on the one hand and the need to ~~maintain the supervisory relationship with~~ continue with the ongoing supervision of the *firm* on the other. ~~However, this division of responsibility may mean that the investigation does not benefit as much as it might otherwise do from the knowledge of the firm or individuals that the supervisors will have built up, or from their general understanding of the firm's business or sector. Before matters are referred to the Enforcement Division for investigation, FCA staff from its Enforcement Division will often work closely together with staff from the Supervision Division in order to determine the proper course of action to take. Accordingly~~ Following a referral, the ~~FSA~~ FCA takes the following general considerations into account in relation to the potential role of a supervisor in an investigation.

...

- (3) Equally, there may be circumstances where someone in the ~~FSA~~ FCA other than the *firm's* supervisor can more effectively and efficiently provide information on the current supervisory approach to the area under investigation or current market standards. In this case it makes good sense for the ~~FSA~~ FCA to draw on that other source of expertise.
- (4) In the event that a *firm's* supervisor becomes part of the investigation team, the ~~FSA~~ FCA will notify the firm of this in the normal way.

### **The timeframe for responding to information and document requirements**

- 4.15 As delays in the provision of information and/or documents can have a significant impact on the efficient progression of an investigation, the ~~FSA~~ FCA expects *persons* to respond to information and document requests in a timely manner to appropriate deadlines. When an investigation is complex (and the timetable allows), the ~~FSA~~ FCA may decide to issue an information or document requirement in draft, allowing a specified period (of usually no more than three working days) for the *person* to comment on the practicality of providing the information or documentation by the proposed deadline. After considering any comments, the ~~FSA~~ FCA will then confirm or amend the request. The ~~FSA~~ FCA will not, however, send such a draft request where the request is straightforward and the ~~FSA~~ FCA considers that it is reasonable to expect the information or documents to be made available within the ~~FSA's~~ FCA's specified timeframe.
- 4.16 Once it has formally issued a requirement (whether or not this has been preceded by a draft), the ~~FSA~~ FCA will not usually agree to an extension of time for complying with the requirement unless compelling reasons are provided to support an extension request.

### **Approach to interviews and interview procedures**

- 4.17 Paragraph 4.8 explains the ~~FSA's~~ FCA's approach to the use of its statutory powers to require, amongst other matters, individuals to be interviewed. The type of interview is a decision for the ~~FSA~~ FCA.

...

#### Interviews generally

- 4.20 Where the ~~FSA~~ FCA interviews a *person*, it will allow the *person* to be accompanied by a legal adviser, if they wish. The ~~FSA~~ FCA will also, where appropriate, explain what use can be made of the answers in proceedings against them. Where the interview is tape-recorded, the *person* will be given a copy of the audio tape of the interview and, where a transcript is made, a copy of the transcript.

#### Interviews under caution

- 4.21 Individuals suspected of a criminal offence may be interviewed under caution. These interviews will be subject to all the safeguards of the relevant Police and Criminal Evidence Act Codes and are voluntary on the part of the suspect. The ~~FSA~~ FCA will warn the suspect at the start of the interview of their right to remain silent (and the consequences of remaining silent) and will inform the suspect that they are entitled to have a legal adviser present. The ~~FSA~~ FCA will also give a cautionary warning in similar terms to interviewees who are the subject of *market abuse* investigations.

#### Subsequent interviews

- 4.22 If a suspect has been interviewed by the ~~FSA~~ FCA using statutory powers, before they are re-interviewed on a voluntary basis (under caution or otherwise), the ~~FSA~~ FCA will explain the difference between the two types of interview. The ~~FSA~~ FCA will also tell the individual about the limited use that can be made of their previous answers in criminal proceedings or in proceedings in which the ~~FSA~~ FCA seeks a penalty for *market abuse* under Part VIII of the *Act*.
- 4.23 Conversely, where a suspect has been interviewed under caution, and the ~~FSA~~ FCA later wishes to conduct a compulsory interview with them, the ~~FSA~~ FCA will explain the difference between the two types of interview, and will notify the individual of the limited use that can be made of his answers in the compulsory interview.

#### Interviews under arrest

- 4.24 On occasion, where the police have a power of arrest, the ~~FSA~~ FCA may make a request to the police for assistance to arrest the individual for questioning by the ~~FSA~~ FCA (~~FSA~~ FCA investigators do not have powers of arrest), for example:

...

The procedure the ~~FSA~~ FCA may follow on such occasions in seeking assistance from the police is set out in a Memorandum of Understanding with the Association of Chief Police Officers of England, Wales and Northern Ireland dated 3 August 2005.<sup>6</sup>

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<sup>6</sup> <http://www.fsa.gov.uk/pubs/mou/fsacolp.pdf> [web address tbc]

Interviews in response to a request from an overseas regulator or EEA regulator

- 4.25 Where the ~~FSA~~ FCA has appointed an investigator in response to a request from an *overseas regulator* or *EEA regulator*, it may, under sections 169(7) or 131FA of the *Act* respectively, direct the investigator to allow a representative of that regulator to attend, and take part in, any interview conducted for the purposes of the investigation. However, the ~~FSA~~ FCA may only use this power if it is satisfied that any information obtained by an *overseas regulator* or *EEA regulator* as a result of the interview will be subject to safeguards equivalent to those in Part XXIII of the *Act* (sections 169(8) and 131FA respectively).
- 4.26 The factors that the ~~FSA~~ FCA may take into account when deciding whether to make a direction under section 169(7) include the following:
- ...
- (3) the ~~FSA's~~ FCA's own interest in the case;
- ...
- 4.27 Under sections 169(9) and 131FA respectively, the ~~FSA~~ FCA is required to prepare a statement of policy with the approval of the Treasury on the conduct of interviews attended by representatives of *overseas regulators* or *EEA regulators*. The statement is set out in *DEPP 7*.

### **Search and seizure powers**

- 4.28 Under section 176 of the *Act*, the ~~FSA~~ FCA has the power to apply to a justice of the peace for a warrant to enter premises where documents or information is held. The circumstances under which the ~~FSA~~ FCA may apply for a search warrant include:
- ...
- 4.29 A warrant obtained pursuant to section 176 of the *Act* authorises a police constable or an ~~FSA~~ FCA investigator in the company, and under the supervision of, a police constable, to do the following, amongst other things: to enter and search the premises specified in the warrant and take possession of any documents or information appearing to be documents or information of a kind in respect of which the warrant was issued or to take, in relation to any such documents or information, any other steps which may appear to be necessary for preserving them or preventing interference with them.

### **Preliminary findings letters and preliminary investigation reports**

- 4.30 In cases where the ~~FSA~~ FCA proposes to submit an investigation report to the *RDC* with a recommendation for regulatory action, the ~~FSA's~~ FCA's usual practice is to send a preliminary findings letter to the subject of an investigation before the matter is referred to the *RDC*. The letter will normally annex the investigators' preliminary investigation report. Comment will be invited on the contents of the preliminary findings letter and the preliminary investigation report.

4.31 The ~~FSA~~ FCA recognises that preliminary findings letters serve a very useful purpose in focussing decision making on the contentious issues in the case. This in turn makes for better quality and more efficient decision making. However, there are exceptional circumstances in which the ~~FSA~~ FCA may decide it is not appropriate to send out a preliminary findings letter. This includes:

...

(3) where the ~~FSA~~ FCA believes that no useful purpose would be achieved in sending a preliminary findings letter, for example where it has otherwise already substantially disclosed its case to the subject and the subject has had an opportunity to respond to that case.

4.32 In cases where it is sent, the preliminary findings letter will set out the facts which the investigators consider relevant to the matters under investigation (normally, as indicated above, by means of an annexed preliminary investigation report). And it will invite the *person* concerned to confirm that those facts are complete and accurate, or to provide further comment. ~~FSA~~ FCA staff will allow a reasonable period (normally 28 days) for a response to this letter, and will take into account any response received within the period stated in the letter. They are not obliged to take into account any response received outside that period.

4.33 Where the ~~FSA~~ FCA has sent a preliminary findings letter and it then decides not to take any further action, the ~~FSA~~ FCA will communicate this decision promptly to the person concerned.

### **Joint investigations with the PRA**

4.34 In some cases, it may be appropriate for both the *FCA* and the *PRA* to pursue investigations into different aspects of the same misconduct (see *EG 2.15A*).

4.35 In such cases, the guidance contained in this chapter will apply to the *FCA*'s investigation and the *FCA* will attempt to ensure that the subject of the investigation is not prejudiced or unduly inconvenienced by the fact that there are two investigating authorities.

## **5 Settlement**

### **Settlement and the ~~FSA~~ FCA – an overview**

5.1 The ~~FSA~~ FCA resolves many enforcement cases by settlement. Early settlement has many potential advantages as it can result, for example, in *consumers* obtaining compensation earlier than would otherwise be the case, the saving of ~~FSA~~ FCA and industry resources, messages getting out to the market sooner and a public perception of timely and effective action. The ~~FSA~~ FCA therefore considers it is in the public interest for matters to settle, and settle early, if possible.

5.2 The possibility of settlement does not, however, change the fact that enforcement action is one of the tools available to the ~~FSA~~ FCA to secure our *regulatory statutory objectives*. The ~~FSA~~ FCA seeks to change the behaviour not only of those subject to

the immediate action, but also of others who will be alerted to our concerns in a particular area. There is no distinction here between action taken following agreement with the subject of the enforcement action and action resisted by a firm before the *RDC*. In each case, the ~~FSA~~ *FCA* must be satisfied that its decision is the right one, both in terms of the immediate impact on the subject of the enforcement action but also in respect of any broader message conveyed by the action taken.

- 5.3 Settlements in the ~~FSA~~ *FCA* context are not the same as ‘out of court’ settlements in the commercial context. An ~~FSA~~ *FCA* settlement is a regulatory decision, taken by the ~~FSA~~ *FCA*, the terms of which are accepted by the *firm* or individual concerned. So, when agreeing the terms of a settlement, the ~~FSA~~ *FCA* will carefully consider its ~~regulatory~~ *statutory objectives* and other relevant matters such as the importance of sending clear, consistent messages through enforcement action, and will only settle in appropriate cases where the agreed terms of the decision result in acceptable regulatory outcomes. Redress to *consumers* who may have been disadvantaged by a *firm’s* misconduct may be particularly important in this respect. Other than in exceptional circumstances, ~~FSA~~ *FCA* settlements that give rise to the issue of a *final notice* or *supervisory notice* will result in some degree of publicity (see chapter 6), unlike commercial out of court settlements, which are often confidential.
- 5.4 In recognition of the value of early settlement, the ~~FSA~~ *FCA* operates a scheme to award explicit discounts for early settlement of cases involving financial penalties. Details of the scheme, which applies only to settlement of cases where investigators were appointed on or after 20 October 2005, are set out in *DEPP* 6.7. This chapter provides some commentary on certain practical aspects of the operation of the scheme.
- 5.5 Decisions on settlements and *statutory notices* arising from them are taken by two members of the ~~FSA’s~~ *FCA’s* senior management, rather than by the *RDC* (*DEPP* refers to these individuals as the ‘*settlement decision makers*’). Full details of the special decision making arrangements for settlements are set out in *DEPP* 5.

#### **When settlement discussions may take place**

- 5.6 Settlement discussions between ~~FSA~~ *FCA* staff and the *person* concerned are possible at any stage of the enforcement process if both parties agree.
- 5.7 The ~~FSA~~ *FCA* considers that in general, the earlier settlement discussions can take place the better this is likely to be from a public interest perspective. However, the ~~FSA~~ *FCA* will only engage in such discussions once it has a sufficient understanding of the nature and gravity of the suspected misconduct or issue to make a reasonable assessment of the appropriate outcome. At the other end of the spectrum, the ~~FSA~~ *FCA* expects that settlement discussions following a *decision notice* or *second supervisory notice* will be rare.
- 5.8 In the interests of efficiency and effectiveness, the ~~FSA~~ *FCA* will set clear and challenging timetables for settlement discussions to ensure that they result in a prompt outcome and do not divert resources unnecessarily from progressing a case through the formal process. To this end, the ~~FSA~~ *FCA* will aim to organise its resources so that the preparation for the formal process continues in parallel with any settlement

discussions. The ~~FSA~~ FCA will expect *firms* and others to give it all reasonable assistance in this regard.

### **The basis of settlement discussions**

- 5.9 As described above, the ~~FSA~~ FCA operates special decision-making arrangements under which members of ~~FSA~~ FCA senior management take decisions on ~~FSA~~ FCA settlements. This means that settlement discussions will take place without involving the *RDC*. The ~~FSA~~ FCA would expect to hold any settlement discussions on the basis that neither ~~FSA~~ FCA staff nor the *person* concerned would seek to rely against the other on any admissions or statements made if the matter is considered subsequently by the *RDC* or the *Tribunal*. This will not, however, prevent the ~~FSA~~ FCA from following up, through other means, on any new issues of regulatory concern which come to light during settlement discussions. The *RDC* may be made aware of the fact negotiations are taking place if this is relevant, for example, to an application for an extension of the period for making representations.
- 5.10 If the settlement negotiations result in a proposed settlement of the dispute, ~~FSA~~ FCA staff will put the terms of the proposed settlement in writing and agree them with the *person* concerned. The *settlement decision makers* will then consider the settlement under the procedures set out in *DEPP* 5. A settlement is also likely to result in the giving of *statutory notices* (see paragraphs 2.37 to 2.39).

### **Multiple parties and third party rights in enforcement action involving warning and decision notices**

...

- 5.12 Even where action is not taken against connected parties, these parties may have what the *Act* calls ‘third party rights’. Broadly, if any of the reasons contained in a *warning notice* or *decision notice* identifies a *person* (the third party) other than the *person* to whom the notice is given, and in the opinion of the ~~FSA~~ FCA is prejudicial to the third party, a copy of the notice must be given to the third party unless that *person* receives a separate *warning notice* or *decision notice* at the same time. The third party has the right to make representations and ultimately can refer the matter to the *Tribunal*. Any representations made by the third party in response to a *warning notice* or *decision notice* will be considered by the *settlement decision makers*, who will also decide whether to give the *decision notice* or *final notice*.

...

### **The settlement discount scheme**

...

- 5.15 Normally, where the outcome is potentially a financial penalty, the ~~FSA~~ FCA will send a letter at an early point in the enforcement process to the subject of the investigation. This is what the ~~FSA~~ FCA refers to as a stage 1 letter.

...

- 5.17 There is no set form for a stage 1 letter though it will always explain the nature of the misconduct, the FSA's *FCA's* view on penalty, and the period within which the FSA *FCA* expects any settlement discussions to be concluded. In some cases, a draft *statutory notice* setting out the alleged *rule* breaches and the proposed penalty may form part of the letter, to convey the substance of the case team's concerns and reasons for arriving at a particular penalty figure.
- 5.18 The timing of the stage 1 letter will vary from case to case. Sufficient investigative work must have taken place for the FSA *FCA* to be able to satisfy itself that the settlement is the right regulatory outcome. In many cases, the FSA *FCA* can send out the stage 1 letter substantially before the *person* concerned is provided with the FSA's *FCA's* preliminary investigation report (see paragraphs 4.30 to 4.33). The latest point the FSA *FCA* will send a stage 1 letter is when the *person* is provided with the preliminary investigation report.
- 5.19 The FSA *FCA* considers that 28 days following a stage 1 letter will normally be the 'reasonable opportunity to reach agreement as to the amount of penalty' before the expiry of stage 1 contemplated by *DEPP* 6.7.3. Extensions to this period will be granted in exceptional circumstances only.

...

### **Mediation**

- 5.20 The FSA *FCA* is committed to mediating appropriate cases; mediation and the involvement of a neutral mediator may help the FSA *FCA* to reach an agreement with the *person* subject to enforcement action in circumstances where settlement might not otherwise be achieved or may not be achieved so efficiently and effectively.
- 5.21 Further information about the FSA's *FCA's* approach to mediation and the mediation process are set out on our web site.<sup>7</sup>

### **The relevance of settled cases to subsequent action**

- 5.22 Decisions recorded in FSA *FCA final notices* or *supervisory notices* will be taken into account in any subsequent case if the later case raises the same or similar issues to those considered by the FSA *FCA* when it reached its earlier decision. Not to do so would expose the FSA *FCA* to accusations of arbitrary and inconsistent decision-making. The need to look at earlier cases applies irrespective of whether the decisions were reached following settlement or consideration by the *RDC* or the *Tribunal*. This reflects the fact that a person's agreement to the action proposed by the FSA *FCA* in the earlier case would not have relieved the FSA *FCA* of the obligation to ensure that the final decision was the right regulatory outcome, both for the person concerned and more generally.
- 5.23 The FSA *FCA* recognises the importance of consistency in its decision-making and that it must consider the approach previously taken to, say, the application of a particular *rule* or *Principle* in a given context. This applies equally to consideration

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<sup>7</sup> <http://www.fsa.gov.uk/pages/doing/regulated/law/focus/mediation.shtml> [web address tbc]

by the *RDC* or by the *settlement decision makers* when they look at action taken by the ~~FSA~~ FCA in earlier, similar, cases. This is not to say that the ~~FSA~~ FCA cannot take a different view to that taken in the earlier case: the facts of two enforcement cases are very seldom identical, and it is also important that the ~~FSA~~ FCA is able to respond to the demands of a changing and principles-based regulatory environment. But any decision to depart from the earlier approach will be made only after careful consideration of the reasons for doing so.

## 6 Publicity

### Publicity during ~~FSA~~ FCA investigations

6.1 The ~~FSA~~ FCA will not normally make public the fact that it is or is not investigating a particular matter, or any of the findings or conclusions of an investigation except as described in other sections of this chapter. The following paragraphs deal with the exceptional circumstances in which the ~~FSA~~ FCA may make a public announcement that it is or is not investigating a particular matter.

6.2 Where the matter in question has occurred in the context of a *takeover bid*, and the following circumstances apply, the ~~FSA~~ FCA may make a public announcement that it is not investigating, and does not propose to investigate, the matter. Those circumstances are where the ~~FSA~~ FCA:

...

6.3 Where it is investigating any matter, the ~~FSA~~ FCA will, in exceptional circumstances, make a public announcement that it is doing so if it considers such an announcement is desirable to:

...

In deciding whether to make an announcement, the ~~FSA~~ FCA will consider the potential prejudice that it believes may be caused to any *persons* who are, or who are likely to be, a subject of the investigation.

6.4 The exceptional circumstances referred to above may arise where the matters under investigation have become the subject of public concern, speculation or rumour. In this case it may be desirable for the ~~FSA~~ FCA to make public the fact of its investigation in order to allay concern, or contain the speculation or rumour. Where the matter in question relates to a *takeover bid*, the ~~FSA~~ FCA will discuss any announcement beforehand with the *Takeover Panel*. Any announcement will be subject to the restriction on disclosure of *confidential information* in section 348 of the *Act*.

...

6.6 The ~~FSA~~ FCA will not normally publish details of the information found or conclusions reached during its investigations. In many cases, statutory restrictions on the disclosure of information obtained by the ~~FSA~~ FCA in the course of exercising its functions are likely to prevent publication (see section 348 of the *Act*). In exceptional

circumstances, and where it is not prevented from doing so, the ~~FSA~~ FCA may publish details. Circumstances in which it may do so include those where the fact that the ~~FSA~~ FCA is investigating has been made public, by the ~~FSA~~ FCA or otherwise, and the ~~FSA~~ FCA subsequently concludes that the concerns that prompted the investigation were unwarranted. This is particularly so if the *firm* under investigation wishes the ~~FSA~~ FCA to clarify the matter.

### **Publicity during, or upon the conclusion of regulatory action**

- 6.7 For *supervisory notices* (as defined in section 395(13)) which have taken effect<sup>8</sup>, *decision notices* and *final notices*, section 391 of the *Act* requires the ~~FSA~~ FCA to publish, in such manner as it considers appropriate, such information about the matter to which the notice relates as it considers appropriate. However, section 391 provides that the ~~FSA~~ FCA cannot publish information if publication of it would, in its opinion, be unfair to the *person* with respect to whom the action was taken (or was proposed to be taken), or prejudicial to the interests of consumers, or detrimental to the stability of the UK financial system.

#### Decision notices and final notices

- 6.8 The ~~FSA~~ FCA will consider the circumstances of each case, but will ordinarily publicise enforcement action where this has led to the issue of a *final notice*. The ~~FSA~~ FCA may also publicise enforcement action where this has led to the issue of a *decision notice*. The ~~FSA~~ FCA will decide on a case-by-case basis whether to publish information about the matter to which a *decision notice* relates, but expects normally to publish a *decision notice* if the subject of enforcement action decides to refer the matter to the *Tribunal*. The ~~FSA~~ FCA may also publish a *decision notice* before a person has decided whether to refer the matter to the *Tribunal* if the ~~FSA~~ FCA considers there is a compelling reason to do so. For example, the ~~FSA~~ FCA may consider that early publication of the detail of its reasons for taking action is necessary for market confidence reasons or to allow *consumers* to avoid any potential harm arising from a *firm's* actions. If a *person* decides not to refer a matter to the *Tribunal*, the ~~FSA~~ FCA will generally only publish a *final notice*.
- 6.8A If the ~~FSA~~ FCA intends to publish a *decision notice*, it will give advance notice of its intention to the *person* to whom the *decision notice* is given and to any third party to whom a copy of the notice is given. The ~~FSA~~ FCA will consider any representations made, but will normally not decide against publication solely because it is claimed that publication could have a negative impact on a *person's* reputation. The ~~FSA~~ FCA will also not decide against publication solely because a *person* asks for confidentiality when they refer a matter to the *Tribunal*.
- 6.8B Publication will generally include placing the *decision notice* or *final notice* on the ~~FSA~~ FCA website and this will often be accompanied by a press release. The ~~FSA~~ FCA will also consider what information about the matter should be included on the ~~FSA~~ Financial Services Register. Additional guidance on the ~~FSA's~~ FCA's approach

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<sup>8</sup> Section ~~53(2)~~ 55Y(2) and section 391(8) of the *Act* define when a variation of permission under a supervisory notice takes effect

to the publication of information on the ~~FSA~~ Financial Services Register in certain specific types of cases is set out at the end of this chapter.

- 6.9 However, as required by the *Act* (see paragraph 6.7 above), the ~~FSA~~ FCA will not publish information if publication of it would, in its opinion, be unfair to the *person* in respect of whom the action is taken, ~~or~~ prejudicial to the interests of *consumers*, or detrimental to the stability of the UK financial system. It may make that decision where, for example, publication could damage market confidence or undermine market integrity in a way that could be damaging to the interests of *consumers*.
- 6.10 Publishing notices is important to ensure the transparency of ~~FSA~~ FCA decision-making; it informs the public and helps to maximise the deterrent effect of enforcement action. The ~~FSA~~ FCA will upon request review *decision notices*, *final notices* and related press releases that are published on the ~~FSA's~~ FCA's website. The ~~FSA~~ FCA will determine at that time whether continued publication is appropriate, or whether notices and publicity should be removed or amended.
- 6.10A In carrying out its review the ~~FSA~~ FCA will consider all relevant factors. In particular, the ~~FSA~~ FCA will take into account:
- ...
  - the nature of the action taken by the ~~FSA~~ FCA and the level of any sanction imposed on the *person*;
  - whether the ~~FSA~~ FCA has continuing concerns in respect of the *person* and any risk they might pose to the ~~FSA's~~ FCA's objectives;
  - ...
  - whether the publication sets out the ~~FSA's~~ FCA's expectations regarding behaviour in a particular area, and if so, whether that message still has educational value;
  - ...
- 6.10B The ~~FSA~~ FCA expects usually to conclude that notices and related press releases that have been published for less than six years should not be removed from the website, and that notices and related press releases relating to prohibition orders which are still applicable should not be removed from the website regardless of the length of time they have been published.
- 6.10C In cases where the ~~FSA~~ FCA publishes a *decision notice* and the subject of enforcement action successfully refers the matter to the *Tribunal*, the ~~FSA~~ FCA will make it clear on its website that the *decision notice* no longer applies. The ~~FSA~~ FCA will normally do this by publishing a discontinuation notice.

**Supervisory notices varying a firm's ~~Part IV~~ Part 4A permission or imposing a requirement on the ~~FSA's~~ FCA's own initiative (see chapter 8 of this guide)**

...

- 6.12 Publishing the reasons for variations of ~~Part IV~~ Part 4A permission, ~~(and interventions)~~ the imposition of requirements, and maintaining an accurate public record, are important elements of the FSA's FCA's approach to its ~~consumer protection objective~~ statutory objectives. The ~~FSA~~ FCA will always aim to balance both the interests of *consumers* and the possibility of unfairness to the *person* subject to the ~~FSA's~~ FCA's action. The ~~FSA~~ FCA will publish relevant details of both fundamental and non-fundamental variations of ~~Part IV-Part 4A permission~~ and ~~interventions~~ requirements which it imposes on *firms*. But it will use its discretion not to do so if it considers this to be unfair to the person on whom the variation is imposed, or prejudicial to the interests of *consumers*, or detrimental to the stability of the UK financial system. Publication will generally include placing the notice on the ~~FSA~~ FCA website and this may be accompanied by a press release. As with *decision notices* and *final notices*, *supervisory notices* and related press releases that are published on the ~~FSA's~~ FCA's website will be reviewed upon request. The ~~FSA~~ FCA will determine at that time whether continued publication is appropriate, or whether notices and related press releases should be removed or amended. The ~~FSA~~ FCA expects usually to conclude that *supervisory notices* and related press releases that have been published for less than six years should not be removed from the website.
- 6.12A The ~~FSA~~ FCA will amend the ~~FSA~~ Financial Services Register to reflect a *firm's* actual ~~Part IV~~ Part 4A permission following any variation.

...

#### **Publicity during, or upon the conclusion of civil action**

...

- 6.16 The ~~FSA~~ FCA considers it generally appropriate to publish details of its successful applications to the court for civil remedies including *injunctions* or restitution orders. For example, where the court has ordered an *injunction* to prohibit further illegal *regulated activity*, the ~~FSA~~ FCA thinks it is appropriate to publicise this to tell *consumers* of the position and help them avoid dealing with the *person* who is the subject of the *injunction*. Similarly, a restitution order may be publicised to protect and inform *consumers* and maintain market confidence. However, there may be circumstances when the ~~FSA~~ FCA decides not to publicise, or not to do this immediately. These circumstances might, for example, be where publication could damage confidence in the *financial system* or undermine market integrity in a way that would be prejudicial to the interests of *consumers*.

#### **Publicity during, or upon the conclusion of criminal action (see chapter 12)**

- 6.17 The ~~FSA~~ FCA will normally publicise the outcome of public hearings in criminal prosecutions.
- 6.17A When conducting a criminal investigation the ~~FSA~~ FCA will generally consider making a public announcement when suspects are arrested, when search warrants are executed and when charges are laid. A public announcement may also be made at other stages of the investigation when this is considered appropriate.

- 6.17B The ~~FSA~~ FCA will always be very careful to ensure that any ~~FSA~~ FCA publicity does not prejudice the fairness of any subsequent trial.

### **Behaviour in the context of takeover bid**

- 6.18 Where the behaviour to which a *decision notice*, *final notice*, civil action, or criminal action relates has occurred in the context of a *takeover bid*, the ~~FSA~~ FCA will consult the *Takeover Panel* over the timing of publication if the ~~FSA~~ FCA believes that publication may affect the timetable or outcome of that bid, and will give due weight to the *Takeover Panel's* views.

### **The ~~FSA~~ Financial Services register: publication of prohibitions of individuals (see chapter 9)**

- 6.19 Once the decision to make a *prohibition order* is no longer open to review, the ~~FSA~~ FCA will consider what additional information about the circumstances of the *prohibition order* to include on the ~~FSA~~ Financial Services Register. The ~~FSA~~ FCA will balance any possible prejudice to the individual concerned against the interests of *consumer* protection. The ~~FSA's~~ FCA's normal approach to maintaining information about a *prohibition order* on the ~~FSA~~ Financial Services Register is as follows:

- (1) The ~~FSA~~ FCA will maintain an entry on the ~~FSA~~ Financial Services Register while a *prohibition order* is in effect. If the ~~FSA~~ FCA grants an application to vary the order, it will make a note of the variation on the ~~FSA~~ Financial Services Register.
- (2) Where the ~~FSA~~ FCA grants an application to revoke a *prohibition order*, it will make a note on the ~~FSA~~ Financial Services Register that the order has been revoked giving reasons for the revocation. The availability to *firms* and *consumers* of a full record of ~~FSA~~ FCA action taken in relation to an individual's fitness and propriety will help it in furthering its *regulatory statutory objectives*. In particular, it will help with protecting *consumers* and the maintaining of confidence in the *financial system*.
- (3) The ~~FSA~~ FCA will maintain an annotated record of revoked *prohibition orders* for six years from the date of the revocation after which time it will remove the record from the ~~FSA~~ Financial Services Register.

### **The ~~FSA~~ Financial Services register: publication of ~~disqualifications of disciplinary measures against~~ auditors and actuaries (see chapter 15)**

- 6.20 To help it fulfil its *regulatory objectives* operational objective of protecting *consumers*, the ~~FSA~~ FCA will keep on the ~~FSA~~ Financial Services Register a record of *firms* or individual auditors or actuaries who have been the subject of disqualification orders or other disciplinary measures by the FCA.

### **The ~~FSA register~~ Financial Services Register: publication of disapplication orders against members of the professions (see chapter 16)**

- 6.21 In general, the ~~FSA~~ FCA considers that publishing relevant information about orders to disapply an exemption in respect of a member of a *designated professional body* will be in the interests of clients and *consumers*. The ~~FSA~~ FCA will consider what additional information about the circumstances of the order to include on the record maintained on the ~~FSA~~ Financial Services Register taking into account any prejudice to the *person* concerned and the interests of *consumer* protection.
- 6.22 The ~~FSA's~~ FCA's normal approach to maintaining information about a disapplication order on the ~~FSA~~ Financial Services Register is as follows.
- (1) While a disapplication order is in effect, the ~~FSA~~ FCA will maintain a record of the order on the ~~FSA~~ Financial Services Register. If the ~~FSA~~ FCA grants an application to vary the order, a note of the variation will be made against the relevant entry on the ~~FSA~~ Financial Services Register.
  - (2) The ~~FSA's~~ FCA's policy in relation to section 347(4) of the *Act* is that where an application to revoke an order is granted, it will make a note on the ~~FSA~~ Financial Services Register saying that the order has been revoked giving reasons for its revocation. Having a full record of action the ~~FSA~~ FCA has taken against *persons* granted an exemption under section 327 of the *Act* available will help the ~~FSA~~ FCA to fulfil its ~~regulatory objectives~~ operational objectives of ~~protecting~~ securing an appropriate degree of protection for consumers and ~~maintaining confidence in~~ protecting and enhancing the integrity of the UK financial system.
  - (3) This is why the ~~FSA~~ FCA will maintain the annotated record of the disapplication order for a period of six years from the date of the revocation of the order, after which period the record will be removed from the record on the ~~FSA~~ Financial Services Register.

## 7 **Financial penalties, suspensions and public censures**

### **The ~~FSA's~~ FCA's use of sanctions**

- 7.1 Financial penalties, suspensions and *public censures* are important regulatory tools. However, they are not the only tools available to the ~~FSA~~ FCA, and there will be many instances of non-compliance which the ~~FSA~~ FCA considers it appropriate to address without the use of financial penalties, suspensions or *public censures*. Having said that, the effective and proportionate use of the ~~FSA's~~ FCA's powers to enforce the requirements of the *Act*, the *rules* and the Statements of Principle for Approved Persons (APER) will play an important role in the ~~FSA's~~ FCA's pursuit of its ~~regulatory objectives~~ statutory objectives. Imposing financial penalties, suspensions and *public censures* shows that the ~~FSA~~ FCA is upholding regulatory standards and helps to maintain market confidence and deter *financial crime*. An increased public awareness of regulatory standards also contributes to the protection of *consumers*.
- 7.2 The ~~FSA~~ FCA has the following powers to impose a financial penalty and to publish a *public censure*.

- (1) It may publish a statement:
- ...
- (c) against a *sponsor* under section ~~89~~ 88A of the *Act*;
- (ca) against a *primary information provider* under section 89Q of the *Act*;
- ...
- (ea) if a natural or legal person has contravened any provision of the *short selling regulation*, or any requirement imposed on that person under section 131E or 131F, under section 131G of the *Act*; ~~and~~
- (eb) against a qualifying parent undertaking under section 192K of the *Act*;
- (ec) against an auditor under section 249 of the *Act*;
- (ed) against a *recognised investment exchange* under section 312E of the *Act*;
- (ee) against an auditor and/or an *actuary* under section 345 of the *Act*; and
- ...
- (2) It may impose a financial penalty:
- ...
- (ab) on a *sponsor* under section 88A of the *Act*;
- (ac) on a *primary information provider* under section 89Q of the *Act*;
- ...
- (ca) on a natural or legal person who has contravened any provision of the *short selling regulation*, or any requirement imposed on that person under section 131E or 131F, or any natural or legal person who was knowingly concerned in the contravention, under section 131G of the *Act*; ~~and~~
- (cb) on a qualifying parent undertaking under section 192K of the *Act*;
- (d) on a *firm*, or an *unauthorised person* to whom section 404C applies, under section 206 of the *Act*;
- (da) on an auditor under section 249 of the *Act*;
- (db) on a *recognised investment exchange* under section 312F of the *Act*; and
- (dc) on an auditor and/or *actuary* under section 345 of the *Act*.
- (3) It may impose a suspension, limitation or other restriction:

- (a) on an *approved person* under section 66 of the *Act*;
- (b) on a *sponsor* under section 88A of the *Act*;
- (c) on a *primary information provider* under section 89Q of the *Act*; and
- (d) on a *firm* under section 206A of the *Act*.

7.2A Section 415B of the *Act* requires the *FCA* to consult with the *PRA* before it takes certain enforcement action in relation to a *PRA-authorised person* or someone who has a qualifying relationship (as defined in section 415B(4) of the *Act*) with a *PRA-authorised person*. Further detail on when the *FCA* is required to consult the *PRA*, and when it has agreed to notify the *PRA* of certain matters, is set out in the Memorandum of Understanding between the *PRA* and the *FCA*.

### **Alternatives to financial penalties and public censures**

7.3 The ~~FSA~~ *FCA* also has measures available to it where it considers it is appropriate to take protective or remedial action. These include:

...

- (2) where the smooth operation of the market is, or may be, temporarily jeopardised or where protecting investors so requires, the ~~FSA~~ *FCA* may suspend, with effect from such time as it may determine, the *listing* of any *securities* at any time and in such circumstances as it thinks fit (whether or not at the request of the *issuer* or its *sponsor* on its behalf);
- (3) when the ~~FSA~~ *FCA* is satisfied there are special circumstances which preclude normal regular dealings in any *listed securities*, it may cancel the *listing* of any *security*;
- (4) where there are reasonable grounds to suspect non compliance with the *disclosure rules*, the ~~FSA~~ *FCA* may require the suspension of trading of a financial instrument with effect from such time as it may determine; and
- (5) where there are reasonable grounds for suspecting that a provision of Part VI of the *Act*, a provision contained in the *prospectus rules*, or any other provision made in accordance with the *Prospectus Directive* has been infringed, the ~~FSA~~ *FCA* may:

...

### **FSA's *FCA*'s statements of policy**

7.4 The ~~FSA's~~ *FCA's* statement of policy in relation to the imposition of financial penalties is set out in *DEPP* 6.2 (Deciding whether to take action), *DEPP* 6.3 (Penalties for market abuse) and *DEPP* 6.4 (Financial penalty or *public censure*). The ~~FSA's~~ *FCA's* statement of policy in relation to the amount of a financial penalty is set out in *DEPP* 6.5 to *DEPP* 6.5D. The ~~FSA's~~ *FCA's* statement of policy in relation to

financial penalties for late submission of reports is set out in *DEPP* 6.6. The FCA's statement of policy in relation to the imposition of suspensions or restrictions is set out in *DEPP* 6A (The power to impose a suspension or restriction).

### **Apportionment of financial penalties**

- 7.5 In a case where the ~~FSA~~ FCA is proposing to impose a financial penalty on a *person* for two or more separate and distinct areas of misconduct, the ~~FSA~~ FCA will consider whether it is appropriate to identify in the *decision notice* and *final notice* how the penalty is apportioned between those separate and distinct areas. Apportionment will not however generally be appropriate in other cases.

### **Payment of financial penalties**

- 7.6 Financial penalties must be paid within the period (usually 14 days) that is stated on the ~~FSA's~~ FCA's *final notice*. The ~~FSA's~~ FCA's policy in relation to reducing a penalty because its payment may cause a *person* serious financial hardship is set out in *DEPP* 6.5D.

...

- 7.8 Chapter 6 of the General Provisions module of the ~~FSA~~ FCA Handbook (*GEN*) contains *rules* prohibiting a *firm* or *member* from entering into, arranging, claiming on or making a payment under a *contract of insurance* that is intended to have, or has, the effect of indemnifying any *person* against a financial penalty.
- 7.8A Chapter 6 of the General Provisions of the ~~FSA~~ FCA Handbook (*GEN*) also contains a rule prohibiting a *firm*, except a *sole trader*, from paying a financial penalty imposed by the ~~FSA~~ FCA on a present or former *employee*, *director* or *partner* of the *firm* or of an *affiliated company*.
- 7.9 *Rule* 1.5.33 in the ~~FSA's~~ FCA's Prudential Sourcebook for Insurers (*INSPRU*) prohibits a *long-term insurer* (including a *firm* qualifying for *authorisation* under Schedule 3 or 4 to the *Act*), which is not a mutual, from paying a financial penalty from a long-term insurance fund.

### **Private warnings**

- 7.10 In certain cases, despite concerns about a *person's* behaviour or evidence of a *rule* breach, the ~~FSA~~ FCA may decide that it is not appropriate, having regard to all the circumstances of the case, to bring formal action for a financial penalty or *public censure*. This is consistent with the ~~FSA's~~ FCA's risk-based approach to enforcement. In such cases, the ~~FSA~~ FCA may give a private warning to make the *person* aware that they came close to being subject to formal action.
- 7.11 Private warnings are a non-statutory tool. Fundamentally they are no different to any other ~~FSA~~ FCA communication which criticises or expresses concern about a *person's* conduct. But private warnings are a more serious form of reprimand than would usually be made in the course of ongoing supervisory correspondence. A private warning requires that the ~~FSA~~ FCA identifies and explains its concerns about a *person's* conduct and/or procedures, and tells the subject of the warning that the

~~FSA~~ FCA has seriously considered formal steps to impose a penalty or censure. They are primarily used by the ~~FSA~~ FCA as an enforcement tool, but they may also be used by other parts of the ~~FSA~~ FCA.

- 7.12 Typically, the ~~FSA~~ FCA might give a private warning rather than take formal action where the matter giving cause for concern is minor in nature or degree, or where the person has taken full and immediate remedial action. But there can be no exhaustive list of the conduct or the circumstances which are likely to lead to a private warning rather than more serious action. The ~~FSA~~ FCA will take into account all the circumstances of the case before deciding whether a private warning is appropriate. Many of the criteria identified in *DEPP* 6 for determining whether the ~~FSA~~ FCA should take formal action for a financial penalty or *public censure* will also be relevant to a decision about whether to give a private warning.
- 7.13 Generally, the ~~FSA~~ FCA would expect to use private warnings in the context of *firms* and *approved persons*. However, the ~~FSA~~ FCA may also issue private warnings in circumstances where the *persons* involved may not necessarily be authorised or approved. For example, private warnings may be issued in potential cases of *market abuse*; cases where the ~~FSA~~ FCA has considered making a *prohibition order* or a disapplication order; or cases involving breaches of provisions imposed by or under Part VI of the *Act* (Official Listing).
- 7.14 In each case, the ~~FSA~~ FCA will consider the likely impact of a private warning on the recipient and whether any risk that *person* poses to the *regulatory statutory objectives* requires the ~~FSA~~ FCA to take more serious action. Equally, where the ~~FSA~~ FCA gives a private warning to an *approved person*, the ~~FSA~~ FCA will consider whether it would be desirable and appropriate to inform the *approved person's firm* (or employer, if different) of the conduct giving rise to the warning and the ~~FSA's~~ FCA's response.
- 7.15 A private warning is not intended to be a determination by the ~~FSA~~ FCA as to whether the recipient has breached the ~~FSA's~~ FCA's *rules*. However, private warnings, together with any comments received in response, will form part of the *person's* compliance history. In this sense they are no different to other ~~FSA~~ FCA correspondence, but the weight the ~~FSA~~ FCA attaches to a private warning is likely to be greater. They may therefore influence the ~~FSA's~~ FCA's decision whether to commence action for a penalty or censure in relation to future breaches. Where action is commenced in those circumstances, earlier private warnings will not be relied upon in determining whether a breach has taken place. However, if a *person* has previously been told about the ~~FSA's~~ FCA's concerns in relation to an issue, either by means of a private warning or in supervisory correspondence, then this can be an aggravating factor for the level of a penalty imposed in respect of a similar issue that is the subject of later ~~FSA~~ FCA action.
- 7.16 Where the ~~FSA~~ FCA is assessing the relevance of private warnings in determining whether to commence action for a financial penalty or a *public censure*, the age of a private warning will be taken into consideration. However, a long-standing private warning may still be relevant.

...

### How a person will know they are receiving a private warning

- 7.18 It will be obvious from the terms of any letter written by the FSA FCA whether it is intended to constitute a private warning. In particular, a warning letter will describe itself as a private warning and will refer to this chapter to explain the consequences of receiving it for the person.

### The procedure for giving a private warning

- 7.19 The FSA's FCA's normal practice is to follow a "minded-to" procedure before deciding whether to give a private warning. This means that it will notify in writing the intended recipient of the warning that it has concerns about their conduct and inform them that the FSA FCA proposes to give a private warning. The recipient will then have an opportunity to comment on our understanding of the circumstances giving rise to the FSA's FCA's concerns and whether a private warning is appropriate. The FSA FCA will carefully consider any response to its initial letter before it decides whether to give the private warning. The decision will be taken by an FSA FCA head of department or a more senior member of FSA FCA staff.

## 8 Variation and cancellation of permission and imposition of requirements on the FSA's FCA's own initiative and intervention against incoming firms

- 8.1 The FSA FCA has powers under section 45 55J of the Act to vary or cancel an authorised person's Part IV Part 4A permission and a power under section 55L to impose requirements on an authorised person. The FSA FCA may use these powers where:
- (1) the person is failing or is likely to fail to satisfy the ~~threshold conditions~~ threshold conditions for which the FCA is responsible;
  - (2) the person has not carried on ~~any~~ a regulated activity to which the Part 4A permission relates for a period of at least 12 months; or
  - (3) it is desirable to exercise the power in order to ~~meet any~~ advance one or more of its regulatory objectives operational objectives.
- 8.1A The powers to vary and cancel a person's Part IV Part 4A permission and to impose requirements are exercisable in the same circumstances. However, the statutory procedure for the exercise of ~~each powers~~ the own-initiative powers is different to the statutory procedure for the exercise of the cancellation power and this may determine how the FSA FCA acts in a given case. Certain types of behaviour which may cause the FSA FCA to cancel permission in one case, may lead it to impose requirements, vary, or vary and cancel, permission in another, depending on the circumstances. The non-exhaustive examples provided below are therefore illustrative but not conclusive of which action the FSA FCA will take in a given case.

**Varying a firm's ~~Part IV~~ Part 4A permission or imposing requirements on the FSA's FCA's own initiative**

8.1B When it considers how it should deal with a concern about a *firm*, the ~~FSA~~ FCA will have regard to its ~~regulatory~~ statutory objectives and the range of regulatory tools that are available to it. It will also have regard to:

...

(2) the principle that a restriction imposed on a *firm* should be proportionate to the objectives the ~~FSA~~ FCA is seeking to achieve.

8.2 The ~~FSA~~ FCA will proceed on the basis that a *firm* (together with its directors and senior management) is primarily responsible for ensuring the *firm* conducts its business in compliance with the *Act*, the *Principles* and other *rules*.

8.3 In the course of its supervision and monitoring of a *firm* or as part of an enforcement action, the ~~FSA~~ FCA may make it clear that it expects the *firm* to take certain steps to meet regulatory requirements. In the vast majority of cases the ~~FSA~~ FCA will seek to agree with a *firm* those steps the *firm* must take to address the ~~FSA's~~ FCA's concerns. However, where the ~~FSA~~ FCA considers it appropriate to do so, it will exercise its formal powers under ~~section 45~~ sections 55J or 55L of the *Act* to vary a *firm's* permission or to impose a requirement to ensure such requirements are met. This may include where:

(1) the ~~FSA~~ FCA has serious concerns about a *firm*, or about the way its business is being or has been conducted;

(2) the ~~FSA~~ FCA is concerned that the consequences of a *firm* not taking the desired steps may be serious;

(3) the imposition of a formal statutory requirement reflects the importance the ~~FSA~~ FCA attaches to the need for the *firm* to address its concerns;

...

8.3A *SUP 7* provides more information about the situations in which the ~~FSA~~ FCA may decide to take formal action in the context of its supervision activities.

...

8.5 Examples of circumstances in which the ~~FSA~~ FCA will consider varying a *firm's* ~~Part IV~~ Part 4A permission because it has serious concerns about a *firm*, or about the way its business is being or has been conducted include where:

(1) in relation to the grounds for exercising the power under ~~section 45(1)(a)~~ section 55J(1)(a) or section 55L(2)(a) of the *Act*, the *firm* appears to be failing, or appears likely to fail, to satisfy the *threshold conditions* relating to one or more, or all, of its *regulated activities*, because for instance:

- (a) the *firm's* material and financial resources appear ~~inadequate~~ inappropriate for the scale or type of *regulated activity* it is carrying on, for example, where it has failed to ~~maintain professional indemnity insurance~~ take account of the need to manage risk or where it is unable to meet its liabilities as they have fallen due; or
  - (b) the *firm* appears not to be a fit and proper *person* to carry on a *regulated activity* because:
    - ...
    - (ii) it has not been managed ~~competently~~ soundly and prudently and has not exercised due skill, care, and diligence in carrying on one or more, or all, of its *regulated activities*;
    - ...
  - (c) the *firm's* business model is not suited to its *regulated activities*, for example, where the *firm's* business model is not compatible with its affairs being conducted in a sound and prudent manner;
  - (d) the *firm* is not capable of effective supervision by the *FCA*, for example, where the way in which its business is organised or its membership of a group is likely to prevent effective supervision;
- (2) in relation to the grounds for exercising the power under section 45(1)(e) 55J(1)(c)(i) or section 55L(2)(c), it appears that the interests of *consumers* are at risk because the *firm* appears to have breached any of *Principles* 6 to 10 of the *FSA's FCA's Principles* (see *PRIN 2.1.1R*) to such an extent that it is desirable that *limitations*, restrictions, or prohibitions are placed on the *firm's regulated activity*.

### **Use of the own-initiative ~~power~~ powers in urgent cases**

- 8.6 The ~~FSA~~ *FCA* may impose a variation of permission or a requirement so that it takes effect immediately or on a specified date if it reasonably considers it necessary for the variation or requirement to take effect immediately (or on the date specified), having regard to the ground on which it is exercising its ~~own-initiative power~~ own-initiative powers.
- 8.7 The ~~FSA~~ *FCA* will consider exercising its *own-initiative power* as a matter of urgency where:
- ...
- 8.8 It is not possible to provide an exhaustive list of the situations that will give rise to such serious concerns, but they are likely to include one or more of the following characteristics:

...

- (3) evidence that the *firm* has submitted to the ~~FSA~~ FCA inaccurate or misleading information so that the ~~FSA~~ FCA becomes seriously concerned about the *firm's* ability to meet its regulatory obligations;

...

8.9 The ~~FSA~~ FCA will consider the full circumstances of each case when it decides whether an urgent variation of ~~Part IV~~ Part 4A permission or an imposition of a requirement is appropriate. The following is a non-exhaustive list of factors the ~~FSA~~ FCA may consider.

- (1) The extent of any loss, or risk of loss, or other adverse effect on *consumers*. The more serious the loss or potential loss or other adverse effect, the more likely it is that the ~~FSA's~~ FCA's urgent exercise of *own-initiative powers* will be appropriate, to protect the *consumers'* interests.
- (2) The extent to which *customer* assets appear to be at risk. Urgent exercise of the ~~FSA's~~ FCA's *own-initiative power* may be appropriate where the information available to the ~~FSA~~ FCA suggests that *customer* assets held by, or to the order of, the *firm* may be at risk.
- (3) The nature and extent of any false or inaccurate information provided by the *firm*. Whether false or inaccurate information warrants the ~~FSA's~~ FCA's urgent exercise of its *own-initiative powers* will depend on matters such as:
  - (a) the impact of the information on the ~~FSA's~~ FCA's view of the *firm's* compliance with the regulatory requirements to which it is subject, the *firm's* suitability to conduct *regulated activities*, or the likelihood that the *firm's* business may be being used in connection with *financial crime*;
  - (b) whether the information appears to have been provided in an attempt knowingly to mislead the ~~FSA~~ FCA, rather than through inadvertence;

...

...

- (5) The financial resources of the *firm*. Serious concerns may arise where it appears the *firm* may be required to pay significant amounts of compensation to *consumers*. In those cases, the extent to which the *firm* has the financial resources to do so will affect the ~~FSA's~~ FCA's decision about whether exercise of the ~~FSA's~~ FCA's *own-initiative power powers* is appropriate to preserve the *firm's* assets, in the interests of the *consumers*. The ~~FSA~~ FCA will take account of any insurance cover held by the *firm*. It will also consider the likelihood of the *firm's* assets being dissipated without the ~~FSA's~~ FCA's intervention, and whether the exercise of the ~~FSA's~~ FCA's power to petition

for the winding up of the *firm* is more appropriate than the use of its *own-initiative ~~power~~ powers* (see chapter 13 of this guide).

- (6) The risk that the *firm's* business may be used or has been used to facilitate *financial crime*, including *money laundering*. The information available to the ~~FSA~~ FCA, including information supplied by other law enforcement agencies, may suggest the *firm* is being used for, or is itself involved in, *financial crime*. Where this appears to be the case, and the *firm* appears to be failing to meet the *threshold conditions* or has put its *customers'* interests at risk, the ~~FSA's~~ FCA's urgent use of its *own-initiative powers* may well be appropriate.

...

- (8) The *firm's* conduct. The ~~FSA~~ FCA will take into account:

...

- (b) whether the *firm* brought the issue promptly to the ~~FSA's~~ FCA's attention;

...

- (9) The impact that use of the ~~FSA's~~ FCA's *own-initiative powers* will have on the *firm's* business and on its *customers*. The ~~FSA~~ FCA will take into account the (sometimes significant) impact that a variation of *permission* may have on a *firm's* business and on its *customers'* interests, including the effect of variation on the *firm's* reputation and on market confidence. The ~~FSA~~ FCA will need to be satisfied that the impact of any use of the *own-initiative power* is likely to be proportionate to the concerns being addressed, in the context of the overall aim of achieving its ~~regulatory~~ statutory objectives.

#### **Limitations and requirements that the ~~FSA~~ FCA may impose when exercising its section 45 ~~power~~ 55J and 55L powers**

- 8.10 When varying ~~Part IV~~ Part 4A *permission* at its own-initiative under its section 45 55J power (or section 47 55Q power), the ~~FSA~~ FCA may include in the ~~Part IV~~ Part 4A *permission* as varied any *limitation* or restriction which it could have imposed if a fresh *permission* were being given in response to an application under section 40 55A of the *Act*.
- 8.11 Examples of the *limitations* that the ~~FSA~~ FCA may impose when exercising its *own-initiative variation power* in support of its enforcement function include *limitations* on: the number, or category, of *customers* that a *firm* can deal with; the number of specified investments that a *firm* can deal in; and the activities of the *firm* so that they fall within specific regulatory regimes (for example, so that *oil market participants, locals, corporate finance advisory firms* and service providers are permitted only to carry on those types of activities).

8.11A Under its section 55L power (or section 55Q power), the FCA may, at any time and of its own initiative, impose on an authorised person such requirements as it considers appropriate.

8.12 Examples of *requirements* that the ~~FSA~~ FCA may consider ~~including in a firm's Part IV permission~~ imposing when exercising its *own-initiative power* in support of its enforcement function are: a *requirement* not to take on new business; a *requirement* not to hold or control *client money*; a *requirement* not to trade in certain categories of *specified investment*; a *requirement* that prohibits the disposal of, or other dealing with, any of the *firm's* assets (whether in the United Kingdom or elsewhere) or restricts those disposals or dealings; and a *requirement* that all or any of the *firm's* assets, or all or any assets belonging to investors but held by the *firm* to its order, must be transferred to a *trustee* approved by the ~~FSA~~ FCA.

### **Cancelling a firm's ~~Part IV~~ Part 4A permission on its own initiative**

8.13 The ~~FSA~~ FCA will consider cancelling a *firm's ~~Part IV~~ Part 4A permission* using its *own-initiative powers* contained in sections ~~45~~ 55J and ~~47~~ 55Q respectively of the *Act* in two main circumstances:

- (1) where the ~~FSA~~ FCA has very serious concerns about a *firm*, or the way its business is or has been conducted;
- (2) where the *firm's regulated activities* have come to an end and it has not applied for *cancellation* of its ~~Part IV~~ Part 4A *permission*.

8.14 The grounds on which the ~~FSA~~ FCA may exercise its power to cancel an *authorised person's* permission under section ~~45~~ 55J of the *Act* are the same as the grounds for variation and for imposition of requirements. They are set out in section ~~45(1)~~ 55J(1) and section 55L(2) and described in *EG* 8.1. Examples of the types of circumstances in which the ~~FSA~~ FCA may cancel a *firm's ~~Part IV~~ Part 4A permission* include:

...

- (5) non-payment of ~~FSA~~ FCA fees or repeated failure to pay ~~FSA~~ FCA fees except under threat of enforcement action; and
- (6) failure to provide the ~~FSA~~ FCA with valid contact details or failure to maintain the details provided, such that the ~~FSA~~ FCA is unable to communicate with the *firm*;

...

- (8) a failure to co-operate with the ~~FSA~~ FCA which is of sufficient seriousness that the ~~FSA~~ FCA ceases to be satisfied that the *firm* is fit and proper, for example failing without reasonable excuse to:
  - (a) comply with the material terms of a formal agreement made with the ~~FSA~~ FCA to conclude or avoid disciplinary or other enforcement action;
 or

- (b) provide material information or take remedial action reasonably required by the ~~FSA~~ FCA.

~~Section 45(2A)~~ Sections 55J(6) and 55K of the *Act* sets out further grounds on which the ~~FSA~~ FCA may cancel the permission of *authorised persons* which are *investment firms*.

- 8.15 Depending on the circumstances, the ~~FSA~~ FCA may need to consider whether it should first use its *own-initiative powers* to impose requirements on a firm or to vary a firm's ~~Part IV~~ Part 4A permission before going on to cancel it. Amongst other circumstances, the ~~FSA~~ FCA may use this power where it considers it needs to take immediate action against a *firm* because of the urgency and seriousness of the situation.
- 8.16 Where the situation appears so urgent and serious that the *firm* should immediately cease to carry on all *regulated activities*, the ~~FSA~~ FCA may first vary the *firm's ~~Part IV~~ Part 4A permission* so that there is no longer any *regulated activity* for which the *firm* has a ~~Part IV~~ Part 4A permission. If it does this, the ~~FSA~~ FCA will then have a duty to cancel the *firm's ~~Part IV~~ Part 4A permission* - once it is satisfied that it is no longer necessary to keep the ~~Part IV~~ Part 4A permission in force.
- 8.17 However, where the ~~FSA~~ FCA has cancelled a *firm's ~~Part IV~~ Part 4A permission*, it is required by section 33 of the *Act* to go on to give a direction withdrawing the *firm's authorisation*. Accordingly, the ~~FSA~~ FCA may decide to keep a *firm's ~~Part IV~~ Part 4A permission* in force to maintain the *firm's* status as an *authorised person* and enable it (the ~~FSA~~ FCA) to monitor the *firm's* activities. An example is where the ~~FSA~~ FCA needs to supervise an orderly winding down of the *firm's* regulated business (see SUP 6.4.22G (When will the ~~FSA~~ relevant regulator grant an application for cancellation of *permission*)). Alternatively, the ~~FSA~~ FCA may decide to keep a *firm's ~~Part IV~~ Part 4A permission* in force to maintain the *firm's* status as an *authorised person* to use administrative enforcement powers against the *firm*.

**Exercising the power under section 47 55Q to vary or cancel a firm's ~~Part IV~~ Part 4A permission or to impose requirements on a firm in support of an overseas regulator: the ~~FSA's~~ FCA's policy**

- 8.18 The ~~FSA~~ FCA has a power under section 47 55Q to vary, or alternatively cancel, a *firm's ~~Part IV~~ Part 4A permission*, or to impose requirements on a firm, in support of an *overseas regulator*. Section 47(3), (4) and (5) 55Q(4), (5) and (6) set out matters the ~~FSA~~ FCA may, or must, take into account when it considers whether to exercise these powers. The circumstances in which the ~~FSA~~ FCA may consider varying a *firm's ~~Part IV~~ Part 4A permission* or imposing requirements in support of an *overseas regulator* depend on whether the ~~FSA~~ FCA is required to consider exercising the power in order to comply with a Community obligation. This reflects the fact that under section 47 55Q, if a relevant *overseas regulator* acting under prescribed provisions has made a request to the ~~FSA~~ FCA for the exercise of its *own-initiative power* to vary or cancel a ~~Part IV~~ Part 4A permission or to impose requirements, the ~~FSA~~ FCA must consider whether it must exercise the power in order to comply with a Community obligation.

- 8.19 Relevant Community obligations which the ~~FSA~~ FCA may need to consider include those under the Banking Consolidation Directive, the Insurance Directives, the Investment Services Directive/Markets in Financial Instruments Directive; and the Insurance Mediation Directive. Each of these Directives imposes general obligations on the relevant *EEA competent authority* to cooperate and collaborate closely in discharging their functions under the Directives.
- 8.20 The ~~FSA~~ FCA views this cooperation and collaboration as essential to effective regulation of the international market in financial services. It will therefore exercise its *own-initiative* ~~power~~ powers wherever:
- ...
- 8.21 The ~~FSA~~ FCA will actively consider any other requests for assistance from relevant *overseas regulators* (that is requests in relation to which it is not obliged to act under a Community obligation). Section 47(4) 55Q(5), which sets out matters the ~~FSA~~ FCA may take into account when it decides whether to vary or cancel a *firm's* ~~Part IV~~ Part 4A permission or to impose requirements on a firm in support of the *overseas regulator*, applies in these circumstances.
- 8.22 Where section 47(4) 55Q(5) applies and the ~~FSA~~ FCA is considering whether to vary a *firm's* ~~Part IV~~ Part 4A permission or to impose requirements on a firm, it may take account of all the factors described in paragraphs 8.18 to 8.25 but may give particular weight to:
- (1) the matters set out in paragraphs (c) and (d) of section 47(4) 55Q(5) (seriousness, importance to persons in the United Kingdom, and the public interest); and
  - (2) any specific request made to it by the *overseas regulator* to impose requirements or to vary, rather than cancel, the *firm's* ~~Part IV~~ Part 4A permission.
- 8.23 The ~~FSA~~ FCA will give careful consideration to whether the relevant authority's concerns would provide grounds for the ~~FSA~~ FCA to exercise its *own-initiative* ~~power~~ powers to vary, impose requirements or cancel if they related to a UK *firm*. It is not necessary for the ~~FSA~~ FCA to be satisfied that the overseas provisions being enforced mirror precisely those which apply to UK *firms*. However, the ~~FSA~~ FCA will not assist in the enforcement of regulatory requirements or other provisions that appear to extend significantly beyond the purposes of *UK regulatory provisions*.
- 8.24 Similarly, the ~~FSA~~ FCA will not need to be satisfied that precisely the same assistance would be provided to the United Kingdom in precisely the same situation. However, it will wish to be confident that the relevant authorities in the jurisdiction concerned would have powers available to them to provide broadly similar assistance in aid of UK authorities, and would be willing properly to consider exercising those powers. The ~~FSA~~ FCA may decide, under section 47(5) 55Q(6), not to exercise its *own-initiative* ~~power~~ powers to vary or cancel in response to a request unless the regulator concerned undertakes to make whatever contribution towards the cost of its exercise the ~~FSA~~ FCA considers appropriate.

- 8.25 Paragraphs ~~8.10~~ 8.11 and 8.12 set out some examples of *limitations* and *requirements* the FSA FCA may impose when exercising its section 47 ~~power to vary a firm's Part IV permission~~ 55Q powers.

**The FSA's FCA's policy on exercising its power of intervention against incoming firms under section 196 of the Act**

- 8.26 The FSA FCA adopts a similar approach to the exercise of its *power of intervention* under section 196 as it does to its *own-initiative powers* to vary ~~Part IV~~ Part 4A permission or impose requirements, but with suitable modification for the differences in the statutory grounds for exercising the powers. Consequently the factors and considerations set out in paragraphs 8.1B to 8.12 and 8.18 to 8.25 may also be relevant when the FSA FCA is considering regulatory concerns about *incoming firms*.
- 8.27 When it is considering action against an *incoming firm*, the FSA FCA will co-operate with the *firm's Home State regulator* as appropriate, including notifying and informing the *firm's Home State regulator* as required by the relevant section of the *Act*.

## 9 Prohibition Orders and withdrawal of approval

### Introduction

- 9.1 The FSA's FCA's power under section 56 of the *Act* to prohibit individuals who are not fit and proper from carrying out functions in relation to *regulated activities* helps the FSA FCA to work towards achieving its ~~regulatory~~ statutory objectives. The FSA FCA may exercise this power to make a *prohibition order* where it considers that, to achieve any of those objectives, it is appropriate either to prevent an individual from performing any function in relation to *regulated activities*, or to restrict the functions which he may perform.
- 9.2 The FSA's FCA's effective use of the power under section 63 of the *Act* to withdraw approval from an *approved person* will also help ensure high standards of regulatory conduct by preventing an *approved person* from continuing to perform the *controlled function* to which the approval relates if he is not a fit and proper person to perform that function. Where it considers this is appropriate, the FSA FCA may prohibit an *approved person*, in addition to withdrawing their approval.

### The FSA's FCA's general policy in this area

- 9.3 In deciding whether to make a *prohibition order* and/or, in the case of an *approved person*, to withdraw its approval, the FSA FCA will consider all the relevant circumstances including whether other enforcement action should be taken or has been taken already against that individual by the FSA FCA. As is noted below, in some cases the FSA FCA may take other enforcement action against the individual in addition to seeking a *prohibition order* and/or withdrawing its approval. The FSA

FCA will also consider whether enforcement action has been taken against the individual by other enforcement agencies or *designated professional bodies*.

- 9.4 The FSA FCA has the power to make a range of *prohibition orders* depending on the circumstances of each case and the range of *regulated activities* to which the individual's lack of fitness and propriety is relevant. Depending on the circumstances of each case, the FSA FCA may seek to prohibit individuals from performing any class of function in relation to any class of *regulated activity*, or it may limit the *prohibition order* to specific functions in relation to specific *regulated activities*. The FSA FCA may also make an order prohibiting an individual from being employed by a particular *firm*, type of *firm* or any *firm*.

...

- 9.6 Where the FSA FCA issues a *prohibition order*, it may indicate in the *decision notice* or *final notice* that it would be minded to revoke the order on the application of the individual in the future, in the absence of new evidence that the individual is not fit and proper. If the FSA FCA gives such an indication, it will specify the number of years after which it would be minded to revoke or vary the prohibition on an application. However, the FSA FCA will only adopt this approach in cases where it considers it appropriate in all the circumstances. In deciding whether to adopt this approach, the factors the FSA FCA may take into account include, but are not limited to, where appropriate, the factors at paragraphs 9.9 and at 9.17. The FSA FCA would not be obliged to revoke an order after the specified period even where it gave such an indication. Further, if an individual's *prohibition order* is revoked, he would still have to satisfy the FSA FCA as to his fitness for a particular role in relation to any future application for approval to perform a *controlled function*.

- 9.7 Paragraphs 9.8 to 9.14 set out additional guidance on the FSA's FCA's approach to making *prohibition orders* against *approved persons* and/or withdrawing such persons' approvals. Paragraphs 9.17 to 9.18 set out additional guidance on the FSA's FCA's approach to making *prohibition orders* against other individuals.

### **Prohibition orders and withdrawal of approval - approved persons**

- 9.8 When the FSA FCA has concerns about the fitness and propriety of an *approved person*, it may consider whether it should prohibit that person from performing functions in relation to *regulated activities*, withdraw its approval, or both. In deciding whether to withdraw its approval and/or make a *prohibition order*, the FSA FCA will consider in each case whether its ~~regulatory~~ *statutory objectives* can be achieved adequately by imposing disciplinary sanctions, for example, *public censures* or financial penalties, or by issuing a private warning.
- 9.9 When it decides whether to make a *prohibition order* against an *approved person* and/or withdraw its approval, the FSA FCA will consider all the relevant circumstances of the case. These may include, but are not limited to those set out below.

...

- (3) Whether, and to what extent, the *approved person* has:
- (a) failed to comply with the *Statements of Principle* issued by the ~~FSA~~ FCA with respect to the conduct of *approved persons*; or

...

...

- (9) The previous disciplinary record and general compliance history of the individual including whether the ~~FSA~~ FCA, any *previous regulator*, *designated professional body* or other domestic or international regulator has previously imposed a disciplinary sanction on the individual.

9.10 The ~~FSA~~ FCA may have regard to the cumulative effect of a number of factors which, when considered in isolation, may not be sufficient to show that the individual is not fit and proper to continue to perform a *controlled function* or other function in relation to *regulated activities*. It may also take account of the particular *controlled function* which an *approved person* is performing for a *firm*, the nature and activities of the *firm* concerned and the markets within which it operates.

9.11 Due to the diverse nature of the activities and functions which the ~~FSA~~ FCA regulates, it is not possible to produce a definitive list of matters which the ~~FSA~~ FCA might take into account when considering whether an individual is not a fit and proper person to perform a particular, or any, function in relation to a particular, or any, *firm*.

9.12 The following are examples of types of behaviour which have previously resulted in the ~~FSA~~ FCA deciding to issue a *prohibition order* or withdraw the approval of an *approved person*:

- (1) Providing false or misleading information to the ~~FSA~~ FCA; including information relating to identity, ability to work in the United Kingdom, and business arrangements;

...

9.13 Certain matters that do not fit squarely, or at all, within the matters referred to above may also fall to be considered. In these circumstances the ~~FSA~~ FCA will consider whether the conduct or matter in question is relevant to the individual's fitness and propriety.

...

9.14A The FCA will consult the PRA before withdrawing an approval given by the PRA.

#### **Prohibition orders against exempt persons and members of professional firms**

9.15 In cases where it is considering whether to exercise its power to make a *prohibition order* against an individual performing functions in relation to *exempt regulated activities* by virtue of an exemption from the *general prohibition* under Part XX of

the *Act*, the ~~FSA~~ FCA will consider whether the particular unfitness might be more appropriately dealt with by making an order disapplying the exemption using its power under section 329 of the *Act*. In most cases where the ~~FSA~~ FCA is concerned about the fitness and propriety of a specific individual in relation to *exempt regulated activities* by virtue of an exemption under Part XX of the *Act*, it will be more appropriate to make an order prohibiting the individual from performing functions in relation to *exempt regulated activities* than to make a disapplication order.

- 9.16 When considering whether to exercise its power to make a *prohibition order* against an *exempt person*, the ~~FSA~~ FCA will consider all relevant circumstances including, where appropriate, the factors set out in paragraph 9.9.

#### **Prohibition orders against other individuals**

- 9.17 Where the ~~FSA~~ FCA is considering making a *prohibition order* against an individual other than an individual referred to in paragraphs 9.8 to 9.14, the ~~FSA~~ FCA will consider the severity of the risk posed by the individual, and may prohibit the individual where it considers this is appropriate to achieve one or more of its *regulatory statutory objectives*.

- 9.18 When considering whether to exercise its power to make a *prohibition order* against such an individual, the ~~FSA~~ FCA will consider all the relevant circumstances of the case. These may include, but are not limited to, where appropriate, the factors set out in paragraph 9.9.

#### **Applications for variation or revocation of prohibition orders**

- 9.19 When considering whether to grant or refuse an application to revoke or vary a *prohibition order*, the ~~FSA~~ FCA will consider all the relevant circumstances of a case. These may include, but are not limited to:

...

- (4) any evidence which, had it been known to the ~~FSA~~ FCA at the time, would have been relevant to the ~~FSA's~~ FCA's decision to make the *prohibition order*;

...

- (6) where the ~~FSA's~~ FCA's finding of unfitness arose from incompetence rather than from dishonesty or lack of integrity, evidence that this unfitness has been or will be remedied; for example, this may be achieved by the satisfactory completion of relevant training and obtaining relevant qualifications, or by supervision of the individual by his employer;

...

- 9.20 When considering whether to grant or refuse an application to revoke or vary a *prohibition order*, the ~~FSA~~ FCA will take into account any indication given by the

~~FSA~~ FCA in the *final notice* that it is minded to revoke or vary the *prohibition order* on application after a certain number of years (see paragraph 9.6).

- 9.21 If the individual applying for a revocation or variation of a *prohibition order* proposes to take up an offer of employment to perform a *controlled function*, the *approved persons* regime will also apply to him. In these cases, the *firm* concerned will be required to apply to the ~~FSA~~ FCA for approval of that individual's employment in that capacity. The ~~FSA~~ FCA will assess the individual's fitness and propriety to perform *controlled functions* on the basis of the criteria set out in *FIT* 2.1 (Honesty, integrity and reputation); *FIT* 2.2 (Competence and capability) and *FIT* 2.3 (Financial soundness).
- 9.22 The ~~FSA~~ FCA will not generally grant an application to vary or revoke a *prohibition order* unless it is satisfied that: the proposed variation will not result in a reoccurrence of the risk to *consumers* or confidence in the *financial system* that resulted in the order being made; and the individual is fit to perform functions in relation to *regulated activities* generally, or to those specific *regulated activities* in relation to which the individual has been prohibited.
- 9.22A The FCA will consult the PRA before varying or revoking a prohibition order if, as a result of the variation or revocation, an individual will either be prohibited from, or no longer be prohibited from, a function of interest to the PRA as defined at section 56(7B) of the Act.

**Other powers that may be relevant when the ~~FSA~~ FCA is considering whether to exercise its power to make a prohibition order**

- 9.23 In appropriate cases, the ~~FSA~~ FCA may take other action against an individual in addition to making a *prohibition order* and/or withdrawing its approval, including the use of its powers to: impose a financial penalty or issue a *public censure*; apply for an *injunction* to prevent dissipation of assets; stop any continuing misconduct; order restitution; apply for an insolvency order or an order against debt avoidance; and/or prosecute certain criminal offences.

**The effect of the ~~FSA's~~ FCA's decision to make a prohibition order**

- 9.24 The ~~FSA~~ FCA may consider taking disciplinary action against a *firm* that has not taken reasonable care, as required by section 56(6) of the *Act*, to ensure that none of that *firm's* functions in relation to carrying on of a *regulated activity* is performed by a *person* who is prohibited from performing the function by a *prohibition order*. The ~~FSA~~ FCA considers that a search by a *firm* of the ~~FSA~~ Financial Services Register is an essential part of the statutory duty to take reasonable care to ensure that *firms* do not employ or otherwise permit prohibited individuals to perform functions in relation to *regulated activities*. In addition, the ~~FSA~~ FCA expects firms to check the ~~FSA~~ Financial Services Register when making applications for approval under section 59 of the *Act*. More generally, if a *firm's* search of the ~~FSA~~ Financial Services Register reveals no record of a *prohibition order*, the ~~FSA~~ FCA will consider taking action for breach of section 56(6) only where the *firm* had access to other information indicating that a *prohibition order* had been made.

### The effect of the FSA's FCA's decision to withdraw approval

- 9.25 When the FSA's FCA's decision to withdraw an approval has become effective, the position of the *firm* which applied for that approval depends on whether it directly employs the *person* concerned, or whether the *person* is employed by one of its contractors.
- 9.26 Section 59(1) is relevant where the *firm* directly employs the *person* concerned. Under the provision, a firm ('A') must take reasonable care to ensure that no *person* performs a *controlled function* under an *arrangement* entered into by A in relation to the carrying on by it of a *regulated activity*, unless the FSA appropriate regulator (as defined in section 59(4) of the *Act*) approves the performance by that *person* of the *controlled function* to which the approval relates. Therefore, if the *firm* continues to employ the *person* concerned to carry out a *controlled function*, it will be in breach of section 59(1) and the FSA FCA may take enforcement action against it (save where the *firm* concerned is a PRA-*authorised person* and the approval concerned falls to be given by the PRA).
- 9.27 Section 59(2) is relevant where the *person* is employed by a contractor of the *firm*. It requires a *firm* ('A') to take reasonable care to ensure that no *person* performs a *controlled function* under an arrangement entered into by a contractor of A in relation to the carrying on by A of a *regulated activity*, unless the FSA appropriate regulator (as defined in section 59(4) of the *Act*) approves the performance by that *person* of the *controlled function* to which the approval relates. Therefore, if a contractor of the *firm* employs the *person* concerned, and the contractor continues to employ the *person* to carry out a *controlled function*, the *firm* itself will be in breach of section 59(2) unless it has taken reasonable care to ensure that this does not happen. The FSA FCA may take enforcement action against a *firm* that breaches this requirement (save where the *firm* concerned is a PRA-*authorised person* and the approval concerned falls to be given by the PRA).

...

## 10 Injunctions

- 10.1A Decisions about whether to apply to the civil courts for injunctions under the *Act* will be made by the RDC Chairman or, in an urgent case and if the Chairman is not available, by an RDC Deputy Chairman. In an exceptionally urgent case the matter will be decided by the director of Enforcement or, in his or her absence, another member of the FSA's FCA's executive of at least director of division level.
- 10.1B An exceptionally urgent case in these circumstances is one where the FSA FCA staff believe that a decision to begin proceedings

...

- 10.1 The orders the court may make following an application by the FSA FCA under the powers referred to in this chapter are generally known in England and Wales as *injunctions*, and in Scotland as *interdicts*. In the chapter, the word '*injunction*' and the word '*order*' also mean '*interdict*'. The FSA's FCA's effective use of these powers will

help it work towards its ~~regulatory~~ operational objectives, in particular, those of ~~protecting~~ securing an appropriate degree of protection for consumers, ~~maintaining confidence in~~ protecting and enhancing the integrity of the UK financial system and ~~reducing financial crime~~ promoting effective competition in the interests of consumers in the markets.

**Section 380 (injunctions for breaches of relevant requirements<sup>9</sup>) and section 381 (injunctions in cases of market abuse): the FSA's FCA's policy**

- 10.2 The court may make three types of order under these provisions: to restrain a course of conduct, to take steps to remedy a course of conduct and to secure assets. As is explained below, the court may also make an order freezing assets under its inherent jurisdiction. In certain cases, the ~~FSA~~ FCA may seek only one type of order, although in others it may seek several.
- 10.3 The broad test the ~~FSA~~ FCA will apply when it decides whether to seek an *injunction* is whether the application would be the most effective way to deal with the ~~FSA's~~ FCA's concerns. In deciding whether an application for an *injunction* is appropriate in a given case, the ~~FSA~~ FCA will consider all relevant circumstances and may take into account a wide range of factors. The following list of factors is not exhaustive; not all the factors will be relevant in a particular case and there may be other factors that are relevant.

...

- (3) Whether the conduct in question has stopped or is likely to stop and whether steps have been taken or will be taken by the *person* concerned to ensure that the interests of *consumers* are adequately protected. For example, an application for an *injunction* may be appropriate where the ~~FSA~~ FCA has grounds for believing that a contravention of a relevant requirement, *market abuse* or both may continue or be repeated. It is likely to have grounds to believe this where, for example, the *Takeover Panel* has requested that a person stop a particular course of conduct and that *person* has not done so.
- (4) Whether there are steps a *person* could take to remedy a contravention of a relevant requirement or *market abuse*. The steps the ~~FSA~~ FCA may require a *person* to take will vary according to the circumstances but may include the withdrawal of a misleading *financial promotion* or publishing a correction, writing to clients or investors to notify them of ~~FSA~~ FCA action, providing financial redress and repatriating funds from an overseas jurisdiction. An

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<sup>9</sup> Under sections 380(6)(a) and (7)(a), a 'relevant requirement' in relation to an application by the appropriate regulator means a requirement: which is imposed by or under the Act or by any directly applicable Community regulation made under MiFID or the UCITS directive or by the auction regulation a qualifying EU provision specified, or of a description specified, for the purpose of subsection 380(6) by the Treasury by order; or which is imposed by or under any other Act and whose contravention constitutes an offence which the FSA has power to prosecute under the Act (or in the case of Scotland, which is imposed by or under any other Act) and whose contravention constitutes an offence under Part V of the Criminal Justice Act 1993 or under the Money Laundering Regulations mentioned in section 402(1) of the Act. The definition of "appropriate regulator" is set out in subsections 380(8) to (12) of the Act.

application by the ~~FSA~~ FCA to the court under section 380(2) or 381(2) for an order requiring a *person* to take such steps may not be appropriate if, for example, that *person* has already taken or proposes to take appropriate remedial steps at his own initiative or under a ruling imposed by another regulatory authority (such as the *Takeover Panel* or a *recognised investment exchange*). If another authority has identified the relevant steps and the *person* concerned has failed to take them, the ~~FSA~~ FCA will take this into account and (subject to all other relevant factors and circumstances) may consider it is appropriate to apply for an *injunction*. In those cases the ~~FSA~~ FCA may consult with the relevant regulatory authority before applying for an *injunction*.

- (5) Whether there is a danger of assets being dissipated. The main purpose of an application under section 380(3), sections 381(3) and (4) or pursuant to the court's inherent jurisdiction, is likely to be to safeguard funds containing *client* assets (e.g. *client* accounts) and/or funds and other assets from which restitution may be made. The ~~FSA~~ FCA may seek an *injunction* to secure assets while a suspected contravention is being investigated or where it has information suggesting that a contravention is about to take place.
- (6) The costs the ~~FSA~~ FCA would incur in applying for and enforcing an *injunction* and the benefits that would result. There may be other cases which require the ~~FSA's~~ FCA's attention and take a higher priority, due to the nature and seriousness of the breaches concerned. There may, therefore, be occasions on which the ~~FSA~~ FCA considers that time and resources should not be diverted from other cases in order to make an application for an *injunction*. These factors reflect the ~~FSA's~~ FCA's duty under the *Act* to have regard to the need to use its resources in the most efficient and economic way.
- (7) The disciplinary record and general compliance history of the *person* who is the subject of the possible application. This includes whether the ~~FSA~~ FCA (or a *previous regulator*) has taken any previous disciplinary, remedial or protective action against the *person*. It may also be relevant, for example, whether the *person* has previously given any undertakings to the ~~FSA~~ FCA (or any *previous regulator*) not to do a particular act or engage in particular behaviour and is in breach of those undertakings.
- ...
- (9) The extent to which another regulatory authority can adequately address the matter. Certain circumstances may give rise not only to possible enforcement action by the ~~FSA~~ FCA, but also to action by other regulatory authorities. The ~~FSA~~ FCA will examine the circumstances of each case, and consider whether it is appropriate for the ~~FSA~~ FCA to take action to address the relevant concern. In most cases the ~~FSA~~ FCA will consult with other relevant regulatory authorities before making an application for an order.
- ...

- (11) In any case where the ~~FSA~~ FCA is of the opinion that any potential exercise of its powers under section 381 may affect the timetable or the outcome of a *takeover bid*, the ~~FSA~~ FCA will consult the *Takeover Panel* before taking any steps to exercise these powers and will give due weight to its views.

### Asset-freezing injunctions

- 10.4 Where the ~~FSA~~ FCA applies to the court under section 380(3) or sections 381(3) and (4) of the *Act*, the ~~FSA~~ FCA may ask the court to exercise its inherent jurisdiction to make orders on an interim basis, restraining a *person* from disposing of, or otherwise dealing with, assets. To succeed in an application for such interim relief, the ~~FSA~~ FCA will have to show a good arguable case for the granting of the *injunction*. The ~~FSA~~ FCA will not have to show that a contravention has already occurred or may have already occurred.
- 10.5 The ~~FSA~~ FCA may request the court to exercise its inherent jurisdiction in cases, for example, where it has evidence showing that there is a reasonable likelihood that a *person* will contravene a requirement of the *Act* and that the contravention will result in the dissipation of assets belonging to investors.

### Other relevant powers

- 10.6 The ~~FSA~~ FCA has a range of powers it can use to take remedial, protective and disciplinary action against a *person* who has contravened a relevant requirement or engaged in *market abuse*, as well as its powers to seek *injunctions* under sections 380 and 381 of the *Act* and under the courts' inherent jurisdiction. Where appropriate, the ~~FSA~~ FCA may exercise these other powers before, at the same time as, or after it applies for an *injunction* against a *person*.
- 10.7 When, in relation to *firms*, the ~~FSA~~ FCA applies the broad test outlined in paragraph 10.3, it will consider the relative effectiveness of the other powers available to it, compared with injunctive relief. For example, where the ~~FSA~~ FCA has concerns about whether a *firm* will comply with restrictions that the ~~FSA~~ FCA could impose by exercising its *own-initiative powers*, it may decide it would be more appropriate to seek an *injunction*. This is because breaching any requirement imposed by the court could be punishable for contempt. Alternatively, where, for example, the ~~FSA~~ FCA has already imposed requirements on a *firm* by exercising its *own-initiative powers* and these requirements have not been met, the ~~FSA~~ FCA may seek an *injunction* to enforce those requirements.
- 10.8 The ~~FSA's~~ FCA's *own-initiative powers* do not apply to *unauthorised persons*. This means that an application for an *injunction* is the only power by which the ~~FSA~~ FCA may seek directly to prevent *unauthorised persons* from actual or threatened breaches or *market abuse*. The ~~FSA~~ FCA will decide whether an application against an *unauthorised person* is appropriate, in accordance with the approach discussed in paragraph 10.3. The ~~FSA~~ FCA may also seek an *injunction* to secure assets where it intends to use its insolvency powers against an *unauthorised person*.
- 10.9 In certain cases, conduct that may be the subject of an *injunction* application will also be an offence which the ~~FSA~~ FCA has power to prosecute under the *Act*. In those

cases, the ~~FSA~~ FCA will consider whether it is appropriate to prosecute the offence in question, as well as applying for *injunctions* under section 380, section 381, or both.

- 10.10 Where the ~~FSA~~ FCA exercises its powers under section 380, section 381 and/or invokes the court's inherent jurisdiction to obtain an order restraining the disposal of assets, it may also apply to the court for a restitution order for the distribution of those assets.

### **Section 198: the ~~FSA's~~ FCA's policy**

- 10.11 Under section 198 of the *Act* the ~~FSA~~ FCA has power to apply to court on behalf of the *Home State regulator* of certain *incoming EEA firms* for an *injunction* restraining the *incoming EEA firm* from disposing of, or otherwise dealing with, any of its assets. The ~~FSA~~ FCA will consider exercising this power only where a request from a *Home State regulator* satisfies the requirements of section 198(1).

### **Applications for injunctions under regulation 12 of the Unfair Terms Regulations: the ~~FSA's~~ FCA's policy**

- 10.12 If the ~~FSA~~ FCA decides to address issues using its powers under the *Unfair Terms Regulations*, and the contract is within its scope as described in the ~~FSA's~~ FCA's Regulatory Guide on these powers,<sup>10</sup> it will, unless the case is urgent, generally first write to the *person* expressing its concerns about the potential unfairness within the meaning of the *Unfair Terms Regulations* of a term or terms in the *person's* contract and inviting the *person's* comments on those concerns. If the ~~FSA~~ FCA remains of the view that the term is unfair within the meaning of the *Unfair Terms Regulations*, it will normally ask the *person* to undertake to stop including the term in new contracts and stop relying on it in contracts which have been concluded.
- 10.13 If the *person* either declines to give an undertaking, or gives such an undertaking and fails to follow it, the ~~FSA~~ FCA will consider the need to apply to court for an *injunction* under regulation 12 of the *Unfair Terms Regulations*.
- 10.14 In determining whether to seek an *injunction* against a *person*, the ~~FSA~~ FCA will consider the full circumstances of each case. A number of factors may be relevant for this purpose. The following list is not exhaustive; not all of the factors may be relevant in a particular case, and there may be other factors that are relevant.

- (1) whether the ~~FSA~~ FCA is satisfied that the contract term which is the subject of the complaint may properly be regarded as unfair within the meaning of the *Unfair Terms Regulations*;

...

- (3) whether the *person* has fully cooperated with the ~~FSA~~ FCA in resolving the ~~FSA~~ FCA's concerns about the fairness of the particular contract term;

...

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<sup>10</sup> <http://fshandbook.info/FS/html/handbook/UNFCOG> <http://fshandbook.info/FS/html/FCA/UNFCOG>

- (5) the costs the ~~FSA~~ FCA would incur in applying for and enforcing an *injunction* and the benefits that would result from that action; the ~~FSA~~ FCA is more likely to be satisfied that an application is appropriate where an *injunction* would not only prevent the continued use of the particular contract term, but would also be likely to prevent the use or continued use of similar terms, or terms having the same effect, used or recommended by other *firms* concluding contracts with *consumers*.

- 10.15 In an urgent case, the ~~FSA~~ FCA may seek a temporary *injunction*, to prevent the continued use of the term until the fairness of the term could be fully considered by the court. An urgent case is one in which the ~~FSA~~ FCA considers that the actual or potential detriment is so serious that urgent action is necessary. In deciding whether to apply for a temporary *injunction*, the ~~FSA~~ FCA may take into account a number of factors, including one or more of the factors set out in paragraph 10.14. In such an urgent case, the ~~FSA~~ FCA may seek a temporary injunction without first consulting with the *person*.

...

- 10.18 When the ~~FSA~~ FCA considers that a case requires enforcement action under the *Unfair Terms Regulations*, it will take the enforcement action itself if the *person* is a *firm* or an *appointed representative*.

- 10.19 Where the *person* is not a *firm* or an *appointed representative*, the ~~FSA~~ FCA will generally pass the case to the Office of Fair Trading, with a recommendation that it take the enforcement action. The Office of Fair Trading may then decide whether or not to take enforcement action.

#### **FSA FCA costs**

- 10.20 When it seeks an *injunction* under a power discussed in this chapter, the ~~FSA~~ FCA may ask the court to order that the *person* who is the subject of the application should pay the ~~FSA's~~ FCA's costs.

## **11 Restitution and redress**

### **Restitution orders under sections 382, 383 and 384 of the Act: the ~~FSA's~~ FCA's general approach**

- 11.1A Decisions about whether to apply to the civil courts for restitution orders under the *Act* will be made by the *RDC* Chairman or, in an urgent case and if the Chairman is not available, by an *RDC* Deputy Chairman. In an exceptionally urgent case the matter will be decided by the director of Enforcement or, in his or her absence, another member of the ~~FSA's~~ FCA's executive of at least director of division level.
- 11.1B An exceptionally urgent case in these circumstances is one where the ~~FSA~~ FCA staff believe that a decision to begin proceedings

...

- 11.1 The ~~FSA~~ FCA has power to apply to the court for a restitution order under section 382 of the *Act* and (in the case of *market abuse*) under section 383 of the *Act*. It also has an administrative power to require restitution under section 384 of the *Act*. When deciding whether to exercise these powers, the ~~FSA~~ FCA will consider whether this would be the best use of the ~~FSA's~~ FCA's limited resources taking into account, for example, the likely amount of any recovery and the costs of achieving and distributing any sums. It will also consider, before exercising its powers: other ways that *persons* might obtain redress, and whether it would be more efficient or cost-effective for them to use these means instead; and any proposals by the *person* concerned to offer redress to any *consumers* or other *persons* who have suffered loss, and the adequacy of those proposals. The ~~FSA~~ FCA expects, therefore, to exercise its formal restitution powers on rare occasions only.
- 11.2 Instances in which the ~~FSA~~ FCA might consider using its powers to obtain restitution for *market counterparties* are likely to be very limited.

### **Criteria for determining whether to exercise powers to obtain restitution**

- 11.3 In deciding whether to exercise its powers to seek or require restitution under sections 382, 383 or 384 of the *Act*, the ~~FSA~~ FCA will consider all the circumstances of the case. The factors which the ~~FSA~~ FCA will consider may include, but are not limited to, those set out below.

- (1) Are the profits quantifiable?

The ~~FSA~~ FCA will consider whether quantifiable profits have been made which are owed to identifiable *persons*. In certain circumstances it may be difficult to prove that the conduct in question has resulted in the *person* concerned making a profit. It may also be difficult to find out how much profit and to whom the profits are owed. In these cases it may not be appropriate for the ~~FSA~~ FCA to use its powers to obtain restitution.

- (2) Are the losses identifiable?

The ~~FSA~~ FCA will consider whether there are identifiable *persons* who can be shown to have suffered quantifiable losses or other adverse effects. In certain circumstances it may be difficult to establish the number and identity of those who have suffered loss as a result of the conduct in question. It may also prove difficult in those cases to establish the amount of that loss and whether the losses have arisen as a result of the conduct in question. In these cases it may not be appropriate for the ~~FSA~~ FCA to use its powers to obtain restitution.

- (3) The number of persons affected

The ~~FSA~~ FCA will consider the number of *persons* who have suffered loss or other adverse effects and the extent of those losses or adverse effects. Where the breach of a relevant requirement by a *person*, whether *authorised* or not, results in significant losses, or losses to a large number of *persons* which collectively are significant, it may be appropriate for the ~~FSA~~ FCA to use its powers to obtain restitution on their behalf. The ~~FSA~~ FCA anticipates that many individual losses resulting from breaches by *firms* may be more

efficiently and effectively redressed by *consumers* pursuing their claims directly with the firm concerned or through the *Financial Ombudsman Service* or the *compensation scheme* where the *firm* has ceased trading. However, where a large number of *persons* have been affected or the losses are substantial it may be more appropriate for the ~~FSA~~ FCA to seek or require restitution from a *firm*. In those cases the ~~FSA~~ FCA may consider combining an action seeking or requiring restitution from a *firm* or *unauthorised person* with disciplinary action or a criminal prosecution.

(4) ~~FSA~~ FCA costs

The ~~FSA~~ FCA will consider the cost of securing redress and whether these are justified by the benefit to *persons* that would result from that action. The ~~FSA~~ FCA will consider the costs of exercising its powers to obtain restitution and, in particular, the costs of any application to the court for an order for restitution, together with the size of any sums that might be recovered as a result. The costs of the action will, to a certain extent, depend on the nature and location of assets from which restitution may be made. In certain circumstances it may be possible for the ~~FSA~~ FCA to recover its costs of applying to the court for an order for restitution, or a proportion of those costs, from the party against whom a restitution order is obtained, though this would have the disadvantage of reducing the amount available to pay redress.

(5) Is redress available elsewhere?

The ~~FSA~~ FCA will consider the availability of redress through the *Financial Ombudsman Service* or the *compensation scheme*. This will be relevant where the loss has resulted from the conduct of a *firm*. It will not be relevant where losses have resulted from the conduct of *unauthorised persons* operating in breach of the *general prohibition*. The *Financial Ombudsman Service* and the *compensation scheme* (where the *firm* has ceased trading) may be a more efficient and effective method of redress in many cases. The *Financial Ombudsman Service* provides a way for some *consumers* to obtain redress. The *compensation scheme* may provide redress for some *consumers* and businesses. The ~~FSA's~~ FCA's power to obtain restitution is not intended to duplicate the functions of the *Ombudsman* or *compensation schemes* in those cases. However, in certain cases it will be more appropriate for the ~~FSA~~ FCA to pursue restitution. Further details of these schemes are set out in *COMP*.

(6) Is redress available through another regulator?

The ~~FSA~~ FCA will consider the availability of redress through another regulatory authority. Where another regulatory authority, such as *the Takeover Panel*, is in a position to require appropriate redress, the ~~FSA~~ FCA will not generally exercise its own powers to do so. If the ~~FSA~~ FCA does consider that action is appropriate and the matters in question have happened in the context of a *takeover bid*, the ~~FSA~~ FCA will only take action during the bid in the circumstances set out in *DEPP* 6.2.25G if the *person* concerned has responsibilities under the *Takeover Code*. If another *regulatory body* has required redress and a *person* has not met that requirement, the ~~FSA~~ FCA will

take this into account and (subject to all other relevant factors and circumstances) may consider it appropriate to take action to ensure that such redress is provided.

(7) Can persons bring their own proceedings?

The ~~FSA~~ FCA will consider whether *persons* who have suffered losses are able to bring their own civil proceedings. In certain circumstances it may be appropriate for *persons* to bring their own civil proceedings to recover losses. This might be the case where the *person* who has suffered loss is a *market counterparty* and so may be expected to have a high degree of financial experience and knowledge. When considering whether this might be a more appropriate method of obtaining redress, the ~~FSA~~ FCA will consider the costs to the *person* of bringing that action and the likelihood of success in relation to the size of any sums that may be recovered.

(8) Is the firm solvent?

The ~~FSA~~ FCA will consider the solvency of the *firm* or *unauthorised person* concerned. Where the solvency of the *firm* or *unauthorised person* would be placed at risk by the payment of restitution, the ~~FSA~~ FCA will consider whether it is appropriate to seek restitution. In those cases, the ~~FSA~~ FCA may consider obtaining a compulsory *insolvency order* against the *firm* or *unauthorised person* rather than restitution. When considering these options, the ~~FSA~~ FCA may also take account of the position of other creditors who may be prejudiced if the assets of the *firm* or *unauthorised person* are used to pay restitution payments prior to insolvency.

(9) What other powers are available to the ~~FSA~~ FCA?

The ~~FSA~~ FCA will consider the availability of its power to obtain a compulsory *insolvency order* against the *firm* or *unauthorised person* concerned or to apply to the court for the appointment of a receiver. In certain circumstances it may be appropriate for the ~~FSA~~ FCA to obtain an administration order, winding up order or bankruptcy order against a *firm* or *unauthorised person* carrying out *regulated activities* in breach of the *general prohibition*.

The ~~FSA~~ FCA may decide to exercise its power to obtain a compulsory *insolvency order* or to apply for the appointment of a receiver rather than to exercise its powers to obtain restitution. This could happen if the ~~FSA~~ FCA has particular concerns about a *person's* conduct, or financial position and, in particular, whether it is solvent (though the appointment by the court of a receiver is not conditional on the insolvency of the *person* concerned). The ~~FSA~~ FCA may also consider the cost of seeking compulsory *insolvency orders* which will be paid out of the assets of the *firm*, or of the *unauthorised person* concerned, compared to the cost of seeking restitution. In the case of *unauthorised persons* operating in breach of the *general prohibition*, a decision to apply for a compulsory *insolvency order* rather than restitution will depend on all the circumstances of the case. In particular, the ~~FSA~~ FCA may

consider the significance of the *unauthorised* activities compared to the whole of the business; the nature and conduct of the activities carried on in breach of the *general prohibition*; and the number and nature of the claims against the *person* or *firm* concerned. The ~~FSA's~~ FCA's powers to apply for compulsory *insolvency orders* are discussed in chapter 13 of this guide.

(10) The behaviour of the persons suffering loss

The ~~FSA~~ FCA will consider the conduct of the *persons* who have suffered loss. As part of its ~~regulatory~~ operational objective of securing an appropriate degree of protection for protecting consumers, the ~~FSA~~ FCA is required to publicise information about the *authorised* status of *persons* and is empowered to give information and guidance about the regulation of financial services. This information should help *consumers* avoid suffering losses. When the ~~FSA~~ FCA considers whether to obtain restitution on behalf of *persons*, it will consider the extent to which those *persons* may have contributed to their own loss or failed to take reasonable steps to protect their own interests.

(11) Other factors which may be relevant

The ~~FSA~~ FCA will consider the context of the conduct in question. In any case where the ~~FSA~~ FCA believes that the exercise of its powers under section 383 or 384 of the *Act* may affect the timetable or outcome of a *takeover bid*, it will consult the *Takeover Panel* before taking any steps to exercise such powers, and will give due weight to its views.

Where the ~~FSA~~ FCA is considering applying to court for a restitution order in relation to *market abuse* under section 383 of the *Act*, it will also consider whether the court would be prevented from making that order by section 383(3) of the *Act*. A similar provision to section 383(3) applies where the ~~FSA~~ FCA proposes to exercise its powers to require restitution in relation to market abuse under section 384(2). The conditions set out in section 383(3)(a) and section 384(a) and (b) are the same as those that apply to penalties for *market abuse* and the ~~FSA~~ FCA will take the same factors into account when considering whether the conditions have been met. *DEPP* 6.3 lists those factors.

### The ~~FSA's~~ FCA's choice of powers

- 11.4 In cases where it is appropriate to exercise its powers to obtain restitution from *firms*, the ~~FSA~~ FCA will first consider using its own administrative powers under section 384 of the *Act* before considering taking court action.
- 11.5 However, there may be circumstances in which the ~~FSA~~ FCA will choose to use the powers under section 382 or section 383 of the *Act* to apply to the court for an order for restitution against a *firm*. Those circumstances may include, for example, where:
- (1) the ~~FSA~~ FCA wishes to combine an application for an order for restitution with other court action against the *firm*, for example, where it wishes to apply to the court for an *injunction* to prevent the *firm* breaching a relevant

requirement of the *Act* or any directly applicable Community regulation or decision made under *MiFID* or the *UCITS Directive* or the *auction regulation*; the FSA's *FCA*'s powers to apply for *injunctions* restraining *firms* from breaching one of those relevant requirements are discussed in chapter 10 of this guide;

- (2) the FSA *FCA* wishes to bring related court proceedings against an *unauthorised person* where the factual basis of those proceedings is likely to be the same as the claim for restitution against the *firm*;
- (3) there is a danger that the assets of the *firm* may be dissipated; in those cases, the FSA *FCA* may wish to combine an application to the court for an order for restitution with an application for an asset-freezing *injunction* to prevent assets from being dissipated; or
- (4) the FSA *FCA* suspects that the *firm* may not comply with an administrative requirement to give restitution; in those cases the FSA *FCA* may consider that the sanction for breach of a court order may be needed to ensure compliance; a *person* who fails to comply with a court order may be in contempt of court and is liable to imprisonment, to a fine and/or to have his assets seized.

### **Determining the amount of restitution**

- 11.6 The FSA *FCA* may obtain information relating to the amount of profits made and/or losses or other adverse effects resulting from the conduct of *firms* or *unauthorised persons* as a result of the exercise of its powers to appoint investigators under sections 167 or 168 of the *Act*.
- 11.7 As well as obtaining information through the appointment of investigators, the FSA *FCA* may consider using its power under section 166 of the *Act* to require a *firm* to provide a report prepared by a *skilled person* or appoint a *skilled person* itself to prepare a report. That report may be requested to help the FSA *FCA* to:

...

### **Other relevant powers**

- 11.8 The FSA *FCA* may apply to the court for an *injunction* if it appears that a *person*, whether *authorised* or not, is reasonably likely to breach a requirement of the *Act* or any directly applicable Community regulation or decision under *MiFID* or the *UCITS Directive* or the *auction regulation*, or engage in *market abuse*. It can also apply for an *injunction* if a *person* has breached one of those requirements or has engaged in *market abuse* and is likely to continue doing so.
- 11.9 The FSA *FCA* may consider taking action for a financial penalty or *public censure*, as well as seeking restitution, if a *person* has breached a relevant requirement of the *Act* or any directly applicable Community regulation or decision under *MiFID* or the *UCITS Directive* or the *auction regulation*, or has engaged in, or *required or encouraged* others to engage in, *market abuse*.

- 11.10 The ~~FSA~~ FCA may consider exercising its power to prosecute offences under the *Act*, as well as applying to seek restitution if a *person* has breached certain requirements of the *Act*.

## 12 Prosecution of Criminal Offences

### The ~~FSA's~~ FCA's general approach

- 12.1 The ~~FSA~~ FCA has powers under sections 401 and 402 of the *Act* to prosecute a range of criminal offences in England, Wales and Northern Ireland. The ~~FSA~~ FCA may also prosecute criminal offences where to do so would be consistent with meeting any of its statutory objectives.
- 12.2 The ~~FSA's~~ FCA's general policy is to pursue through the criminal justice system all those cases where criminal prosecution is appropriate. When it decides whether to bring criminal proceedings in England, Wales or Northern Ireland, or to refer the matter to another prosecuting authority in England, Wales or Northern Ireland (see paragraph 12.11), it will apply the basic principles set out in the Code for Crown Prosecutors.<sup>11</sup> When considering whether to prosecute a breach of the *Money Laundering Regulations*, the ~~FSA~~ FCA will also have regard to whether the person concerned has followed the Guidance for the UK financial sector issued by the Joint Money Laundering Steering Group.
- 12.3 The ~~FSA's~~ FCA's approach when deciding whether to commence criminal proceedings for *misleading statements and practices offences* and *insider dealing offences*, where the ~~FSA~~ FCA also has power to impose a sanction for *market abuse*, is discussed further in paragraphs 12.7 to 12.10.
- 12.4 In cases where criminal proceedings have commenced or will be commenced, the ~~FSA~~ FCA may consider whether also to take civil or regulatory action (for example where this is appropriate for the protection of *consumers*) and how such action should be pursued. That action might include: applying to court for an *injunction*; applying to court for a restitution order; variation and/or cancellation of *permission*; and prohibition of individuals. The factors the ~~FSA~~ FCA may take into account when deciding whether to take such action, where criminal proceedings are in contemplation, include, but are not limited to the following:
- (1) whether, in the ~~FSA's~~ FCA's opinion, the taking of civil or regulatory action might unfairly prejudice the prosecution, or proposed prosecution, of criminal offences;
  - (2) whether, in the ~~FSA's~~ FCA's opinion, the taking of civil or regulatory action might unfairly prejudice the defendants in the criminal proceedings in the conduct of their defence; and

...

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<sup>11</sup> [http://www.cps.gov.uk/publications/code\\_for\\_crown\\_prosecutors/](http://www.cps.gov.uk/publications/code_for_crown_prosecutors/)

- 12.4A Subject to 12.4C, a decision to commence criminal proceedings will be made by the *RDC* Chairman or, in an urgent case and if the Chairman is not available, by an *RDC* Deputy Chairman. In an exceptionally urgent case the matter will be decided by the director of Enforcement or, in his or her absence, another member of the ~~FSA's~~ FCA's executive of at least director of division level.
- 12.4B An exceptionally urgent case in these circumstances is one where the ~~FSA~~ FCA staff believe that a decision to begin proceedings
- ...
- 12.4C Decisions about whether to initiate criminal proceedings under the Building Societies Act 1986, the Friendly Societies Acts 1974 and 1992, the Credit Unions Act 1979, the Industrial and Provident Societies Act 1965 and the Friendly and Industrial and Provident Societies Act 1968 may either be taken by the procedure described in paragraph 12.4A above or under *executive procedures*. The less serious the offence or its impact and the less complex the issues raised, the more likely that the ~~FSA~~ FCA will take the decision to prosecute under *executive procedures*.

#### **~~FSA~~ FCA cautions**

- 12.5 In some cases, the ~~FSA~~ FCA may decide to issue a formal caution rather than to prosecute an offender. In these cases the ~~FSA~~ FCA will follow the Home Office Guidance on the cautioning of offenders, currently contained in the Home Office Circular 16/2008.
- 12.6 Where the ~~FSA~~ FCA decides to administer a formal caution, a record of the caution will be kept by the ~~FSA~~ FCA and on the Police National Computer. The ~~FSA~~ FCA will not publish the caution, but it will be available to parties with access to the Police National Computer. The issue of a caution may influence the ~~FSA~~ FCA and other prosecutors in their decision whether or not to prosecute the offender if he offends again. If the offender is a *firm* or an *approved person*, a caution given by the ~~FSA~~ FCA will form part of the *firm's* or *approved person's* regulatory record for the purposes of *DEPP* 6.2.1G(3). If relevant, the ~~FSA~~ FCA will take the caution into account in deciding whether to take disciplinary action for subsequent regulatory misconduct by the *firm* or the *approved person*. The ~~FSA~~ FCA may also take a caution into account when considering a *person's* honesty, integrity and reputation and his fitness or propriety to perform controlled or other functions in relation to *regulated activities* (see *FIT* 2.1.3G).

#### **Criminal prosecutions in cases of market abuse**

- 12.7 In some cases there will be instances of market misconduct that may arguably involve a breach of the criminal law as well as *market abuse* as defined in section 118 of the *Act*. When the ~~FSA~~ FCA decides whether to commence criminal proceedings rather than impose a sanction for *market abuse* in relation to that misconduct, it will apply the basic principles set out in the Code for Crown Prosecutors. When deciding whether to prosecute market misconduct which also falls within the definition of *market abuse*, application of these basic principles may involve consideration of some of the factors set out in paragraph 12.8.

12.8 The factors which the ~~FSA~~ FCA may consider when deciding whether to commence a criminal prosecution for market misconduct rather than impose a sanction for *market abuse* include, but are not limited to, the following:

...

- (9) the effect that a criminal prosecution may have on the prospects of securing redress for those who have suffered loss: where a criminal prosecution will have adverse effects on the solvency of a *firm* or individual in circumstances where loss has been suffered by *consumers*, the ~~FSA~~ FCA may decide that criminal proceedings are not appropriate;
- (10) whether the *person* is being or has been voluntarily cooperative with the ~~FSA~~ FCA in taking corrective measures; however, potential defendants will not avoid prosecution merely by fulfilling a statutory duty to take those measures;

...

- (12A) where the misconduct in question was carried out by two or more individuals acting together and one of the individuals provides information and gives full assistance in the ~~FSA's~~ FCA's prosecution of the other(s), the ~~FSA~~ FCA will take this co-operation into account when deciding whether to prosecute the individual who has assisted the ~~FSA~~ FCA or bring market abuse proceedings against him;

...

12.9 The importance attached by the ~~FSA~~ FCA to these factors will vary from case to case and the factors are not necessarily cumulative or exhaustive.

12.10 It is the ~~FSA's~~ FCA's policy not to impose a sanction for *market abuse* where a *person* is being prosecuted for market misconduct or has been finally convicted or acquitted of market misconduct (following the exhaustion of all appeal processes) in a criminal prosecution arising from substantially the same allegations. Similarly, it is the ~~FSA's~~ FCA's policy not to commence a prosecution for market misconduct where the ~~FSA~~ FCA has brought or is seeking to bring disciplinary proceedings for *market abuse* arising from substantially the same allegations.

### **Liaison with other prosecuting authorities**

12.11 The ~~FSA~~ FCA has agreed guidelines that establish a framework for liaison and cooperation in cases where one or more other authority (such as the Crown Prosecution Service or Serious Fraud Office) has an interest in prosecuting any aspect of a matter that the ~~FSA~~ FCA is considering for investigation, investigating or considering prosecuting. These guidelines are set out in annex 2 to this guide. The ~~FSA~~ FCA is also a signatory to the Prosecutors' Convention and the Investigators' Convention.

## Prosecution of Friendly Societies

- 12.12 The FSA's FCA's power to prosecute friendly societies is discussed in *EG* 19.3 to 19.9 and in an article on the FSA FCA web-site entitled 'Prosecuting Friendly Societies'.<sup>12</sup>

## 13 Insolvency

- 13.1 This chapter explains the FSA's FCA's policies on how it uses its powers under the *Act* to apply to the court for orders under existing insolvency legislation and exercise its rights under the *Act* to be involved in proceedings under that legislation. The FSA's FCA's effective use of its powers and rights in insolvency proceedings helps it pursue its regulatory statutory objectives, including its operational objectives of securing an appropriate degree of protection for consumers, protecting and enhancing the integrity of the UK financial system, and promoting effective competition in the interests of consumers ~~of maintaining market confidence, protecting consumers and reducing financial crime~~ by, amongst other matters, enabling it to apply to court for action to:

...

### **The FSA's FCA's general approach to use of its powers and rights in insolvency proceedings**

- 13.2 In using its powers to seek *insolvency orders* the FSA FCA takes full account of: the principle adopted by the courts that recourse to insolvency regimes is a step to be taken for the benefit of creditors as a whole; and the fact that the court will have regard to the public interest when considering whether to wind up a body on the grounds that it is just and equitable to do so.
- 13.3 The FSA FCA will consider the facts of each particular case when it decides whether to use its powers and exercise its rights. The FSA FCA will also consider the other powers available to it under the *Act* and to *consumers* under the *Act* and other legislation, and the extent to which the use of those other powers meets the needs of *consumers* as a whole and the FSA's regulatory FCA's statutory objectives. The FSA FCA may use its powers to seek *insolvency orders* in conjunction with its other powers, including its powers to seek *injunctions*.
- 13.3A Decisions about whether to apply to the civil courts for insolvency orders under the *Act* will be made by the *RDC* Chairman or, in an urgent case and if the Chairman is not available, by an *RDC* Deputy Chairman. In an exceptionally urgent case the matter will be decided by the director of Enforcement or, in his or her absence, another member of the FSA's FCA's executive of at least director of division level.
- 13.3B An exceptionally urgent case in these circumstances is one where the FSA FCA staff believe that a decision to begin proceedings

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<sup>12</sup> <http://www.fsa.gov.uk/Pages/doing/regulated/law/focus/friendly.shtml> [web address tbc]

...

**Petitions for administration orders or compulsory winding up orders:  
determining whether a company or partnership is unable to pay its debts**

- 13.4 The ~~FSA~~ FCA can petition for an administration order or compulsory winding up order on the grounds that the *company* or *partnership* is unable (or, in the case of administration orders, is likely to become unable) to pay its debts. The ~~FSA~~ FCA does not have to be a creditor to petition on these grounds.

...

- 13.6 The ~~FSA~~ FCA would not ordinarily petition for an administration order unless it believes that the *company* or *partnership* is, or is likely to become, insolvent. Similarly, the ~~FSA~~ FCA would not ordinarily petition for a compulsory winding up order solely on the ground of inability to pay debts (as provided in the *Act*), unless it believes that the *company* or *partnership* is or is likely to be insolvent.

- 13.7 While a default on a single agreement of the type mentioned in paragraph 13.5 is, under the *Act*, a presumption of an inability to pay debts, the ~~FSA~~ FCA will consider the circumstances surrounding the default. In particular, the ~~FSA~~ FCA will consider whether:

...

- (4) the ~~FSA~~ FCA has information to indicate that the *company* or *partnership* is able to pay its debts or, alternatively, that in addition to the specific default the *company* or *partnership* is in fact unable to pay its debts.

**Petitions for administration orders or compulsory winding up orders:  
determining whether to seek any insolvency order**

- 13.8 Where the ~~FSA~~ FCA believes that a *company* or *partnership* to which sections 359(1) and 367(1) of the *Act* applies is, or is likely to become, unable to pay its debts, the ~~FSA~~ FCA will consider whether it is appropriate to seek an administration order or a compulsory winding up order from the court. The ~~FSA's~~ FCA's approach will be in two stages: the first is to consider whether it is appropriate to seek any *insolvency order*; the second is to consider which *insolvency order* will meet, or is likely to meet, the needs of *consumers*.

- 13.9 In determining whether it is appropriate to seek an *insolvency order* on this basis, the ~~FSA~~ FCA will consider the facts of each case including, where relevant:

...

- (4) whether the use of other powers, rights or remedies available to the ~~FSA~~ FCA, *consumers* and creditors under the *Act* and other legislation will achieve the same or a more advantageous result in terms of the protection of *consumers*,

and of market confidence and the restraint and remedy of unlawful activity, for example:

- (a) in the case of *authorised persons* and *appointed representatives*, the interests of *consumers* may, in certain circumstances, be met by the use of the ~~FSA's~~ FCA's intervention powers and by requiring restitution to *consumers*;
  - (b) in the case of *unauthorised companies* and *partnerships*, the ~~FSA~~ FCA will consider whether the interests of *consumers* can be achieved by seeking an *injunction* to restrain continuation of the carrying on of the *regulated activity* and/or an order for restitution to consumers.
- (5) whether other regulatory authorities or law enforcement agencies propose to take action in respect of the same or a similar issue which would be adequate to address the ~~FSA's~~ FCA's concerns or whether it would be appropriate for the ~~FSA~~ FCA to take its own action;

...

- 13.10 After the ~~FSA~~ FCA has determined that it is appropriate to seek an *insolvency order*, and there is no moratorium in place under Schedule A1 to the Insolvency Act 1986 (as amended by the Insolvency Act 2000) (hereafter referred to in this chapter as 'the 1986 Act'), it will consider whether this order should be an administration order or a compulsory winding up order.

**Petitions for administration orders or compulsory winding up orders:  
determining which insolvency order to seek**

- 13.11 An administration order can be made only in relation to *companies* and *partnerships* and only where the court believes that making such an order will achieve one or more of the four purposes set out in section 8 of the 1986 Act. The ~~FSA~~ FCA will apply for an administration order only where it considers that doing so will meet or is likely to meet one or more of these purposes.
- 13.12 Where it has the option of applying for either an administration order or a compulsory winding up order, the ~~FSA~~ FCA will have regard to the purpose to be achieved by the insolvency procedure.
- 13.13 In addition, the ~~FSA~~ FCA will consider, where relevant, factors including:

...

- (2) the extent to which it appears to the ~~FSA~~ FCA that the *company* or *partnership* may, through an administrator, be able to trade its way out of its financial difficulties;

...

- (9) the extent to which the management of the *company* or *partnership* has co-operated with the ~~FSA~~ FCA;

...

- (14) where an administrative receiver is in place, whether the ~~FSA~~ FCA has reason to believe that the *debenture* under which the administrative receiver has been appointed is likely to be released, discharged, avoided or challenged.

### **Petitioning for compulsory winding up on just and equitable grounds**

13.14 The ~~FSA~~ FCA has power under section 367(3)(b) of the *Act* to petition the court for the compulsory winding up of a *company* or *partnership*, on the ground that it is just and equitable for the body to be wound up, regardless of whether or not the body is able to pay its debts. In some instances the ~~FSA~~ FCA may need to consider whether to petition on this ground alone or in addition to the ground of insolvency.

13.15 When deciding whether to petition on this ground the ~~FSA~~ FCA will consider all relevant facts including:

...

- (3) whether the needs of *consumers* and the public interest can be met by using the ~~FSA's~~ FCA's other powers;
- (4) in the case of an *authorised person*, where the ~~FSA~~ FCA considers that the *authorisation* should be withdrawn or where it has been withdrawn, the extent to which there is other business that the *person* can carry on without *authorisation*;
- (5) in the case of an *unauthorised company* or *partnership* carrying on a *regulated activity* as part of a larger enterprise, the scale and importance of the *unauthorised regulated activity* and the extent to which the enterprise is likely to survive the restraint and remedying of that activity by the use of other powers available to the ~~FSA~~ FCA having regard to any continuing risk to *consumers*;

...

13.16 Where appropriate the ~~FSA~~ FCA will also take the following factors into account:

...

- (4) the extent to which the *company* or *partnership's* management has co-operated with the ~~FSA~~ FCA.

### **Petitioning for compulsory winding up of a company already in voluntary winding up**

- 13.17 Section 365(6) of the *Act* makes it clear that the ~~FSA~~ FCA may petition for the compulsory winding up of a *company* even if it is already in voluntary winding up. This power is already available to creditors and contributories of *companies* in voluntary winding up. For example, the court can be asked to direct the liquidator to investigate a transaction which the *company* undertook before the winding up. In some circumstances, this power may be used in respect of partnerships (section 367 of the *Act*).
- 13.18 Given the powers available to creditors (or contributories), the ~~FSA~~ FCA anticipates that there will only be a limited number of cases where it will exercise the right under section 365(6) to petition for the compulsory winding up of a *company* already in voluntary winding up. The ~~FSA~~ FCA will only be able to exercise this right where one or both of the grounds on which it can seek compulsory winding up are met.
- 13.19 Factors which the ~~FSA~~ FCA will consider when it decides whether to use this power (in addition to the factors identified in paragraphs 13.11 to 13.16 in relation to the ~~FSA's~~ FCA's decisions to seek compulsory winding up) include:
- (1) whether the ~~FSA's~~ FCA's concerns can properly and effectively be met by seeking a specific direction under section 365(2) of the *Act*;
  - ...
  - (7) whether a petition by the ~~FSA~~ FCA for compulsory winding up is likely to have the support of the majority or a large proportion of the creditors; and
  - ...
- 13.20 Where the ~~FSA~~ FCA is requested by a *Home State regulator* of an *EEA firm* or a *Treaty firm* to present a petition for the compulsory winding up of that firm, the ~~FSA~~ FCA will first need to consider whether the presentation of the petition is necessary in order to comply with a Community obligation.

#### **Power to apply to court for a provisional liquidator**

...

- 13.22 In cases where it decides to petition for the compulsory winding up of a body under section 367 of the *Act*, the ~~FSA~~ FCA will also consider whether it should seek the appointment of a provisional liquidator. The ~~FSA~~ FCA will have regard, in particular, to the extent to which there may be a need to protect *consumers'* claims and *consumers'* funds or other assets. Where the ~~FSA~~ FCA decides to petition for the compulsory winding up of a *company* or *partnership* on the just and equitable ground and where the *company* or *partnership* is solvent but may become insolvent, the ~~FSA~~ FCA will also consider whether the appointment of a provisional liquidator would serve to maintain the solvency of the *company* or *partnership*.

#### **The ~~FSA's~~ FCA's use of its power to petition for a bankruptcy order or a sequestration award in relation to an individual (section 372 of the *Act*)**

- 13.23 The ~~FSA~~ FCA recognises that the bankruptcy of an individual or the sequestration of an individual's estate are significant measures which may have significant personal and professional implications for the individual involved. In considering whether to present a petition the ~~FSA's~~ FCA's principal considerations will be its *regulatory statutory objectives* including the protection of *consumers*.
- 13.24 The ~~FSA~~ FCA is also mindful that whilst the winding up of an *unauthorised company* or *partnership* should bring an end to any unlawful activity, this is not necessarily the effect of bankruptcy or sequestration. The ~~FSA~~ FCA may, in certain cases, consider the use of powers to petition for bankruptcy or sequestration in conjunction with the use of other powers to seek *injunctions* and other relief from the court. In particular, where the individual controls assets belonging to consumers and holds, or appears to hold, those assets on trust for *consumers*, those assets will not vest in the insolvency practitioner appointed in the bankruptcy or sequestration. The ~~FSA~~ FCA will in those circumstances consider whether separate action is necessary to protect the assets and interests of *consumers*.
- 13.25 If an individual appears to be unable to pay a *regulated activity debt*, or to have no reasonable prospect of doing so, then section 372 of the *Act* permits the ~~FSA~~ FCA to petition for the individual's bankruptcy, or in Scotland, for the sequestration of the individual's estate. The ~~FSA~~ FCA will petition for bankruptcy or sequestration only if it believes that the individual is, in fact, insolvent. In determining this, as a general rule, the ~~FSA~~ FCA will serve a demand requiring the individual to establish, to the ~~FSA's~~ FCA's satisfaction, that there is a reasonable prospect that he will be able to pay the *regulated activity debt*.
- 13.26 The ~~FSA~~ FCA will consider the response of the individual to that demand on its own facts and in the light of information, if any, available to the ~~FSA~~ FCA. Exceptionally, the ~~FSA~~ FCA may not first proceed to serve a demand if:
- ...
- (2) the ~~FSA~~ FCA is satisfied, either because the individual has confirmed it or on the information already available to the ~~FSA~~ FCA, that the individual is insolvent and has no reasonable prospect of paying another *regulated activity debt* when it falls due.
- 13.27 If the ~~FSA~~ FCA believes that the individual is insolvent, the factors it will consider when it decides whether to seek a bankruptcy order or sequestration award include:
- ...
- (2) whether the ~~FSA~~ FCA can adequately deal with the individual using other powers available to it under the *Act*, without the need to seek a bankruptcy order or sequestration award;
- ...
- (6) the individual's conduct in his dealings with the ~~FSA~~ FCA, including the extent of his cooperation with the ~~FSA~~ FCA;

...

**Applications in relation to voluntary arrangements: the FSA's FCA's policy**

13.28 In general terms, the approval of a voluntary arrangement (in relation to *companies*, *partnerships* and *individuals*) requires more than 75% of the creditors to whom notice of a meeting has been sent and who are present in person or by proxy. The arrangement must also not be opposed by more than 50% of creditors given notice of the meeting and who have notified their claim, but excluding secured creditors and creditors who are, in the case of companies or partnerships, connected persons and, in the case of individuals, associates. The FSA FCA will therefore not normally challenge an arrangement approved by a majority of creditors.

13.29 Exceptionally, the FSA FCA will consider making such a challenge using its powers in sections 356 and 357 of the *Act* after considering, in particular, the following matters:

...

(2) whether the FSA FCA has concerns, or is aware of concerns of creditors, about the regularity of the meeting or the identification of connected or associated creditors and the extent to which creditors with those concerns could themselves make an application to court;

...

(6) the *company's*, *partnership's* or individual's previous dealings with the FSA FCA, including the extent of its cooperation with the FSA FCA and its compliance history;

(7) whether the FSA FCA is aware of any matters which would materially affect the rights and expectations of creditors under the voluntary arrangement as approved; and

...

13.29A Similarly, the FSA FCA will not normally use its powers under section 358 of the *Act* to petition for sequestration of a debtor's estate following the grant of a trust deed, if the trust deed has been, or appears likely to be, acceded to by a majority of creditors.

13.30 In considering whether to exercise its powers under Schedule A1 to the 1986 Act to make a challenge in relation to acts, omissions or decisions of a nominee during a moratorium, the FSA FCA will have regard to the following matters in particular:

(1) whether the FSA FCA is aware of matters indicating that the proposed voluntary arrangement does not have a reasonable prospect of being approved and implemented or that the company is likely to have insufficient funds available to it to carry on its business during the moratorium;

...

### **Applications for orders against debt avoidance: the ~~FSA's~~ FCA's policy**

- 13.31 When it decides whether to make an application for an order against debt avoidance pursuant to section 375 of the *Act*, the ~~FSA~~ FCA will consider all relevant factors, including the following:

...

### **The ~~FSA's~~ FCA's arrangements for notification of petitions and other documents**

- 13.32 Paragraphs 13.33 to 13.35 contain information for insolvency practitioners and others about sending copies of petitions, notices and other documents to the ~~FSA~~ FCA, and about making reports to the ~~FSA~~ FCA. Insolvency practitioners and others have duties to give that information and those documents to the ~~FSA~~ FCA under various sections in Part XXIV of the *Act* (Insolvency). Paragraph 13.34 identifies the relevant sections of the *Act* that explain some of the duties.

...

- 13.34 Unless paragraph 13.36 applies, the information and documents identified in 13.33 should be sent to the Financial Conduct Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS marked 'Insolvency Information'. If the *person* who is subject to the insolvency regime ('the insolvent person') is an *authorised person*, the information and documents should, in the first instance, be addressed to the insolvent person's supervisory contact at the ~~FSA~~ FCA (if known).
- 13.35 If the insolvent person is an *authorised person* and the sender of the information or documents knows that the insolvent person's supervisory contact operates from Edinburgh, information or documents should, in the first instance, be sent to the Financial Services Conduct Authority, Quayside House, 127 Fountainbridge, Edinburgh EH3 8DJ.

### **Rights on petitions by third parties and involvement in creditors meetings: the ~~FSA's~~ FCA's policy**

- 13.36 The ~~FSA~~ FCA will exercise its rights under sections 362, 371 and 374 of the *Act* to be heard on a third party's petition or in subsequent hearings only where it believes it has information that it considers relevant to the court's consideration of the petition or application. These circumstances may include:
- (1) where the ~~FSA~~ FCA has relevant information which it believes may not otherwise be drawn to the court's attention; especially where the ~~FSA~~ FCA has been asked to attend for a particular purpose (for example to explain the operation of its *rules*);
  - (2) where the ~~FSA~~ FCA believes that the *insolvency order* being sought by a third party is inappropriate to meet the needs of *consumers* and the public interest; and

- (3) where the ~~FSA~~ FCA believes that the making of an *insolvency order* will affect the ~~FSA's~~ FCA's exercise of its other powers under the *Act*, and wishes to make the court aware of this.

13.37 The making of an *insolvency order* operates to stay any proceedings already in place against the company, partnership or individual, and prevents proceedings being commenced while the *insolvency order* is in place. Proceedings can continue or be commenced against those *persons* only with the court's permission. This may impact on the effectiveness of the ~~FSA's~~ FCA's use of its powers to seek *injunctions* and restitution orders from the court. The ~~FSA~~ FCA will draw the court's attention to this potential effect where the ~~FSA~~ FCA believes it is a relevant consideration, but it is a matter for the court to determine its relevance in a particular case.

13.38 The ~~FSA~~ FCA is given power to receive the same information as creditors are entitled to receive in the winding up, administration, receivership or voluntary arrangement of an *authorised person*, of *appointed representatives* and of *persons* who have carried out a *regulated activity* while *unauthorised*. The ~~FSA~~ FCA is also entitled to attend and make representation at any creditors' meeting or (where relevant) creditors' committee meeting taking place in those regimes. When it decides whether to exercise its power to attend and make representations at meetings the factors which the ~~FSA~~ FCA will take into account include:

...

- (3) the extent to which the ~~FSA~~ FCA is aware of concerns of *consumers* (or other creditors or contributories) about the way in which the insolvency regime is proceeding;

...

## 14 Collective Investment Schemes.

### **Exercise of the powers in respect of Authorised Unit Trust Schemes (AUT): sections 254 (revocation of authorisation), 257 (directions) and 258 (power to apply to court) of the Act**

14.1 The ~~FSA~~ FCA will consider all the relevant circumstances of each case and may take a number of factors into account when it decides whether to use these powers. The following list is not exhaustive; not all these factors may be relevant in a particular case and there may be other factors that are relevant.

...

- (2) The consequences of a failure to satisfy a requirement for the making of an order authorising an *AUT*. The ~~FSA~~ FCA will expect the non-compliance to be resolved as soon as possible. Important factors are likely to be whether existing and/or past *participants* have suffered loss due to the non-compliance and whether remedial steps will be taken to satisfy all the requirements of the order.

...

- (4) The effect on the interests of *participants* within the scheme of the use of either or both of its powers under sections 254 and 257. However, the ~~FSA~~ FCA will also consider the interests of past and potential *participants*.
- (5) Whether the ~~FSA's~~ FCA's concerns can be resolved by taking enforcement action against the *manager* and/or *trustee* of the *AUT*. In some instances, the ~~FSA~~ FCA may consider it appropriate to deal with a *breach* by a *manager* or *trustee* by taking direct enforcement action against the *manager* and/or *trustee* without using its powers under sections 254, 257, or 258. In other instances, the ~~FSA~~ FCA may combine direct enforcement action against a *trustee* and/or *manager* with the use of one or more of the powers under sections 254, 257 and 258.
- (6) Whether there is information to suggest that a *trustee* or *manager* has knowingly or recklessly given the ~~FSA~~ FCA false information. Giving false information is likely to cause very serious concerns, particularly if it shows there is a risk of loss to the *scheme property* or that *participants'* interests have been or may be affected in some other way.
- (7) The conduct of the *manager* or *trustee* in relation to, and following the identification of, the issue, for example:
  - (a) whether the *manager* or *trustee* discovered the issue or problem affecting the *AUT* and brought it to the ~~FSA's~~ FCA's attention promptly;
  - (b) the degree to which the *manager* or *trustee* is willing to cooperate with the ~~FSA's~~ FCA's investigation and to take protective steps, for example by suspending the issue and redemption of units in the *AUT*;

...

- (8) The compliance history of the *trustee* or *manager*, including whether the ~~FSA~~ FCA has previously taken disciplinary action against the *trustee* or *manager* in relation to the *AUT* or any other *collective investment scheme*.

...

### **Choice of powers**

- 14.2 The ~~FSA~~ FCA may use its powers under sections 254, 257 and 258 individually, together, and as well as direct enforcement action against a *trustee* or *manager* in their capacity as *firms*.
- 14.3 Where the ~~FSA~~ FCA has a concern about an *AUT* that must be dealt with urgently, it will generally use its power to give directions under section 257 in the first instance.
- 14.4 The following are examples of situations where the ~~FSA~~ FCA may consider it appropriate to seek a court order under section 258 to remove the *manager* or *trustee*:

...

- (2) Where a *manager* or *trustee* has breached a requirement imposed on him under the *Act* or has knowingly or recklessly given the ~~FSA~~ FCA false information.

- 14.5 The ~~FSA~~ FCA recognises that participants in an *AUT* have a direct financial interest in the *scheme property*. It follows that in cases where it considers it appropriate to use its section 254 power to revoke an authorisation order, the ~~FSA~~ FCA will generally first require the *manager* or *trustee* to wind up the *AUT* (or seek a court order for the appointment of a firm to wind up the *AUT*).

...

**Exercise of the powers in respect of recognised schemes: section 267 of the Act - power to suspend promotion of a scheme recognised under section 264: the ~~FSA's~~ FCA's policy**

- 14.7 When it decides whether a suspension order under section 267 is appropriate, the ~~FSA~~ FCA will consider all the relevant circumstances. General factors that the ~~FSA~~ FCA may consider include, but are not limited to:

...

- 14.8 In addition to or instead of suspending the promotion of a *scheme* recognised under section 264, the ~~FSA~~ FCA may ask the *competent authorities* of the *EEA State* in which the *scheme* is constituted who are responsible for the authorisation of *collective investment schemes*, to take such action in respect of the *scheme* and/or its *operator* as will resolve the ~~FSA's~~ FCA's concerns. Also, Schedule 5 to the *Act* states that a *person* who for the time being is an *operator*, *trustee* or *depository* of a *scheme* recognised under section 264 of the *Act* is an *authorised person*. So, it will also be open to the ~~FSA~~ FCA to take direct enforcement action against those *persons*.

**Exercise of the powers in respect of recognised schemes: sections 279 and 281 of the Act – powers to revoke recognition of schemes recognised under section 270 or section 272: the ~~FSA's~~ FCA's policy**

- 14.9 The ~~FSA~~ FCA will consider all the relevant circumstances of each case. The general factors which the ~~FSA~~ FCA may consider include, but are not limited to, those set out in paragraph 14.1(1) to (9) (the conduct of the *operator* of the *scheme* and of the *trustee* or *depository* will also, of course, be taken into account in relation to each of these factors).
- 14.10 As well as or instead of using these powers, the ~~FSA~~ FCA may ask the relevant *regulatory body* of the country or territory in which the *scheme* is authorised to take such action in respect of the *scheme* and/or its *operator*, *trustee* or *depository* as will resolve the ~~FSA's~~ FCA's concerns.
- 14.10A Decisions about whether to apply to the civil courts for *collective investment scheme* related orders under the *Act* will be made by the *RDC* Chairman or, in an urgent case and if the Chairman is not available, by an *RDC* Deputy Chairman. In an

exceptionally urgent case the matter will be decided by the director of Enforcement or, in his or her absence, another member of the FSA's FCA's executive of at least director of division level.

- 14.10B An exceptionally urgent case in these circumstances is one where the FSA FCA staff believe that a decision to begin proceedings

...

## 15 Disqualification of auditors and actuaries

- 15.1 Auditors and *actuaries* fulfil a vital role in the management and conduct of *firms* and *AUTs*. Provisions of the *Act*, *rules* made under the *Act* and the *OEIC Regulations 2000* impose various duties on auditors and *actuaries*. These duties and the FSA's FCA's power to disqualify auditors and *actuaries* if they breach them assist the FSA FCA in pursuing its ~~regulatory~~ statutory objectives. The FSA's FCA's power to disqualify auditors in breach of duties imposed by *trust scheme rules* also assist the FSA FCA to achieve these ~~regulatory~~ statutory objectives by ensuring that auditors fulfil the duties imposed on them by these *rules*.

- 15.1A The FCA also has the power under section 345 to impose a financial penalty and a public censure on an auditor or actuary in respect of a failure to comply with a duty imposed on the auditor or actuary by rules made by the FCA, or a failure to comply with a duty imposed under the Act to communicate information to the FCA. The FCA has the power under section 249 to impose a financial penalty and a public censure on an auditor in respect of a failure to comply with a duty imposed on him by trust scheme rules. The FCA's statement of policy in relation to the imposition of financial penalties is set out in DEPP 6.2 (Deciding whether to take action) and DEPP 6.4 (Financial penalty or public censure). The FCA's statement of policy in relation to determining the amount of a financial penalty is set out in DEPP 6.5 to DEPP 6.5D.

### **Disqualification of auditors and actuaries under its powers contained in section 345 and section 249 of the Act: the FSA's FCA's general approach**

- 15.2 The FSA FCA recognises that the use of its powers to disqualify auditors and *actuaries* will have serious consequences for the auditors or *actuaries* concerned and their clients; it will therefore exercise its power to impose a disqualification in a way that is proportionate to the particular breach of duty concerned. The FSA FCA will consider the seriousness of the breach of duty when deciding whether to exercise its power to disqualify and the scope of any disqualification.
- 15.3 *Actuaries* appointed by *firms* under rule 4.3.1 of the FSA's FCA's Supervision Manual are *approved persons* and as such will be subject to the FSA's FCA's *Statements of Principle* and *Code of Practice for Approved Persons*. When deciding whether to exercise its power to disqualify an *actuary* who is an *approved person*, the FSA FCA will consider whether the particular breach of duty can be adequately addressed by the exercise of its disciplinary powers in relation to *approved persons*.

- 15.4 In cases where the nature of the breach of duties imposed on the auditors and *actuaries* under the *Act* (and/or in the case of actuaries imposed by *trust scheme rules*) is such that the ~~FSA~~ FCA has concerns about the fitness and propriety of an individual auditor or *actuary*, the ~~FSA~~ FCA will consider whether it is appropriate to make a *prohibition order* instead of, or in addition to, disqualifying the individual.

...

#### **Disqualification under section 345**

- 15.6 When it decides whether to exercise its power to disqualify an auditor or *actuary* under section 345(1), and what the scope of any disqualification will be, the ~~FSA~~ FCA will take into account all the circumstances of the case. These may include, but are not limited to, the following factors:
- (1) the nature and seriousness of any breach of *rules* and the effect of that breach: the *rules* are set out in *SUP 3* (Auditors) and *SUP 4* (Actuaries), and in the case of *firms* which are *ICVCs*, in *COLL 4* (Investor relations) and *COLL 7* (Suspension of dealings and termination of authorised funds). The ~~FSA~~ FCA will regard as particularly serious any breach of *rules* which has resulted in, or is likely to result in, loss to *consumers* or damage to confidence in the *financial system* or an increased risk that a *firm* may be used for the purposes of *financial crime*;
  - (2) the nature and seriousness of any breach of the duties imposed under the *Act*: the ~~FSA~~ FCA will regard as particularly serious any failure to disclose to it information which has resulted in, or is likely to result in, loss to *consumers* or damage to confidence in the *financial system* or an increased risk that a *firm* may be used for the purposes of *financial crime*;
  - (3) action taken by the auditor or *actuary* to remedy the *breach*: this may include whether the auditor or *actuary* brought the *breach* to the attention of the ~~FSA~~ FCA promptly, the degree of cooperation with the ~~FSA~~ FCA in relation to any subsequent investigation, and whether remedial steps have been taken to rectify the breach and whether reasonable steps have been taken to prevent a similar breach from occurring;
  - (4) action taken by professional bodies: the ~~FSA~~ FCA will consider whether any disciplinary action has been or will be taken against the auditor or *actuary* by a relevant professional body and whether that action adequately addresses the particular breach of duty;
  - (5) The previous compliance record of the auditor or *actuary* concerned: whether the ~~FSA~~ FCA (or a *previous regulator*) or professional body has imposed any previous disciplinary sanctions on the *firm* or individual concerned.

#### **Disqualification under section 249**

- 15.7 When deciding whether or not to disqualify an auditor under section 249(1) of the *Act* (concerning the power to disqualify an auditor for breach of *trust scheme rules*), and in setting the disqualification, the ~~FSA~~ FCA will take into account all the

circumstances of the case. These may include, but are not limited to, the following circumstances:

- (1) the effect of the auditor's breach of a duty imposed by *trust scheme rules*: the ~~FSA~~ FCA will regard as particularly serious a breach of a duty imposed by *trust scheme rules* (set out in *COLL 4* (Investor relations) and *COLL 7* (Suspension of dealings and termination of authorised funds)) which has resulted in, or is likely to result in, loss to *consumers* or damage to confidence in the *financial system* or an increased risk that a *firm* may be used for the purposes of *financial crime*;
- (2) action taken by the auditor to remedy its breach of a duty imposed by *trust scheme rules*: this may include any steps taken by the auditor to bring the breach to the attention of the ~~FSA~~ FCA promptly, the degree of co-operation with the ~~FSA~~ FCA in relation to any subsequent investigation, and whether any steps have been taken to rectify the breach or prevent a similar breach;
- (3) action taken by a relevant professional body: The ~~FSA~~ FCA will consider whether any disciplinary action has or will be taken against the auditor by a relevant professional body and whether such action adequately addresses the particular breach of a duty imposed by *trust scheme rules*;
- (4) the previous compliance record of the auditor concerned: whether the ~~FSA~~ FCA (or a *previous regulator*) or professional body has imposed any previous disciplinary sanctions on the *firm* or individual concerned.

### **Removal of a disqualification**

- 15.8 An auditor or *actuary* may ask the ~~FSA~~ FCA to remove the disqualification at any time after it has been imposed. The ~~FSA~~ FCA will remove a disqualification if it is satisfied that the disqualified *person* will in future comply with the duty in question (and other duties under the *Act*). When it considers whether to grant or refuse a request that a disqualification be removed on these grounds, the ~~FSA~~ FCA will take into account all the circumstances of a particular case. These circumstances may include, but are not limited to:

...

## **16 Disapplication orders against members of the professions**

### **The ~~FSA~~'s FCA's general approach to making disapplication orders**

- 16.1 The ~~FSA~~'s FCA's power under section 329 of the *Act* to make an order disapplying an exemption from the *general prohibition* in relation to a *person* who is a *member* of the professions on the grounds that the *member* is not a fit and proper person to conduct *exempt regulated activities*, and to maintain a public record of disapplication orders, will assist the ~~FSA~~ FCA in pursuing its ~~regulatory~~ regulatory *statutory objectives*.

- 16.2 The ~~FSA~~ FCA may make a range of disapplication orders depending on the particular circumstances of each case, including the range of *exempt regulated activities* undertaken and the particular *exempt regulated activities* to which the *person's* lack of fitness and propriety in that context is relevant.
- 16.3 The ~~FSA~~ FCA recognises that a decision to make a disapplication order may have serious consequences for a *member* in relation not only to the conduct by the member of *exempt regulated activities*, but also in relation to the other business carried on by the *member*. When it decides whether to exercise its power to make a disapplication order, the ~~FSA~~ FCA will consider all relevant circumstances including whether other action, in particular the making of a *prohibition order* (see chapter 9 of this guide), would be more appropriate. In general, the ~~FSA~~ FCA is likely to exercise its powers to make an order disapplying an exemption where it considers that a *member* of a profession presents such a risk to the ~~FSA's regulatory~~ FCA's statutory objectives that it is appropriate to prevent the *member* from carrying out the *exempt regulated activities*. The ~~FSA~~ FCA will also have regard to any disciplinary action taken, or to be taken, against the *person* by the relevant *designated professional body*.

### **Disapplication orders**

- 16.4 When the ~~FSA~~ FCA has concerns about the fitness and propriety of a *member* to carry out *exempt regulated activities*, it will consider all the relevant circumstances of the case, including whether those concerns arise from the fitness and propriety of specific individuals engaged to perform the *exempt regulated activities* carried out by the *member* or whether its concerns arise from wider concerns about the *member* itself.
- 16.5 In most cases, where the ~~FSA~~ FCA is concerned about the fitness and propriety of a specific individual, it may be more appropriate for the ~~FSA~~ FCA to consider whether to make an order prohibiting the individual from performing functions in relation to *exempt regulated activities* rather than a disapplication order in relation to the *member* concerned. The criteria which the ~~FSA~~ FCA will apply when determining whether to make a prohibition order against an individual who is not regulated by the ~~FSA~~ FCA are set out in paragraphs 9.17 to 9.18 of this guide (*prohibition orders* against other individuals). In addition to the factors referred to in these paragraphs, the ~~FSA~~ FCA may also take into consideration any disciplinary action that has been, or will be taken against the individual concerned by the relevant *designated professional body*, where that disciplinary action reflects on the fitness and propriety of the individual concerned to perform *exempt regulated activities*.
- 16.6 The ~~FSA~~ FCA will also take into account the potentially more serious consequences that a disapplication of an exemption will have for the *member* concerned compared with the consequences of a prohibition of a particular individual engaged in *exempt regulated activities*. However, the ~~FSA~~ FCA may consider it appropriate in some cases to disapply an exemption where it decides that the *member* concerned is not fit and proper to carry out *exempt regulated activities* in accordance with section 327 of the *Act* (Exemption from the general prohibition).

- 16.7 As an alternative to making an order to disapply an exemption, the ~~FSA~~ FCA may consider issuing a private warning. A private warning may be appropriate where the ~~FSA~~ FCA has concerns in relation to a *member's* fitness and propriety but feels that its concerns in relation to the conduct of *exempt regulated activities* can be more appropriately addressed by a private warning than by a disapplication of the *member's* exemption.
- 16.8 When it decides whether to exercise its power to disapply an exemption from the *general prohibition* in relation to a *member*, the ~~FSA~~ FCA will take into account all relevant circumstances which may include, but are not limited to, the following factors:
- (1) Disciplinary or other action taken by the relevant *designated professional body*, where that action relates to the fitness and propriety of the *member* concerned: where the ~~FSA~~ FCA considers that its concerns in relation to the fitness and propriety of the *member* concerned may be, or have been adequately addressed by disciplinary or other action taken by the relevant *designated professional body* it may consider not making a disapplication order in addition to such action; however, where the ~~FSA~~ FCA considers that its concerns, and in particular, any risks presented to the *member's clients* in respect of its *exempt regulated activities*, are not adequately addressed by that action, the ~~FSA~~ FCA will consider making a disapplication order;
  - (2) The significance of the risk which the *member* presents to its *clients*: if the ~~FSA~~ FCA is satisfied that there is a significant risk to *clients* and *consumers* it may consider making a disapplication order;
  - (3) The extent of the *member's* compliance with *rules* made by the ~~FSA~~ FCA under section 332(1) of the *Act* (Rules in relation to whom the general prohibition does not apply) or by the relevant *designated professional body* under section 332(3) of the *Act*;
- 16.9 Where the ~~FSA~~ FCA is considering whether to exercise its power to make a disapplication order in relation to a *member*, it will liaise closely with the relevant *designated professional body*.
- 16.10 Where the ~~FSA~~ FCA is considering making a disapplication order against a *member* as a result of a breach of *rules* made by the ~~FSA~~ FCA under section 323(1) of the *Act*, it will take into account any proposed application by the *member* concerned for *authorisation* under the *Act*. The ~~FSA~~ FCA may refrain from making a disapplication order pending its consideration of the application for *authorisation*.

#### **Applications under section 329(3) for variation or revocation of disapplication orders**

- 16.11 When considering whether to grant or refuse an application under section 329(3) of the *Act* to vary or revoke a disapplication order, the ~~FSA~~ FCA will take into account all the relevant circumstances. These may include, but are not limited to:

...

(2) whether the *person* has ceased to present the risk to *clients* and *consumers* or to the ~~FSA's regulatory~~ FCA's statutory objectives which gave rise to the original order;

(3) the circumstances giving rise to the original order and any additional information which, had it been known by the ~~FSA~~ FCA, would have been relevant to the decision to make the order;

...

16.12 The ~~FSA~~ FCA will not generally grant an application to vary a disapplication order unless it is satisfied that the proposed variation will not result in the *person* presenting the same degree of risk to *clients* or *consumers* that originally gave rise to the order to disapply the exemption. Similarly, the ~~FSA~~ FCA will not revoke a disapplication order unless and until it is satisfied that the *person* concerned is fit and proper to carry out *exempt regulated activities* generally or those specific *exempt regulated activities* in relation to which the exemption has been disappplied.

### **The effect of a disapplication order**

16.13 When the ~~FSA~~ FCA has made a disapplication order, the *member* against which it has been made may not perform the *exempt regulated activities* to which the order relates. If the member contravenes the order, there will be a breach of the *general prohibition* that may be prosecuted under section 23 of the *Act* (see chapter 12).

16.14 A disapplication order in relation to *exempt regulated activities* made against a *member* will be relevant should that *member* subsequently apply for *authorisation* under the *Act*. Whether or not such an application for *authorisation* is successful will depend on many factors, including the ~~FSA's~~ FCA's grounds for making the disapplication order. For example, if the order for disapplication of the exemption was made on the grounds of a breach of *rules* made under section 332(1) of the Act, the ~~FSA~~ FCA may accept an application for *authorisation* notwithstanding the disapplication order. If, however, the order was made on grounds of a breach of the rules of a *designated professional body* resulting in a significant risk to *clients* in relation to the provision of *exempt regulated activities*, it is unlikely that an application for approval made by the *member* would be accepted by the ~~FSA~~ FCA before the revocation of the disapplication order.

...

## **18 Cancellation of approval as sponsor on the ~~FSA's~~ FCA's own initiative**

18.1 The ~~FSA~~ FCA may cancel a *sponsor's* approval under section 88 of the *Act* if it considers that a *sponsor* has failed to meet the criteria for approval as a *sponsor* as set out in LR 8.6.5R.

- 18.2 When considering whether to cancel a *sponsor's* approval on its own initiative, the ~~FSA~~ FCA will take into account all relevant factors, including, but not limited to, the following:

...

- (5) any matter which the ~~FSA~~ FCA could take into account if it were considering an application for approval as a *sponsor* made under section 88(3)(d) of the *Act*.

## 19 Non-FSMA powers

### Introduction

- 19.1 This chapter describes many of the powers that the ~~FSA~~ FCA has to enforce requirements imposed under legislation other than the *Act*. The chapter is ordered chronologically, ending with the most recent legislation. Where powers under different pieces of legislation are broadly the same, or apply to the same class of person, we have set out the relevant statements of policy in one section to avoid duplication.
- 19.2 Where conduct may amount to a breach of more than one enactment, the ~~FSA~~ FCA may need to consider which enforcement powers to use and whether to use powers from one or more of the Acts. Which power or powers are appropriate will vary according to the circumstances of the case. However, where appropriate, we have tried to adopt procedures in respect of our use of powers under legislation other than the *Act* which are akin to those used under the *Act*. We expect, for example, to provide the subject of an investigation with confirmation of the reasons for the investigation and the legislative provisions under which it is conducted unless notification would be likely to prejudice the investigation or otherwise result in it being frustrated.
- ...
- 19.3 The ~~FSA~~ FCA has certain functions in relation to what are described as “registrant-only” mutual societies. These societies are not regulated or supervised under the *Act*. Instead, they are subject to the provisions of IPSA65, FIPSA68, FSA74 and FSA92, which require them to register with the ~~FSA~~ FCA and fulfil certain other obligations, such as the requirement to submit annual returns.
- 19.4 IPSA65, FIPSA68, FSA74 and FSA92 provide the ~~FSA~~ FCA with certain powers to ensure that registrant-only societies meet the requirements imposed on them. These include the power to:
- ...
- 19.5 The ~~FSA's~~ FCA's enforcement activities in respect of registrant-only societies focus on prosecuting societies that fail to submit annual returns. As registrant-only societies are not subject to the *rules* imposed by the *Act* and by the ~~FSA~~ FCA Handbook, the

requirement that they submit annual returns provides an important check that the interests and investments of members, potential members, creditors and other interested parties are being safeguarded. The power to prosecute registrant-only societies who fail to meet this requirement is therefore an important tool and one which the ~~FSA~~ FCA is committed to using in appropriate cases.

- 19.6 The ~~FSA~~ FCA considers a variety of factors when deciding whether to prosecute a society for failing to submit its annual return. The ~~FSA~~ FCA is more likely to prosecute a society which has previously failed to submit returns, or which poses a greater risk to the ~~FSA's~~ FCA's statutory objectives, for example, because of the size of its financial resources or its number of members.
- 19.7 The ~~FSA~~ FCA may also use its power to petition for the society's winding up where it has prosecuted a society but the society continues to fail to submit the outstanding annual returns or defaults on submitting further returns.
- 19.8 The decision whether to initiate criminal and other proceedings under these Acts will be taken in accordance with the procedure described in *EG 12.4C*. Under section 18 IP~~SA~~65, a society may appeal certain decisions of the ~~FSA~~ FCA relating to the refusal, cancellation or suspension of a society's registration to the High Court or, in Scotland, the Court of Session. Refusals to register a branch or to register the amendment of a society's rules and cancellations or suspensions of a society's listing under the Friendly Societies Act 1974 are also appealable in certain circumstance to the High Court or the Court in Sessions. Distinguishing features of the procedure for giving statutory notices under the ~~FSA~~92, including available rights of reference to the *Tribunal*, are set out in *DEPP 2.5.18G*.
- 19.9 Further information about the ~~FSA's~~ FCA's powers under IP~~SA~~65 and ~~FSA~~74 can be found on the ~~FSA's~~ FCA's website.<sup>13</sup>

### **Credit Unions Act 1979**

- 19.10 The Credit Unions Act enables certain societies in Great Britain to be registered under IP~~SA~~65 and makes provisions in respect of these societies. It gives the ~~FSA~~ FCA certain powers in addition to the powers that it has under the *Act* in respect of those credit unions which are *authorised persons*. The ~~FSA's~~ FCA's powers under the Credit Unions Act include the power to:
- ...
- 19.11 The ~~FSA~~ FCA will use these powers in a manner consistent with its approach to using the same powers under the *Act*. Where the ~~FSA~~ FCA decides to cancel or suspend a credit union's registration under section 20(1) of the Credit Unions Act, the credit union may appeal that decision to the High Court or, in Scotland, the Court of Session.

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<sup>13</sup> <http://www.fsa.gov.uk/Pages/doing/regulated/law/focus/friendly.shtml> [web address tbc]

- 19.12 The Credit Unions Act also extends to credit unions some criminal offences under IPSA65. The FSA FCA will act in accordance with *EG 12* when prosecuting these offences.

### **~~Buildings Societies Act 1986~~**

- 19.13 ~~The Building Societies Act sets out provisions on matters relating, amongst other things, to the constitution and management of building societies. It extends certain of the FSA enforcement powers under the Act so that the FSA may, for example:~~
- ~~• make a prohibition order against the society (section 36A);~~
  - ~~• petition the High Court for a winding up order where a society breaches certain requirements, for example, if it contravenes a prohibition order or where it fails to comply with certain directions given to it by the FSA (section 37); and~~
  - ~~• exercise the FSA powers under section 45 of the Act to cancel or vary a Part IV permission where a society fails to comply with a direction from the FSA to transfer all its engagements or to transfer its business (section 42B). [deleted]~~
- 19.14 ~~The FSA will use these powers in a manner consistent with its approach to using them under the Act. Distinguishing features of the procedure for giving statutory notices under the Building Societies Act are set out in *DEPP 2.5.18G*. Decisions of the FSA made under the Building Societies Act may not be referred to the *Tribunal*. [deleted]~~

### **Unfair Terms in Consumer Contracts Regulations 1999**

- 19.15 The FSA FCA has published a separate regulatory guide, *UNFCOG*, which describes how it will use the general powers under the *Unfair Terms Regulations*, including its powers to obtain undertakings and seek information from firms. In addition, *EG 10* describes how the FSA FCA will use its injunctive powers under these Regulations.

### **Regulation of Investigatory Powers Act 2000 (RIPA)**

- 19.16 RIPA provides methods of surveillance and information gathering to help the FSA FCA in the prevention and detection of crime. RIPA ensures that, where these methods are used, an individual's rights to privacy under Article 8 of the European Convention of Human Rights are considered and protected.
- 19.17 Under RIPA the FSA FCA is able to:
- ...
- 19.18 The FSA FCA is not able to obtain warrants to intercept communications during the course of transmission.

19.19 The ~~FSA~~ FCA is only able to exercise powers available to it under Parts I and II of RIPA where it is necessary for the purpose of preventing or detecting crime. All RIPA authorisations for the acquisition of communications data, the carrying out of directed surveillance and the use of CHIS must be approved by a Head of Department in the Enforcement Division. Authorisation will only be given where the authorising officer believes that the proposed action is necessary and proportionate in the specific circumstances set out in the application. Consideration will be given to any actual or potential infringement of the privacy of individuals who are not the subjects of the investigation or operation (collateral intrusion) and to the steps taken to avoid or minimise any such intrusion. When considering whether the proposed action is necessary and proportionate the following non-exhaustive list of factors is likely to be relevant:

...

### ***Encryption***

19.20 Under Part III RIPA the ~~FSA~~ FCA is able to require a person who holds “protected” electronic information (that is, information which is encrypted) to put that information into an intelligible form and, where the person has a key to the encrypted information, to require the person to disclose the key so that the data may be put into an intelligible form. The ~~FSA~~ FCA may impose such a requirement where it is necessary for the purpose of preventing or detecting crime or where it is necessary for the purpose of securing the effective exercise or proper performance by the ~~FSA~~ FCA of its statutory powers or statutory duties. In order to serve a notice under Part III RIPA, the ~~FSA~~ FCA must obtain written permission from an appropriate judicial authority. The ~~FSA~~ FCA does not anticipate using powers under Part III very often as it expects firms and individuals to provide information in intelligible format pursuant to requirements to provide information under the *Act*.

### ***Home Office Codes of Practice***

19.21 In exercising powers under RIPA the ~~FSA~~ FCA has regard to the relevant RIPA codes of practice. The Codes are available on the Home Office website: [security.homeoffice.gov.uk/ripa/publication-search/ripa-cop/](http://security.homeoffice.gov.uk/ripa/publication-search/ripa-cop/).

### ***Complaints and Oversight***

19.22 RIPA provides for the appointment of Commissioners to oversee the compliance of designated authorities with RIPA requirements, and the establishment of a tribunal with jurisdiction to consider and determine, amongst other things, complaints and referrals about the way in which the ~~FSA~~ FCA and other public bodies use their RIPA powers.

### **Regulated Activities Order 2001 (RAO)**

19.23 The RAO sets out those activities which are regulated for the purposes of the *Act*. Part V of the RAO also requires the ~~FSA~~ FCA to maintain a register of all those people who are not authorised by the ~~FSA~~ FCA but who carry on insurance mediation

activities. Under article 95 RAO, the ~~FSA~~ FCA has the power to remove from the register an appointed representative who carries on insurance mediation activities if it considers that he is not fit and proper. The ~~FSA~~ FCA will give the person a *warning notice* informing him that it proposes to remove his registration and a *decision notice* if the decision to remove his registration is taken. The decisions to give a *warning notice* or a *decision notice* will be taken by the *RDC* following the procedures set out in *DEPP* 3.2 or, where appropriate, *DEPP* 3.3. A person who receives a decision notice under article 95 RAO may refer the matter to the *Tribunal*.

### **The Open-Ended Investment Companies Regulations 2001**

19.24 The *OEIC Regulations* set out requirements relating to the way in which collective investment may be carried on by *open-ended investment companies*. Under the *OEIC Regulations*, the ~~FSA~~ FCA has the power, amongst other things, to:

...

19.25 Factors that the ~~FSA~~ FCA may take into account when it decides whether to use one or more of these powers include, but are not limited to, factors which are broadly similar to those in *EG* 14.1 in the context of *AUTs*. However, the relevant conduct will be that of the *ICVC*, the *director* or *directors* of the *ICVC* and its *depository*. Another difference is that the ~~FSA~~ FCA is also able to take disciplinary action against the *ICVC* itself since the *ICVC* will be an *authorised person*. When choosing which powers to use, the ~~FSA~~ FCA will adopt an approach which is broadly similar to that described in *EG* 14.2 to 14.5.

19.26 The ~~FSA~~ FCA will give a company a *warning notice* if it proposes to revoke the company's authorisation and a *decision notice* if the decision to revoke the company's authorisation is subsequently taken. The decisions to give a *warning notice* or a *decision notice* will be taken by the *RDC* following the procedures set out in *DEPP* 3.2 or, where appropriate, *DEPP* 3.3. A person who receives a decision notice under the *OEIC Regulations* may refer the matter to the *Tribunal*.

19.27 Under the *OEIC Regulations*, the ~~FSA~~ FCA may also use its disqualification powers against auditors who fail to comply with a duty imposed on them under ~~FSA~~ FCA rules. The procedure which the ~~FSA~~ FCA will follow when exercising its disqualification powers is set out in *EG* 15.

### **Electronic Commerce Directive (Financial Services and Markets) Regulations 2002**

19.28 The ~~FSA~~ FCA has powers under regulation 6 of the *ECD Regulations*, provided certain policy and procedural conditions are met, to direct that an *incoming ECA provider* may no longer carry on a specified *incoming electronic commerce activity*, or may only carry it on subject to specified requirements.

*Electronic commerce activity directions: the ~~FSA~~ FCA's policy*

19.29 The ~~FSA~~ FCA will exercise the power to make an *electronic commerce activity direction* on a case-by-case basis. When deciding whether to make a direction, the ~~FSA~~ FCA will undertake an assessment of whether the circumstances of the particular case meet the policy conditions set out in regulation 6.

19.30 On obtaining information concerning possible *financial crime* facilitated through or involving an *incoming ECA provider*, or detriment to UK markets or UK *ECA recipients* caused by the activities of an *incoming ECA provider*, the ~~FSA~~ FCA will contact the relevant *EEA regulator* of the *incoming ECA provider*. The ~~FSA~~ FCA would expect the relevant *EEA regulator* to consider the matter, investigate it where appropriate and keep the ~~FSA~~ FCA informed about what action, if any, was being taken. The ~~FSA~~ FCA may not need to be involved further if the action by the relevant *EEA regulator* addresses the ~~FSA's~~ FCA's concerns.

19.31 However, there are likely to be circumstances in which the ~~FSA~~ FCA will need to use the *electronic commerce activity direction* power. Examples could include where it was necessary to stop the behaviour complained of, or to make the continued provision of services by the *incoming ECA provider* conditional upon compliance with specified requirements. Overall, the ~~FSA~~ FCA may use the direction power:

...

(2) either:

- (a) the relevant *EEA regulator* is unable to take action, or has not within a reasonable time taken action which appears to the ~~FSA~~ FCA to be adequate; or
- (b) the relevant *EEA regulator* and the ~~FSA~~ FCA agree that, having regard to the circumstances of the particular case, action against the wrongdoing would be taken more effectively by the ~~FSA~~ FCA.

19.32 The question of whether the ~~FSA~~ FCA decides to prevent or prohibit the *incoming electronic commerce activity*, or to make it subject to certain requirements (for example, compliance with specified rules), will depend on the overall circumstance of the case. A relevant consideration will be whether the ~~FSA~~ FCA is satisfied that its concerns over the *incoming electronic commerce activity* can be adequately addressed through the imposition of a requirement, rather than a complete prohibition on the activity. Set out below is a list of factors the ~~FSA~~ FCA may consider. The list is not exhaustive.

- (1) The extent of any loss, or risk of loss, or other adverse effect on UK *ECA recipients*: The more serious the loss or potential loss or other adverse effect on them, the more likely it is to be appropriate for the ~~FSA~~ FCA to use its powers to prohibit the activity altogether, to protect the interests of UK *ECA recipients*.

...

- (3) The risk that the *incoming ECA provider's* activities may be used or have been used to facilitate *financial crime* or to launder the proceeds of a crime: Information available to the ~~FSA~~ FCA, including information supplied by other law enforcement agencies, may suggest that the *incoming ECA provider* is being used for, or is itself involved in, *financial crime*. Where this appears to be the case, a direction that the *incoming electronic commerce activity* should cease may be appropriate.

...

19.33 The ~~FSA~~ FCA may consider that a case is urgent, in particular, where:

...

19.34 The ~~FSA~~ FCA will consider the full circumstances of the case when deciding whether exercising the direction power, without first taking the procedural steps set out in regulation 6, is an appropriate response to such concerns. The factors the ~~FSA~~ FCA may consider include those listed in paragraph 19.32 of this guide. There may be other relevant factors.

### ***Decision making***

19.35 The ~~FSA's~~ FCA's decision to make, revoke or vary an *electronic commerce activity direction* will generally be taken by the *RDC* Chairman. However, this is subject to two exceptions.

...

- (2) If a provider who has been notified of the ~~FSA's~~ FCA's intention to make a direction or to vary a direction on its own initiative makes representations within the period and in the manner required by the ~~FSA~~ FCA, then those representations will be considered by the *RDC*, rather than by the *RDC* Chairman alone. Having taken into account the provider's representations, the *RDC* will then decide whether to make the direction, or to vary the existing direction.

19.36 Where a provider must be given the opportunity to make representations in relation to a proposed direction or variation of a direction, the *RDC* Chairman will determine in each case the manner and the period within which those representations should be made. If the ~~FSA~~ FCA decides to issue a direction or vary it at its own initiative, or if the ~~FSA~~ FCA refuses an application to vary or revoke a direction, the person to whom the direction applies may refer the matter to the *Tribunal*.

### ***Publicity***

19.37 Regulation 10(8) of the *ECD Regulations* provides that if the ~~FSA~~ FCA makes a direction, it may publish, in such manner as it considers appropriate, such information about the matter to which the direction relates as it considers appropriate in furtherance of any of the objectives referred to in paragraph 19.31(1) of this guide. However, under regulation 10(9), the ~~FSA~~ FCA may not publish information relating to a direction if publication would, in the ~~FSA's~~ FCA's opinion, be unfair to the provider to whom the direction applies or prejudicial to the interests of *consumers*.

- 19.38 When deciding what information, if any, to publish and the appropriate manner of publication, the ~~FSA~~ FCA will consider the full circumstances of each case. The ~~FSA~~ FCA anticipates that it will generally be appropriate to publish relevant details of a direction, in order to protect and inform *consumers*. However, in accordance with the regulation 10(9) prohibition, it will not publish information if it considers that publication would be unfair to the provider or prejudicial to the interests of *consumers*.

### **Enterprise Act 2002**

- 19.39 The ~~FSA~~ FCA, together with several other UK authorities, has powers under Part 8 of the Enterprise Act to enforce breaches of consumer protection law. Where a breach has been committed, the ~~FSA~~ FCA will liaise with other authorities, particularly the Office of Fair Trading (the OFT), to determine which authority is best placed to take enforcement action. The ~~FSA~~ FCA would generally expect to be the most appropriate authority to deal with breaches by authorised firms in relation to regulated activities.

...

- 19.41 The Community legislation falling within the ~~FSA's~~ FCA's scope under the Enterprise Act is:

...

- 19.42 The ~~FSA~~ FCA has powers under Part 8 of the Enterprise Act both as a “designated enforcer” in relation to domestic and Community infringements and as a “CPC enforcer” which gives the ~~FSA~~ FCA and other CPC enforcers additional powers in relation to Community infringements so that they can meet their obligations as “competent authorities” under Regulation (EC) No.2006/2004 on co-operation between national authorities responsible for enforcement of consumer protection laws (the CPC Regulation).

### ***The ~~FSA's~~ FCA's powers as a designated enforcer***

- 19.43 As a designated enforcer, the ~~FSA~~ FCA has the power to apply to the courts for an enforcement order or an interim enforcement order which requires a person who has committed a breach of applicable legislation not to engage in the conduct which constituted the breach. The ~~FSA~~ FCA may also apply for orders where it thinks that a person is likely to commit a Community infringement.
- 19.44 The ~~FSA~~ FCA has the power under the Enterprise Act to require any person to provide it with information which will enable it to (i) exercise or consider exercising its functions as an enforcer; or (ii) determine whether a person is complying with an enforcement order or an interim enforcement order. If the ~~FSA~~ FCA requires a person to provide it with information, it must give him a notice setting out the information that it requires and confirming for which of purposes (i) and (ii) above the information is required.
- 19.45 Before the ~~FSA~~ FCA may apply for an enforcement order, it must consult with:

...

The period for consultation is 14 days before an application for an enforcement order can be made, or 7 days in the case of an application for an interim enforcement award. The aim of consultation is to ensure that any action taken is necessary and proportionate, and to ensure that businesses are given a reasonable opportunity to put things right before the courts become involved.

...

- 19.47 The ~~FSA~~ FCA may take steps to publish the undertakings it receives, and may apply to the court for an enforcement order if a person fails to comply with an undertaking that he has given.

*The ~~FSA's~~ FCA's powers as a CPC enforcer*

- 19.48 In addition to its powers as a designated enforcer under the Enterprise Act, the ~~FSA~~ FCA also has powers, in its capacity as a “CPC enforcer”, to enter premises with or without a warrant. The ~~FSA~~ FCA must give at least two working days’ notice of its intention to enter premises without a warrant unless it has not been possible to serve such notice despite all reasonably practicable steps having been taken. If the ~~FSA~~ FCA cannot give a notice in advance, it must produce the notice on the day the premises are entered.

*Use of enforcement powers under Enterprise Act*

- 19.49 The ~~FSA~~ FCA anticipates that its powers under the *Act* will be adequate to address the majority of breaches which it would also be able to enforce under the Enterprise Act and that there will therefore be limited cases in which it would seek to use its powers as an Enterprise Act enforcer. Where the ~~FSA~~ FCA does use its powers under the Enterprise Act, it will have regard to the enforcement guidelines which are published on the OFT’s website.<sup>14</sup>
- 19.50 Further information about the ~~FSA's~~ FCA's powers under the CPC Regulations is provided at paragraphs 19.66 to 19.70 below.

**Proceeds of Crime Act 2002 (POCA)**

- 19.51 POCA provides the legislative framework for the confiscation from criminals of the proceeds of their crime. Under POCA, the ~~FSA~~ FCA can apply to the Crown Court for a restraint order when it is investigating or prosecuting criminal cases. A restraint order prevents the person(s) named in the order from dealing with the assets it covers for the duration of the order.
- 19.52 The ~~FSA~~ FCA may apply for such an order where a criminal investigation has been started or where proceedings have started but not concluded; in either case there must be reasonable cause to believe that the defendant has benefited from criminal conduct.

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<sup>14</sup> [www.offt.gov.uk/advice\\_and\\_resources/resource\\_base/legal/enterprise-act/part8/](http://www.offt.gov.uk/advice_and_resources/resource_base/legal/enterprise-act/part8/)

In this context, a person benefits from criminal conduct if he obtains property or a pecuniary advantage as a result of or in connection with conduct that would be an offence if it took place in England or Wales, regardless of whether he also obtains it in some other connection. The court is required to exercise its powers with a view to securing that the value of realisable assets is not diminished.

...

- 19.55 The order can apply to assets wherever they are held, and anyone breaching the order would be guilty of contempt of court in this country. The ~~FSA~~ FCA may request that the court make ancillary orders requiring the person to disclose his assets and/or to repatriate assets held overseas.
- 19.56 POCA also contains various powers of investigation which the ~~FSA~~ FCA may use in specified circumstances. However, where these powers overlap with powers under the *Act*, the ~~FSA~~ FCA will in most cases consider it more appropriate to rely on its investigation powers under the *Act*.

#### **~~Credit Institutions (Reorganisation and Winding Up) Regulations 2004~~**

- 19.57 ~~These Regulations implement Directive 2001/24/EC on the reorganisation and winding up of credit institutions. The Regulations only allow winding up proceedings or reorganisation measures in respect of EEA credit institutions in certain circumstances. [deleted]~~
- 19.58 ~~Under these Regulations, the FSA is required to exercise its powers under section 45 of the *Act* to vary or cancel the UK credit institution's permission to accept deposits or to issue electronic money as soon as reasonably practicable after it is notified of any of the following:~~
- ~~• a decision which approves a voluntary arrangement where it includes a realisation of some or all of the assets of the credit institution with a view to terminating the whole or any part of the business of that credit institution;~~
  - ~~• a winding up order or an administration order in the prescribed circumstances;  
or~~
  - ~~• the appointment of a provisional liquidator or the appointment of a liquidator.  
[deleted]~~
- 19.59 ~~This power is mandatory rather than discretionary. The FSA will follow its procedure for varying and cancelling *Part IV* permission under the *Act* when exercising its powers under these Regulations. [deleted]~~

### Financial Services (Distance Marketing) Regulations 2004

- 19.60 These Regulations give effect to the Distance Marketing Directive.<sup>15</sup> Under the Regulations, the ~~FSA~~ FCA can enforce breaches of the Regulations concerning “specified contracts”. Specified contracts are certain contracts for the provision of financial services which are made at a distance and do not require the simultaneous physical presence of the parties to the contract.
- 19.61 The ~~FSA~~ FCA may apply to the courts for an injunction or interim injunction against a person who appears to it to be responsible for a breach of the Regulations. The ~~FSA~~ FCA must consult with the OFT before exercising this power. The ~~FSA~~ FCA may also accept undertakings from the person who committed the breach that he will comply with the Regulations. The ~~FSA~~ FCA must publish details of any applications it makes for injunctions; the terms of any orders that the court subsequently makes; and the terms of any undertakings given to it or to the court.
- 19.62 The ~~FSA~~ FCA may also prosecute offences under the Regulations which relate to specified contracts. It will generally be appropriate for the ~~FSA~~ FCA to seek to resolve the breach by obtaining an undertaking before it applies for an injunction or initiates a prosecution. Where a failure by a firm to meet the requirements of the Regulations also amounts to a breach of the ~~FSA's~~ FCA's *rules*, the ~~FSA~~ FCA will consider all the circumstances of the case when deciding whether to take action for a breach of its *rules* or under the Regulations. This will include, amongst other things, having regard to appropriate factors set out in *DEPP* 6 and the considerations in *EG* 12.

### Financial Conglomerates and Other Financial Groups Regulations 2004

- 19.63 These Regulations implement in part the Financial Conglomerates Directive,<sup>16</sup> which imposes certain procedural requirements on the ~~FSA~~ FCA as a competent authority under the Directive. These Regulations also make specific provision about the exercise of certain supervisory powers in relation to financial conglomerates.
- 19.64 The ~~FSA's power~~ FCA's powers to vary a firm's ~~Part IV~~ Part 4A *permission or to impose requirements* under ~~section 45~~ sections 55J and 55L of the *Act* have been extended under these Regulations. The ~~FSA~~ FCA is able to use this power where it is desirable to do so for the purpose of:
- ...
- 19.65 The duty imposed by section ~~41(2)~~ 55B(3) (The threshold conditions) of the *Act* does not prevent the ~~FSA~~ FCA from exercising its own-initiative power for these purposes. But subject to that, when exercising this power under the Regulations, the ~~FSA~~ FCA will do so in a manner consistent with its approach generally to variation under the *Act*.

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<sup>15</sup> Directive 2002/65/EC

<sup>16</sup> Directive 2002/87/EC

## The Consumer Protection Co-operation Regulation<sup>17</sup>

19.66 The ~~FSA~~ FCA is a competent authority under the CPC Regulation, which aims to encourage and facilitate co-operation between competent authorities across the EU in consumer protection matters. The ~~FSA~~ FCA is a competent authority for the purposes of specified EU consumer protection laws<sup>18</sup> in the context of the regulated activities of authorised firms and of breaches by UK firms concerning “specified contracts” as defined in the Financial Services (Distance Marketing) Regulations 2004 (for which see paragraphs 19.60 to 19.62).

...

19.69 Under the CPC Regulation the ~~FSA~~ FCA can request information from competent authorities in other member states to help it determine whether a relevant breach has taken, or may take, place. The ~~FSA~~ FCA can also request that competent authorities in the relevant member states take action without delay to stop or prohibit the breach. All competent authorities are required to notify their counterparts in relevant member states when they become aware of actual or possible breaches of European consumer protection law.

19.70 The ~~FSA~~ FCA may use its powers under the *Act* or under Part 8 of the Enterprise Act (for which, see paragraphs 19.39 to 19.50 above) in order to fulfil its obligations under the CPC Regulation. The ~~FSA~~ FCA will decide on a case-by-case basis which powers will enable it to obtain its desired outcomes in the most effective and efficient way. In the majority of cases this is more likely to be by using its powers under the *Act*.

## Money Laundering Regulations 2007

19.71 The ~~FSA~~ FCA has investigation and sanctioning powers in relation to both criminal and civil breaches of the *Money Laundering Regulations*. The *Money Laundering Regulations* impose requirements including, amongst other things, obligations to apply customer due diligence measures and conduct ongoing monitoring of business relationships on designated types of business.

19.72 The ~~FSA~~ FCA is responsible for monitoring and enforcing compliance with the Regulations not only by authorised firms who are within the *Money Laundering Regulations*’ scope, but also by what the Regulations describe as “Annex I financial institutions”. These are businesses which are not otherwise authorised by us but which carry out certain of the activities listed in Annex I of the Banking

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<sup>17</sup> Regulation (EC) No.2006/2004 on co-operation between national authorities responsible for enforcement of consumer protection laws.

<sup>18</sup> These are the Unfair Terms in Consumer Contracts Directive; the Comparative and Misleading Advertising Directive; the E-Commerce Directive; the Distance Marketing Directive; and the Unfair Commercial Practices Directive.

Consolidation Directive.<sup>19</sup> The activities include lending (e.g. forfaiters and trade financiers), financial leasing, and safe custody services. Annex I financial institutions are required to register with the ~~FSA~~ FCA.

19.73 The *Money Laundering Regulations* add to the range of options available to the ~~FSA~~ FCA for dealing with anti-money laundering failures. These options are:

...

- to take regulatory action against authorised firms for failures which breach the ~~FSA's~~ FCA's rules and requirements (for example, under Principle 3 or SYSC 3.2.6R or SYSC 6.1.1R); and

...

19.74 This means that there will be situations in which the ~~FSA~~ FCA has powers to investigate and take action under both the *Act* and the *Money Laundering Regulations*. The ~~FSA~~ FCA will consider all the circumstances of the case when deciding what action to take and, if it is appropriate to notify the subject about the investigation, will in doing so inform them about the basis upon which the investigation is being conducted and what powers it is using. The ~~FSA~~ FCA will adopt the approach outlined in *EG 12* when prosecuting *Money Laundering Regulations* offences. In the majority of cases where both the Regulations and the ~~FSA~~ FCA rules apply and regulatory action, as opposed to criminal proceedings, is appropriate, the ~~FSA~~ FCA generally expects to continue to discipline authorised firms under the *Act*.

19.75 The *Money Laundering Regulations* also provide investigation powers that the ~~FSA~~ FCA can use when investigating whether breaches of the Regulations have taken place. These powers include:

...

The use of these powers will be limited to those cases in which the ~~FSA~~ FCA expects to take action under the Regulations.

19.76 The ~~FSA~~ FCA will adopt a risk-based approach to its enforcement of the *Money Laundering Regulations*. Failures in anti-money laundering controls will not automatically result in disciplinary sanctions, although enforcement action is more likely where a firm has not taken adequate steps to identify its money laundering risks or put in place appropriate controls to mitigate those risks, and failed to take steps to ensure that controls are being effectively implemented.

19.77 However, the *Money Laundering Regulations* say little about the way in which investigation and sanctioning powers should be used, so the ~~FSA~~ FCA has decided to adopt enforcement and decision making procedures which are broadly akin to those under the *Act*. Key features of the ~~FSA's~~ FCA's approach are described below.

### ***The conduct of investigations under the Money Laundering Regulations***

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<sup>19</sup> Credit financial institutions and money service businesses are also outside the definition of “Annex I financial institution”, which is set out in Regulation 22(1).

- 19.78 The ~~FSA~~ FCA will notify the subject of the investigation that it has appointed officers to carry out an investigation under the *Money Laundering Regulations* and the reasons for the appointment, unless notification is likely to prejudice the investigation or otherwise result in it being frustrated. The ~~FSA~~ FCA expects to carry out a scoping visit early on in the enforcement process in most cases. The ~~FSA's~~ FCA's policy in civil investigations is to use powers to compel information in the same way as it would in the course of an investigation under the *Act*.
- 19.79 When the ~~FSA~~ FCA proposes or decides to impose a penalty under the *Money Laundering Regulations*, it must give the person on whom the penalty is to be imposed a notice. These notices are akin to *warning notices* and *decision notices* given under the *Act*, although Part XXVI (Notices) of the *Act* does not apply to notices given under the *Regulations*.
- 19.80 The *RDC* is the ~~FSA's~~ FCA's decision maker for contested cases in which the ~~FSA~~ FCA decides to impose a penalty under the *Money Laundering Regulations*. This builds a layer of separation into the process to help ensure not only that decisions are fair but that they are seen to be fair. The *RDC* will make its decisions following the procedure set out in *DEPP* 3.2 or, where appropriate, *DEPP* 3.3. Where the ~~FSA~~ FCA imposes a penalty on a person under the *Money Laundering Regulations*, that person may appeal the decision to the *Tribunal*.
- 19.81 Although the *Money Laundering Regulations* do not require it, the ~~FSA~~ FCA will involve third parties and provide access to Authority material when it gives notices under the *Regulations*, in a manner consistent with the provisions of sections 393 and 394 of the *Act*. However, there is no formal mechanism under the *Money Laundering Regulations* for third parties to make representations in respect of proposed money laundering actions. If a third party asks to make representations, it will be a matter for the ~~FSA's~~ FCA's decision makers to decide whether this is appropriate and, if so, how best to ensure that these representations are taken into consideration. In general it is expected that decision makers would agree to consider any representations made. Third parties may not refer cases to the *Tribunal* as the *Money Laundering Regulations* give the *Tribunal* no power to hear such referrals.
- 19.82 When imposing or determining the level of a financial penalty under the *Regulations*, the ~~FSA's~~ FCA's policy includes having regard, where relevant, to relevant factors in *DEPP* 6.2.1G and *DEPP* 6.5 to *DEPP* 6.5D. The ~~FSA~~ FCA may not impose a penalty where there are reasonable grounds for it to be satisfied that the subject of the proposed action took all reasonable steps and exercised all due diligence to ensure that the relevant requirement of the *Money Laundering Regulations* would be met. In deciding whether a person has failed to comply with a requirement of the *Money Laundering Regulations*, the ~~FSA~~ FCA must consider whether he followed any relevant guidance which was issued by a supervisory authority or other appropriate body; approved by the Treasury; and published in a manner approved by the Treasury. The Joint Money Laundering Steering Group Guidance satisfies this requirement.
- 19.83 As with cases under the *Act*, the ~~FSA~~ FCA may settle or mediate appropriate cases involving civil breaches of the *Money Laundering Regulations* to assist it to exercise its functions under the *Regulations* in the most efficient and economic way. The settlement discount scheme set out in *DEPP* 6.7 applies to penalties imposed under the *Money Laundering Regulations*.

- 19.84 The FSA FCA will apply the approach to publicity that it has outlined in *EG 6*. However, as the *Money Laundering Regulations* do not require the FSA FCA to issue final notices, the FSA FCA will publish such information about the matter to which the decision notice relates as it considers appropriate. This will generally involve publishing the decision notice on the FSA's FCA's website, with or without an accompanying press release, and updating the Public Register.

#### **Transfer of Funds (Information on the Payer) Regulations 2007 (The Transfer of Funds Regulations)**

- 19.85 The FSA FCA is required, under EU Regulation 1781/2006 (on information on the payer accompanying transfers of funds), to monitor the compliance of payment services providers which are *authorised firms* with the requirements imposed by the Regulation. The Transfer of Funds Regulations set out the FSA's FCA's powers to investigate and impose sanctions for breaches of Regulation 1781/2006. The powers are identical to those given under the *Money Laundering Regulations*. The FSA's FCA's policy in respect of the use of its powers under the Regulations is the same as the policy it has adopted for the use of *Money Laundering Regulations* powers; the FSA FCA will adopt enforcement procedures broadly akin to those used under the *Act*, with the modifications described in paragraphs 19.78 to 19.84 above.

#### **Regulated Covered Bonds Regulations 2008**

- 19.86 The *RCB Regulations* provide a framework for issuing covered bonds in the UK. Covered bonds issued under the *RCB Regulations* are subject to strict quality controls and both bonds and issuers must be registered with the FSA FCA. The *RCB Regulations* give the FSA FCA powers to enforce these Regulations. Where a person has failed, or is likely to fail, to comply with any obligation under the *RCB Regulations*, the FSA FCA may make a direction that the person take steps to ensure compliance with the Regulations or it may make a direction for the winding up of the owner of the asset pool. The FSA FCA may also remove an *issuer* from the register if it fails to comply with the Regulations. In addition, the FSA FCA may apply to court for an order restraining a person from committing a breach of the Regulations or requiring the person to take steps to remedy the breach. The *RCB Regulations* also give the FSA FCA the power to impose a financial penalty on a person for a breach of the Regulations.
- 19.87 The FSA FCA may use the information gathering powers set out in section 165 of the *Act* when monitoring and enforcing compliance with the *RCB Regulations*, and may appoint skilled persons as provided in section 166 of the *Act*.
- 19.88 The FSA's FCA's approach to the use of its enforcement powers, and its statement of policy in relation to imposing and determining financial penalties under the *RCB Regulations*, are set out in *RCB 4.2*. The FSA's FCA's penalty policy includes having regard, where relevant, to *DEPP 6.5* to *DEPP 6.5D* and such other specific matters as the likely impact of the penalty on the interests of investors in the relevant bonds. The FSA's FCA's statement of procedure in relation to giving *warning notices* or *decision notices* under the *RCB Regulations* is set out in *RCB 6*. It confirms that the *RDC* will be the decision maker in relation to the imposition of financial penalties

under the *RCB Regulations*, following the procedure outlined in *DEPP* 3.2 or, where appropriate, *DEPP* 3.3 and that decision notices given under the Regulations may be referred to the *Tribunal*.

- 19.89 The ~~FSA~~ FCA may agree to settle cases in which it proposes to impose a financial penalty under the *RCB Regulations* if the right regulatory outcome can be achieved. The settlement discount scheme set out in *DEPP* 6.7 applies to penalties imposed under the *RCB Regulations*. See *DEPP* 5 and *EG* 5 for further information about the settlement process.

### **Counter Terrorism Act 2008**

- 19.89A The ~~FSA~~ FCA has investigation and sanctioning powers in relation to both criminal and civil breaches of the Counter Terrorism Act 2008 (“the Counter Terrorism Act”). The Counter Terrorism Act allows the Treasury to issue directions imposing requirements on relevant persons in relation to transactions or business relationships with designated persons of a particular country. Relevant persons may be required to take the following action:

...

- 19.89B The ~~FSA~~ FCA is responsible for monitoring and enforcing compliance with requirements imposed by the Treasury under the Counter Terrorism Act by ‘credit institutions’ that are authorised persons and by ‘financial institutions’ (except money service businesses that are not authorised persons and consumer credit financial institutions). ‘Credit institutions’ and ‘financial institutions’ are defined in Part 2 of Schedule 7 to the Counter Terrorism Act.

- 19.89C The investigation and sanctioning powers given to the ~~FSA~~ FCA by the Counter Terrorism Act are similar to those given to the ~~FSA~~ FCA by the *Money Laundering Regulations*. The ~~FSA's~~ FCA's approach to using its powers under the Counter Terrorism Act will be consistent with its approach to using its powers under the *Money Laundering Regulations*, described in paragraphs 19.78 to 19.84 above.

### **Insurance Accounts Directive (Lloyd’s Syndicate and Aggregate Accounts) Regulations 2008**

- 19.89D The Lloyd’s Accounting Regulations implement the Audit and Accounts Directives in relation to the Lloyd’s insurance market. They aim to increase the transparency of the accounts published by Lloyd’s syndicates by imposing requirements in relation to the preparation and disclosure of the accounts. The Regulations give the ~~FSA~~ FCA the power to institute criminal proceedings for an offence committed under the Regulations.

...

### **Payment Services Regulations 2009**

- 19.90 The ~~FSA~~ FCA has investigation and sanctioning powers in relation to both criminal and civil breaches of the *Payment Services Regulations*. The *Payment Services Regulations* impose requirements including, amongst other things, obligations on *payment service providers* to provide users with a range of information and various

provisions regulating the rights and obligations of payment service users and providers.

19.91 The ~~FSA's~~ FCA's approach to enforcing the *Payment Services Regulations* will mirror its general approach to enforcing the *Act*, as set out in *EG 2*. It will seek to exercise its enforcement powers in a manner that is transparent, proportionate, responsive to the issue, and consistent with its publicly stated policies. It will also seek to ensure fair treatment when exercising its enforcement powers. Finally, it will aim to change the behaviour of the *person* who is the subject of its action, to deter future non-compliance by others, to eliminate any financial gain or benefit from non-compliance, and where appropriate, to remedy the harm caused by the non-compliance.

19.92 The regulatory powers which the *Payment Services Regulations* provide to the ~~FSA~~ FCA include:

...

19.93 The *Payment Services Regulations*, for the most part, mirror the ~~FSA's~~ FCA's investigative, sanctioning and regulatory powers under the *Act*. The ~~FSA~~ FCA has decided to adopt procedures and policies in relation to the use of those powers akin to those it has under the *Act*. Key features of the ~~FSA's~~ FCA's approach are described below.

***The conduct of investigations under the Payment Services Regulations***

...

19.95 The ~~FSA~~ FCA will notify the subject of the investigation that it has appointed investigators to carry out an investigation under the *Payment Services Regulations* and the reasons for the appointment, unless notification is likely to prejudice the investigation or otherwise result in it being frustrated. The ~~FSA~~ FCA expects to carry out a scoping visit early on in the enforcement process in most cases. The ~~FSA's~~ FCA's policy in civil investigations under the *Payment Services Regulations* is to use powers to compel information in the same way as it would in the course of an investigation under the *Act*.

***Decision making under the Payment Services Regulations***

19.96 The *RDC* is the ~~FSA's~~ FCA's decision maker for some of the decisions under the *Payment Services Regulations* as set out in *DEPP 2 Annex 1G*. This builds a layer of separation into the process to help ensure not only that decisions are fair but that they are seen to be fair. The *RDC* will make its decisions following the procedure set out in *DEPP 3.2* or, where appropriate, *DEPP 3.3* and *3.4*. *DEPP 3.4* applies for urgent notices under Regulations 11(6), (9), and (10)(b) (including as applied by Regulation 14).

...

19.98 The *Payment Service Regulations* do not require the ~~FSA~~ FCA to have published procedures to launch criminal prosecutions. However, in these situations the ~~FSA~~

FCA expects that it will normally follow its decision-making procedures for the equivalent decisions under the *Act*.

- 19.99 The *Payment Service Regulations* require the ~~FSA~~ FCA to give third party rights as set out in section 393 of the *Act* and to give access to certain material as set out in section 394 of the *Act*.
- 19.100 Certain ~~FSA~~ FCA decisions (for example the cancellation of an authorisation or the imposition of a financial penalty) may be referred to the *Tribunal* by an aggrieved party.

#### ***Imposition of penalties under the Payment Services Regulations***

- 19.101 When imposing a financial penalty the ~~FSA's~~ FCA's policy includes having regard to the relevant factors in *DEPP* 6.2 and *DEPP* 6.4. The ~~FSA's~~ FCA's policy in relation to determining the level of a financial penalty includes having regard, where relevant, to *DEPP* 6.5 to *DEPP* 6.5D.
- 19.102 As with cases under the *Act*, the ~~FSA~~ FCA may settle or mediate appropriate cases involving civil breaches of the *Payment Services Regulations* to assist it to exercise its functions under the Regulations in the most efficient and economic way. See *DEPP* 5, *DEPP* 6.7 and *EG* 5 for further information on the settlement process and the settlement discount scheme.

#### ***Statement of policy in section 169(7) interviews (as implemented by the Payment Services Regulations)***

- 19.103 The *Payment Services Regulations* apply section 169 of the *Act* which requires the ~~FSA~~ FCA to publish a statement of policy on the conduct of certain interviews in response to requests from overseas regulators. For the purposes of the *Payment Services Regulations* the ~~FSA~~ FCA will follow the procedures described in *DEPP* 7.

#### **Electronic Money Regulations 2011**

- 19.104 The ~~FSA~~ FCA has investigation and sanctioning powers in relation to both criminal and civil breaches of the Electronic Money Regulations. The *Electronic Money Regulations* impose requirements including, amongst other things, various provisions regulating the rights and obligations of electronic money institutions.
- 19.105 The ~~FSA's~~ FCA's approach to enforcing the *Electronic Money Regulations* will mirror its general approach to enforcing the *Act*, as set out in *EG* 2. It will seek to exercise its enforcement powers in a manner that is transparent, proportionate, responsive to the issue, and consistent with its publicly stated policies. It will also seek to ensure fair treatment when exercising its enforcement powers. Finally, it will aim to change the behaviour of the electronic money issuer or relevant person who is the subject of its action, to deter future non-compliance by others, to eliminate any financial gain or benefit from non-compliance, and where appropriate, to remedy the harm caused by the non-compliance.

- 19.106 The *Electronic Money Regulations*, for the most part, mirror the ~~FSA's~~ FCA's investigative, sanctioning and regulatory powers under the *Act*. The ~~FSA~~ FCA has decided to adopt procedures and policies in relation to the use of those powers akin to those it has under the *Act*. Key features of the ~~FSA's~~ FCA's approach are described below.

***The conduct of investigations under the Electronic Money Regulations***

- 19.107 The *Electronic Money Regulations* apply much of Part 11 of the *Act*. The effect of this is to apply the same procedures under the *Act* for appointing investigators and requiring information when investigating breaches of the *Electronic Money Regulations*.
- 19.108 The ~~FSA~~ FCA will notify the subject of the investigation that it has appointed investigators to carry out an investigation under the *Electronic Money Regulations* and the reasons for the appointment, unless notification is likely to prejudice the investigation or otherwise result in it being frustrated. The ~~FSA's~~ FCA's policy in civil investigations under the *Electronic Money Regulations* is to use powers to compel information in the same way as it would in the course of an investigation under the *Act*.

***Decision making under the Electronic Money Regulations***

- 19.109 The *RDC* is the ~~FSA's~~ FCA's decision maker for some of the decisions under the *Electronic Money Regulations* as set out in *DEPP 2 Annex 1G*. The *RDC* will make its decisions following the procedure set out in *DEPP 3.2* or, where appropriate, *DEPP 3.3* and *3.4*. *DEPP 3.4* applies for urgent notices under regulations 11(6), (9) and (10)(b) (including as applied by regulation 15).
- 19.110 For decisions made by *executive procedures* the procedures to be followed will be those described in *DEPP 4*.
- 19.111 The *Electronic Money Regulations* do not require the ~~FSA~~ FCA to have published procedures to commence criminal prosecutions. However, in these situations the ~~FSA~~ FCA expects that it will normally follow its decision-making procedures for the equivalent decisions under the *Act*.
- 19.112 The *Electronic Money Regulations* require the ~~FSA~~ FCA to give third party rights as set out in section 393 of the *Act* and to give access to material as set out in section 394 of the *Act* in certain cases.
- 19.113 Certain ~~FSA~~ FCA decisions (for example the cancellation of an authorisation or the imposition of a financial penalty) may be referred to the *Tribunal* by an aggrieved party.

***Imposition of penalties under the Electronic Money Regulations***

- 19.114 When determining whether to take action to impose a penalty the ~~FSA's~~ FCA's policy includes having regard to the relevant factors in *DEPP 6.2* and *DEPP 6.4*. When determining the level of a financial penalty the ~~FSA's~~ FCA's policy includes having regard to relevant principles and factors in *DEPP 6.5* to *6.5D*.

- 19.115 When determining whether to suspend the authorisation or, as the case may be, the registration of an electronic money institution or limit or otherwise restrict the carrying on of electronic money issuance or payments services business by an electronic money issuer the ~~FSA's~~ FCA's policy will have regard to the relevant factors in *DEPP* 6A.
- 19.116 As with cases under the *Act*, the ~~FSA~~ FCA may settle or mediate appropriate cases involving civil breaches of the *Electronic Money Regulations* to assist it to exercise its functions under the Regulations in the most efficient and economic way. See *DEPP* 5, *DEPP* 6.7 and *EG* 5 for further information on the settlement process and the settlement discount scheme.

***Statement of policy in section 169(7) interviews (as implemented by the Electronic Money Regulations)***

- 19.117 The Electronic Money Regulations apply section 169 of the *Act* which requires the ~~FSA~~ FCA to publish a statement of policy on the conduct of certain interviews in response to requests from overseas regulators. For the purposes of the *Electronic Money Regulations* the ~~FSA~~ FCA will follow the procedures described in *DEPP* 7.

**Cross-Border Payments in Euro Regulations 2010**

- 19.118 The *Cross-Border Payments in Euro Regulations* lay down rules on cross-border payments in euros, to ensure that compliance with the *EU Cross-Border Regulation* is guaranteed by effective, proportionate and dissuasive sanctions. The main aim of the *EU Cross-Border Regulation* is to ensure that the charges for cross-border payments in euro are equal to the charges for identical national payments in euro within a Member State. The *Cross-Border Payments in Euro Regulations* give the ~~FSA~~ FCA investigation and sanctioning powers in relation to *breaches* of the *EU Cross-Border Regulation*, including:
- the power to require information
  - the power of public censure; and
  - the power to impose financial penalties.
- 19.119 The ~~FSA's~~ FCA's policy for using the powers given to it by the *Cross-Border Payments in Euro Regulations* is the same as its policy for using the equivalent powers given to it by the *Payment Services Regulations*, set out in *EG* 19.90 to 19.103, as, for the most part, these powers are very similar. As the *Payment Services Regulations*, for the most part, mirror the ~~FSA's~~ FCA's investigative, sanctioning and regulatory powers under the *Act*, the ~~FSA~~ FCA will therefore adopt enforcement procedures akin to those used under the *Act*.

**Recognised Auction Platforms Regulations 2011**

- 19.120 The ~~FSA's~~ FCA's policy for using the powers given to it by the *RAP Regulations* is set out in *REC*. This includes, for example, its policy in relation to the power to impose a

financial penalty on or censure an *RAP* (REC 2A.4) and its policy in relation to the power to give directions to an *RAP* (REC 4.6).

...

## **Annex 2 - Guidelines on investigation of cases of interest or concern to the Financial Services Conduct Authority and other prosecuting and investigating agencies**

### **Purpose, status and application of the guidelines**

1. These guidelines ~~have been agreed by~~ concern the following bodies (the agencies):

- the Financial ~~Services~~ Conduct Authority (the ~~FSA~~ FCA);
- ...

2. The guidelines are intended to assist the agencies when considering cases concerning financial crime and/or regulatory misconduct that are, or may be, of mutual interest to the ~~FSA~~ FCA and one or more of the other agencies. Their implementation and wider points arising from them will be kept under review by the agencies who will liaise regularly.

3. The purpose of the guidelines is to set out some broad principles which the agencies agree should be applied by them in order to assist them to:

...

4. The guidelines are intended to apply to the relationships between the ~~FSA~~ FCA and the other agencies. They are not intended to apply to the relationships between those other agencies themselves where there is no ~~FSA~~ FCA interest. They are not legally binding.

...

### **Indicators for deciding which agency should take action**

9. The following are indicators of whether action by the ~~FSA~~ FCA or one of the other agencies is more appropriate. They are not listed in any particular order or ranked according to priority. No single feature of the case should be considered in isolation, but rather the whole case should be considered in the round.

(a) Tending towards action by the ~~FSA~~ FCA

- Where the suspected conduct in question gives rise to concerns regarding market confidence or protection of consumers of services regulated by the ~~FSA~~ FCA.
- Where the suspected conduct in question would be best dealt with

by:

- criminal prosecution of offences which the ~~FSA~~ FCA has powers to prosecute by virtue of the Financial Services and Markets Act 2000 ("the 2000 Act") (See Appendix paragraph 1.4) and other incidental offences;
  - 
  - Where the likely defendants are ~~FSA~~ *authorised persons* or *approved persons*.
  - ...
  - Where there is likely to be a case for the use of ~~FSA~~ FCA powers which may take immediate effect (e.g. powers to vary the permission of an authorised firm or to suspend listing of securities).
  - Where it is likely that the investigator will be seeking assistance from overseas regulatory authorities with functions equivalent to those of the ~~FSA~~ FCA.
  - ...
- (b) Tending towards action by one of the other agencies
- ...
  - Where the suspected conduct in question would be best dealt with by:
    - criminal proceedings for which the ~~FSA~~ FCA is not the statutory prosecutor;
    - ...
    - winding up proceedings which the ~~FSA~~ FCA does not have statutory powers to bring (normally appropriate for BIS action); or
    - ...
  - ...
  - Where action by the ~~FSA~~ FCA is likely to prejudice the public interest in the prosecution of offences for which the ~~FSA~~ FCA is not a statutory prosecutor.
  - Where the case falls only partly within the regulated area (or criminal offences for which ~~FSA~~ FCA is a statutory prosecutor) and the prospects of splitting the investigation are not good.

...

### **Deciding to bring proceedings**

13. The agencies will consider, as necessary, and keep under review whether an investigation has reached the point where it is appropriate to commence proceedings. Where agencies are deciding whether to institute criminal proceedings, they will have regard to the usual codes or guidance relevant to that decision. For example, agencies other than the PPS or COPFS will have regard to the Code for Crown Prosecutors (Note: Different guidance applies to the PPS and COPFS. All criminal proceedings in Scotland are the responsibility of the Lord Advocate. Separate arrangements have been agreed between the ~~FSA~~ FCA and the Crown Office for the prosecution of offences in Scotland arising out of ~~FSA~~ FCA investigations). Where they are considering whether to bring non-criminal proceedings, they will take into account whatever factors they consider relevant (for example, in the case of market abuse proceedings brought by the ~~FSA~~ FCA, these are set out in paragraph 6.2 of the ~~FSA~~ FCA Decision and Procedure and Penalties manual).

...

**APPENDIX TO THE GUIDELINES ON INVESTIGATION OF CASES OF INTEREST OR CONCERN TO THE FINANCIAL SERVICES CONDUCT AUTHORITY AND OTHER PROSECUTING AND INVESTIGATING AGENCIES**

**1. The ~~FSA~~ FCA**

1.1 The ~~FSA~~ FCA is the single statutory regulator for all financial business in the UK. Its ~~regulatory objectives~~ strategic objective under the Financial Services and Markets Act 2000 (the 2000 Act) ~~are~~ is to ensure that the relevant markets function well. The *FCA's* operational objectives are:

- ~~market confidence~~ securing an appropriate degree of protection for *consumers*;
- ~~financial stability~~ protecting and enhancing the integrity of the *UK financial system*; and
- ~~the protection of consumers; and~~ promoting effective competition in the *interests of consumers* in the markets.
- ~~the reduction of financial crime.~~

(**Note:** The 2000 Act repealed and replaced various enactments which conferred powers and functions on the ~~FSA~~ FCA and other regulators whose functions are now carried out by the ~~FSA~~ FCA. Most notable in this context are the Financial Services Act 1986 and the Banking Act 1987. Transitional provisions under the 2000 Act permit the ~~FSA~~ FCA to continue to investigate and bring proceedings for offences under the old legislation. Details of these transitional provisions are not set out in these guidelines)

1.2 The ~~FSA's~~ FCA's *regulatory objectives* as the competent authority under Part VI of the *Act* are:

- the protection of investors;
- access to capital; and
- investor confidence.

1.3 Under the 2000 Act the ~~FSA~~ FCA has powers to investigate concerns including:

- ...
- suspected misleading statements and practices under s.397 of the 2000 Act and Part 7 of the Financial Services Act 2012;
- ...

The ~~FSA's~~ FCA's powers of information gathering and investigation are set out in Part XI of the 2000 Act and in s.97 in relation to its Part VI functions.

1.4 The ~~FSA~~ FCA has the power to take the following enforcement action:

- ...
- (except in Scotland) prosecute certain offences, including under the Money Laundering Regulations 2007, the Transfer of Funds (Information on the Payer) Regulations 2007, Part V Criminal Justice Act 1993 (insider dealing), Part 7 of the Financial Services Act 2012 and various offences under the 2000 Act including (**Note:** The ~~FSA~~ FCA may also prosecute any other offences where to do so would be consistent with meeting any of its statutory objectives):
  - ...
  - failing to co-operate with or giving false information to ~~FSA~~ FCA appointed investigators, under s.177;
  - ...
  - misleading the ~~FSA~~ FCA, under s.398;
  - various offences in relation to the ~~FSA's~~ FCA's Part VI function;
- ...

## 2. **BIS**

2.1 The Secretary of State for Business, Innovation and Skills exercises concurrently with the ~~FSA~~ FCA those powers and functions marked with an asterisk in paragraphs 1.3 above. The investigation functions are undertaken by Companies Investigation Branch (CIB) and the prosecution functions by the Legal Services Directorate.

...

## 3. **SFO**

...

3.2 Under the Criminal Justice Act 1987 the Director of the SFO may investigate any suspected offence which appears on reasonable grounds to involve serious or complex fraud and may also conduct, or take over the conduct of, the prosecution of any such offence. The SFO may investigate in conjunction with any other person with whom the Director thinks it is proper to do so; that

includes a police force (or the ~~FSA~~ FCA or any other regulator). The criteria used by the SFO for deciding whether a case is suitable for it to deal with are set out in paragraph 3.3.

...

#### Transitional provisions applying to the Enforcement Guide

(1)	(2) Material to which the transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provision dates in force:	(6) Regulatory Guide provision coming into force
1	<i>EG</i>		<p><i>EG</i> takes effect on 28 August 2007, save to the extent described below.</p> <p>The <del>FSA's</del> <u>FCA's</u> enforcement policy will continue to be as described in the Enforcement manual (ENF) in relation to any <i>statutory notice</i> or related notice given on or after 28 August where a <i>warning notice</i>, first <i>supervisory notice</i> or <i>decision notice</i> was given by the <del>FSA</del> <u>FCA</u> before 28 August in relation to the same matter.</p>	From 28 August 2007	28 August 2007

## SCHEDULE A

### Part 1

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 59 (Approval for particular arrangements)	Section 59	
Section 72 (The competent authority)	Part VI	
Section 73A (Part 6 Rules)	Section 73A	
Section 74 (The official list)	Section 74	
Section 75 (Applications for listing)	Section 75	
Section 77 (Discontinuance and suspension of listing)	Section 77	
Section 79 (Listing particulars and other documents)	Section 79	
Section 80 (General duty of disclosure in listing particulars)	Section 80	
Section 81 (Supplementary listing particulars)	Section 81	
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	
Section 87 (Election to have prospectus)	Section 87	
Section 87A (Criteria for approval of prospectus by	Section 87A	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
competent authority)		
Section 87B (Exemptions from disclosure)	Section 87B	
Section 87G (Supplementary prospectus)	Section 87G	
Section 88 (Sponsors)	Section 88	
Section 89 (Public censure of sponsor)	Sections 88A-88F	
Section 89A (Transparency rules)	Section 89A	
Section 89B (Provision of voteholder information)	Section 89B	
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	
Section 89D (Notification of voting rights held by issuer)	Section 89D	
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	
Section 89F (Transparency rules: interpretation etc)	Section 89F	
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	
Section 89O (Corporate governance rules)	Section 89O	
Section 96 (Obligations of issuers of listed securities)	Section 96	
Section 96A (Disclosure of information requirements)	Section 96A	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 96C (Suspension of trading)	Section 96C	
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	
Section 118(8) (Market abuse)	Section 118(8)	
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	
Section 138 (General rule-making power)	Section 137A	
Section 138(1) (General rule-making power)	Section 137A(1)	
Section 139 (Miscellaneous ancillary matters)	Section 137B	
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	
Section 139A (General rules about remuneration)	Sections 137H and 137I	
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	
Section 141 (Insurance business rules)	Section 137A(1)	
Section 142(2) (Insurance	Section 137A(1)	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
business: regulations supplementing Authority's rules)		
Section 144 (Price stabilising rules)	Section 137Q	
Section 145 (Financial promotion rules)	Section 137R	
Section 146 (Money laundering rules)	Section 137A(1)	
Section 147 (Control of information rules)	Section 137P	
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	
Section 149 (Evidential provisions)	Section 138C	
Section 150(2) (Actions for damages)	Section 138D(3)	
Section 156 (General supplementary powers)	Section 137T	
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	
Section 214 (General)	Section 214	
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	
Section 216 (Continuity of long-term insurance policies)	Section 216	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 217 (Insurers in financial difficulties)	Section 217	
Section 218(2)(b) (Annual report)	Section 218(2)(b)	
Section 223 (Management expenses)	Section 223	
Section 223C (Payments in error)	Section 223C	
Section 224F (Rules about relevant schemes)	Section 224F	
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	
Section 229 (Awards)	Section 229	
Section 234 (Industry funding)	Section 234	
Section 238(5) (Restrictions on promotion)	Section 238(5)	
Section 239 (Single property schemes)	Section 239	
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	
Section 247 (Trust scheme rules)	Section 247	
Section 248 (Scheme particulars rules)	Section 248	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 278 (Rules as to scheme particulars)	Section 278	
Section 283(1) (Facilities and information in UK)	Section 283(1)	
Section 293 (Notification requirements)	Section 293	
Section 293(1) (Notification requirements)	Section 293(1)	
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	
Section 322 (Rules applicable to former underwriting members)	None	
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	
Section 340 (Appointment)	Section 340	
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial	

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Education Body)	Education Body)	
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	

## SCHEDULE A

## Part 2

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
(SI 2009/209)	(SI 2009/209).	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the	

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
2008 (SI 2008/346)	Regulated Covered Bonds Regulations 2008 (SI 2008/346).	

## SCHEDULE A

### Part 3

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 64(2) (Conduct: statements and codes)	Section 64(2)	
Section 119 (The code)	Section 119	
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	
Section 121 (Codes: procedure)	Section 121	

## SCHEDULE A

## Part 4

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 63C(1) (Statement of policy)	Section 63C(1)	
Section 64 (Conduct: statements and codes)	Section 64	
Section 64(1) (Conduct: statements and codes)	Section 64(1)	
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	
Section 69(1) (Statement of policy)	Section 69(1)	
Section 93 (Statement of policy)	Section 93	
Section 93(1) (Statement of policy)	Section 93(1)	
Section 124 (Statement of policy)	Section 124	
Section 124(1) (Statement of policy)	Section 124(1)	
Section 131J(1) (Statement of policy)	Section 131J(1)	
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	
Section 210(1) (Statements of policy)	Section 210(1)	
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	
Section 395(5) (The Authority's procedures)	Section 395(5)	
Section 404(3) (Consumer redress schemes)	Section 404(3)	
Section 404A (Rules under s404: supplementary)	Section 404A	



## SCHEDULE A

## Part 5

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	

## SCHEDULE A

### Part 6

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 51 (Applications under this Part)	Section 55U	
Section 60 (Applications for approval)	Section 60	
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	
Section 182 (Notification)	Section 179	
Section 218A (Authority's power to require information)	Section 218A	
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	
Section 250 (Modification or waiver of rules)	Section 250	
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	
Section 274 (Applications for recognition of individual schemes)	Section 274	
Section 287 (Application by an investment exchange)	Section 287	
Section 294 (Modification or waiver of rules)	Section 294	
Section 294(2) (Modification	Section 294(2)	

Column 1	Column 2	
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
or waiver of rules)		
Section 316 (Direction by Authority)	Section 316	
Section 317 (The core provisions)	Section 317	
Section 318 (Exercise of powers through Council)	Section 318	
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	

**SCHEDULE A**

**Part 7**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	

**SCHEDULE A**

**Part 8**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Section 157 (Guidance)	Section 139A	
Section 157(1) (Guidance)	Section 139A(1)	
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	

## SCHEDULE A

### Part 10

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	

Column 1	Column 2	
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	

## Appendix 3: Section 23

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# Legal Cutover (FCA and PRA Handbook Miscellaneous Amendments) Instrument 2013

**LEGAL CUTOVER (FCA AND PRA HANDBOOK MISCELLANEOUS  
AMENDMENTS) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- E. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- F. The provisions in the Annexes are designated by instruments that are passed by the FCA Board on 19 March 2013 and the PRA Board on 22 March 2013.

**Interpretation**

- 1 In this Instrument (including the Recitals):
  - (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
  - (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
  - (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
  - (4) "the 2012 Act" means the Financial Services Act 2012;
  - (5) "the Authority" means the Financial Services Authority;
  - (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
  - (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;

- (8) “Handbook” means the Authority’s Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority’s Handbook website at 11h59 pm on 27 February 2013;
- (9) “Relevant Instrument” has the meaning in section 119(6)(b) of the 2012 Act;
- (10) “FSA Instrument” means an instrument published by the Authority, by which the Authority made, issued, gave, imposed or amended a Relevant Instrument;
- (11) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority;
- (12) “PRA Relevant Instrument” means a Relevant Instrument designated by the Prudential Regulation Authority;

### **Modification and making of rules, etc. by the Financial Conduct Authority**

- 2 In accordance with Article 3(1) of the Designation Order, the Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in the Annexes to this Instrument.
- 3 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 4, the Financial Conduct Authority makes any provision specified in the Annexes to the Instrument that is not a modification specified in a provision in the Annexes to this Instrument made in accordance with paragraph 2.
- 4 The Financial Conduct Authority makes the provisions in paragraph 3 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 5 The rule-making powers in paragraph 4 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

### **Commencement: Financial Conduct Authority**

- 6 As required by Article 3(1) of the Designation Order, the Financial Conduct Authority specifies that the modification (in paragraph 2) of each FCA Relevant Instrument comes into effect on 1 April 2013.
- 7 The Financial Conduct Authority directs that paragraph 3 of this Instrument come into effect on 1 April 2013.
- 8 The Financial Conduct Authority directs that paragraphs 2 and 3 come into force immediately after the coming into force of the FCA Relevant Instruments which have designated the provisions specified in the Annexes to this Instrument

### **Modification and making of rules, etc. by the Prudential Regulation Authority**

- 9 In accordance with Article 3(1) of the Designation Order, the Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in the Annexes to this Instrument.
- 10 In accordance with Article 2(1) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 11, the Prudential Regulation Authority makes any provision specified in a provision in the Annexes of this Instrument that is not a modification made in accordance with paragraph 9 and which is not marked with a G.
- 11 The Prudential Regulation Authority makes the provisions in paragraph 10 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 12 The rule-making powers in paragraph 11 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 13 The Prudential Regulation Authority gives as guidance each provision in the Annexes to this Instrument that modifies a provision which is marked with a G and identified as “PRA” or “FCA/PRA” in a PRA Relevant Instrument.

### **Commencement: Prudential Regulation Authority**

- 14 As required by Article 3(1) of the Designation Order, the Prudential Regulation Authority specifies that the modification (in paragraph 9) of each PRA Relevant Instrument comes into effect on 1 April 2013.
- 15 The Prudential Regulation Authority directs that paragraph 10 of this Instrument comes into effect on 1 April 2013.
- 16 The Prudential Regulation Authority directs that paragraph 9, 10 and 13 of this Instrument come into force immediately after the coming into force of the PRA Relevant Instruments which have designated the provisions specified in the Annexes to this Instrument.

### **Amendments to the Handbook and other material**

- 17 The Supervision manual (SUP) is amended in accordance with Annex A to this Instrument.
- 18 The Perimeter Guidance manual (PERG) is amended in accordance with Annex B to this Instrument.

### **Citation**

- 19 This instrument may be cited as the Legal Cutover (FCA and PRA Handbook Miscellaneous Amendments) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

22 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

**Annex A**

**Amendments to the Supervision manual (SUP)**

In this Annex, underlining indicates new text and striking through indicates deleted text.



## Variation of Permission (VOP) Application

### Home Finance and General Insurance Mediation Activities

Firm Name

FSA Firm Reference Number

#### **Important information you should read before completing this form**

##### **Purpose of this form**

This form is **only** for firms wishing to change the scope of their permission for **Home Finance and/or General Insurance Mediation Business**. You must answer all sections.

If your application is for Investment business, or Insurance Business, Banking, E-Money, Lloyds Market and Funeral Plan Providers, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated**, e.g. pages 2, 6, 11-13.

**The notes that accompany the forms will help you complete the questions.** They also explain why we need the information that we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence, it may increase the time taken to assess your application and may call into question your suitability to be authorised.**

Submit your application by post to:

**If the appropriate regulator is the FCA send to:**  
**~~The Financial Services Authority~~**

Variation of Permission Team  
The Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

**If the appropriate regulator is the PRA send to:**

Assessment and Monitoring Team  
The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

#### **Contents of this form**

#### **Page**

Contact Details and Timings	2
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Threshold Conditions	7
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Fees	12
Declaration and Signature	13

# 1

## Contact details and timings for this application

We need this information in case we need to contact you when we assess this application.

### Contact for this application

#### 1.1 Details of the person we should contact about this application.

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

### Timings for this application

#### 1.2 Does the applicant firm have any timing factors that it would like us to consider?

--

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.

# 2

## Variation of Permission – Home Finance and General Insurance Mediation activities

Tell us what it is you wish to do to change your firm's permission.

### 2.1 Answer this section if you wish to do the following:

- add a new investment business activity to your permission;
- add a customer type or investment type to a current activity on your permission;
- delete an activity from your permission; or
- change, add or delete a limitation.

If you wish to add or amend several activities in different ways, copy this page and attach it to this form.

Select activity(ies)			
Add new activity	Amend current activity	Delete activity	
<b>Home Finance Activities</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to regulated mortgage contracts
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into regulated mortgage contracts (mortgage lending)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering regulated mortgage contracts
<b>Home Reversion Plans</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on home reversion plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) home reversion plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to home reversion plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a home reversion plan
<b>Home Purchase Plans</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on home purchase plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) home purchase plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to home purchase plans
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a home purchase plan
<b>Regulated Sale and Rent Back Agreements</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to regulated sale and rent back agreements
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Entering into a regulated sale and rent back agreement
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Administering a regulated sale and rent back agreement
<b>General Insurance Activities</b>			
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Advising on investments (except pension transfers and opt outs)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Arranging (bringing about) deals in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Making arrangements with a view to transactions in investments
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Dealing in investments as agent
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Assisting in the administration of insurance

Select customer type(s)			
Add customer	Delete customer		
<input type="checkbox"/>	<input type="checkbox"/>		<b>Home Finance Activities</b>
			Customer
<input type="checkbox"/>	<input type="checkbox"/>		<b>General Insurance Activities</b>
<input type="checkbox"/>	<input type="checkbox"/>		Retail (General Insurance business only)
<input type="checkbox"/>	<input type="checkbox"/>		Commercial (General Insurance business only)

### Select investment type(s)

Add	Delete	
<input type="checkbox"/>	<input type="checkbox"/>	<b>Home Finance Activities</b>
<input type="checkbox"/>	<input type="checkbox"/>	Regulated mortgage contract
<input type="checkbox"/>	<input type="checkbox"/>	Home reversion plan
<input type="checkbox"/>	<input type="checkbox"/>	Home purchase plan
<input type="checkbox"/>	<input type="checkbox"/>	<b>General Insurance Activities</b>
<input type="checkbox"/>	<input type="checkbox"/>	Non-investment insurance contract
<input type="checkbox"/>	<input type="checkbox"/>	Life policy (assisting in administration only)

# 2

## Variation of Permission – Home Finance and General Insurance Mediation activities (cont'd)

Tell us what it is you wish to do to change your firm's permission.

### Limitation(s) on your firm's activity(ies)

- Add a new limitation
- Delete a current limitation
- Amend a current limitation

Enter the limitation(s) below, clearly indicating the amendments if applicable.

### Requirement(s)

**2.2 Answer this question if you wish to add a new requirement, or amend or delete a current requirement.**

**2.2.1 If you are adding a new requirement to your firm's permission, select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement:**

- Standard requirement from Appendix A:

Ref Number	Short description

- Non-standard requirement:

**2.2.2 If you are amending a current requirement on your firm's permission, enter it along with the proposed changes in the box below.  
If you are deleting a current requirement on your firm's permission, enter it in the box below.**

# 3

## Variation of Permission – Client Money

Tell us what it is you wish to do to change your firm's client money permission.

### 3.1 Does your firm wish to change your client money or assets permission?

- No > Continue to Section 4.  
 Yes > Answer the relevant questions in this section.

### 3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money for home finance business only	<input type="checkbox"/> Hold and control client money for home finance business only
<input type="checkbox"/> Hold and control client money for Insurance Mediation only	<input type="checkbox"/> Hold and control client money for Insurance Mediation
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

### 3.3 Are you applying to stop holding client money?

- No > Continue to next question.  
 Yes > Continue below.

- Please tick this box if you have included a report from your auditors confirming that you have done this and it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it.
- Or, if you are applying to cease holding client money for Insurance Mediation as you have Risk Transfers in place, and you have NEVER held or controlled client money, please tick here to confirm the Risk Transfer Agreement in place with your Insurer covers ALL Client Money. This includes any claims monies received by your firm and any refund of premiums.

If you cannot answer 'Yes' to either of the above two options, explain further below.

### 3.4 Are you applying to hold client money?

- No > Continue to Section 4.  
 Yes > Continue to next question.

### 3.5 What type of account will your firm use to hold client money? (tick one)

- Statutory trust > Continue to next question.  
 Non-statutory trust > Continue to next question.  
 Other > Provide further details below.

### 3.6 Is the account held at an approved bank that meets the requirements imposed under CASS 4.3 or CASS 7.4?

- Yes > Continue to next question.  
 No > Explain why below.

### 3.7 Have you read and understood the Client Money rules that you are required to follow?

- Yes > Continue to Section 4.  
 No > Explain why below.

# 4

## Reason for Variation

Tell us why you are applying to change your firm's permission.

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details on any outsourcing.

# 5

## Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part IV 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application.

**You may be asked to provide documentary evidence to support of your answers, either during the application process or at a later point.**

Tables B and C of the document 'Home Finance and General Insurance Mediation Business– Notes' gives details on what we may ask you to provide to support your application.

**5.1 Have you reviewed Tables B and C of the Notes, and submitted the supporting information as indicated by your type of application?**

- Yes > Continue to next question.  
 No > **Submitting the information now will significantly speed up the application process.**

### Legal Status

**5.2 Confirm that after this application your firm will retain its existing legal status.**

- ~~Yes > Continue to next question.~~  
 ~~No > Give details of how the legal status of the firm will change below.~~

### Location of Offices

**5.3 5.2 Confirm the following:**

- if you are a body corporate, that your firm's Registered Office (or if you have no Registered Office, your Head Office) is located within the United Kingdom;
- if you are natural person, that your Head Office is in or you are resident in the United Kingdom.

- Yes > Continue to next question.  
 No > Give further details below.

### Close Links

**5.3 As a result of this application, will your firm have any new close links with another person or firm?**

- ~~No > Continue to next question.~~  
 ~~Yes > Give further details below.~~

### Effective Supervision

**5.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?**

- ~~No > Continue to next question.~~  
 ~~Yes > Give further details below.~~

### Adequate Appropriate resources

**5.5 5.4 Prudential category**

**5.5.1 5.4.1 What is your firm's current prudential category?**

**5.5.2 5.4.2 Will the firm's prudential category change as a result of this application?**

- No > Continue to question 5.5.  
 Yes > What prudential category will your firm be in?

**5.5.3 5.4.3 What will be the firm's new capital resource requirement?**

**5.5.4 5.4.4**

**Is the firm currently able to meet this new capital requirement?**

- Yes > Continue to next question.  
 No > Explain why below.

**5.6 5.5 Professional Indemnity Insurance**

**5.6.1 5.5.1 Are you required to have in place professional indemnity insurance (PII)?**

- No > Continue to question 5.7.  
 Yes > Do you hold a valid quote or policy for PII that covers the current business of the firm, and the proposed change in business, if applicable, for which the firm is applying?  
 Yes > Continue to next question.  
 No > Explain why below.

**Suitability**

**5.7 5.6 Compliance**

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies, and continues to comply, with regulations.

**5.7.1 5.6.1 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which you are applying?**

- Yes > Continue to next question.  
 No > Explain why below.

**5.8 5.7 Conduct of Business Requirements – Mortgage Business (MCOB) and Insurance Mediation (ICOB) Sourcebooks**

**5.8.1 5.7.1 Is the firm ready, willing and organised to comply with the relevant provisions in MCOB and/or ICOB (delete as appropriate), and, if relevant to this application, does the firm have in place the relevant customer documentation, such as Key Facts and Initial Disclosure Requirements Documentation, for the permission you are applying for?**

- Yes > Continue to next question.  
 No > Explain why below.

**5.9 5.8 Systems and Controls (SYSC) Requirements**

**5.9.1 5.8.1 Does the firm continue to meet the SYSC requirements?**

- Yes > Continue to next question.
- No > Explain why below.

**Insurance Mediation Applications only:**

**5.10 5.9** Firms carrying on insurance mediation business are required to establish on reasonable grounds that all people in its management structure and any staff directly involved in their insurance mediation activity are of good repute. And they must ensure that a reasonable proportion of people within their management structure who are responsible for its insurance mediation activity, and all other people directly involved in it, demonstrate the knowledge and ability necessary to perform their duties. **Is the firm compliant with the Insurance Mediation Directive requirements?**

- Yes > Continue to next section.
- No > Explain why below.

**We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.**

# 6

## Approved Persons

If a firm changes its permission it may need new Controlled Functions and Approved Persons or it may no longer require certain Controlled Functions.

You should consider the effect of this change on approved persons before submitting your application. If you require help, please ~~from the FCA~~ please call the FCA Approved Persons Helpline on +44 (0) 845 606 9966 or email ~~iva@fca.gov.uk~~ [iva@fca.org.uk](mailto:iva@fca.org.uk). If you are a dual regulated firm and require help from the PRA, please call PRA Firm Enquiries on +44 (0) 203 461 7000 or email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

- 6.1 Each firm that carries on Insurance Mediation business must appoint an approved person who will be responsible for insurance mediation at the firm. This responsibility must be allocated to a director or senior manager performing a governing function; or the apportionment and oversight function; or the significant management (other business operations) function.**

**What is the name of the individual the firm has appointed to be responsible for insurance mediation?**

- 6.2 Have any individual(s) proposed to perform a new role, for the firm's Home Finance business or Insurance Mediation business, been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?**

- Yes > Continue to 6.3.  
 No > Explain why below.

- 6.3 The changes you have requested may result in current controlled functions no longer being required. We will remove the specific functions from the profiles of the relevant approved persons. If this applies to your application, do you accept this?**

- Yes > Continue to Section 7.  
 N/A, as no change to controlled functions. > Continue to Section 7.  
 No > Explain why below.

# 7

## EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

### EEA Notifications

#### 7.1 Is the firm connected with a firm outside the UK but within the EEA?

- No > Continue to next question.  
 Yes > Give details of each connection below.

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

### Third-Country Banking and Investment Groups

#### 7.2.1 Is the firm a BIPRU firm?

- No > Continue to Section 8.  
 Yes > Continue to next question.

#### 7.2.2 Is the firm a member of a third-country (i.e outside of the EEA) banking and investment group?

- No > Continue to Section 8.  
 Yes > We will ask you to give further details once we have received this application.

# 8

## Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within **five working days** of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

**We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.**

8.1 Which fee block(s) is the firm currently in?

8.2 Indicate which of the following applies to your application.

New Fee Block	Description	Application Fee
<input type="checkbox"/> A3	Friendly Societies	Straightforward - £750
<input type="checkbox"/> A4	Friendly Societies	
<input type="checkbox"/> A12	Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A13	Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Fund managers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A9	Operators, trustees and depositories of collective investment schemes	
<input type="checkbox"/> A9	Operators of personal pension schemes	
<input type="checkbox"/> A10	Firms dealing as principal	
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	Complex - £12,500
<input type="checkbox"/> A3	Firms carrying on insurance activities subject only to prudential regulation (excluding friendly societies)	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	£250
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	No fee

8.3 Please confirm that you have enclosed a cheque for the correct application fee, where one is due.

- Yes  
 No, I will pay using a credit card

Cheques should be made payable to the ~~Financial Services Authority~~ Financial Conduct Authority, with the firm name and reference number written on the back and enclosed with this form. To make a payment using a credit card, please do not enter the details on this form. We will contact you to ask for the details.

# 9

## Declaration and Signature

### Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

### Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~Financial Services Authority~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

### Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the ~~FSA~~ FCA and/or PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the ~~FSA~~ FCA and/or PRA on request.
- ✓ I will notify the ~~FSA~~ FCA and/or PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Date	<input type="text"/>
Name of signatory <sup>1</sup>	<input type="text"/>
Position <sup>2</sup> of signatory	<input type="text"/>
Individual Registration Number (if applicable)	<input type="text"/>
Signature	<input type="text"/>

<sup>1</sup> The signatory must be a suitable person of a Senior Management level at the firm.

<sup>2</sup> e.g. Director, Sole Trader, Compliance Officer, etc.



## Variation of Permission (VOP) Application

### Home Finance and General Insurance Mediation Activities – notes

#### **Purpose of these Notes**

These notes will help you fill in the **Home Finance and General Insurance Mediation** Activities form correctly.

If after reading these notes you need more help, you can:

- visit our website: <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml>, where there is also a link to the [Frequently Asked Questions](http://www.fca.org.uk/your-fca) page; [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk);
- consult the relevant tailored handbook or the full FSA Handbook: [www.fcahandbook.info/FSA/index.jsp](http://www.fcahandbook.info/FSA/index.jsp); [www.fshandbook.info/FS/index.jsp](http://www.fshandbook.info/FS/index.jsp);
- call the Firm Contact Centre on 0845 606 9966 or [PRA Firm Enquiries on 020 3461 7000](tel:02034617000); or email [fcc@fsa.gov.uk](mailto:fcc@fsa.gov.uk) [fcc@fca.org.uk](mailto:fcc@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

These notes, while aiming to help you, do not replace the rules and guidance in the FSA Handbook.

#### **Terms in the Form**

The form uses the following terms:

~~'FSA'~~ **'FCA/PRA'**, **'we'**, **'our'**, or **'us'** refers to the ~~Financial Services Authority~~ **Financial Conduct Authority** and the Prudential Regulation Authority.

**'The firm'** refers to the firm applying for the variation of permission.

**'You'** refers to the person(s) signing the form on behalf of the applicant firm.

#### **Contents of this form**

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# 1

## Contact details and timings for this application

### Contact for this application

#### 1.1 Details of the person we should contact about this application.

This should be an individual in the UK.

### Timings for this application

#### 1.2 Does the applicant firm have any timing factors that it would like us to consider?

If you wish your application to be granted by a specific date, for example in time for a product launch, we will try to do so. However, the time taken to determine each application is significantly affected by the quality of the application submitted and whether it is complete. If you leave a question blank, do not sign the declaration or do not attach the required supporting information, we will have to treat the application as incomplete. This will increase the time taken for us to assess your application.

We are required by law to determine applications within the earlier of (a) six months of receiving a complete application or (b) 12 months of receiving an incomplete application. However, we aim to make a decision about the application as soon as possible.

# 2

## Variation of Permission – Home Finance and General Insurance Mediation activities

It is your responsibility to make sure the regulated activities you request adequately cover the activities the applicant firm intends to carry on. Use this section to request any changes you wish to make to the firm's permission.

You need a Permission Notice that matches the applicant firm's needs and covers every aspect of regulated business it wants to carry on. The Permission Notice shows the range of regulated activities the applicant firm will be authorised to carry on, as well as the investment instruments and type(s) of customer it can deal with for each specific activity. It will also contain what we refer to as 'requirements' and 'limitations'.

Broadly speaking, a limitation is included in the description of a specific regulated activity (e.g. not to deal with retail customers) and will limit how it is carried on, in some way.

A requirement is on the firm to take or not to take a specified action (e.g. not to hold client money). A requirement may extend to activities of the firm which are not regulated activities.

If the applicant firm carries on a regulated activity that is not set out in its permission notice it could be in breach of FSMA and subject to enforcement action.

- For further detailed information on Home Reversion Schemes and Home Purchase Plans, which became regulated on 6 April 2007, please see the following page on our website: [www.fsa.gov.uk/pages/Doing/Regulated/Notify/Permissions/home/index.shtml](http://www.fsa.gov.uk/pages/Doing/Regulated/Notify/Permissions/home/index.shtml) [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk);

## 3 Variation of Permission – Client Money

The rules and guidance about how applicant firms hold client money are designed to provide an adequate level of protection for consumers.

### **Statutory Trusts and Non-Statutory Trust Accounts**

A non-statutory trust account can be used to make advances of credit. This enables a client's premium to be met from the pool of client money held before the client pays the premium to the intermediary and vice versa.

A statutory trust account does not permit this use of credit.

Another important difference between these two types of trust account is the level of minimum capital resource requirements for the firm.

- For a non-statutory trust account, the firm's minimum capital resources requirement is the higher of £50,000 or 5% of relevant annual income.
- For a statutory trust account, the firm's minimum capital resources requirement is the higher of £10,000 or 5% of relevant annual income.

However, firms may be subject to a higher level of minimum capital resources, depending on the type of business they carry on.

## 4 Reason for Variation

No additional notes.

## 5 Threshold Conditions

Threshold Conditions are the minimum requirements a firm must satisfy to be and to continue to be authorised. When we consider the applicant firm's application we will assess whether you will satisfy, and continue to satisfy, the threshold conditions which are set out in full in the Threshold Conditions (COND) 2 Sourcebook of the FSA Handbook

at: [www.fshandbook.info/FSA/html/handbook/COND/2](http://www.fshandbook.info/FSA/html/handbook/COND/2); [www.fshandbook.info/FS/html/handbook/COND/2](http://www.fshandbook.info/FS/html/handbook/COND/2).

### **Legal Status**

~~This is a requirement of Threshold Condition 2.1. The applicant firm must fall into one of the categories listed to apply for authorisation.~~

### **Location of Offices**

This is a requirement of Threshold Condition 2.2.

### **Close Links**

~~If the applicant firm has any close links (links with other firms or individuals), these must not prevent effective FSA supervision of the applicant firm if authorised. This is a requirement of Threshold Condition 2.3.~~

### **Effective Supervision**

The appropriate regulator must be capable of effectively supervising the firm. This is a requirement of Threshold Condition 2.3.

## **Adequate ~~Appropriate~~ resources**

We must be satisfied the applicant firm has adequate resources. We assess the quality and quantity of the applicant firm's resources for its:

- financial resources;
- management;
- staff; and
- systems and controls.

This is a requirement of Threshold Condition 2.4.

# 5

## Threshold Conditions (cont'd)

### **Prudential category**

We differentiate between our financial requirements by putting applicant firms in different prudential categories. The firm will fall into at least one prudential category; and it may fall into more than one prudential category, depending on its regulated activities.

The prudential categories are set out in the following table:

**Table A**

<b>PRUDENTIAL CATEGORIES FOR NON- INVESTMENT BUSINESS FIRMS</b>		
<b>IPRU Sourcebook</b>		<b>Ref</b>
Bank		B
Building Society		BS
Friendly Society		FS
Insurer		INS
Mortgage Lender		ML
Mortgage Administrator		MA
Mortgage and/or insurance intermediary		MGI
<b>PRUDENTIAL CATEGORIES FOR INVESTMENT BUSINESS FIRMS</b>		
<b>IPRU(INV) Chapter</b>	<b>Sub Category in Chapter</b>	<b>Ref</b>
2 – Professional Firms	N/A	PROF
3 – Securities and Futures Firms (not Investment Firms)	Corporate Finance	NI-CF
	Venture Capital	NI-VC
	Arranger	NI-ARR
	Agency Broker	NI-AB
	Financial Bookmaker	NI-FB
	Non clearing Floor Member	NI-NCFM
	Broadscope	NI-BRA
	Local	LOCAL
	EMP	EMP
OMP	OMP	
4 – Lloyd's Firms	N/A	LLOYD
5 – Investment Management Firms	N/A	IM
6 – Service Companies	N/A	SC
10 – Securities and Futures Firms (Investment Firms)	ISD A	ISD-A
	ISD B	ISD-B
	ISD C	ISD-C
	ISD D	ISD-D
	ISD Corporate Finance	ISD-CF
	ISD Branch	ISD-BRA

13 – Personal Investment Firms	A1	PI-A1
	A2	PI-A2
	A3	PI-A3
	B1	PI-B1
	B2	PI-B2
	B3	PI-B3
Media Firm	N/A	Media

## 5 Threshold Conditions (cont'd)

### Professional Indemnity Insurance

Some types of firms are required to have professional indemnity insurance (PII) in place, depending on the type of business that they conduct. PII is liability insurance that covers businesses if a third party claims to have suffered a loss because of professional negligence. Unless an exemption applies, you must have compliant PII cover in place before we can grant your application. An authorised firm must have PII that is at least equal to the requirements of the FSA Handbook IPRU (INV) 13 and/or MIPRU 3.2.

All excesses and exclusions identified in the PII policy must have been satisfactorily covered - for example, your firm has adequate capital resources, or has made adequate arrangements to mitigate high excess(es), or increased excess(es) for specific business types. Please note we would not expect your firm to have exclusions for specific business types.

### What if I intend to carry on more than one regulated activity?

If you carry on a combination of investment, home finance and/or insurance mediation regulated activities you will only need to comply with the higher of the prudential requirements as stated in MIPRU 3.2 and/or IPRU (INV)13 for each of these regulated activities.

You do not need to have more than one PII policy to satisfy each prudential requirement in MIPRU and IPRU (INV). One PII policy could cover the separate limits of indemnity and excesses for each type of regulated activity where appropriate. If you are subject to one or more limits of indemnity (because of the scope of your firm's regulated activities) and more than one limit applies, you only need to provide the highest one.

### Useful Links

[www.fsa.gov.uk/pages/doing/regulated/Firms/faq/rmar.shtml](http://www.fsa.gov.uk/pages/doing/regulated/Firms/faq/rmar.shtml)  
[www.fsa.gov.uk/pages/Doing/small\\_firms/advisors/FAQ/pii.shtml](http://www.fsa.gov.uk/pages/Doing/small_firms/advisors/FAQ/pii.shtml)  
[www.fsa.gov.uk/pubs/policy/04\\_02/buying\\_pii.pdf](http://www.fsa.gov.uk/pubs/policy/04_02/buying_pii.pdf)

### Suitability

We must be satisfied the applicant firm is 'fit and proper' to be authorised. We assess:

- the competence and ability of management;
- the management's commitment to carrying on the business with integrity; and
- the management's commitment to carrying on the business in compliance with the regulatory regime.

### Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies, and continues to comply, with regulations. When assessing this application we need to be satisfied the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations. The applicant firm will need, as a **minimum**, to have in place procedures to meet our rules for the subject areas in the table below. These procedures must be ready for inspection at any time.

# 5

## Threshold Conditions (cont'd)

### Supporting Information to Submit With Your Application

For applications to add permission to do the following **for the first time**, the documents indicated in the table below **must** be supplied with the application. Failure to do so will lengthen the application process.

**Table B – Regulated mortgage contracts, home reversion and home purchase plans**

	ADDING FOR THE FIRST TIME		
	Home reversions and Home Purchase Plans (advising/arranging)	Home reversions and Home Purchase Plans (Administering/ Entering into)	Entering into/ Administering regulated mortgage contracts
Evidence of compliance with the capital resource requirements	X (If not already in fee block A18)	X (If not already in fee block A2)	X
Compliance Manual			X
Compliance monitoring programme (procedures to establish, maintain and carry out regular periodic compliance reviews).	X	X	X
Business Plan – Including lending and underwriting policy		X	X
Details of operational procedures			X
Projected business volumes for 3 years		X	X
Product lists including key features of the new products		X	X
Details of charges that will apply to products		X	X
Draft customer documentation			X

**Table C – Regulated sale and rent back agreements**

	ADDING FOR THE FIRST TIME	
	Sale and rent back agreements (advising on and/or arranging)	Sale and rent back agreements (Administering / Entering into)
Evidence of compliance with the capital resource requirements	X (If not already in fee block A18)	X (If not already in fee block A2)
Compliance monitoring programme (procedures to establish, maintain and carry out regular periodic compliance reviews).	X	X
Business Plan	X	X
Sales and distribution procedures	X	X
Initial disclosure documentation	X	X
Pre-sale disclosure document	X	X

Pre-offer document: Stage one		X
Offer document: Stage two		X
Tenancy agreement		X
Affordability and suitability assessment procedures	X	X
Procedures for assessing unauthorised providers	X	

## 6 Approved Persons

You must ensure that no individual performs a controlled function until the application has been granted and we have approved the individual to perform the controlled function(s).

### What is an approved person?

An approved person is an individual who is approved by us to perform a controlled function for an authorised firm or an appointed representative. To be approved and continue to be approved to perform a controlled function, an individual must:

- meet, and maintain, our criteria for approval (the 'fit and proper test'); and then
- perform their controlled function(s) in line with the Statement of Principles and Code of Practice for Approved Persons (APER) Sourcebook of the FSA Handbook.

### What is a controlled function?

A controlled function is a function for a regulated business that has particular regulatory significance. For example, overseeing the firm's systems and controls and being responsible for compliance with our rules. There are different controlled functions relevant to the different types of businesses we regulate. Some controlled functions are required for every firm, others will depend on the nature of your business. Each controlled function has a 'CF' number. You can find a full list of all the controlled functions and an explanation of each one

at: [www.fshandbook.info/FS/html/handbook/SUP/10](http://www.fshandbook.info/FS/html/handbook/SUP/10), [www.fshandbook.info/FS/html/handbook/SUP/10](http://www.fshandbook.info/FS/html/handbook/SUP/10).

The Approved Person 'Form A' application form is found

at: [www.fsa.gov.uk/pubs/other/ivreg\\_forma.pdf](http://www.fsa.gov.uk/pubs/other/ivreg_forma.pdf) [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca)

## 7 EEA Notifications and Third-Country Banking and Investment Groups

### EEA Notifications

We need to know about any connected firms outside the UK but within the EEA because we are required by FSMA to contact the relevant EEA Home State Regulators of these connected firms, as part of the application process.

### Third-Country Banking and Investment Groups

#### Definition of BIPRU firm (currently in the New Glossary definition in CP06/03)

*BIPRU* firm has the meaning set out in BIPRU 1.1.6R, which subject to BIPRU 1.1.7R means a firm that is:

- a building society;
- a bank;
- a full scope BIPRU investment firm;
- a BIPRU limited licence firm; or
- a BIPRU limited activity firm.

#### Definition of third-country banking and investment group

A third-country banking and investment group is a banking and investment group that is:

- headed by:
  - a credit institution;
  - an asset management company;
  - an investment firm; or

- (iv) a financial holding company;  
that has its head office outside the EEA; and
- (b) not part of a wider EEA banking and investment group.

#### **Definition of financial holding company**

A financial holding company is a financial institution that fulfils the following conditions:

- (a) its subsidiary undertakings are either exclusively or mainly credit institutions, investment firms or financial institutions;
- (b) at least one of those subsidiary undertakings is a credit institution or an investment firm; and
- (c) it is not a mixed financial holding company.

#### **Definition of credit institution** (as defined in articles 4(1) and 107 of the Banking Consolidation Directive (BCD))

A credit institution is:

(as defined in article 1(1) of the BCD)

- (1) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account; or
  - (2) an electronic money institution within the meaning of the E-Money Directive;
- but excluding an institution within (2) that does not have the right to benefit from the mutual recognition arrangements under the BCD.

(See also the definitions of BCD credit institution, full credit institution, full BCD credit institution and Zone A credit institution in the Glossary of the FSA Handbook.)

#### **Definition of investment firm** (as defined in article 1(2) of the Investment Services Directive (ISD))

An investment firm is any legal person whose regular occupation or business of which is providing core investment services for third parties on a professional basis and (in relation to a person with his or its head office in an EEA State) a person, who is not a legal person, included as an investment firm by his or its Home State.

**Please note, this definition will change when the Markets in Financial Instruments Directive (MiFID) is implemented.**

## 8

### Fees

The application fee is an integral part of your application. If you do not send a cheque for the appropriate fee in full with the completed application pack, we will not process your application.

For further information on fees, see FEES 4 Annex 1AR and 1BR.

You should note the firm's periodic fee may change as a result of this application.

See [www.fsa.gov.uk/fees](http://www.fsa.gov.uk/fees) [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk) for further details.

## 9

### Declaration and Signature

This must be the person who is responsible for making the application. This should be a suitable person of appropriate seniority at the firm.

## **Appendix A - Standard Requirements**

<b>Ref</b>	<b>Short Description</b>	<b>Requirement (full narrative)</b>
1	Activities only in respect of long term insurance.	The firm may only carry on listed activities in respect of the investments specified for the purpose of its long term insurance business.
2	Corporate finance business only.	The firm must not conduct designated investment business other than corporate finance business.
3	Corporate finance or venture capital only.	The firm must not conduct designated investment business other than corporate finance business or venture capital business.
4	Derivatives as incidental services only.	The firm must not carry on a permitted activity concerning the sale of an option (including a commodity option), future (including commodity future) or contract for difference (including spread bet or rolling spot forex contract), except where the activity is incidental to services to a particular client.
5	Energy Market Participant.	The firm must not conduct designated investment business other than energy market activity.
6	Exempt CAD firm (arranging and advising)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments or investment advice.
7	Exempt CAD firm (arranging only)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments.
8	Exempt CAD firm (advising only)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except investment advice in relation to one or more financial instruments.
9	*Limited Activity firm	May only deal on own account in MiFID financial instruments for the purpose of (i) fulfilling or executing a client order or (ii) gaining entrance to a clearing and settlement system or a recognised exchange when acting in an agency capacity or executing a client order.
10	*Limited Licence firm	Unable to (i) hold financial instruments for own account unless it meets the 'matched principal exemption conditions' as defined in the <del>FSA's</del> <del>FCA's</del> Glossary of defined expressions used in the <del>FSA's</del> <del>FCA's</del> Handbook and (ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis.
11	*Matched Principal Broker	Unable to: (i) hold investors' financial instruments for own account unless it meets the 'matched principal exemption conditions' as defined in the <del>FSA's</del> <del>FCA's</del> Glossary of defined expressions used in the <del>FSA's</del> <del>FCA's</del> Handbook; and (ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis.
12	*Box Management (i)	Limited to authorised unit trust box management.
13	*Box Management (ii)	Limited to investment company with variable capital (ICVC) box management.
14	*Box Management (iii)	Limited to recognised collective investment scheme (CIS) box management operations.
15	*Box Management( iv)	Limited to unregulated CIS box operations.

16	May control money if settlement through a mandate.	The general requirement not to hold or control CLIENT MONEY does not restrict the firm from controlling CLIENT MONEY if it arises from an agreement under which the firm effects settlement through a mandate or otherwise.
17	May hold/control client money if rebated commission.	The general requirement not to hold or control CLIENT MONEY does not apply if the CLIENT MONEY arises from an agreement under which commission is rebated to the client.
18	MiFID client money/assets restriction	Unable to hold client money or <i>safeguard and administer assets (without) arranging</i> in relation to any investment services and activities (to which MiFID applies).
19	Exempt MiFID firm (Article 2).	Unable to carry on any investment services or activities (to which MiFID applies) applies on a regular basis.
20	Exempt MiFID firm (Article 3)	Must comply with the requirements in regulation 4C (or any successor provision) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007
21	No actions to stabilise market price.	The firm must not act in any way to stabilise the market price of any investment.
22	No CORPORATE FIN. BUSINESS unless non-mainstream.	The firm must not carry on any CORPORATE FINANCE BUSINESS that is a REGULATED ACTIVITY unless it is a NON-MAINSTREAM REGULATED ACTIVITY.
23	No pension transfer or opt out.	The firm must not carry on any business relating to a PENSION TRANSFER or OPT OUT.
24	Not to act as Broker Fund Adviser.	The firm must not operate as a BROKER FUND ADVISER.
25	Oil Market Participant.	The firm must not conduct designated investment business which is not an oil market activity.
26	Private customers for regulated CIS only.	The firm may only conduct regulated activities for private customers which are regulated collective investment schemes.

\* These are limitations, rather than requirements, and are included in the list of requirements as they affect a firm's prudential category.

**END OF NOTES**



## Variation of Permission (VOP) Application

### Applications for Insurance Business, Banking, Electronic Money, Lloyd's Market and Funeral Plan Providers

Firm Name

**FSA reference number** Reference Number

#### **Important information you should read before completing this form**

##### **Purpose of this form**

This form is **only** for firms wishing to change the scope of their permission for **Insurance Business, Banking (accepting deposits), Electronic Money, Lloyd's Market and Funeral Plan Providers**. You must answer all sections.

If your application is for Mortgage and General Insurance business, or Investment Business, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated**, e.g. pages 2, 6, 10-12.

**The notes that accompany the forms will help you complete the questions.** They also explain why we need the information we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence, it may increase the time taken to assess your application and may call into question your suitability to be authorised.**

Electronic Money firms and Funeral Plan Providers should send the form to the FCA and all other firms should send their form to the PRA. Submit your application by post to the appropriate regulator at:

<u>Assessment and Monitoring Team</u> <u>Prudential Regulation Authority</u> <u>20 Moorgate</u> <u>London</u> <u>EC2R 6DA</u>	<u>Variation of Permission Team</u> <u>Permissions Department</u> <u>The Financial Services Authority Financial</u> <u>Conduct Authority</u> 25 The North Colonnade Canary Wharf London E14 5HS
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#### **Contents of this form**

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# 1

## Contact details and timings for this application

We need this information in case we need to contact you when we assess this application.

### Contact for this application

#### 1.1 Details of the person we should contact about this application.

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

### Timings for this application

#### 1.2 Does the applicant firm have any timing factors that it would like us to consider?

--

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.



# 2

## Variation of Permission – activities (continued)

Tell us what it is you wish to do to change your firm's permission.

Select investment type(s) (Continued)			
Add	Delete	Add	Delete
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<b>Accepting deposits</b>		<b>Funeral Plan Providers</b>
	Deposit		Funeral plan contract
<input type="checkbox"/>	<b>The Lloyd's Market</b>	<input type="checkbox"/>	<b>Issuing electronic money</b>
<input type="checkbox"/>	Membership of a Lloyd's syndicate	<input type="checkbox"/>	Electronic money
<input type="checkbox"/>	Underwriting capacity of a Lloyd's syndicate		
<input type="checkbox"/>	Rights to or interests in investment		

**Limitation(s) on your firm's activity(ies)**

Add a new limitation  
 Delete a current limitation  
 Amend a current limitation

Enter the limitation(s) below.

### Requirement(s)

**2.2 Answer this question if you wish to add a new requirement, or amend or delete a current requirement.**

**2.2.1 If you are adding a new requirement to your firm's permission, select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement:**

Standard requirement from Appendix A:

Ref Number	Short description

Non-standard requirement:

**2.2.2 If you are amending a current requirement on your firm's permission, enter it along with the proposed changes in the box below.  
 If you are deleting a current requirement on your firm's permission, enter it in the box below.**

# 3

## Variation of Permission – Client Money

Tell us what it is you wish to do to change your firm's client money permission.

### 3.1 Does your firm wish to change your client money or assets permission?

- No > Continue to Section 4.  
 Yes > Answer the rest of the questions in this section.

### 3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money	<input type="checkbox"/> Hold and control client money
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

### 3.3 Are you applying to stop holding client money?

- No > Continue to next question.  
 Yes > You must include a report from your auditors confirming that you have done this and that it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it.

#### Have you attached this report?

- Yes > Continue to Section 4.  
 No > Explain why below.

### 3.4 Are you applying to hold client money?

- No > Continue to Section 4.  
 Yes > Continue to next question.

### 3.5 What type of account will your firm use to hold client money? (tick one)

- Statutory trust > Continue to next question.  
 Non-statutory trust > Continue to next question.  
 Other > Provide further details below.

### 3.6 Is the account held at an approved bank that meets the requirements imposed under CASS 4.3?

- Yes > Continue to next question.  
 No > Explain why below.

### 3.7 Have you read and understood the Client Money rules that you are required to follow?

- Yes > Continue to Section 4.  
 No > Explain why below.

# 4

## Reason for Variation

Tell us why you are applying to change your firm's permission.

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- how this change will affect your firm, business model, business plans and the long term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details on any outsourcing.

# 5

## Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part IV 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application.

**You may be asked to provide documentary evidence to support of your answers, either during the application process or at a later point.**

### **Legal Status (Banks and Insurers only)**

#### **5.1 Please confirm that after this application your firm will retain its existing legal status.**

- Yes > Continue to next question.  
 No > Give details of how the legal status of the firm will change below.

### **Location of Offices**

#### **5.2 Confirm the following:**

- if you are a body corporate, that your firm's Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
- if you are not a body corporate and your Head Office is in the United Kingdom, that you carry on business in the United Kingdom.

- Yes > Continue to next question.  
 No > Give further details below.

### **Effective Supervision**

#### **5.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?**

- No > Continue to next question.  
 Yes > Give further details below.

### **~~Appointment of claims representatives (Insurance Business only)~~**

#### **~~5.3 Is the applicant firm proposing to underwrite direct motor liability business within the United Kingdom?~~**

- ~~No~~ > ~~continue to the next question~~  
 ~~Yes~~ > ~~Please confirm the following:~~  
 ~~The applicant will appoint a claims representative in every country within the European Union prior to the permission being granted.~~

## Close Links

**5.4** As a result of this application, will your firm have any new close links with another person or firm?

- No > Continue to next question.  
 Yes > Give further details below.

## Adequate Appropriate resources / Business to be conducted in a prudent manner

**5.5 5.4** Prudential category

**5.5.1 5.4.1** What is your firm's current prudential category?

**5.5.2 5.4.2** Will the firm's prudential category change as a result of this application?

- No > Continue to question 5.6  
 Yes > What prudential category will your firm be in?

**5.5.3 5.4.3** What will be the firm's new capital resource requirement?

**5.5.4 5.4.4** Is the firm currently able to meet this new capital requirement?

- Yes > Continue to next question.  
 No > Explain why below.

## **Suitability**

**5.6 5.5** Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

**5.6.1 5.5.1** Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which the firm is applying?

- Yes > Continue to next question.  
 No > Explain why below.

**5.7 5.6** Conduct of Business (COBS) Requirements - Conduct of Business (COBS) Sourcebook

**5.7.1 5.6.1** Is the firm ready, willing and organised to comply with the relevant provisions in COBS, and, if relevant to this application, does the firm have in place the relevant customer disclosure documentation for the permission you are applying for?

- Yes > Continue to next question.  
 No > Explain why below.

# 5

## **Threshold Conditions (cont'd)**

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

### **5.8 5.7 Systems and Controls (SYSC) Requirements**

#### **5.81 5.7.1 Does the firm continue to meet the SYSC requirements?**

- Yes > Continue to next section.
- No > Explain why below.

**We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.**

# 6

## Approved Persons

If a firm changes its permission it may need new Controlled Functions and Approved Persons or it may no longer require certain Controlled Functions.

You should consider the effect of this change on approved persons before submitting your application. If you require help, please call the Approved Persons Helpline on 020 7066 0019 or email [iva@fca.gov.uk](mailto:iva@fca.gov.uk) or [iva@fca.org.uk](mailto:iva@fca.org.uk).

**6.1 Will the change require new approved persons or additional controlled functions for existing approved persons in relation to the application?**

- No > Continue to question 6.3.
- Yes > Continue to next question.

**6.2 Have you submitted the required Approved Person 'Form A' application form?**

- Yes > Provide the names of applicant(s) and their new controlled functions below.
- No > Explain why below.

**6.3 Have any individual(s) proposed to perform a new role been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?**

- Yes > Continue to next question.
- No > Explain why below.

**6.4 Does the firm have locum arrangements in place, to cover controlled functions such as Investment Advisers and Investment Managers?**

- Yes > Provide the firm name below.
- No > Explain why below.

**6.5 The changes you have requested may result in current controlled functions no longer being required. We will remove the specific functions from the profiles of the relevant approved persons. If this applies to your application, do you accept this?**

- Yes > Continue to Section 7.
- N/A, as no change to controlled functions. > Continue to Section 7.
- No > Explain why below.

# 7

## EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

### EEA Notifications

#### 7.1 Is the firm connected with a firm outside the UK but within the EEA?

- No > Continue to next question.  
 Yes > Give details of each connection below.

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

### Third-Country Banking and Investment Groups

#### 7.2.1 Is the firm a BIPRU firm?

- No > Continue to Section 8.  
 Yes > Continue to next question.

#### 7.2.2 Is the firm a member of a third-country (i.e. outside of the EEA) banking and investment group?

- No > Continue to Section 8.  
 Yes > We will ask you to give further details once we have received this application.

# 8

## Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within **five working days** of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

**We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.**

8.1 Which fee block(s) is the firm currently in?

8.2 Indicate which of the following applies to your application.

New Fee Block	Description	Application Fee
<input type="checkbox"/> A3	Friendly Societies	Straightforward - £750
<input type="checkbox"/> A4	Friendly Societies	
<input type="checkbox"/> A12	Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A13	Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Fund managers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A9	Operators, trustees and depositories of collective investment schemes	
<input type="checkbox"/> A9	Operators of personal pension schemes	
<input type="checkbox"/> A10	Firms dealing as principal	
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	Complex - £12,500
<input type="checkbox"/> A3	Firms carrying on insurance activities subject only to prudential regulation (excluding friendly societies)	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	£250
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	No fee

8.3 Please confirm that you have enclosed a cheque for the correct application fee, where one is due.

- Yes  
 No, I will pay using a credit/debit card

Cheques should be made payable to the Financial Services Conduct Authority, with the firm name and reference number written on the back and enclosed with this form. To make a payment using a credit/debit card, please do not enter the details on this form. We will contact you to ask for the details.

# 9

## Declaration and Signature

### Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

### Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~FSA~~ FCA/PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

### Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the ~~FSA~~ FCA/PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the ~~FSA~~ FCA/PRA on request.
- ✓ I will notify the ~~FSA~~ FCA/PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

<b>Date</b>	<input type="text"/>
<b>Name of signatory<sup>1</sup></b>	<input type="text"/>
<b>Position<sup>2</sup> of signatory</b>	<input type="text"/>
<b>Individual Registration Number (if applicable)</b>	<input type="text"/>
<b>Signature</b>	<input type="text"/>

<sup>1</sup> The signatory must be a suitable person of appropriate seniority at the firm.

<sup>2</sup> e.g. Director, Sole Trader, Compliance Officer, etc.



# Variation of Permission (VOP) Application

## Applications for Insurance Business, Banking, Electronic Money, Lloyd's Market and Funeral Plan Providers – notes

### Purpose of these Notes

These notes will help you fill in the **Insurance Business, Banking (accepting deposits), Electronic Money, Lloyd's Market and Funeral Plan Providers** form correctly.

If after reading these notes you need more help, you can:

- visit our website: <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml>, where there is also a link to the **Frequently Asked Questions** page [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk);
- consult the ~~relevant tailored handbook~~ or the full FSA Handbook: [www.fshandbook.info/FSA/index.jsp](http://www.fshandbook.info/FSA/index.jsp) [www.fshandbook.info/FS/index.jsp](http://www.fshandbook.info/FS/index.jsp);
- call the Firm Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000; or email [fcc@fsa.gov.uk](mailto:fcc@fsa.gov.uk) [fcc@fca.org.uk](mailto:fcc@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

These notes, while aiming to help you, do not replace the rules and guidance in the ~~FSA~~ Handbook.

### Terms in the Form

The form uses the following terms:

~~'FSA'~~ **FCA/PRA**, **'we'**, **'our'**, or **'us'** refers to the ~~Financial Services Authority~~ **Financial Conduct Authority** and the **Prudential Regulation Authority**.

**'The firm'** refers to the firm applying for the variation of permission.

**'You'** refers to the person(s) signing the form on behalf of the applicant firm.

### Contents of this form

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# 1 Contact details and timings for this application

## Contact for this application

### 1.1 Details of the person we should contact about this application.

This should be an individual in the UK.

## Timings for this application

### 1.2 Does the applicant firm have any timing factors that it would like us to consider?

If you wish your application to be granted by a specific date, for example in time for a product launch, we will try to do so. However, the time taken to determine each application is significantly affected by the quality of the application and whether it is complete. If you leave a question blank, do not sign the declaration or do not attach the required supporting information, we will have to treat the application as incomplete. This will increase the time taken for us to assess your application.

We are required by law to determine applications within the earlier of (a) six months of receiving a complete application or (b) 12 months of receiving an incomplete application. However, we aim to make a decision about the application as soon as possible.

# 2 Variation of Permission – activities

It is your responsibility to make sure the regulated activities you request adequately cover the activities the applicant firm intends to carry on. Use this page to request any changes you wish to make to the firm's permission.

You need a Permission Notice that matches the applicant firm's needs and covers every aspect of regulated business it wants to carry on. The Permission Notice shows the range of regulated activities the applicant firm will be authorised to carry on, as well as the investment instruments and type(s) of customer it can deal with for each specific activity. It will also contain what we refer to as 'requirements' and 'limitations'.

Broadly speaking, a limitation is included in the description of a specific regulated activity (e.g. not to deal with retail customers) and will limit how it is carried on, in some way.

A requirement is on the firm to take or not to take a specified action (e.g. not to hold client money). A requirement may extend to activities of the firm which are not regulated activities.

If the applicant firm carries on a regulated activity that is not set out in its permission notice it could be in breach of FSMA and subject to enforcement action.

### Changing Customer Types

Amendments to customer types may affect your exemption status under Dispute Resolution: Complaints, and the Fees Manual (FEES) 6.2.1R. This is particularly relevant if you are adding or removing the customer type 'retail'. Please ensure you notify your normal supervisory contact in writing of any changes to your status under this exemption that this variation of permission may cause.

# 3 Variation of Permission – Client Money

The rules and guidance about how applicant firms hold client money are designed to provide an adequate level of protection for consumers.

### Statutory Trusts and Non-Statutory Trust Accounts

A non-statutory trust account can be used to make advances of credit. This enables a client's premium to be met from the pool of client money held before the client pays the premium to the intermediary and vice versa.

A statutory trust account does not permit this use of credit.

Another important difference between these two types of trust account is the level of minimum capital resource requirements for the firm.

## 3 Variation of Permission – Client Money (cont'd)

- For a non-statutory trust account, the firm's minimum capital resources requirement is the higher of £50,000 or 5% of relevant annual income.
- For a statutory trust account, the firm's minimum capital resources requirement is the higher of £10,000 or 5% of relevant annual income.

You should note that applying for a variation permission in relation to client money may affect your prudential category.

## 4 Reason for Variation

No additional notes.

## 5 Threshold Conditions

Threshold Conditions are the minimum requirements a firm must satisfy to be and to continue to be authorised. When we consider the applicant firm's application we will assess whether you will satisfy, and continue to satisfy, the threshold conditions which are set out in full in the Threshold Conditions (COND) 2 Sourcebook of the FSA Handbook at: [www.fshandbook.info/FSA/html/handbook/COND/2](http://www.fshandbook.info/FSA/html/handbook/COND/2). [www.fshandbook.info/FS/html/handbook/COND/2](http://www.fshandbook.info/FS/html/handbook/COND/2).

### **Legal Status**

~~This is a requirement of Threshold Condition 2.1. The applicant firm must fall into one of the categories listed to apply for authorisation. This is a condition for which the PRA is responsible in relation to Banks and Insurers.~~

### **Location of Offices**

This is a requirement of Threshold Condition 2.2.

### **~~Appointment of claims representatives (Insurance Business only)~~**

~~Threshold Condition 2A requires an applicant firm seeking to carry on, or carrying on, motor vehicle liability insurance business to appoint a claims representative in each country of the European Union other than the United Kingdom.~~

### **Close Links**

If the applicant firm has any close links (links with other firms or individuals), these must not prevent effective FSA supervision of the applicant firm if authorised. This is a requirement of Threshold Condition 2.3.

### **Effective supervision**

The appropriate regulator must be capable of effectively supervising the firm. This is a requirement of Threshold Condition 2.3.

### **Adequate Appropriate resources / Business to be conducted in a prudent manner**

We must be satisfied the applicant firm has adequate resources. We assess the quality and quantity of the applicant firm's resources for its:

- financial resources;
- management;
- staff; and
- systems and controls.

This is a requirement of Threshold Condition 2.4.

# 5

## Threshold Conditions (cont'd)

### Prudential category

We differentiate between our financial requirements by putting applicant firms in different prudential categories. The firm will fall into at least one prudential category; and it may fall into more than one prudential category, depending on its regulated activities.

The prudential categories are set out in the following table.

**Table A**

<b>PRUDENTIAL CATEGORIES FOR NON- INVESTMENT BUSINESS FIRMS</b>		
<b>Sourcebook</b>		<b>Ref</b>
Bank (GENPRU and BIPRU)		B
Building Society (GENPRU and BIPRU)		BS
Friendly Society (IPRU-FSOC)		FS
Insurer (GENPRU, INSPRU and IPRU-INS)		INS
Mortgage Lender (MIPRU)		ML
Mortgage Administrator (MIPRU)		MA
Mortgage and/or insurance intermediary (MIPRU)		MGI
<b>PRUDENTIAL CATEGORIES FOR INVESTMENT BUSINESS FIRMS</b>		
<b>IPRU(INV) Chapter</b>	<b>Sub Category in Chapter</b>	<b>Ref</b>
2 – Professional Firms	N/A	PROF
3 – Securities and Futures Firms (not Investment Firms)	Corporate Finance	NI-CF
	Venture Capital	NI-VC
	Arranger	NI-ARR
	Agency Broker	NI-AB
	Financial Bookmaker	NI-FB
	Non clearing Floor Member	NI-NCFM
	Broad scope	NI-BRA
	Local	LOCAL
	EMP	EMP
	OMP	OMP
4 – Lloyd's Firms	N/A	LLOYD
5 – Investment Management Firms	N/A	IM
6 – Service Companies	N/A	SC
13 – Personal Investment Firms	A1	PI-A1
	A2	PI-A2
	A3	PI-A3
	B1	PI-B1
	B2	PI-B2
	B3	PI-B3
Media Firm	N/A	Media

# 5

## Threshold Conditions (cont'd)

### Suitability

We must be satisfied the applicant firm is 'fit and proper' to be authorised. We assess:

- the competence and ability of management;
- the management's commitment to carrying on the business with integrity; and
- the management's commitment to carrying on the business in compliance with the regulatory regime.

### Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check that it complies, and continues to comply, with regulations. When assessing this application we need to be satisfied the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations. The applicant firm will need, as a **minimum**, to have in place procedures to meet our rules for the subject areas in the table below. These procedures must be ready for inspection at any time.

# 6

## Approved Persons

You must ensure that no individual performs a controlled function until the application has been granted and we have approved the individual to perform the controlled function(s).

### What is an approved person?

An approved person is an individual who is approved by us to perform a controlled function for an authorised firm or an appointed representative. To be approved and continue to be approved to perform a controlled function, an individual must:

- meet, and maintain, our criteria for approval (the 'fit and proper test'); and then
- perform their controlled function(s) in line with the Statement of Principles and Code of Practice for Approved Persons (APER) Sourcebook of the FSA Handbook.

### What is a controlled function?

A controlled function is a function for a regulated business that has particular regulatory significance. For example, overseeing the firm's systems and controls and being responsible for compliance with our rules. There are different controlled functions relevant to the different types of businesses we regulate. Some controlled functions are required for every firm, others will depend on the nature of your business. Each controlled function has a 'CF' number. You can find a full list of all the controlled functions and an explanation of each one

at: [www.fshandbook.info/FS/html/handbook/SUP/10](http://www.fshandbook.info/FS/html/handbook/SUP/10). [www.fshandbook.info/FS/html/handbook/SUP/10](http://www.fshandbook.info/FS/html/handbook/SUP/10).

The Approved Person 'Form A' application form is found

at: [www.fsa.gov.uk/pubs/other/ivreg\\_forma.pdf](http://www.fsa.gov.uk/pubs/other/ivreg_forma.pdf) [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca)

**EEA Notifications**

We need to know about any connected firms outside the UK but within the EEA because we are required by FSMA to contact the relevant EEA Home State Regulators of these connected firms, as part of the application process.

**Third-Country Banking and Investment Groups****Definition of BIPRU firm (currently in the New Glossary definition in CP06/03)**

BIPRU firm has the meaning set out in BIPRU 1.1.6R, which subject to BIPRU 1.1.7R means a firm that is:

- (a) a building society;
- (b) a bank;
- (c) a full scope BIPRU investment firm;
- (d) a BIPRU limited licence firm; or
- (e) a BIPRU limited activity firm.

**Definition of third-country banking and investment group**

A third-country banking and investment group is a banking and investment group that is:

- (a) headed by:
  - (i) a credit institution;
  - (ii) an asset management company;
  - (iii) an investment firm; or
  - (iv) a financial holding company;
 that has its head office outside the EEA; and
- (b) not part of a wider EEA banking and investment group.

**Definition of financial holding company**

A financial holding company is a financial institution that fulfils the following conditions:

- (a) its subsidiary undertakings are either exclusively or mainly credit institutions, investment firms or financial institutions;
- (b) at least one of those subsidiary undertakings is a credit institution or an investment firm; and
- (c) it is not a mixed financial holding company.

**Definition of credit institution** (as defined in articles 4(1) and 107 of the Banking Consolidation Directive (BCD))

A credit institution is:

- (1) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account; or
- (2) an electronic money institution within the meaning of the E-Money Directive;

but excluding an institution within (2) that does not have the right to benefit from the mutual recognition arrangements under the BCD.

(See also the definitions of BCD credit institution, full credit institution, full BCD credit institution and Zone A credit institution in the Glossary of the FSA Handbook.)

**Definition of investment firm** (as defined in article 4(1) of the Markets in Financial Instruments Directive (MiFID))

in summary) a firm to which MiFID applies including, for some purposes only, a credit institution and UCITS investment firm.

(in full) a firm which is:

- (1) an investment firm with its head office in the EEA (or, if it has a registered office, that office);

(2) a BCD credit institution (only when providing an investment service or activity in relation to the rules implementing the Articles referred to in Article 1(2) of MiFID);

(3) a UCITS investment firm (only when providing the services referred to in Article 5(3) of the UCITS Directive in relation to the rules implementing the articles of MiFID referred to in Article 5(4) of that Directive);

unless, and to the extent that, MiFID does not apply to it as a result of Article 2 (Exemptions) or Article 3 (Optional exemptions) of MiFID.

## 8 Fees

The application fee is an integral part of your application. If you do not send a cheque for the appropriate fee in full with the completed application pack, we will not process your application.

For further information on fees, see FEES 4 Annex [1AR](#) and [1BR](#).

You should note the firm's periodic fee may change as a result of this application.

See ~~[www.fca.gov.uk/fees](http://www.fca.gov.uk/fees)~~ [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk) for further details.

## 9 Declaration and Signature

This must be the person who is responsible for making the application. This should be a suitable person of appropriate seniority at the firm.

## **Appendix A - Standard Requirements**

<b>Ref</b>	<b>Short Description</b>	<b>Requirement (full narrative)</b>
1	Activities only in respect of long term insurance.	The firm may only carry on listed activities in respect of the investments specified for the purpose of its long term insurance business.
2	Corporate finance business only.	The firm must not conduct designated investment business other than corporate finance business.
3	Corporate finance or venture capital only.	The firm must not conduct designated investment business other than corporate finance business or venture capital business.
4	Derivatives as incidental services only.	The firm must not carry on a permitted activity concerning the sale of an option (including a commodity option), future (including commodity future) or contract for difference (including spread bet or rolling spot forex contract), except where the activity is incidental to services to a particular client.
5	Energy Market Participant.	The firm must not conduct designated investment business other than energy market activity.
6	Exempt CAD firm (arranging and advising)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments or investment advice.
7	Exempt CAD firm (arranging only)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments.
8	Exempt CAD firm (advising only)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except investment advice in relation to one or more financial instruments.
9	*Limited Activity firm	May only deal on own account in MiFID financial instruments for the purpose of (i) fulfilling or executing a client order or (ii) gaining entrance to a clearing and settlement system or a recognised exchange when acting in an agency capacity or executing a client order.
10	*Limited Licence firm	Unable to (i) hold financial instruments for own account unless it meets the 'matched principal exemption conditions' as defined in the FSA's FCA's Glossary of defined expressions used in the FSA's FCA's Handbook and (ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis.
11	*Matched Principal Broker	Unable to: (i) hold investors' financial instruments for own account unless it meets the 'matched principal exemption conditions' as defined in the FSA's FCA's Glossary of defined expressions used in the FSA's FCA's Handbook; and (ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis.
12	*Box Management (i)	Limited to authorised unit trust box management.
13	*Box Management (ii)	Limited to investment company with variable capital (ICVC) box management.
14	*Box Management (iii)	Limited to recognised collective investment scheme (CIS) box management operations.
15	*Box Management( iv)	Limited to unregulated CIS box operations.
16	May control money if settlement through a mandate.	The general requirement not to hold or control CLIENT MONEY does not restrict the firm from controlling CLIENT MONEY if it arises from an agreement under which the firm effects settlement through a mandate or otherwise.
17	May hold/control client money if rebated	The general requirement not to hold or control CLIENT MONEY does not apply if the CLIENT MONEY arises from an agreement

	commission.	under which commission is rebated to the client.
18	MiFID client money/assets restriction	Unable to hold client money or <i>safeguard and administer assets (without) arranging</i> in relation to any investment services and activities (to which MiFID applies).
19	Exempt MiFID firm (Article 2).	Unable to carry on any investment services or activities (to which MiFID applies) applies on a regular basis.
20	Exempt MiFID firm (Article 3)	Must comply with the requirements in regulation 4C (or any successor provision) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007
21	No actions to stabilise market price.	The firm must not act in any way to stabilise the market price of any investment.
22	No CORPORATE FIN. BUSINESS unless non-mainstream.	The firm must not carry on any CORPORATE FINANCE BUSINESS that is a REGULATED ACTIVITY unless it is a NON-MAINSTREAM REGULATED ACTIVITY.
23	No pension transfer or opt out.	The firm must not carry on any business relating to a PENSION TRANSFER or OPT OUT.
24	Not to act as Broker Fund Adviser.	The firm must not operate as a BROKER FUND ADVISER.
25	Oil Market Participant.	The firm must not conduct designated investment business which is not an oil market activity.
26	Private customers for regulated CIS only.	The firm may only conduct regulated activities for private customers which are regulated collective investment schemes.

\* These are limitations, rather than requirements, and are included in the list of requirements as they affect a firm's prudential category.

**END OF NOTES**



## Variation of Permission (VOP) Application

### Investment Business

#### Firm Name

#### ~~FSA reference number~~ Firm Reference Number

#### **Important information you should read before completing this form**

##### **Purpose of this form**

This form is **only** for firms wishing to change the scope of their permission for **Investment Business**. You must answer all sections.

If your application is for Mortgage and General Insurance business, or Insurance Business, Banking, E-Money, Lloyds Market and Funeral Plan Providers, there are specific forms for this purpose. If you are completing more than one of these forms (i.e. if your application is for more than one type of business), **you do not have to complete any sections or questions that are duplicated**, e.g. pages 2, 6, and 10-13.

**The notes that accompany the forms will help you complete the questions.** They also explain why we need the information we are asking for.

We will only grant an application to vary the permission of a firm if we are satisfied it meets conditions known as the threshold conditions. We need the information in this form so we can assess whether the applicant firm can continue to satisfy the threshold conditions.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, you may be committing a criminal offence, it may increase the time taken to assess your application and may call into question your suitability to be authorised.**

Submit your application by post to:

Permissions Department  
~~The Financial Services Authority~~ The Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS

##### **Contents of this form**

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# 1

## Contact details and timings for this application

We need this information in case we need to contact you when we assess this application.

### Contact for this application

#### 1.1 Details of the person we should contact about this application.

Title	
First names	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

### Timings for this application

#### 1.2 Does the applicant firm have any timing factors that it would like us to consider?

--

We will attempt to process your application as quickly as possible. If you wish your application to be granted by a specific date, we will try to do so. If we cannot, we will contact you with the reason why. However, please note that we must determine an application for a variation of permission once we have received it and deemed it to be complete within six months of it becoming complete.



# 2

## Variation of Permission – Investment Business activities (cont'd)

Tell us what it is you wish to do to change your firm's permission.

### Limitation(s) on your firm's activity(ies)

- Add a new limitation
- Delete a current limitation
- Amend a current limitation

Enter the limitation(s) below, clearly indicating the amendments if applicable.

### Requirement(s)

**2.2 Answer this question if you wish to add a new requirement, or amend or delete a current requirement.**

**2.2.1 If you are adding a new requirement to your firm's permission, select either a standard requirement from Appendix A in the notes that accompany this form, or enter a non-standard requirement:**

- Standard requirement from Appendix A:

Ref Number	Short description

- Non-standard requirement:

**2.2.2 If you are amending a current requirement on your firm's permission, enter it along with the proposed changes in the box below.  
If you are deleting a current requirement on your firm's permission, enter it in the box below.**

# 3

## Variation of Permission – Client Money

Tell us what it is you wish to do to change your firm's client money permission.

### 3.1 Does your firm wish to change your client money or assets permission?

- No > Continue to Section 4.  
 Yes > Answer the relevant questions in this section.

### 3.2 What is the firm able to do now, and how does it wish to change its permission for client money?

Firm is currently able to:	Firm wishes to be able to:
<input type="checkbox"/> Hold and control client money	<input type="checkbox"/> Hold and control client money
<input type="checkbox"/> Control but not hold client money	<input type="checkbox"/> Control but not hold client money
<input type="checkbox"/> Not hold and not control client money	<input type="checkbox"/> Not hold and not control client money

### 3.3 Are you applying to stop holding client money?

- No > Continue to next question.  
 Yes > You must include a report from your auditors confirming that you have done this and that it has either been paid back to the clients concerned or transferred to another entity that is authorised to hold it.

#### Have you attached this report?

- Yes > Continue to Section 4.  
 No > Explain why below.

### 3.4 Are you applying to hold client money?

- No > Continue to Section 4.  
 Yes > Continue to next question.

### 3.5 What type of account will your firm use to hold client money? (tick one)

- Statutory trust > Continue to next question.  
 Non-statutory trust > Continue to next question.  
 Other > Provide further details below.

### 3.6 Is the account held at an approved bank that meets the requirements imposed under CASS 4.3?

- Yes > Continue to next question.  
 No > Explain why below.

### 3.7 Have you read and understood the Client Money rules that you are required to follow?

- Yes > Continue to Section 4.  
 No > Explain why below.

# 4

## Reason for Variation

Tell us why you are applying to change your firm's permission.

We need to know why your firm is applying to change its permission. You should give as much information as possible, including:

- how this change will affect your firm and the long-term strategy for your business;
- any new operational, legal, market risks that you have identified and will need to consider; and
- details on any outsourcing.

# 5

## Threshold Conditions

We need to know whether the firm will continue to satisfy the threshold conditions as a result of the change in its permission.

The threshold conditions are the minimum conditions a firm is required to satisfy, and continue to satisfy, to be given and retain Part IV 4A Permission. The firm must satisfy us these conditions will continue to be met if we grant the application.

**You may be asked to provide documentary evidence to support of your answers, either during the application process or at a later point.**

**Table B** of the document '**Investment Business – Notes**' gives details on what we may ask you to provide to support your application.

### 5.1 Have you reviewed Table B of the Notes, and submitted the supporting information as indicated by your type of application?

- Yes > Continue to next question.  
 No > **Submitting the information now will significantly speed up the application process.**

### Legal Status

#### 5.2 Confirm that after this application your firm will retain its existing legal status.

- Yes > Continue to next question.  
 No > Give details of how the legal status of the firm will change below.

### Location of Offices

#### 5.3.2 Confirm the following:

- if you are a body corporate, that your firm's Head Office (and also if you have a Registered Office, your Registered Office) is located within the United Kingdom; or
- if you are not a body corporate and your Head Office is in the United Kingdom, that you carry on business in the United Kingdom.

- Yes > Continue to next question.  
 No > Give further details below.

### Close Links

#### 5.4 As a result of this application, will your firm have any new close links with another person or firm?

- No > Continue to next question.  
 Yes > Give further details below.

### Effective Supervision

#### 5.3 As a result of this application, will there be any impact on the appropriate regulator's ability to effectively supervise the firm?

- No > Continue to next question.  
 Yes > Give further details below.

### Adequate Appropriate resources

#### 5.5.4 Prudential category

**5.5.1 5.4.1 What is your firm's current prudential category?**

**5.5.2 5.4.2 Will the firm's prudential category change as a result of this application?**

- No > Continue to question 5-6 5.5.  
 Yes > What prudential category will your firm be in?

**5.5.3 5.4.3 What will be the firm's new capital resource requirement?**

**5.5.4 5.4.4 Is the firm currently able to meet this new capital requirement?**

- Yes > Continue to next question.  
 No > Explain why below.

**5-6 5.5 Professional Indemnity Insurance**

**5-6-1 5.5.1 Are you required to have in place professional indemnity insurance (PII)?**

- No > Continue to question 5-7 5.6.  
 Yes > Do you hold a valid quote or policy for PII that covers the current business of the firm, and the proposed change in business, if applicable, for which the firm is applying?  
 Yes > Continue to next question.  
 No > Explain why below.

**Suitability**

**5-7 5.6 Compliance**

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies and continues to comply with regulations.

**5-7-1 5.6.1 Do you have in place a Compliance Manual and a Compliance Monitoring Programme that reflects the firm's current business and the proposed change in business, if applicable, for which you are applying?**

- Yes > Continue to next question.  
 No > Explain why below.

**5-8 5.7 Conduct of Business Requirements – New Conduct of Business (COBS) Sourcebook**

**5-8-1 5.7.1 Is the firm ready, willing and organised to comply with the relevant provisions in COBS, and, if applicable to this application, does the firm have in place the relevant customer disclosure documentation for the permission you are applying for?**

- Yes > Continue to next question.  
 No > Explain why below.

**5-9 5.8 Systems and Controls (SYSC) Requirements**

**5-9-1 5.8.1 Does the firm continue to meet the SYSC requirements?**

- Yes > Continue to next section.

No > Explain why below.

**We may contact you for more detailed information to support your application, especially if you are applying to significantly change your firm's current business.**

# 6

## Approved Persons

If a firm changes its permission it may need to have new Approved Persons and/or additional Controlled Functions or it may no longer need some existing Controlled Functions.

You should consider the effect of this change on approved persons before submitting your application. If you require help, please call the Approved Persons Helpline on 020 7066 0019 or email [iva@fca.gov.uk](mailto:iva@fca.gov.uk) or [iva@fca.org.uk](mailto:iva@fca.org.uk).

### 6.1 Will the change require new approved persons or additional controlled functions for existing approved persons in relation to the application?

- No > Continue to question 6.2.
- Yes > Have you submitted the required Approved Person 'Form A' application form?
- Yes > Provide the names of applicant(s) and new controlled functions below.
- No > Explain why below.

### 6.2 Have any individual(s) proposed to perform a new role (whether an approved person or not) has been assessed as competent to apply the knowledge and skills necessary to engage in or oversee the activities without supervision? And do they have the necessary qualifications (where relevant) and experience?

- No > Explain why below.
- Yes > Has this individual carried on this role before (e.g. at another firm)?
- Yes > Continue to question 6.3
- No > Provide information below on how they have been assessed as competent.

### 6.3 Does the firm have locum arrangements in place, to cover controlled functions such as Investment Advisers and Investment Managers?

- Yes > Provide the firm name below.
- No > Explain why below.

### 6.4 The changes you have requested may result in current controlled functions no longer being required. We will remove the specific functions from the profiles of the relevant approved persons. If this applies to your application, do you accept this?

- Yes > Continue to Section 7.
- N/A, as no change to controlled functions. > Continue to Section 7.
- No > Explain why below.

# 7

## EEA Notifications and Third-Country Banking and Investment Groups

We need to know about any connected firms outside the UK but within the EEA (European Economic Area). We also need to know whether the firm is a member of a third-country banking and investment group.

### EEA Notifications

#### 7.1 Is the firm connected with a firm outside the UK but within the EEA?

- No > Continue to next question.
- Yes > Give details of each connection below.

Name of EEA Regulated Firm	Name of EEA Regulator	Firm's Contact at EEA Regulator (include email address)

### Third-Country Banking and Investment Groups

#### 7.2.1 Is the firm a BIPRU firm?

- No > Continue to Section 8.
- Yes > Continue to next question.

#### 7.2.2 Is the firm a member of a third-country (i.e outside of the EEA) banking and investment group?

- No > Continue to Section 8.
- Yes > We will ask you to give further details once we have received this application.

# 8

## Markets in Financial Instruments Directive (MiFID) and the Capital Requirements Directive (CRD)

We need to know the firm has considered the effect of MiFID and the CRD, and whether it will change as a result of this application.

### MiFID Status

**8.1 Is your firm subject to MiFID, and is it subject to the CRD, or will it become subject to them as a result of this application ?**

- Yes > Continue to question 8.2.  
 No > Does your firm wish to remain a MiFID exempt firm?  
      Yes > Section complete.  
      No, firm wishes to opt-in to MiFID. > We will contact you for further information. Continue to next question.

**8.2 Will your firm be acting as a 'Systematic Internaliser'?**

- No > Continue to next question.  
 Yes > Continue to next question.  
 N/A as not dealing on own account > Continue to next question.

**8.3 CRD categorisation**

**8.3.1** Indicate below what is the firm's current categorisation under the CRD and what it will be if this application is granted, selecting one Capital Resource Requirement and one Base Capital Resource Requirement:

Capital Resource Requirement	Current Category	Proposed Category
Full Scope	<input type="checkbox"/>	<input type="checkbox"/>
Limited Activity	<input type="checkbox"/>	<input type="checkbox"/>
Limited Licence	<input type="checkbox"/>	<input type="checkbox"/>
Exempt CAD firm	<input type="checkbox"/>	<input type="checkbox"/>
Non-BIPRU firm	<input type="checkbox"/>	<input type="checkbox"/>
UCITS Investment firm	<input type="checkbox"/>	<input type="checkbox"/>

Base Capital Resource Requirement	Current Category	Proposed Category
Article 7 Recast CAD	<input type="checkbox"/>	<input type="checkbox"/>
Article 8 Recast CAD	<input type="checkbox"/>	<input type="checkbox"/>
BIPRU €50k	<input type="checkbox"/>	<input type="checkbox"/>
BIPRU €125k	<input type="checkbox"/>	<input type="checkbox"/>
BIPRU €730k	<input type="checkbox"/>	<input type="checkbox"/>
Non-BIPRU firm	<input type="checkbox"/>	<input type="checkbox"/>

# 9

## Fees

Changing your firm's permission can generate an application fee and vary your periodic fee.

If an application fee is due, you must pay it in full at the same time as submitting your application (by cheque or credit/debit card). If the fee is not paid in full within **five working days** of the date that you submit this form, your application will be returned to you. This fee is non-refundable; and we do not issue invoices for it.

If the proposed application will move the firm into a new fee block, a fee will apply as listed below. If the firm moves into more than one new fee block, you should pay the highest fee.

**We charge a fee of £250 for applications that will increase your firm's permitted business activities but which do not change your firm's fee blocks. There is no fee to reduce your permission.**

9.1 Which fee block(s) is the firm currently in?

9.2 Indicate which of the following applies to your application.

New Fee Block	Description	Application Fee
<input type="checkbox"/> A3	Friendly Societies	Straightforward - £750
<input type="checkbox"/> A4	Friendly Societies	
<input type="checkbox"/> A12	Advisory arrangers, dealers or brokers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A13	Advisory arrangers, dealers or brokers (not holding or controlling client money and/or assets)	
<input type="checkbox"/> A14	Corporate finance advisers	
<input type="checkbox"/> A18	Home finance providers, advisers and arrangers	
<input type="checkbox"/> A19	Insurance intermediaries	
<input type="checkbox"/> A1	E-money issuers only	Moderately complex - £2,500
<input type="checkbox"/> A2	Home finance providers and administrators	
<input type="checkbox"/> A5	Managing agents at Lloyd's	
<input type="checkbox"/> A7	Fund managers (holding or controlling client money and/or assets)	
<input type="checkbox"/> A9	Operators, trustees and depositories of collective investment schemes	
<input type="checkbox"/> A9	Operators of personal pension schemes	
<input type="checkbox"/> A10	Firms dealing as principal	
<input type="checkbox"/> A1	Deposit acceptors (excluding e-money issuers and credit unions)	Complex - £12,500
<input type="checkbox"/> A3	Firms carrying on insurance activities subject only to prudential regulation (excluding friendly societies)	
<input type="checkbox"/> A4	Firms carrying on insurance activities subject to both prudential and conduct of business regulation (excluding friendly societies)	
<input type="checkbox"/> No change to fee block	Increase in scope of permission, but no change in fee block, e.g. only adding new customer or investment types to your activities, or removing a requirement or limitation	£250
<input type="checkbox"/> No new fee block	Reduction in scope of permission, e.g. only removing an activity, removing a customer or investment type from an activity, or adding a requirement or a limitation	No fee

9.3 Please confirm that you have enclosed a cheque for the correct application fee, where one is due.

- Yes  
 No, I will pay using a credit/debit card

Cheques should be made payable to the ~~Financial Services Authority~~ Financial Conduct Authority, with the firm name and reference number written on the back and enclosed with this form. To make a payment using a credit/debit card, please do not enter the details on this form. We will contact you to ask for the details.

# 10 Declaration and Signature

## Warning

Knowingly or recklessly giving us information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). Our rules (SUP 15.6.4R) require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to us and to tell us immediately if materially inaccurate information has been provided. Contravening these requirements may lead to disciplinary sanctions or other enforcement action by us. It should not be assumed that information is known to us just because it is in the public domain or has previously been disclosed to us or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

## Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~Financial Services Authority~~ FCA/PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

## Declaration

By submitting this application form

- ✓ I confirm that the information in this application is accurate and complete to the best of my/our knowledge and belief and that I/we have taken all reasonable steps to ensure that this is the case.
- ✓ I am aware that it is a criminal offence knowingly or recklessly to give the ~~FSA~~ FCA/PRA information that is false or misleading in a material particular.
- ✓ Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the ~~FSA~~ FCA/PRA on request.
- ✓ I will notify the ~~FSA~~ FCA/PRA immediately if there is a significant change to the information given in the application pack. If I fail to do so, this may result in a delay in the application process or enforcement action.

Date	
Name of signatory <sup>1</sup>	
Position <sup>2</sup> of signatory	
Individual Registration Number (if applicable)	
Signature	

<sup>1</sup> The signatory must be a suitable person of appropriate seniority at the firm.

<sup>2</sup> e.g. Director, Sole Trader, Compliance Officer, etc.



## Variation of Permission (VOP) Application

### Investment Business – notes

#### Purpose of these Notes

These notes will help you fill in the **Investment Business** form correctly.

If after reading these notes you need more help, you can:

- visit our website: <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml>, where there is also a link to the [Frequently Asked Questions](http://www.fca.org.uk/your-fca) page; [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk);
- consult the relevant tailored handbook or the full FSA Handbook: [www.fcahandbook.info/FSA/index.jsp](http://www.fcahandbook.info/FSA/index.jsp); [www.fshandbook.info/FS/html/handbook](http://www.fshandbook.info/FS/html/handbook);
- call the Firm Contact Centre on 0845 606 9966; or **PRA Firm Enquiries on 020 3461 7000**; or
- email ~~fcc@fsa.gov.uk~~ [fcc@fca.org.uk](mailto:fcc@fca.org.uk) or **PRA.firmenquiries@bankofengland.co.uk**

These notes, while aiming to help you, do not replace the rules and guidance in the FSA Handbook.

#### Terms in the Form

The form uses the following terms:

**'FSA' 'FCA/PRA', 'we', 'our', or 'us'** refers to the ~~Financial Services Authority~~ Financial Conduct Authority and the Prudential Regulation Authority.

**'The firm'** refers to the firm applying for the variation of permission.

**'You'** refers to the person(s) signing the form on behalf of the applicant firm.

#### Contents of this form

	<u>Page</u>
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# 1

## Contact details and timings for this application

### Contact for this application

#### 1.1 Details of the person we should contact about this application.

This should be an individual in the UK.

### Timings for this application

#### 1.2 Does the applicant firm have any timing factors that it would like us to consider?

If you wish your application to be granted by a specific date, for example in time for a product launch, we will try to do so. However, the time taken to determine each application is significantly affected by the quality of the application submitted and whether it is complete. If you leave a question blank, do not sign the declaration or do not attach the required supporting information, we will have to treat the application as incomplete. This will increase the time taken for us to assess your application.

We are required by law to determine applications within the earlier of (a) six months of receiving a complete application or (b) 12 months of receiving an incomplete application. However, we aim to make a decision about the application as soon as possible.

# 2

## Variation of Permission – Investment Business activities

It is your responsibility to make sure the regulated activities you request adequately cover the activities the applicant firm intends to carry on. Use this page to request any changes you wish to make to the firm's permission.

You need a Permission Notice that matches the applicant firm's needs and covers every aspect of regulated business it wants to carry on. The Permission Notice shows the range of regulated activities the applicant firm will be authorised to carry on, as well as the investment instruments and type(s) of customer it can deal with for each specific activity. It will also contain what we refer to as 'requirements' and 'limitations'.

Broadly speaking, a limitation is included in the description of a specific regulated activity (e.g. not to deal with retail customers in relation to that regulated activity) and will limit how it can be carried on, in some way.

A requirement is on the firm to take or not to take a specified action (e.g. not to hold client money). A requirement may extend to activities which are not regulated activities.

If the applicant firm carries on a regulated activity that is not set out in its permission notice it could be in breach of FSMA and subject to enforcement action.

### Changing Customer Types

Amendments to customer types may affect your exemption status under Dispute Resolution: Complaints (DISP) 1.1.12R, and Fees Manual (FEES) 6.2.1R. This is particularly relevant if you are adding or removing the retail customer type. Please ensure you notify your normal supervisory contact in writing of any changes to your status under this exemption that this variation of permission may cause.

# 3

## Variation of Permission – Client Money

The rules and guidance about how applicant firms hold client money are designed to provide an adequate level of protection for consumers.

In relation to investment business, other than MiFID business, these rules are in CASS 4.3: [www.fshandbook.info/FSA/html/handbook/CASS/4/3](http://www.fshandbook.info/FSA/html/handbook/CASS/4/3) [www.fshandbook.info/FS/html/handbook/CASS](http://www.fshandbook.info/FS/html/handbook/CASS). As regards MiFID business, see CASS 7: <http://www.fshandbook.info/FSA/html/handbook/CASS/7>. <http://fshandbook.info/FS/html/handbook/CASS/7>.

You should note that applying for a variation permission in relation to client money may affect your prudential category.

# 4

## Reason for Variation

No additional notes.

# 5

## Threshold Conditions

The Threshold Conditions are the minimum requirements a firm must satisfy to be, and to continue to be, authorised. When we consider the applicant firm's application we will assess whether you will satisfy, and continue to satisfy, the threshold conditions which are set out in full in the Threshold Conditions Sourcebook (COND) 2 of the FSA Handbook at: [www.fshandbook.info/FSA/html/handbook/COND/2](http://www.fshandbook.info/FSA/html/handbook/COND/2). [www.fshandbook.info/FS/html/handbook/COND/2](http://www.fshandbook.info/FS/html/handbook/COND/2).

### **Legal Status**

~~This is a requirement of Threshold Condition 2.1. The applicant firm must fall into one of the categories listed to apply for authorisation.~~

### **Location of Offices**

This is a requirement of Threshold Condition 2.2.

### **Close Links**

~~If the applicant firm has any close links (links with other firms or individuals), these must not prevent effective FSA supervision of the applicant firm if authorised. This is a requirement of Threshold Condition 2.3.~~

### **Effective Supervision**

The appropriate regulator must be capable of effectively supervising the firm. This is a requirement of Threshold Condition 2.3.

### **Adequate Appropriate resources**

We must be satisfied the applicant firm has adequate resources. We assess the quality and quantity of the applicant firm's resources for its:

- financial resources;
- management;
- staff; and
- systems and controls.

This is a requirement of Threshold Condition 2.4.

### **Prudential category**

We differentiate between our financial requirements by putting applicant firms in different prudential categories. The firm will fall into at least one prudential category; and it may fall into more than one

prudential category, depending on its regulated activities. The prudential categories are set out in the following table.

# 5

## Threshold Conditions (cont'd)

**Table A**

<b>PRUDENTIAL CATEGORIES FOR NON- INVESTMENT BUSINESS FIRMS</b>		
<b>Sourcebook</b>		<b>Ref</b>
Bank (GENPRU and BIPRU)		B
Building Society (GENPRU and BIPRU)		BS
Friendly Society (IPRU-FSOC)		FS
Insurer (GENPRU, INSPRU and IPRU-INS)		INS
Mortgage Lender (MIPRU)		ML
Mortgage Administrator (MIPRU)		MA
Mortgage and/or insurance intermediary (MIPRU)		MGI
<b>PRUDENTIAL CATEGORIES FOR NON-MiFID INVESTMENT BUSINESS FIRMS</b>		
<b>IPRU(INV) Chapter</b>	<b>Sub Category in Chapter</b>	<b>Ref</b>
1 & 2 – Professional Firms	N/A	PROF
1 & 3 – Securities and Futures Firms (not Investment Firms)	Corporate Finance	NI-CF
	Venture Capital	NI-VC
	Arranger	NI-ARR
	Agency Broker	NI-AB
	Financial Bookmaker	NI-FB
	Non clearing Floor Member	NI-NCFM
	Broadscope	NI-BRA
	Local	LOCAL
	EMP	EMP
	OMP	OMP
1 & 4 – Lloyd's Firms	N/A	LLOYD
1 & 5 – Investment Management Firms	N/A	IM
1 & 6 – Service Companies	N/A	SC
1 & 13 – Personal Investment Firms	B1	PI-B1
	B2	PI-B2
	B3	PI-B3
Media Firm	N/A	Media

# 5

## Threshold Conditions (cont'd)

### Professional Indemnity Insurance

Some types of firms are required to have professional indemnity insurance (PII) in place, depending on the type of business that they conduct. PII is liability insurance that covers businesses if a third party claims to have suffered a loss because of professional negligence. If your firm is required to have PII, unless an exemption applies, you must have compliant PII cover in place before we can grant your application. This must be at least equal to the requirements of the FSA Handbook IPRU (INV) 13 and/or MIPRU 3 and/or IPRU (INV) chapter 9.

All excesses and exclusions identified in the PII policy must have been satisfactorily covered – for example, your firm has adequate capital resources, or has made adequate arrangements to mitigate high excess(es), or increased excess(es) for specific business types. Please note we would not expect your firm to have exclusions for specific business types.

### What if I intend to carry on more than one regulated activity?

If you carry on a combination of investment, home finance and/or insurance mediation regulated activities you will only need to comply with the higher of the prudential requirements as stated in MIPRU and/or IPRU (INV)13 and/or IPRU (INV) chapter 9 for each of these regulated activities.

You do not need to have more than one PII policy to satisfy each prudential requirement in PRU and IPRU (INV). One PII policy could cover the separate limits of indemnity and excesses for each type of regulated activity where appropriate. If you are subject to one or more limits of indemnity (because of the scope of your firm's regulated activities) and more than one limit applies, you only need to provide the highest one.

<http://www.fsa.gov.uk/pages/doing/regulated/Firms/fag/rmar.shtml>

[http://www.fsa.gov.uk/pages/Doing/small\\_firms/advisers/FAQ/pii.shtml](http://www.fsa.gov.uk/pages/Doing/small_firms/advisers/FAQ/pii.shtml)

[http://www.fsa.gov.uk/pubs/policy/04-02/buying\\_pii.pdf](http://www.fsa.gov.uk/pubs/policy/04-02/buying_pii.pdf)

For more information see: [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk);

### Suitability

We must be satisfied the applicant firm is 'fit and proper' to be authorised. We assess:

- the competence and ability of management;
- the management's commitment to carrying on the business with integrity; and
- the management's commitment to carrying on the business in compliance with the regulatory regime.

### Compliance

A firm must establish, maintain and carry out a Compliance Monitoring Programme of actions to check it complies, and continues to comply, with regulations. When assessing this application we need to be satisfied the applicant firm has the appropriate compliance arrangements in place to meet its regulatory obligations. The applicant firm will need, as a **minimum**, to have in place procedures to meet our rules for the subject areas in the table below. These procedures must be ready for inspection at any time.

# 5

## Threshold Conditions (cont'd)

### Supporting Information to Submit With Your Application

For applications to add permission to do the following **for the first time**, you **must** supply the documents indicated in the table below with the application. If you do not do this, it will lengthen the application process.

#### Table B

In addition to this, we may contact you for more detailed information to support your application,

	Regulated activities or client money permission
--	-------------------------------------------------

especially if you are applying to significantly change your firm's current business.

	Advising on investments (except pension transfers and opt outs)	Advising on pension transfers and opt outs	Dealing in investments as principal	Managing Investments	Establishing operating or winding up a regulated/unregulated collective investment scheme	Arranging safeguarding and administration of assets/ safeguarding and administration of assets/ Holding and/or controlling client money or assets	Establishing operating or winding up a personal pension scheme
Evidence of compliance with the capital resource requirements			X	X			
Evidence of satisfaction of the Training and Competence (T&C) requirements for controlled functions in the firm including relevant experience, CV's and qualifications		X		X			
Compliance Manual	X		X	X	X	X	
Compliance monitoring programme (procedures to establish, maintain and carry out regular periodic compliance reviews.)	X		X	X	X	X	
Business Plan – Including rationale and projections	X		X	X	X		X
Details of operational procedures				X	X		X
Confirmation that scheme documentation is in place					X		
Details including value of SIPP's assets and number of clients now and after 12 months							X

## 6

### Approved Persons

You must ensure that no individual performs a controlled function until the application has been granted and we have approved the individual to perform the controlled function(s).

#### What is an approved person?

An approved person is an individual who is approved by us to perform a controlled function for an authorised firm or an appointed representative. To be approved and continue to be approved to perform a controlled function, an individual must:

- meet, and maintain, our criteria for approval (the 'fit and proper test'); and then
- perform their controlled function(s) in line with the Statement of Principles and Code of Practice for Approved Persons (APER) Sourcebook of the FSA Handbook.

#### What is a controlled function?

A controlled function is a function for a regulated business that has particular regulatory significance. For example, overseeing the firm's systems and controls and being responsible for compliance with our rules. There are different controlled functions relevant to the different types of businesses we regulate. Some controlled functions are required for every firm, others will depend on the nature of your business.

Each controlled function has a 'CF' number. You can find a full list of all the controlled functions and an explanation of each one at: [www.fshandbook.info/FS/html/handbook/SUP/10](http://www.fshandbook.info/FS/html/handbook/SUP/10) [www.fshandbook.info/FS/html/handbook/SUP/10](http://www.fshandbook.info/FS/html/handbook/SUP/10)

The Approved Person 'Form A' application form is found at: [www.fsa.gov.uk/pubs/other/ivreg\\_forma.pdf](http://www.fsa.gov.uk/pubs/other/ivreg_forma.pdf) [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca)

# 7

## EEA Notifications and Third-Country Banking and Investment Groups

### EEA Notifications

We need to know about any connected firms outside the UK but within the EEA because we are required by FSMA to contact the relevant EEA Home State Regulators of these connected firms, as part of the application process.

### Third-Country Banking and Investment Groups

#### Definition of BIPRU firm

Has the meaning set out BIPRU 1.1.6 R (The definition of a BIPRU firm), which is in summary a firm that is:

- (a) a building society; or
- (b) a bank; or
- (c) a full scope BIPRU investment firm; or
- (d) a BIPRU limited licence firm; or
- (e) a BIPRU limited activity firm;

but excluding firms of the type listed in BIPRU 1.1.7 R (Exclusion of certain types of firm from the definition of BIPRU firm).

#### Definition of third-country banking and investment group

A third-country banking and investment group is a banking and investment group that is:

- (a) headed by:
  - (i) a credit institution;

- (ii) an asset management company;
- (iii) an investment firm; or
- (iv) a financial holding company;

that has its head office outside the EEA; and

- (b) not part of a wider EEA banking and investment group.

#### Definition of financial holding company

A financial holding company is a financial institution that fulfils the following conditions:

- (a) its subsidiary undertakings are either exclusively or mainly credit institutions, investment firms or financial institutions;
- (b) at least one of those subsidiary undertakings is a credit institution or an investment firm; and
- (c) it is not a mixed financial holding company.

**Definition of credit institution** (as defined in articles 4(1) and 107 of the Banking Consolidation Directive (BCD))

A credit institution is:

(as defined in article 1(1) of the BCD)

- (1) an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account; or
- (2) an electronic money institution within the meaning of the E-Money Directive;

but excluding an institution within (2) that does not have the right to benefit from the mutual recognition arrangements under the BCD.

(See also the definitions of BCD credit institution, full credit institution, full BCD credit institution and Zone A credit institution in the Glossary of the FSA Handbook.

**Definition of MiFID investment firm** (as defined in article 4(1)(1) of *MiFID*)

in summary) a firm to which MiFID applies including, for some purposes only, a credit institution and UCITS investment firm.

(in full) a firm which is:

- (1) an investment firm with its head office in the EEA (or, if it has a registered office, that office);
- (2) a BCD credit institution (only when providing an investment service or activity in relation to the rules implementing the Articles referred to in Article 1(2) of MiFID);
- (3) a UCITS investment firm (only when providing the services referred to in Article 5(3) of the UCITS Directive in relation to the rules implementing the articles of MiFID referred to in Article 5(4) of that Directive);

unless, and to the extent that, MiFID does not apply to it as a result of Article 2 (Exemptions) or Article 3 (Optional exemptions) of MiFID.



## Markets in Financial Instruments Directive (MiFID) and the Capital Requirements Directive (CRD)

### MiFID Status

CRD came into effect on 1 January 2007. Broadly speaking, the CRD only applies to firms which MiFID applies. The prudential rules these firms need to follow are contained in the Prudential Sourcebook for Banks, Building Societies and Investment firms (BIPRU) and the General Prudential Sourcebook (GENPRU).

Exempt CAD firms benefit from a lighter regime under the recast Capital Adequacy directive but are nonetheless subject to initial capital requirements (see articles 7 and 8). Exempt BIPRU commodities firms benefit from a transitional regime under the recast CAD (article 48). Please see PERG 13.6 Q54, 57, 58 and 59, <http://fsahandbook.info/FSA/html/handbook/PERG/13/6>  
<http://fshandbook.info/FS/html/handbook/PERG/13/6>

Guidance on MiFID and CRD categorisation and whether firms will be affected by either directive is set out in the Handbook, see PERG 13: <http://fshandbook.info/FS/html/handbook/PERG/13>.

### What is a 'Systematic Internaliser'?

MiFID defines Systematic Internalisers as those investment firms, which, on an organised, frequent and systematic basis, deal on own account by transacting client orders outside a Regulated Market or a Multilateral Trading Facility. This is also commonly known as Over-the-Counter trading.

## CRD categorisation – BIPRU Prudential Rules

### Base Capital Resource Requirement

€50k	<p><b>A BIPRU €50k firm which:</b></p> <ul style="list-style-type: none"> <li>• is not authorised to deal for own account in, or underwrite issues of, financial instruments on a firm commitment basis;</li> <li>• offers one or more of the following services: <ul style="list-style-type: none"> <li>○ reception and transmission of orders;</li> <li>○ execution of orders; or</li> <li>○ management of individual portfolios of investments.</li> </ul> </li> <li>• does not hold client's money and/or securities and is not authorised to do so;</li> <li>• is not a UCITS investment firm; and</li> <li>• does not operate a multilateral trading facility..</li> </ul>
€125k	<p><b>A BIPRU €125K firm which:</b></p> <ul style="list-style-type: none"> <li>• is not authorised to deal for own account in, or underwrite issues of, financial instruments on a firm commitment basis;</li> <li>• offers one or more of the following services: <ul style="list-style-type: none"> <li>○ reception and transmission of orders;</li> <li>○ execution of orders; or</li> <li>○ management of individual portfolios of investments.</li> </ul> </li> <li>• can hold client money or securities, or is authorised to do so;</li> <li>• is not a UCITS investment firm; and</li> <li>• does not operate a multilateral trading facility</li> </ul>
€730k	<p>a BIPRU €730K firm is an investment firm subject to the recast CAD but is not a BIPRU €50K firm, a BIPRU €125K firm or a UCITS investment firm.</p>
<p><b>UCITS investment firm</b></p>	<p>A <i>UCITS investment firm</i> should hold base capital of €125,000 plus an additional amount of own funds, in accordance with the UCITS Directive, equal to 0.02% of the amount by which the value of portfolios under management exceed €250,000,000 (subject to an overall maximum base capital requirement of €10,000,000).</p>



## Markets in Financial Instruments Directive (MiFID) and the Capital Requirements Directive (CRD) (cont'd)

### Capital Resources Requirement

For full scope BIPRU investment firms, the minimum capital resource requirement will be calculated as the higher of the base requirement **or** the sum of the credit, market and operational risk requirements.

For BIPRU limited activity firms, the minimum capital resource requirements will be calculated as the higher of the base requirement **or** the sum of the credit, market risk and the fixed overheads requirement (FOR).

For BIPRU limited licence firms, the minimum capital resource requirements will be calculated as the higher of the base requirement **or** the sum of credit and market risk requirements **or** the FOR.

<b>Full scope BIPRU investment firm</b>	an investment firm that is neither a BIPRU limited activity firm, nor a BIPRU limited licence firm.
<b>BIPRU limited activity firm</b>	an investment firm that deals on own account only for the purpose of fulfilling or executing client orders, or gaining entrance to a clearing and settlement system or a recognised exchange when acting in an agency capacity or executing a client order.
<b>BIPRU limited licence firm</b>	an investment firm that is not authorised to provide the investment services of dealing on own account or underwriting and/or placing financial instruments on a firm commitment basis, or a UCITS investment firm.

For further information, see <http://www.fsa.gov.uk/Pages/About/What/International/basel/info/index.shtml>, [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk);

MiFID firms not generally subject to GENPRU and BIPRU

<b>Firm Category</b>	<b>IPRU (INV) chapters</b>
An exempt CAD firm (which is a Securities and futures firm)	1 & 9
An exempt CAD firm (which is an Investment management firm)	1, 5 & 9
An exempt CAD firm (which is a Personal investment firm)	1 & 13
Securities and futures firm (which is an exempt BIPRU commodities firm)	1 & 3
Locals	1 & 3

## 9 Fees

The application fee is an integral part of your application. If you do not send a cheque for the appropriate fee in full with the completed application pack, we will not process your application.

For further information on fees, see FEES 4 Annex [1AR](#) and [1BR](#).

You should note the firm's periodic fee may change as a result of this application. See [www.fsa.gov.uk/fees](http://www.fsa.gov.uk/fees) [www.fca.org.uk/your-fca](http://www.fca.org.uk/your-fca) and/or [www.bankofengland.co.uk](http://www.bankofengland.co.uk) for further details.

## 10 Declaration and Signature

This must be the person who is responsible for making the application. This should be a suitable person of appropriate seniority at the firm.

## **Appendix A - Standard Requirements**

<b>Ref</b>	<b>Short Description</b>	<b>Requirement (full narrative)</b>
1	Activities only in respect of long term insurance.	The firm may only carry on listed activities in respect of the investments specified for the purpose of its long term insurance business.
2	Corporate finance business only.	The firm must not conduct designated investment business other than corporate finance business.
3	Corporate finance or venture capital only.	The firm must not conduct designated investment business other than corporate finance business or venture capital business.
4	Derivatives as incidental services only.	The firm must not carry on a permitted activity concerning the sale of an option (including a commodity option), future (including commodity future) or contract for difference (including spread bet or rolling spot forex contract), except where the activity is incidental to services to a particular client.
5	Energy Market Participant.	The firm must not conduct designated investment business other than energy market activity.
6	Exempt CAD firm (arranging and advising)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments or investment advice.
7	Exempt CAD firm (arranging only)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except reception and transmission of orders in relation to one or more financial instruments.
8	Exempt CAD firm (advising only)	Unable to carry on any investment service or activity, to which MiFID applies, on a regular basis except investment advice in relation to one or more financial instruments.
9	*Limited Activity firm	May only deal on own account in MiFID financial instruments for the purpose of (i) fulfilling or executing a client order or (ii) gaining entrance to a clearing and settlement system or a recognised exchange when acting in an agency capacity or executing a client order.
10	*Limited Licence firm	Unable to (i) hold financial instruments for own account unless it meets the 'matched principal exemption conditions' as defined in the FSA's FCA's Glossary of defined expressions used in the FSA's FCA's Handbook and (ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis.
11	*Matched Principal Broker	Unable to: (i) hold investors' financial instruments for own account unless it meets the 'matched principal exemption conditions' as defined in the FSA's FCA's Glossary of defined expressions used in the FSA's FCA's Handbook; and (ii) underwrite MiFID financial instruments and/or place MiFID financial instruments on a firm commitment basis.
12	*Box Management (i)	Limited to authorised unit trust box management.
13	*Box Management (ii)	Limited to investment company with variable capital (ICVC) box

		management.
14	*Box Management (iii)	Limited to recognised collective investment scheme (CIS) box management operations.
15	*Box Management( iv)	Limited to unregulated CIS box operations.
16	May control money if settlement through a mandate.	The general requirement not to hold or control CLIENT MONEY does not restrict the firm from controlling CLIENT MONEY if it arises from an agreement under which the firm effects settlement through a mandate or otherwise.
17	May hold/control client money if rebated commission.	The general requirement not to hold or control CLIENT MONEY does not apply if the CLIENT MONEY arises from an agreement under which commission is rebated to the client.
18	MiFID client money/assets restriction	Unable to hold client money or <i>safeguard and administer assets (without) arranging</i> in relation to any investment services and activities (to which MiFID applies).
19	Exempt MiFID firm (Article 2).	Unable to carry on any investment services or activities (to which MiFID applies) applies on a regular basis.
20	Exempt MiFID firm (Article 3)	Must comply with the requirements in regulation 4C (or any successor provision) of the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2007
21	No actions to stabilise market price.	The firm must not act in any way to stabilise the market price of any investment.
22	No CORPORATE FIN. BUSINESS unless non-mainstream.	The firm must not carry on any CORPORATE FINANCE BUSINESS that is a REGULATED ACTIVITY unless it is a NON-MAINSTREAM REGULATED ACTIVITY.
23	No pension transfer or opt out.	The firm must not carry on any business relating to a PENSION TRANSFER or OPT OUT.
24	Not to act as Broker Fund Adviser.	The firm must not operate as a BROKER FUND ADVISER.
25	Oil Market Participant.	The firm must not conduct designated investment business which is not an oil market activity.
26	Private customers for regulated CIS only.	The firm may only conduct regulated activities for private customers which are regulated collective investment schemes.

\* These are limitations, rather than requirements, and are included in the list of requirements as they affect a firm's prudential category.

#### END OF NOTES



# Cancellation of Part ~~IV~~ 4A Permission - Application Form

(SUP 6 Ann 6D)

Firm name<sup>†</sup>

("The Firm")

Firm reference number<sup>†</sup>

Address<sup>†</sup>

The Financial ~~Services~~ Conduct Authority  
Permissions Department  
Regulatory Transactions  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 20 7066 1000  
Facsimile +44 (0) 20 7066 1099

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

---

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

## NOTES

Please note that before completing this form to cancel all of your firm's regulated activities, you may find it helpful to discuss your proposed application with your usual supervisory contact at the FSA appropriate regulator.

You should ensure that all relevant information and confirmations are included in the form. If not, your application will be delayed whilst we seek the outstanding information and/or confirmations. Ultimately your application will be refused if the outstanding information and/or confirmations are not provided.

For more complex applications e.g. involving banks or insurance companies, we may request some additional information, in which case we will send a separate schedule.

**N.B.** an inwardly passporting EEA firm that is applying to cancel a top-up permission should only deal with matters in relation to that top-up permission in this form.

If you want to cancel some but not all of the regulated activities of your firm's permission then you should use the relevant Variation of Permission form to vary your firm's permission. Where a firm may require a long period in which to wind down (run off) its business, it is usually appropriate for the firm to apply to vary its permission before commencing the wind down. Please contact your normal supervisory contact to discuss your options.

To enable the FSA appropriate regulator to process this application for the cancellation of your firm's Part ~~IV~~ 4A permission, i.e. of all of its regulated activities, your firm should have taken the appropriate steps and be able to answer YES to each question below.

	Yes	No
• Have you notified all your firm's clients of its intention to cancel its permission and how this will affect them? (See SUP 6.4.11) †	<input type="checkbox"/>	<input type="checkbox"/>
• Are your firm's fees paid up to date? (See SUP 6.4.22) †	<input type="checkbox"/>	<input type="checkbox"/>
• Have all of your firm's regulatory returns been submitted up to date? (See SUP 16) †	<input type="checkbox"/>	<input type="checkbox"/>
• Have you already informed your firm's approved persons of this application for cancellation? †	<input type="checkbox"/>	<input type="checkbox"/>
• Can you confirm that there are no unsatisfied or undischarged complaints against the firm that have not been fully dealt with in accordance with your firm's complaints procedures? (See SUP 6.4.10 & 22) †	<input type="checkbox"/>	<input type="checkbox"/>
• If your firm's carrying on of regulated activities has not already ceased, will your firm cease to do so within the next 6 months? (See SUP 6.4.3) †	<input type="checkbox"/>	<input type="checkbox"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

If you and the firm are not able to answer YES to all the questions above, you should NOT be making this application.<sup>†</sup>

## Personal Details

## Section A

1 Contact Name for this application<sup>†</sup>

§

2 Contact's Details:<sup>†</sup>

a Position in the firm

§

b Daytime telephone number

§

c E-mail address

d Individual reference number (IRN), if applicable

§ Denotes a mandatory field

## Application Details Part 1

## Section B1

3 On behalf of The Firm, I/we, the undersigned, hereby apply to cancel the Firm's Part IV 4A permission and declare that:<sup>†</sup>

---

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

The firm has ceased conducting all regulated activities from:        /        /

**OR**

The firm will cease conducting all regulated activities from:        /        /

Please note that all regulated activities must cease no later than six months from the date of any application to cancel Part ~~IV~~ 4A permissions (see SUP 6.4.3 G).

If you do not intend to cease regulated activities within the next six months, you should NOT apply at this stage.

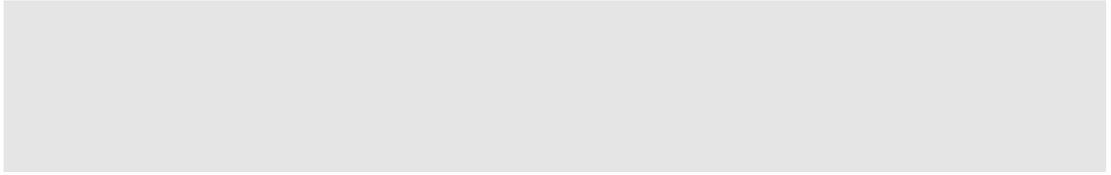
---

**4** What are your firm's reason(s) for cancellation (please tick as appropriate): <sup>†</sup>

- |                                                                            |                          |
|----------------------------------------------------------------------------|--------------------------|
| <b>(a)</b> Ceased to carry on regulated activities                         | <input type="checkbox"/> |
| <b>(b)</b> Proposing only to be authorised through:                        |                          |
| Association of Chartered Certified Accountants                             | <input type="checkbox"/> |
| Institute of Chartered Accountants in England and Wales                    | <input type="checkbox"/> |
| Institute of Chartered Accountants in Scotland                             | <input type="checkbox"/> |
| Law Society                                                                | <input type="checkbox"/> |
| Law Society of Scotland                                                    | <input type="checkbox"/> |
| <b>(c)</b> Business transferred to another regulated firm                  | <input type="checkbox"/> |
| <b>(d)</b> Joining a network                                               | <input type="checkbox"/> |
| <b>(e)</b> Merging with another regulated firm                             | <input type="checkbox"/> |
| <b>(f)</b> To become an appointed representative of another regulated firm | <input type="checkbox"/> |
| <b>(g)</b> Firm never carried on regulated activities                      | <input type="checkbox"/> |
| <b>(h)</b> Non-availability of professional indemnity insurance cover      | <input type="checkbox"/> |
| <b>(i)</b> Cost of professional indemnity insurance cover                  | <input type="checkbox"/> |
| <b>(j)</b> Other (please provide details)                                  | <input type="checkbox"/> |

---

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



- |                                                                                                                                                                                                       | Yes                      | No                       |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 5 Is there any information, relating to the withdrawal of individual approved persons performing controlled functions, of which the <del>FSA</del> <u>appropriate regulator</u> should be aware?<br>† | <input type="checkbox"/> | <input type="checkbox"/> |

Please provide details:

- 
- |                                                                                                                                                                                         |                          |                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 6 <b>Does your firm hold or control client money or assets?</b> †                                                                                                                       | <input type="checkbox"/> | <input type="checkbox"/> |
| We may ask you for an auditor's report. Please refer to SUP 6.4.15G, 6.4.16G and 6.4.17G.                                                                                               |                          |                          |
| All client money/client deposits/discharged custody assets and any other property belonging to clients must be repaid before cancellation can proceed. Please refer to SUP 6.2.22 (2)G. |                          |                          |

- 
- |                                                                                                                                                   |                          |                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| 7 <b>Are any of your firm's clients being transferred to another firm that is regulated by the <del>FSA</del> <u>either the FCA or PRA</u>?</b> † | <input type="checkbox"/> | <input type="checkbox"/> |
|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|

- 7a If 'Yes', number of firms to whom business is being transferred \_\_\_\_\_ †

Please complete Section B2a for each firm to whom business is being transferred.

---

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

(If there is more than one transferee firm, please copy this page and attach to the form)

Name of firm to which business is being transferred<sup>†</sup>  §

a) On what date do you propose to transfer this business?<sup>†</sup>  /  /  §

Yes    No

b) Is this firm currently authorised?<sup>†</sup>

(If not, it must be authorised before the transfer takes place. You can find out whether a firm is authorised by checking the [FSA Financial Services Register](#) ~~on our website~~)

If yes, please enter either its Firms reference number

c) Address of Firm<sup>†</sup>

d) If no, please enter the date on which it is expected to become authorised<sup>†</sup>  /  /

e) Principal compliance contact at firm<sup>†</sup>  §

§ Denotes a mandatory field

---

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

- | 8 | Does your firm: †                                       | Yes                      | No                       |
|---|---------------------------------------------------------|--------------------------|--------------------------|
|   | (i) undertake corporate finance business;               | <input type="checkbox"/> | <input type="checkbox"/> |
|   | (ii) have any investment agreements;                    | <input type="checkbox"/> | <input type="checkbox"/> |
|   | (iii) manage any Collective Investment Schemes;         | <input type="checkbox"/> | <input type="checkbox"/> |
|   | (iv) have any outstanding subordinated loan agreements? | <input type="checkbox"/> | <input type="checkbox"/> |

If you answer yes to any of the above, by signing this Form you will be declaring that, by the date of cancellation, in respect of:

Q8 (i) all mandates have been or will be transferred;

Q8 (ii) your firm has terminated or will be terminating all agreements;

Q8 (iii) schemes managed by the firm have been or will be wound up; and

Q8 (iv) all such loan agreements have been or will be terminated

**9 a) Pensions: Selling or advising between 29 April 1988 and 30 June 1994 †**

Tick as appropriate:

The firm did not undertake the business of pension selling or advising between 29 April 1988 and 30 June 1994-

The firm did undertake the business of pension selling or advising between 29 April 1988 and 30 June 1994 and has completed its review as specified by the rules and guidance issued by the PIA and the FSA.

The firm did undertake the business of pension selling or advising between 29 April 1988 and 30 June 1994 and has not completed its review (as specified by the rules and guidance issued by the PIA and the FSA) and has therefore been in contact with the FSA and carried out all the actions required.

**b) Free Standing Voluntary Contributions ('FSAVCs'): Advising or arranging between 29 April 1988 and 15 August 1999. †**

Tick as appropriate:

The firm did not undertake the business of advising or arranging FSAVCs between 29 April 1988 and 15 August 1999-

The firm did undertake the business of advising or arranging FSAVCs between 29 April 1988 and 15 August 1999 and has completed its review as specified by the rules and guidance issued by the PIA and the FSA.

The firm did undertake the business of advising or arranging FSAVCs between 29 April 1988 and 15 August 1999 and has not completed its review (as specified by the rules and guidance issued by the PIA and the FSA) and has therefore been in contact with the FSA and carried out all the actions required.

**Note: Please only apply to cancel once the resolution of all Pension review and/or FSAVC review issues are near completion.**

---

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Warning**

Knowingly or recklessly giving the FSA appropriate regulator information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FSA appropriate regulator and to notify the FSA appropriate regulator immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA appropriate regulator. It should not be assumed that information is known to the FSA appropriate regulator merely because it is in the public domain or has previously been disclosed to the FSA appropriate regulator or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

**Data Protection<sup>†</sup>**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~Financial Services Authority~~ appropriate regulator to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**Declaration<sup>†</sup>**

By signing this application form

- I/we confirm that this information is accurate and complete to the best of my/our knowledge and belief.
- I am/we are aware that it is a criminal offence knowingly or recklessly to give the FSA appropriate regulator information that is false or misleading in a material particular.
- Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FSA appropriate regulator on request.
- I/we will notify the FSA appropriate regulator immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.

Tick here to confirm you have read and understood this declaration: <sup>∞</sup>

Date<sup>†</sup>

Name of first signatory<sup>1†</sup>

Position<sup>2</sup> of first signatory<sup>†</sup>

<sup>∞</sup> The above question(s) should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.

<sup>1</sup> For a sole trader, the signature of the principal is required. For any other firm, the signature of two directors or of two partners, as appropriate, is required.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>2</sup> e.g. Director, Partner or Sole Trader.

Individual Registration Number<sup>†</sup>

Signature<sup>\*</sup>

Name of second signatory\*

Position of second signatory\*

Individual Registration Number<sup>\*</sup>

Signature\*

---

\* The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.

\* The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Waiver Application number  
(for FSA FCA/PRA use only)

# Waiver - Application Form

Firm name<sup>†</sup>

Firm reference number<sup>†</sup>

Address<sup>†</sup>

Please tick if this firm has a PRA firm within its immediate group

Please return this form to:

**Please return this form via email to EITHER the Central Waivers Team at the FCA (if solo regulated or dual regulated and applying for a waiver or modification of a rule in the FCA Handbook) or the Assessment and Monitoring Team at the PRA (if applying for a waiver or modification of a rule in the PRA Handbook):**

**The Central Waivers Team**

The Financial Services Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 20 7066 1000  
Facsimile +44 (0) 20 7066 1099  
Email: [centralwaiversteam@fca.org.uk](mailto:centralwaiversteam@fca.org.uk)

**Assessment and Monitoring Team**

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone: +44 (0)20 3461 7000  
Email: [PRA-waivers@bankofengland.co.uk](mailto:PRA-waivers@bankofengland.co.uk)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## NOTES

**SUP 8 Ann 2D** (see SUP 8.3.3D)

### **Application form for a *waiver***

Before completing this form, you may find it helpful to discuss your application with your appropriate supervisory contact at the ~~FSA~~ Financial Conduct Authority or the Prudential Regulation Authority. However, you must still ensure you include all relevant information in this form. If you do not, your application will be delayed while you answer further questions from us.

~~Please read the notes in the next section when you complete this form as they explain or give help for many of the questions.~~

**Before completing this application form please read the notes provided at the end of this form as they explain or give help for many of the questions.**

Does the applicant have any timing factors that it would like us to consider (Yes / No)? †

If Yes, please enter date required? †

## Personal Details

## Section A

**1** Contact name for this application†

§

**2** Contact details: †

**a** Business Address

**b** Position in the firm

§

**c** Daytime telephone number

§

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

§ Denotes a mandatory question

- d Email address
- e Individual reference number (IRN), if applicable
- f Name of Approved Person responsible for this application, if applicable

**Additional Details** **Section A1**

**3 Group applications**

Where applicable, please list the group firms on behalf of which this application is also being made: †

FSA Firm Reference Number	Firm Name

**4** What types of client would be affected if we granted your application? (tick all that apply) †

- Retail Clients
- Professional Clients
- Eligible Counterparty
- Retail Customers (insurance mediation activities only)
- Commercial Customers (insurance mediation activities only)
- Customers (home finance business only)

---

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Rule(s) to which the application relates**

**Section B**

If you are applying for a waiver or modification of more than one rule, you should copy this section as appropriate and attach the copies to this application.

<b>5</b>	Please state the Handbook rule to which the application relates <sup>†</sup>	§		
			Yes	No
<b>6</b>	Is there a related Handbook Annex? <sup>†</sup>	§	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, Annex Reference			
<b>7</b>	Is there a related Handbook table? <sup>†</sup>	§	<input type="checkbox"/>	<input type="checkbox"/>
	If yes, Table Reference			
<b>8</b>	Which section of the Financial Services and Markets Act 2000 (FSMA) forms the basis for the application for waiver/modification of this rule? <sup>†</sup>	§		
	FSMA <del>44</del> <u>138A</u> (relevant for most rules)	<input type="checkbox"/>	FSMA 250 (relevant for certain rules in the Collective investment scheme sourcebook, see SUP 8.2.3G)	<input type="checkbox"/>
	FSMA 294 (relevant for certain rules in the Recognised Investment Exchanges and Recognised Clearing Houses Sourcebook, see REC 3.3)	<input type="checkbox"/>	OEIC Regulations – Regulation 7 (relevant for certain rules in the Collective investment scheme sourcebook, see SUP 8.2.3G)	<input type="checkbox"/>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

§ Denotes a mandatory question

**9** Are you applying for a waiver or modification of this rule? <sup>†</sup> §

Waiver  Modification

If applying for a modification, please describe the modification you require: <sup>†</sup>

Unmodified Handbook text:

Draft of modified Handbook text:

**10** Are you applying for a variation of an existing waiver/modification which has previously been granted to the firm? <sup>†</sup> § Yes  No

If yes, give the direction reference number

**11** Have you been able to establish whether this rule implements a European directive requirement? (The notes at the end of this form give more guidance for this question.) <sup>†</sup> §

Yes, implements a directive requirement  No implementation of a directive requirement

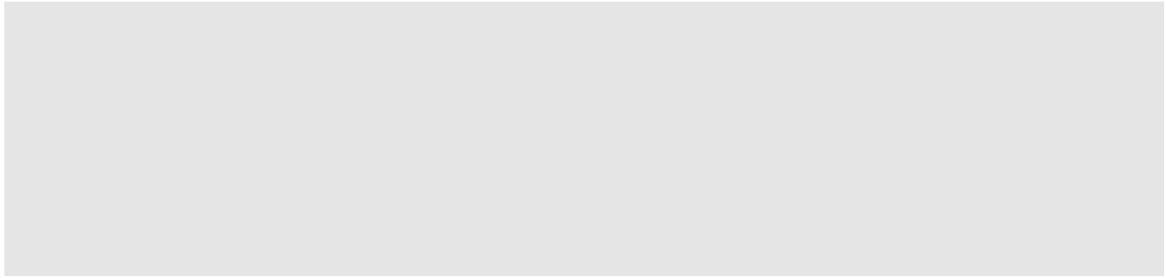
Not known

If yes, please state the matters considered to be relevant in assessing whether the waiver would be compatible with European directive requirements: <sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

§ Denotes a mandatory question

[Type text]



- |           |                                                                                                                                                                                                                                                                                      | Yes                      | No                       |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| <b>12</b> | Have you checked the waivers published by us for a precedent on which this application may be based? <sup>†</sup>                                                                                                                                                                    |                          |                          |
|           | Published waivers can be inspected at:                                                                                                                                                                                                                                               | <input type="checkbox"/> | <input type="checkbox"/> |
|           | <del><a href="http://www.fsa.gov.uk/pages/Library/Other_publications/Waivers/Consolidated/index.shtml">http://www.fsa.gov.uk/pages/Library/Other_publications/Waivers/Consolidated/index.shtml</a></del> <a href="http://www.fca.org.uk/your-fca">http://www.fca.org.uk/your-fca</a> |                          |                          |

If no, please state why you think it is not relevant in this instance:<sup>†</sup>

- 13** If your application is based on a precedent, please give the direction reference number and preferably highlight the similarities and differences with your application.<sup>†</sup>

---

<sup>§</sup> Denotes a mandatory question

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Direction reference number:



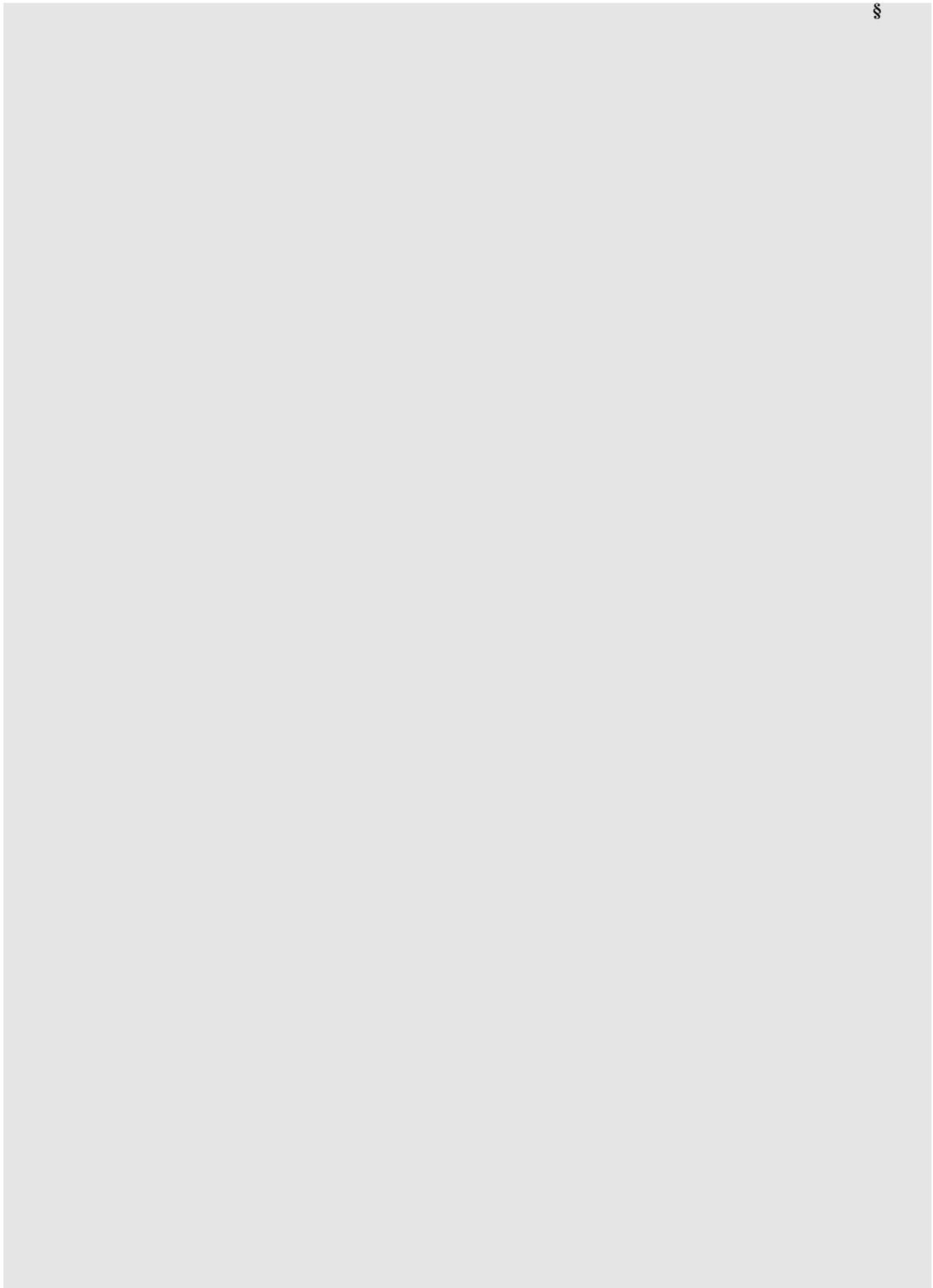
## Additional Details

## Section D

- 14** Please give a brief description of the nature of your business and a full and clear explanation of why you are applying for the waiver or modification. You may attach any documents that you wish to submit with this application. †

---

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



**15** Please give a full and clear explanation of why you think you satisfy the statutory tests: †

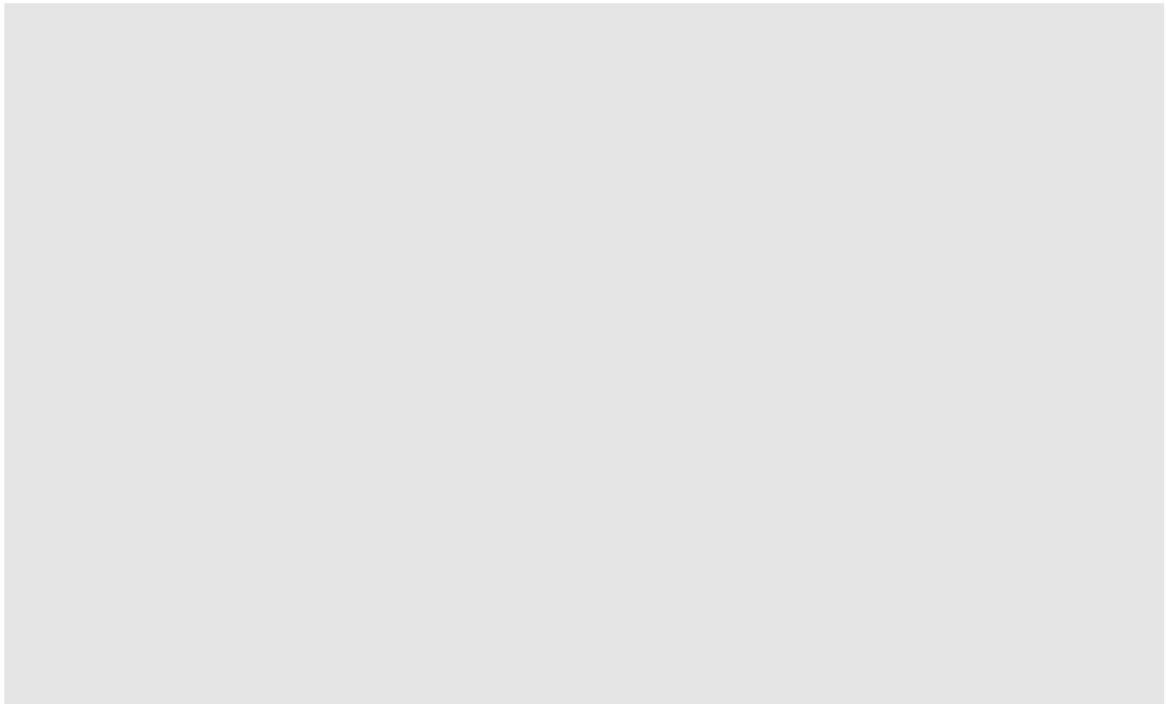
---

§ Denotes a mandatory question

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

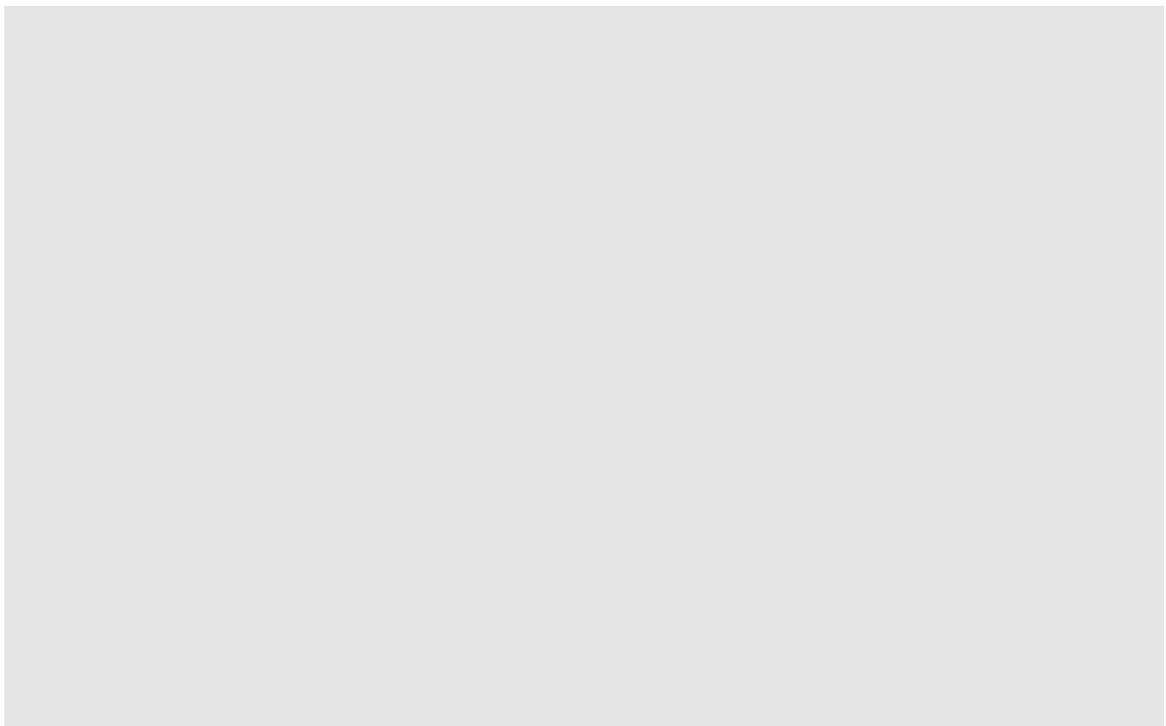
- a** Your compliance with the rules, or with the rules as unmodified, would be unduly burdensome because...

(In answering this question you will need to include detailed figures showing the costs to your firm of complying with the rules as is and as modified.)<sup>†</sup>



**OR**

- b** Your compliance with the rules, or with the rules as unmodified, would not achieve the purpose for which the rules were made because...<sup>†</sup>



**AND**

~~e The waiver or modification would not result in undue risk to persons whose interests the rules are intended to protect because...~~

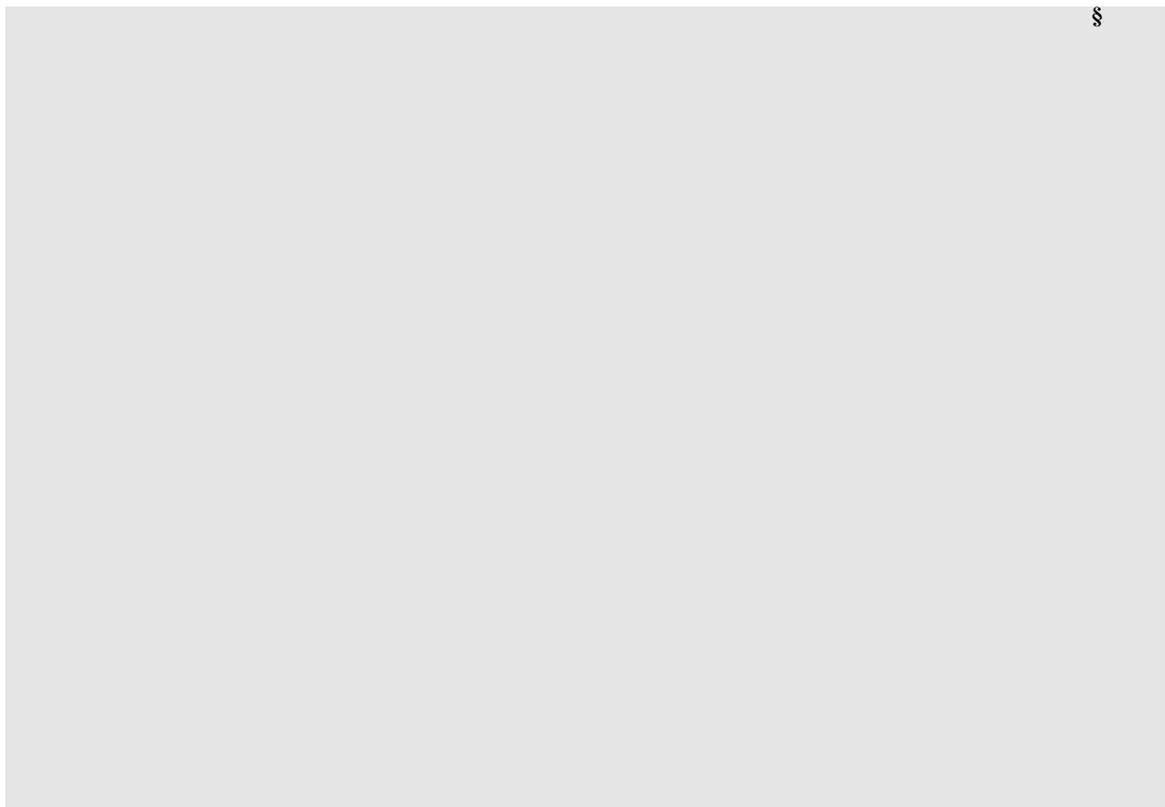
c The direction would not adversely affect the advancement of any of the regulator’s objectives because ...

- If solo regulated (regardless of whether the firm is part of a PRA group) or dual regulated and applying for the waiver/ modification of a rule in the FCA Handbook please reference the FCA’s operational objectives.
- If dual regulated and applying for the waiver/ modification of a rule in the PRA Handbook please reference the PRA’s objectives.
- If dual regulated and applying for the waiver/ modification of a shared rule please reference both regulator’s objectives.

The FCA’s operational objectives: (i) The consumer protection objective  
(ii) The integrity objective  
(iii) The competition objective

Additional guidance regarding the FCA’s operational objectives: <https://fca/about/why-we-do-it/statutory-objectives>

The PRA objectives: i) general objective- promote the safety and soundness of firms its supervises  
ii) insurance objective – to contribute to securing an appropriate degree of protection for those who are or may become policyholders



§

**16** Are you happy for us to publish the waiver? †  
(please see SUP 8.6.7G, Firm's objection to publication)

Yes No  
§

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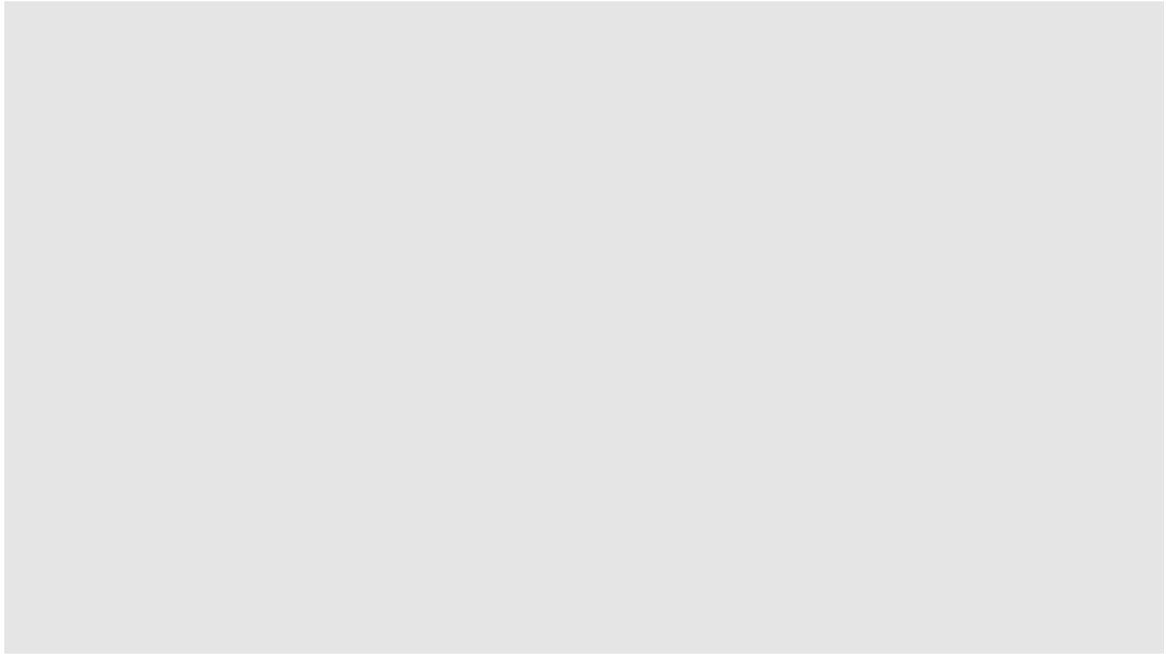
§ Denotes a mandatory question

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

[Type text]

If no, please state your reasons: †

We prefer to publish waivers wherever possible. If you believe you have good grounds for not publishing, you will need to give clear and substantive arguments.



## Supporting Documents

Indicate the required supporting documents to accompany this form<sup>†</sup>

Documents	Mode (by email, fax or post)

Other information (please specify)<sup>†</sup>

## Declaration and signatures

## Section E

### Warning

Knowingly or recklessly giving the ~~FSA~~ FCA or the PRA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA or the PRA and to notify the ~~FSA~~ FCA or the PRA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA or the PRA. It should not be assumed that information is known to the ~~FSA~~ FCA or the PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA or the PRA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

### Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~Financial Services Authority~~ FCA or the PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

### Declaration

By submitting this application form:

- I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.
- I am/we are aware that it is a criminal offence knowingly or recklessly to give the ~~FSA~~ FCA or the PRA information that is false or misleading in a material particular.
- Some questions do not require supporting evidence. However, the records, which demonstrate the applicant's compliance with the rules in relation to the questions, must be available to the ~~FSA~~ FCA or the PRA on request.
- I/we will notify the ~~FSA~~ FCA or the PRA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.

Date<sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Name of first signatory<sup>1†</sup>

Position<sup>2</sup> of first signatory<sup>†</sup>

Individual Registration Number<sup>†</sup>

Signature \*

Name of second signatory<sup>†</sup>

Position of second signatory<sup>†</sup>

Individual Registration Number<sup>†</sup>

Signature \*

### Declaration and signature if a third party is named

If the waiver will name a third party (for example, the firm to whom Client Money balance will be transferred to when applying for a waiver of CASS 7.2.15R(2)), please check the box below to confirm that you have the agreement of the third party and enter the third party's name below.

I confirm the information in this form that concerns my circumstances is accurate and complete to the best of my knowledge and belief. I also confirm that I am happy for the waiver to be published, unless otherwise indicated in box 20 of this form\*.

Signature of named Third Party\*

Name and Date<sup>†</sup>

---

<sup>1</sup> For a sole trader, the signature of the principal is required.  
For a limited company, the signature of two directors or one director and the company secretary is required.  
For a partnership, the signature of at least one partner is required.

~~<sup>†</sup> These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.~~

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~\*The above questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.~~

<sup>2</sup> E.g. Director, Partner or Sole Trader.

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*The above questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

## Notes to completing the waivers form

Please note that defined terms used in the text are shown in italics. Definitions can be found in the Handbook Glossary <http://www.fsa.gov.uk/pubs/hb-releases/rel43/rel43glossary.pdf>

Question Number	Notes
Front Cover	If the applicant is not a <i>firm</i> , for example an applicant for a <i>Part IV 4A permission</i> , give its name and indicate that it is not an <i>authorised person</i> . There is no need to give the firm reference number.
Section A	We may contact the <i>approved person</i> , or other designated individual, about the application.  The individual may have responsibility for an application for more than one applicant if they have the authority to do so.
Section A1	If the application is submitted by, or on behalf of, more than one applicant (for example, by more than one firm in a group), the names of each applicant must be given as well as each <del>FSA</del> firm reference number, if applicable.
Section B Question 8	Section <del>148</del> <u>138A</u> of FSMA is the power used to give most waivers. Section 250 of FSMA and regulation 7 of the <i>OEIC Regulations</i> are relevant only for certain <i>rules</i> in the Collective Investment Schemes sourcebook (see SUP 8.2.3G). Section 294 of FSMA is relevant only for certain <i>rules</i> in the Recognised Investment Exchanges and Recognised Clearing Houses sourcebook (see REC 3.3).
Section B Question 9	Your draft modification must show how you propose to change the original text of the <i>rule(s)</i> . You must do this by underlining inserted text and scoring through deleted text.
Section B Question 10	You can find the Direction reference number on the Direction we send you.
Section B Question 11	We cannot give a <i>waiver</i> that would be incompatible with the <i>United Kingdom's</i> responsibilities under European directives. In many cases, the 'Purpose' section of a chapter or section of the Handbook will identify whether the text implements a directive requirement. We only expect you to take reasonable steps in answering this question; what is reasonable will depend on your resources. If you are unable to confirm which particular European directive requirements the <i>rule</i> to be waived implements, you should reply 'unable to confirm'. You will have to give us details if you are able to identify a particular European directive requirement implemented by the <i>rule</i> to be waived, but think the proposed waiver would not breach that requirement.
Section C	You can find published <i>waivers</i> at: <a href="http://www.fsa.gov.uk/Pages/Library/Other_publications/Waivers/index.shtml">http://www.fsa.gov.uk/Pages/Library/Other_publications/Waivers/index.shtml</a> <a href="http://www.fca.org.uk/your-fca">http://www.fca.org.uk/your-fca</a>

<p>Section D Question 14</p>	<p>We expect you to provide (where applicable):</p> <ul style="list-style-type: none"> <li>• relevant background information about the firm and the context in which you are applying for a <i>waiver</i>;</li> <li>• details of any relevant correspondence with former or other regulators;</li> <li>• details of any relevant correspondence with us;</li> <li>• details of any changes in an a:             <ul style="list-style-type: none"> <li>○ <i>rule</i>;</li> <li>○ circumstance; or</li> <li>○ market condition</li> </ul> </li> </ul> <p>that has affected the applicant or prompted your application for a <i>waiver</i>;</p> <ul style="list-style-type: none"> <li>• details of the anticipated benefits that may be received if the <i>waiver</i> was granted (and, if not arguing the 'unduly burdensome' argument, what the estimated impact on the firm and its customers would be if the <i>waiver</i> was not granted); and</li> <li>• an explanation of why the <i>waiver</i> is required.</li> </ul> <p>This list is not exhaustive. You should include any other information that you think is relevant.</p> <p>You should know what information we require and cross-reference it to the answers set out in Question 16, where relevant, to avoid duplication.</p>
<p>Section D Question 15</p>	<p>We cannot give a <i>waiver</i> unless the statutory tests are satisfied. The tests are set out in section 148 138A(4) of FSMA, and reproduced in SUP 8.3.1G. The tests under sections 250 and 294 of FSMA and regulation 7 of the <i>OEIC Regulations</i>, are similar. You need to be aware that both matters ('unduly burdensome' or 'not achieve the purpose'; and '<del>undue risk</del>' 'not affect the advancement of any of the regulator's objectives?') noted require detailed explanation and substantive argument before we can process the application. Unless there are satisfactory responses to these matters, we may reject the <i>waiver</i> application, or we may need more information. You should set out only the relevant arguments in support of the unduly burdensome or purpose tests.</p> <p><u>The FCA and the PRA have a duty to coordinate their activities in relation to waivers and rule modifications where there are matters of common regulatory interest or where the grant of a direction by one regulator could adversely affect the advancement of the other regulator's objectives. Where this duty applies, the second regulator may need to evaluate whether approving your application might adversely affect the advancement of its own objectives. In these cases, we may ask you to provide additional supporting information.</u></p>
<p>Section D Question 16</p>	<p>See SUP 8.6.7G (Firm's objection to publication).</p>



Application number  
(for FSA-FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FSA's website at [http://www.fsa.gov.uk/pubs/forma\\_notes.doc](http://www.fsa.gov.uk/pubs/forma_notes.doc) both FCA and PRA websites at: [http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc)<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Long Form A – Incoming EEA only Application to perform controlled functions under the approved person regime

~~FSA Handbook Reference: SUP10 Annex 4D~~ FCA Handbook Reference: SUP 10A Annex 4D

PRA Handbook Reference: SUP 10B Annex 4D

1 April ~~2009~~ 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~The Financial Services Authority – Permissions, Decisions & Reporting Division~~  
~~Financial Conduct Authority~~  
~~25 The North Colonnade~~  
~~Canary Wharf~~  
~~London E14 5HS~~  
~~United Kingdom~~

Prudential Regulation Authority  
20 Moorgate  
London  
United Kingdom  
EC2R 6DA

Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.gov.uk](mailto:iva@fca.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.gov.uk>  
<http://www.fca.org.uk>

Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Telephone +44 (0) 203 461 7000  
E-mail [PRA.firmenquires@bankofengland.co.uk](mailto:PRA.firmenquires@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Registered as a Limited Company in England and  
Wales No 07854923. Registered Office: 8  
Lothbury Road, London, EC2R 7HH

<b>1.01 a</b>	Candidate Individual Reference Number (IRN) †	
<b>b</b>	OR name of previous regulatory body †	
<b>c</b>	AND previous reference number (if applicable) †	
<b>1.02</b>	Title (e.g. Mr, Mrs, Ms, etc) †	
<b>1.03</b>	Surname †	
<b>1.04</b>	ALL forenames †	
<b>1.05</b>	Name commonly known by †	
<b>1.06</b>	Date of birth (dd/mm/yyyy) †	/ /
<b>1.07</b>	National Insurance number †	
<b>1.08</b>	Previous name †	
<b>1.09</b>	Date of name change †	/ /
<b>1.10 a</b>	Nationality †	
<b>b</b>	Passport number (if National Insurance number not available) †	
<b>1.11</b>	Place of birth †	



I have supplied further information related to this page in Section 6 † YES  NO

1.12 a Private address<sup>†</sup>

[Redacted address field]

b

Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup>

From

/

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1<sup>†</sup>

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)<sup>†</sup>

From

/

To

/

1.14 a Previous address 2<sup>†</sup>

[Redacted address field]

<sup>1</sup> b

Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup>

From

/

To

/



I have supplied further information related to this page in Section 6

YES

NO

<sup>2</sup>

\_\_\_\_\_

2.01	Name of <i>firm</i> making the application	
2.02	FSA-Firm Reference Number (FRN)	
2.03 a	Who should the <del>FSA-FCA/PRA</del> contact at the <i>firm</i> in relation to this application?	
b	Business Address	
c	Position	
d	Telephone	
e	E-mail	

I have supplied further information related to this page in Section 6    YES <input type="checkbox"/> NO <input type="checkbox"/>
-----------------------------------------------------------------------------------------------------------------------------------

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	<i>Partner/Sole trader</i>	<input type="checkbox"/>
<i>e</i>	<i>Appointed representative/tied agent – customer function</i>	<input type="checkbox"/>
	AR firm name and reference number	
<i>f</i>	<i>Appointed representative/tied agent – governing function</i>	<input type="checkbox"/>
	AR firm name and reference number	
<i>g</i>	Other	<input type="checkbox"/>
	Give details	

**3.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.

If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.05**

<b>a</b>	<b><i>Significant influence functions</i></b>	CF 11 <i>Money laundering reporting function</i>	<input type="checkbox"/>
		CF 12 <i>Actuarial function</i>	<input type="checkbox"/>
		CF 12A <i>With-profits actuary function</i>	<input type="checkbox"/>
		CF 12B <i>Lloyd's Actuary function</i>	<input type="checkbox"/>
		CF 29 <i>Significant management function</i>	<input type="checkbox"/>
<b>c</b>	<b><u><i>significant influence functions</i></u></b>	CF 40 <i>Benchmark submission function</i>	<input type="checkbox"/>
		CF 50 <i>Benchmark administration function</i>	<input type="checkbox"/>
<b>b</b>	<b><i>Customer function</i></b>	CF 30 <i>Customer function</i>	<input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES

NO

**3.03** Effective date of *controlled functions* indicated above<sup>†</sup>

[Greyed out area]

**3.04** Job title (mandatory for *controlled function* 28 & 29)<sup>†</sup>

Please refer to notes on the requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm?

YES  NO

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

[Greyed out area]



I have supplied further information related to this page in Section 6

YES  NO

**3.05**

**Complete this section only if the application is on behalf of more than one firm.**

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.<sup>†</sup>

	<b>FSA-Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for controlled function 29)	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 6

YES

NO

N.B.: ALL gaps must be accounted for

**4.01**

**Employment details (1)<sup>†</sup>**

<b>a</b>	Period (mm/yyyy)	From	/	To	
<b>b</b>	Nature of employment	<i>a</i>	Employed		<input type="checkbox"/>
		<i>b</i>	Self-employed		<input type="checkbox"/>
		<i>c</i>	Not employed		<input type="checkbox"/>
		<i>d</i>	Full-time education		<input type="checkbox"/>
	If <i>c</i> or <i>d</i> is ticked, please give details				
<b>c</b>	Name of employer				
<b>d</b>	Nature of business				
<b>e</b>	Previous / other names of employer				
<b>f</b>	Last known address of employer				
<b>g</b>	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body	
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?	
<b>i</b>	Position held				
<b>j</b>	Responsibilities				
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation		<input type="checkbox"/>
		<i>b</i>	Redundancy		<input type="checkbox"/>
		<i>c</i>	Retirement		<input type="checkbox"/>
		<i>d</i>	Termination/dismissal		<input type="checkbox"/>
		<i>e</i>	End of contract		<input type="checkbox"/>
		<i>f</i>	Other		<input type="checkbox"/>
	Specify				



I have supplied further information related to this page in Section 6

YES

NO

**4.02 Employment details (2)<sup>†</sup>**

**a** Period (mm/yyyy) From  /  To  /

**b** Nature of employment

<i>a</i>	Employed	<input type="checkbox"/>
<i>b</i>	Self-employed	<input type="checkbox"/>
<i>c</i>	Not employed	<input type="checkbox"/>
<i>d</i>	Full-time education	<input type="checkbox"/>

If *c* or *d* is ticked, please give details

**c** Name of employer

**d** Nature of business

**e** Previous / other names of employer

**f** Last known address of employer

**g** Is/was employer regulated by a regulatory body? YES  NO  Name of regulatory body

**h** Is/was employer an *appointed representative/tied agent*? YES  NO  If yes, of which *firm*?

**i** Position held

**j** Responsibilities

**k** Reason for leaving:

<i>a</i>	Resignation	<input type="checkbox"/>
<i>b</i>	Redundancy	<input type="checkbox"/>
<i>c</i>	Retirement	<input type="checkbox"/>
<i>d</i>	Termination/dismissal	<input type="checkbox"/>
<i>e</i>	End of contract	<input type="checkbox"/>
<i>f</i>	Other	<input type="checkbox"/>

Specify

 I have supplied further information related to this page in Section 6 YES  NO

<p><b>5.01 a</b></p> <p>Has the <i>candidate</i> <b>ever</b> been convicted of any offence (whether spent or not and whether or not in the <i>United Kingdom</i>):</p> <p style="margin-left: 40px;">i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</p> <p style="margin-left: 40px;">ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies</i>, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, <i>money laundering</i>, market manipulations or <i>insider dealing</i>?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>b</b></p> <p>Is the <i>candidate</i> the subject of any current criminal proceedings?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>c</b></p> <p>Has the <i>candidate</i> <b>ever</b> been given a caution in relation to any criminal offence?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.02</b></p> <p>Has the <i>candidate</i> any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 and above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.03 a</b></p> <p>Has the candidate, <b>ever</b> had a County Court Judgement (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not (whether or not in the United Kingdom)?</p> <p>Has the candidate had:</p> <p style="margin-left: 40px;">i. more than 2 CCJs or judgment debts?</p> <p style="margin-left: 40px;">ii. more than £1,000 in total of CCJs or judgment debts?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>b</b></p> <p>Is the candidate aware of:</p> <p style="margin-left: 40px;">i. any proceedings that have begun, or anybody's intention to begin proceedings against the candidate for a CCJ or other judgment debt?</p> <p style="margin-left: 40px;">ii. more than one set of proceedings, or anybody's intention to begin more than one set of proceedings that may lead to a CCJ or other judgment?</p> <p style="margin-left: 40px;">iii. anybody's intention to claim more than £1,000 of CCJs or judgment debts in total from the <i>candidate</i>?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.04</b></p> <p>Does the candidate have any <b>current</b> judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.05</b></p> <p>Has the <i>candidate</i> <b>ever</b> failed to satisfy any such judgment debts within one year of the making of the order?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.06 a</b></p> <p>Is the <i>candidate</i>, or has the <i>candidate</i> <b>ever</b> been, the subject of any bankruptcy proceedings, or proceedings for the sequestration of the <i>candidate's</i> estate?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>

<b>b</b>	Has the <i>candidate ever</i> entered or is in the process of entering into an agreement in favour of the <i>candidate's</i> creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed).?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.07</b>	Does the <i>candidate</i> have any outstanding financial obligations arising from <i>regulated activities</i> , which the <i>candidate</i> has carried on in the past, (whether or not in the <i>United Kingdom</i> )?  (In the case of <i>advisers</i> , this will include any outstanding liabilities arising from commissions paid for the sale of <i>packaged products</i> that have lapsed.)	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.08</b>	Has the <i>candidate ever</i> been found guilty of carrying on any unauthorised <i>regulated activities</i> or been investigated for the possible carrying on of unauthorised <i>regulated activities</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.09</b>	Is the <i>candidate</i> , or has the <i>candidate ever</i> been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>5.10</b>	Has the <i>candidate ever</i> (whether or not in the <i>United Kingdom</i> ) –		
<b>a</b>	been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>b</b>	been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>c</b>	been disqualified from acting as a <i>director</i> of a <i>company</i> or from acting in a management capacity or conducting the affairs of any <i>company</i> , <i>partnership</i> or unincorporated association?	YES <input type="checkbox"/>	NO <input type="checkbox"/>
<b>d</b>	been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice that such a direction or order be made?	YES <input type="checkbox"/>	NO <input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES  NO

- 1 In relation to activities regulated by the ~~FSA~~-FCA and/or PRA or any other regulatory body (see note section 5), has:
- i. the *candidate*, or
  - ii. any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary, during the candidate's association with that entity and for a period of three years after the candidate ceased to be associated with it, **ever** –
- a been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted by any such body? YES
  - b been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary or intervention action by any such body? YES
  - c resigned whilst under investigation by, or been required to resign from, any such body? YES
  - d decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by any such body, not to proceed with it? YES
  - e been the subject of any civil action which has resulted in a finding against the *candidate* or it by a court? YES
- 2 **Has any company, partnership, or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the candidate's involvement or within one year of such an involvement –**
- a been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors? YES
  - b been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct? YES
  - c been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation? YES
  - d been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the *Takeover Panel* or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b) above)? YES
- 3 Is the *candidate* aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the *controlled functions* for which approval is now sought? YES
- I have supplied further information related to this page in Section 6 YES

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
  - Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.

Question	Information

**Declaration of Candidate**

Knowingly or recklessly giving the FSA *FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the FSA *FCA and/or PRA* merely because it is in the public domain or has previously been disclosed to the FSA *FCA and/or PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the FSA *FCA and/or PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the FSA *FCA and/or PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the FSA *FCA and/or PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>) (<http://fshandbook.info/fs/html/handbook/APER>) (<http://www.bankofengland.co.uk/PRA>)**

7.01 Candidate's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Declaration of Firm**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA and/or PRA and to notify the ~~FSA~~ FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.6E7E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA~~ FCA and/or PRA, failure to inform the ~~FSA~~ FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the firm believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. FOR FIRMS UNDERTAKING ANY NON MiFID BUSINESS PLEASE ALSO COMPLETE THE FOLLOWING**

**The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).**

YES  NO

With reference to the above, the ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

**In signing this form on behalf of the firm:**

**a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the ~~FSA~~ FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the ~~FSA~~ FCA and/or PRA.**

**c) I confirm the candidate has been made aware of the regulatory responsibilities of proposed role as set out in , the Statements of Principle and Code of Practice for Approved Persons**

**(~~http://fsahandbook.info/FSA/html/handbook/APER~~)(<http://fshandbook.info/fs/html/handbook/APER>)  
(<http://www.bankofengland.co.uk/PRA>)**

7.03	Name of the firm submitting the application <sup>†</sup>	
7.04	Name of person signing on behalf of the firm <sup>†</sup>	
7.05	Job title <sup>†</sup>	
7.06	Signature <sup>*</sup>	
	Date <sup>†</sup> / /	

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



Application number  
(for FSA FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FSA's both FCA and PRA websites at: [http://fsa.gov.uk/pubs/forms/imap\\_forma\\_notes.doc](http://fsa.gov.uk/pubs/forms/imap_forma_notes.doc)

[http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc)

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Long Form A – UK and Overseas Firms (not Incoming EEA)

### Application to perform controlled functions under the approved persons regime

**FSA Handbook Reference: SUP 10 Annex 4D**

**FCA Handbook Reference: SUP 10A Annex 4D**

**PRA Handbook Reference: SUP 10B Annex 4D**

1 May 2011-1 April 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~The Financial Services Authority Authorisations Division~~

~~Financial Conduct Authority~~

~~25 The North Colonnade~~

~~Canary Wharf~~

~~London E14 5HS~~

~~United Kingdom~~

~~Telephone +44 (0) 845 606 9966~~

~~Facsimile +44 (0) 207 066 0017~~

~~E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)~~

~~Website <http://www.fsa.gov.uk>~~

~~<http://www.fca.org.uk>~~

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

[Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury](#)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Long Form A – UK and Overseas

Application to perform controlled functions under the approved persons regime

Version 13-14

Registered as a Limited Company in  
England and Wales No 1920623. Registered  
Office as above

[Road, London, EC2R 7HH](#)

## Personal identification details

1.01 a	Candidate Individual Reference Number (IRN) <sup>†</sup>	
b	OR name of previous regulatory body <sup>†</sup>	
c	AND previous reference number (if applicable) <sup>†</sup>	
1.02	Title (e.g. Mr, Mrs, Ms, etc) <sup>†</sup>	
1.03	Surname <sup>†</sup>	
1.04	ALL forenames <sup>†</sup>	
1.05	Name commonly known by <sup>†</sup>	
1.06	Date of birth (dd/mm/yyyy) <sup>†</sup>	/ /
1.07	National Insurance number <sup>†</sup>	
1.08	Previous name <sup>†</sup>	
1.09	Date of name change <sup>†</sup>	/ /
1.10 a	Nationality <sup>†</sup>	
b	Passport number (if National Insurance number not available) <sup>†</sup>	
1.11	Place of birth <sup>†</sup>	



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

1.12 a Private address<sup>†</sup>

[Redacted address field]

b

Postcode<sup>†</sup>

c Dates resident at this address  
(mm/yyyy)<sup>†</sup>

From

/ [Redacted]

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1<sup>†</sup>

[Redacted address field]

b

Postcode

c Dates resident at this address  
(mm/yyyy)<sup>†</sup>

From

/ [Redacted]

To

/ [Redacted]

1.14 a Previous address 2<sup>†</sup>

[Redacted address field]

1

b

Postcode<sup>†</sup>

c Dates resident at this address  
(mm/yyyy)<sup>†</sup>

From

/ [Redacted]

To

/ [Redacted]



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

2.01	Name of <i>firm</i> making the application	
2.02	<del>FSA</del> Firm Reference Number (FRN)	
2.03 a	Who should the <del>FSA-FCA/PRA</del> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 Long Form A – UK and Overseas Application to perform controlled functions under the approved persons regime Version 13-14

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	Employee	<input type="checkbox"/>
<i>b</i>	Group employee	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	Partner/Sole trader	<input type="checkbox"/>
<i>e</i>	Appointed representative/tied agent – customer function	<input type="checkbox"/>
	AR firm name and reference number	
<i>f</i>	Appointed representative/tied agent – governing function	<input type="checkbox"/>
	AR firm name and reference number	
<i>g</i>	Other	<input type="checkbox"/>
	Give details	

**3.02** For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed. If the controlled functions are to be performed for more than one firm, please go to question **3.05**

<b>a</b>	<b>Significant influence functions</b>	CF 1 Director function <input type="checkbox"/> CF 2 Non-executive director function <input type="checkbox"/> CF 3 Chief executive function <input type="checkbox"/> CF 4 Partner function <input type="checkbox"/> CF 5 Director of an unincorporated association function <input type="checkbox"/> CF 6 Small friendly society function <input type="checkbox"/>
	<b>Significant influence functions</b>	CF 8 Apportionment and oversight function <input type="checkbox"/> (this function is not applicable to all firms please refer to Notes for Completing Form A) CF 10 Compliance oversight function <input type="checkbox"/> CF 10a CASS operational oversight function <input type="checkbox"/> CF 11 Money laundering reporting function <input type="checkbox"/> CF 12 Actuarial function <input type="checkbox"/> CF 12A With-profits actuary function <input type="checkbox"/> CF 12B Lloyd's Actuary function <input type="checkbox"/> CF 28 System and controls function <input type="checkbox"/> CF 29 Significant management function <input type="checkbox"/> CF 40 Benchmark submission function <input type="checkbox"/> CF 50 Benchmark administration function <input type="checkbox"/>
<b>b</b>	<b>Customer function</b>	CF 30 Customer function <input type="checkbox"/>

**3.03** Effective date of controlled functions indicated above<sup>†</sup>

**3.04** Job title (mandatory for controlled function 28 & 29)<sup>†</sup>

Please refer to notes on the

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 Long Form A – UK and Overseas Application to perform controlled functions under the approved persons regime Version 13-14

requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm?

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

YES  NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES  NO

**3.05 Complete this section only if the application is on behalf of more than one firm.**

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested controlled function for that firm.<sup>†</sup>

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for controlled function 28 & 29)	<b>Effective date</b>
<b>a</b>					/ /
<b>b</b>					/ /
<b>c</b>					/ /
<b>d</b>					/ /
<b>e</b>					/ /



I have supplied further information related to this page in Section 6

YES

NO

# Employment history in the past 5 years

# Section 4

N.B.: ALL gaps must be accounted for

## 4.01 Employment details (1)<sup>†</sup>

<b>a</b>	Period (mm/yyyy)	From	<input type="text"/>	/	<input type="text"/>	To	<input type="text"/>	
<b>b</b>	Nature of employment	<b>a</b>	Employed				<input type="checkbox"/>	
		<b>b</b>	Self-employed				<input type="checkbox"/>	
		<b>c</b>	Not employed				<input type="checkbox"/>	
		<b>d</b>	Full-time education				<input type="checkbox"/>	
			If c or d is ticked, please give details					<input type="text"/>
<b>c</b>	Name of employer	<input type="text"/>						
<b>d</b>	Nature of business	<input type="text"/>						
<b>e</b>	Previous / other names of employer	<input type="text"/>						
<b>f</b>	Last known address of employer	<input type="text"/>						
<b>g</b>	Is/was employer regulated by a regulatory body?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	Name of regulatory body	<input type="text"/>	
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	If yes, of which <i>firm</i> ?	<input type="text"/>	
<b>i</b>	Position held	<input type="text"/>						
<b>j</b>	Responsibilities	<input type="text"/>						
<b>k</b>	Reason for leaving:	<b>a</b>	Resignation				<input type="checkbox"/>	
		<b>b</b>	Redundancy				<input type="checkbox"/>	
		<b>c</b>	Retirement				<input type="checkbox"/>	
		<b>d</b>	Termination/dismissal				<input type="checkbox"/>	
		<b>e</b>	End of contract				<input type="checkbox"/>	
		<b>f</b>	Other				<input type="checkbox"/>	
	Specify	<input type="text"/>						

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 Long Form A – UK and Overseas Application to perform controlled functions under the approved persons regime Version 13-14

**4.02 Employment details (2)<sup>†</sup>**

<b>a</b>	Period (mm/yyyy)	From		/		To		/	
<b>b</b>	Nature of employment	<i>a</i>	Employed						<input type="checkbox"/>
		<i>b</i>	Self-employed						<input type="checkbox"/>
		<i>c</i>	Not employed						<input type="checkbox"/>
		<i>d</i>	Full-time education						<input type="checkbox"/>
	If <i>c</i> or <i>d</i> is ticked, please give details								
<b>c</b>	Name of employer								
<b>d</b>	Nature of business								
<b>e</b>	Previous / other names of employer								
<b>f</b>	Last known address of employer								
<b>g</b>	Is/was employer regulated by a regulatory body?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	Name of regulatory body			
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES	<input type="checkbox"/>	NO	<input type="checkbox"/>	If yes, of which <i>firm</i> ?			
<b>i</b>	Position held								
<b>j</b>	Responsibilities								
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation						<input type="checkbox"/>
		<i>b</i>	Redundancy						<input type="checkbox"/>
		<i>c</i>	Retirement						<input type="checkbox"/>
		<i>d</i>	Termination/dismissal						<input type="checkbox"/>
		<i>e</i>	End of contract						<input type="checkbox"/>
		<i>f</i>	Other						<input type="checkbox"/>
	Specify								



I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

<sup>†</sup> **The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7**  
**Long Form A – UK and Overseas**  
**Application to perform controlled functions under the approved persons regime**  
**Version 13-14**

**5.01 a** Has the *candidate* **ever** been convicted of any offence (whether spent or not and whether or not in the *United Kingdom*):

- i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty—or
- ii. relating to *companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?*

YES  NO

**b** Is the *candidate* the subject of any current criminal proceedings?

YES  NO

**c** Has the *candidate* **ever** been given a caution in relation to any criminal offence?

YES  NO

**5.02** Has the *candidate* any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?

YES  NO

**5.03 a** Has the candidate, **ever** had a County Court Judgment (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not, in the United Kingdom or elsewhere?

YES  NO

Has the candidate had:

- i) more than 2 CCJs or judgment debts?
- ii) more than £1,000 in total of CCJs or judgment debts?

YES  NO

YES  NO

**b** Is the candidate aware of:

- i. any proceedings that have begun, or anybody's intention to begin proceedings against the candidate for a CCJ or other judgment debt?
- ii. more than one set of proceedings, or anybody's intention to begin more than one set of proceedings that may lead to a CCJ or other judgment debt?
- iii. anybody's intention to claim more than £1,000 of CCJs or judgment debts in total from the *candidate*?

YES  NO

YES  NO

YES  NO

**5.04** Does the candidate have any **current** judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?

YES  NO

**5.05** Has the *candidate* **ever** failed to satisfy any such judgment debts within one year of the order being made?

YES  NO

**5.06 a** Is the *candidate*, or has the *candidate* **ever** been, the subject of any bankruptcy proceedings, or proceedings for the sequestration of the *candidate's* estate?

YES  NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

**b** Has the *candidate ever* entered or is in the process of entering into an agreement in favour of the *candidate's* creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?

YES

NO

**5.07** Does the *candidate* have any outstanding financial obligations arising from *regulated activities*, which the *candidate* has carried out in the past (whether or not in the *United Kingdom* or overseas)?

(In the case of *advisers*, this will include any outstanding liabilities arising from commissions paid for the sale of *packaged products* that have lapsed.)

YES

NO

**5.08** Has the *candidate ever* been found guilty of carrying on any unauthorised *regulated activities* or been investigated for the possible carrying on of unauthorised *regulated activities*?

YES

NO

**5.09** Is the *candidate*, or has the *candidate ever* been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?

YES

NO

**5.10** Has the *candidate ever*, (whether or not in the *United Kingdom*) –

**a** been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

YES

NO

**b** been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required?

YES

NO

**c** been disqualified from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*, *partnership* or unincorporated association?

YES

NO

**d** been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice that such a direction or order be made?

YES

NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

**5.11** In relation to activities regulated by the *FSA FCA* and/or *PRA* or any other regulatory body (see note section 5), has:

i. the *candidate* or

ii. any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary, during the candidate's association with that entity and for a period of three years after the candidate ceased to be associated with it, **ever** –

- |          |                                                                                                                                                                                   |                              |                             |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>a</b> | been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted by any such body?             | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary action by any such body?                                        | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | resigned whilst under investigation by, or been required to resign from, any such body?                                                                                           | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by any such body, not to proceed with it? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>e</b> | been the subject of any civil action which has resulted in a finding against the <i>candidate</i> or it by a court?                                                               | YES <input type="checkbox"/> | NO <input type="checkbox"/> |



I have supplied further information related to this page in Section 6

~~YES  NO~~

**5.12** **Has any *company, partnership, or unincorporated association* of which the *candidate* is or has been a *controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the candidate's involvement or within one year of such an involvement* –**

- |          |                                                                                                                                                                                                                                                                   |                              |                             |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>a</b> | been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?                                                                                                      | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct?                                                                                                                                                                 | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?                        | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the <i>Takeover Panel</i> or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b) above)? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

**5.13** Is the *candidate* aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the *controlled functions* for which approval is now sought?

YES  NO



I have supplied further information related to this page in Section 6

YES  NO

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
  - **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

**Declaration of Candidate**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the ~~FSA~~ FCA and PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the ~~FSA~~ FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>)**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

Tick here to confirm you have read and understood this declaration:<sup>en</sup>

7.01 Candidate's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>‡</sup> / /

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

## Declarations and signatures

### Declaration of Firm

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.6E-7E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA. It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the *firm* believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).**

In signing this form on behalf of the firm:

- a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.
- b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 3.05. I also confirm that a copy of this Form, as submitting to the FSA FCA and/or PRA, will be sent to each of those *firms* at the same time as submitting the Form to the FSA FCA and/or PRA.
- c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

<http://fshandbook.info/FSA/html/handbook/APER>

<http://fshandbook.info/fs/html/handbook/APER>

<http://www.bankofengland.co.uk/PRA>

7.03	Name of the <i>firm</i> submitting the application <sup>†</sup>	<input type="text"/>
7.04	Name of <i>person</i> signing on behalf of the <i>firm</i> <sup>†</sup>	<input type="text"/>
7.05	Job title <sup>†</sup>	<input type="text"/>
7.06	Signature <sup>*</sup>	<input type="text"/>
	Date <sup>†</sup>	<input type="text"/>

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.



Application number  
(for FSA-FCA/PRA use only)

The ~~FSA has~~ FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on ~~the FSA's website at~~ [http://www.fsa.gov.uk/pubs/forma\\_notes.doc](http://www.fsa.gov.uk/pubs/forma_notes.doc), both FCA and PRA websites at: [http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc) <http://www.bankofengland.co.uk/PRA>  
Both the applicant and the candidate will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Short Form A - Incoming EEA Only Application to perform controlled functions under the approved persons regime

~~FSA Handbook Reference: SUP10 Annex 4D~~  
FCA Handbook Reference: SUP 10A Annex 4D  
PRA Handbook Reference: SUP 10B Annex 4D  
1 April 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~Financial Conduct Services Authority~~  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.fsa.gov.uk](mailto:iva@fca.org.fsa.gov.uk)  
Website <http://www.fca.org.fsa.gov.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<b>1.01 a</b>	<i>Candidate</i> Individual Reference Number (IRN)	
<b>b</b>	OR name of previous regulatory body	
<b>c</b>	AND previous reference number (if applicable)	
<b>1.02</b>	Title (e.g. Mr, Mrs, Ms, etc)	
<b>1.03</b>	Surname	
<b>1.04</b>	ALL forenames	
<b>1.05</b>	Name commonly known by	
<b>1.06</b>	Date of birth (dd/mm/yyyy)	/ /
<b>1.07</b>	National Insurance number	
<b>1.08</b>	Previous name	
<b>1.09</b>	Date of name change	/ /
<b>1.10 a</b>	Nationality	
<b>b</b>	Passport number (if National Insurance number not available)	
<b>1.11</b>	Place of birth	



I have supplied further information related to this page in Section 6 YES  NO

1.12 a Private address

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)

From

/

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)

From

/

To

/

1.14 a Previous address 2

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)

From

/

To

/



I have supplied further information related to this page in Section 6

YES

NO

Version 6.5

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime

2.01	Name of <i>firm</i> making the application	
2.02	Firm Reference Number (FRN)	
2.03 a	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	



I have supplied further information related to this page in Section 6 YES  NO

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		
<i>c</i>	<i>Contract for services</i>	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner/Sole trader</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	<i>Appointed representative/tied agent – customer function</i>	<input type="checkbox"/>
	AR firm name and reference number	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		
<i>f</i>	<i>Appointed representative/tied agent – governing function</i>	<input type="checkbox"/>
	AR firm name and reference number	<div style="background-color: #cccccc; width: 100%; height: 15px;"></div>
<hr/>		
<i>g</i>	<i>Other</i>	<input type="checkbox"/>
	Give details	<div style="background-color: #cccccc; width: 100%; height: 80px;"></div>

**3.02** For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed.

If the controlled functions are to be performed for more than one firm, please go to question 3.05

<b>a</b>	<b><i>Significant influence functions</i></b>	CF 11 <i>Money laundering reporting function</i>	<input type="checkbox"/>
		CF 12 <i>Actuarial function</i>	<input type="checkbox"/>
		CF 12A <i>With-profits actuary function</i>	<input type="checkbox"/>
		CF 12B <i>Lloyd's Actuary function</i>	<input type="checkbox"/>
<hr/>		CF 29 <i>Significant management function</i>	<input type="checkbox"/>
<b>b</b>	<b><i>significant influence functions continued</i></b>	CF 40 <i>Benchmark submission function</i>	<input type="checkbox"/>
		CF 50 <i>Benchmark administration function</i>	<input type="checkbox"/>
<hr/>			
<b>c</b>	<b><i>Customer function</i></b>	CF 30 <i>Customer function</i>	<input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES

NO

**3.03** Effective date of *controlled functions* indicated above

/ /

**3.04** Job title (mandatory for *controlled functions* 29)

Please refer to notes on the requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm? †

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

YES  NO



I have supplied further information related to this page in Section 6

YES  NO

Version 6 5

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime

**3.05**

**Complete this section only if the application is on behalf of more than one firm.**

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested controlled function for that firm.

	<b>FSA Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for controlled function 29)	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 6

YES

NO

**Version 6 5**

**† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7**

**Short Form A - Incoming EEA**

**Application to perform controlled function under the approved persons regime**

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA/FSA of the revised detail.

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA/FSA of the revised detail.

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

**Declaration of Candidate**

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For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

**In signing this form on behalf of the firm:**

a) I authorise the ~~FSA~~ FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application'

b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

(<http://fsahandbook.info/FSA/html/handbook/APER>),

(<http://fshandbook.info/fs/html/handbook/APER>)

(<http://www.bankofengland.co.uk/PRA>)

7.01 Candidate's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup> The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.

**Version 6 5**

**† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7**

**Short Form A - Incoming EEA**

**Application to perform controlled function under the approved persons regime**

## Declaration of Firm

Knowingly or recklessly giving the ~~FSA FCA and/or PRA~~ information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA FCA and/or PRA~~ and to notify the ~~FSA FCA and/or PRA~~ immediately if materially inaccurate information has been provided.

APER 4.4.7 6 E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA FCA and/or PRA~~, failure to inform the ~~FSA FCA and/or PRA~~ of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA FCA and/or PRA~~. It should not be assumed that information is known to the ~~FSA FCA and/or PRA~~ merely because it is in the public domain or has previously been disclosed to the ~~FSA FCA and/or PRA~~ or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the firm believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3.**

**FOR FIRMS UNDERTAKING ANY NON MIFID BUSINESS PLEASE ALSO COMPLETE THE FOLLOWING**

**The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).**

YES  NO

With reference to the above, the ~~FSA FCA and/or PRA~~ may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

**In signing this form on behalf of the firm:**

**a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the ~~FSA FCA and/or PRA~~, will be sent to each of those firms at the same time as submitting the Form to the ~~FSA FCA and/or PRA~~.**

**c) I confirm the candidate has been made aware of the regulatory responsibilities of proposed role as set out in, the Statements of Principle and Code of Practice for Approved Persons.**

**(~~<http://fsahandbook.info/FSA/html/handbook/APER>~~),**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

Tick here to confirm you have read and understood this declaration: <sup>∞</sup>

7.03 Name of the firm submitting the application<sup>†</sup>

7.04 Name of person signing on behalf of the firm<sup>†</sup>

7.05 Job title<sup>†</sup>

7.06 Signature<sup>\*</sup>

Date<sup>†</sup> / /

<sup>∞</sup>The above question(s) should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.

<sup>†</sup>The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup>The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.

Version 6 5

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime



Application number  
(for FSA FCA/PRA use only)

The ~~FSA~~ has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the ~~FSA's website~~ both FCA and PRA websites at:  
[http://www.fsa.gov.uk/pubs/forms/imap\\_forma\\_notes.doc](http://www.fsa.gov.uk/pubs/forms/imap_forma_notes.doc)  
[http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc)  
<http://www.bankofengland.co.uk/PRA>  
Both the applicant and the candidate will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Short Form A – UK and Overseas Firms (not Incoming EEA) Application to perform controlled functions under the approved persons regime

~~FSA~~ FCA Handbook Reference: SUP 10A Annex 4D

PRA Handbook Reference: SUP 10B Annex 4D

~~1 May 2014~~ 1 April 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~The Financial Services Authority~~ Financial  
Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail ~~iva@fsa.gov.uk~~ iva@fca.org.uk

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail PRA.firmenquiries@bankofengland.co.uk  
Website www.bankofengland.co.uk/PRA

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Website <http://www.fsa.gov.uk>  
<http://www.fca.org.uk>

1.01 a	Candidate <del>FSA</del> Individual Reference Number (IRN) †	
b	OR name of previous regulatory body †	
c	AND previous reference number (if applicable) †	
1.02	Title (e.g. Mr, Mrs, Ms, etc) †	
1.03	Surname †	
1.04	ALL forenames †	
1.05	Name commonly known by †	
1.06	Date of birth (dd/mm/yyyy) †	/ /
1.07	National Insurance number †	
1.08	Previous name †	
1.09	Date of name change †	/ /
1.10 a	Nationality †	
b	Passport number (if National Insurance number not available) †	
1.11	Place of birth †	



**I have supplied further information related to this page in Section 6 †**    YES     NO

1.12 a	Private address †	
--------	-------------------	--

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From  /  To  PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

**1.13 a** Previous address 1<sup>†</sup>

**b** Postcode

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From  /  To  /

**1.14 a** Previous address 2<sup>†</sup>

**1 b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From  /  To  /

➔ I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

2

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

2.01	Name of <i>firm</i> making the application	
2.02	FSA Firm Reference Number (FRN)	
2.03 a	Who should the <del>FSA</del> <u>FCA/PRA</u> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	


**I have supplied further information related to this page in Section 6**
 YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<b>3.01</b> Nature of the arrangement between the candidate and the applicant.	a Employee <span style="float: right;"><input type="checkbox"/></span>
	b Group employee <span style="float: right;"><input type="checkbox"/></span>
	Name of group <span style="float: right;">[Grey box]</span>
	c Contract for services <span style="float: right;"><input type="checkbox"/></span>
	d Partner/Sole trader <span style="float: right;"><input type="checkbox"/></span>
	e Appointed representative/tied agent – customer function <span style="float: right;"><input type="checkbox"/></span>
	AR firm name and reference number <span style="float: right;">[Grey box]</span>
	f Appointed representative/tied agent – governing function <span style="float: right;"><input type="checkbox"/></span>
	AR firm name and reference number <span style="float: right;">[Grey box]</span>
	g Other <span style="float: right;"><input type="checkbox"/></span>
Give details <span style="float: right;">[Grey box]</span>	

**3.02** For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed.  
 If the controlled functions are to be performed for more than one firm, please go to question 3.05

<b>a Significant influence functions</b>	CF 1 Director function <span style="float: right;"><input type="checkbox"/></span>
	CF 2 Non-executive director function <span style="float: right;"><input type="checkbox"/></span>
	CF 3 Chief executive function <span style="float: right;"><input type="checkbox"/></span>
	CF 4 Partner function <span style="float: right;"><input type="checkbox"/></span>
	CF 5 Director of an unincorporated association function <span style="float: right;"><input type="checkbox"/></span>
	CF 6 Small friendly society function <span style="float: right;"><input type="checkbox"/></span>
	<b>Significant influence functions continued</b>
	CF 8 Apportionment and oversight function <span style="float: right;"><input type="checkbox"/></span> <i>(this function is not applicable to all firms please refer to Notes for Completing Form A)</i>
	CF 10 Compliance oversight function <span style="float: right;"><input type="checkbox"/></span>
	CF 10Aa CASS operational oversight function <span style="float: right;"><input type="checkbox"/></span>
	CF 11 Money Laundering reporting function <span style="float: right;"><input type="checkbox"/></span>
	CF 12 Actuarial function <span style="float: right;"><input type="checkbox"/></span>
	CF 12A With-profits actuary function <span style="float: right;"><input type="checkbox"/></span>
	CF 12B Lloyd's Actuary function <span style="float: right;"><input type="checkbox"/></span>
	CF 28 System and controls function <span style="float: right;"><input type="checkbox"/></span>
CF 29 Significant management function <span style="float: right;"><input type="checkbox"/></span>	
<b>b significant influence functions continued</b>	CF 40 Benchmark submission function <span style="float: right;"><input type="checkbox"/></span>
	CF 50 Benchmark administration function <span style="float: right;"><input type="checkbox"/></span>
<b>c Customer function</b>	CF 30 Customer function <span style="float: right;"><input type="checkbox"/></span>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



I have supplied further information related to this page in Section 6

YES

NO

**3.03** Effective date of *controlled functions* indicated above<sup>†</sup>

**3.04** Job title (mandatory for *controlled function* 28 & 29)<sup>†</sup>

Please refer to notes on the requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm?

YES  NO

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.05 Complete this section only if the application is on behalf of more than one firm.**

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.<sup>†</sup>

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> <small>(mandatory for controlled function 28 &amp; 29)</small>	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 6

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long form A as opposed to a Short Form A informing the ~~FSA~~ FCA and/or PRA of the revised detail.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FSA FCA and/or PRA of the revised detail.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

6.00

- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
- If this application relates to a Significant influence controlled function then please provide full details of
  - why the candidate is competent and capable to carry out the controlled function(s) applied for.
  - why the appointment complements the firm's business strategy, activity and market in which it operates.
  - how the appointment was agreed including details of any discussions at governing body level (where applicable).
- Please also include here any additional information indicated in previous sections of the Form.
- **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
- If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
- **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information
	<p style="text-align: center;">Please indicate how many additional sheets are being submitted</p>

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Declaration of *Candidate***

Knowingly or recklessly giving the *FSA FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the *FSA FCA and/or PRA* merely because it is in the public domain or has previously been disclosed to the *FSA FCA and/or PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FSA FCA and/or PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FSA FCA and/or PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the *FSA FCA and/or PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>)**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

7.01 *Candidate's* full name<sup>‡</sup>

7.02 Signature<sup>\*</sup>

Date<sup>‡</sup> / /

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

<sup>‡</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Declaration of Firm

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided.

*APER* 4.4.67E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle* 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA.

It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the firm:**

**believes on the basis of due and diligent enquiries made to date that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also**

**believes, on the basis of due and diligent enquiry, that the candidate is competent (including having achieved the relevant qualifications) to fulfil the duties required in the performance of such function(s).**

**In signing this form on behalf of the firm:**

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the FSA FCA and/or PRA.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

(<http://fsahandbook.info/FSA/html/handbook/APER>)

(<http://fshandbook.info/fs/html/handbook/APER>)

(<http://www.bankofengland.co.uk/PRA>)

7.03 Name of the firm submitting the application<sup>‡</sup>

7.04 Name of person signing on behalf of the firm<sup>‡</sup>

7.05 Job title<sup>‡</sup>

7.06 Signature<sup>\*</sup>

Date<sup>‡</sup> / /

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

‡ The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

## **Guidance Notes to assist with the completion of the Long and/or Short Form A for UK, Overseas and Incoming EEA firms for an application to perform controlled function(s) under the approved persons regime.**

PLEASE NOTE: A *CANDIDATE* MUST NOT PERFORM ANY *CONTROLLED FUNCTION* UNTIL THE *FSA FCA and/or PRA* HAS GRANTED APPROVAL.

Full details of the *approved persons* regime and the application process are given in chapter 10 (Section 10.12) of the Supervision manual ('*SUP*').

For more information on the factors which the FSA takes into account when considering applications, please refer to the Fit and Proper Test for Approved Persons ('*FIT*') in the FSA Handbook.

### **The purpose of this Form What is the Form A used for?**

This Form is referred to in the relevant direction in SUP 10.12. This Form must be used where the *candidate* is an individual seeking approval to perform *controlled functions*. The *firm* is the applicant.

The Form A is used by an authorised firm which seeks the *FCA and/or PRA's* approval under section 59 of the Financial Services and Markets Act 2000 ("FSMA") for a particular individual to perform controlled functions. The Form A is referred to in the Supervision Manual ("*SUP*") [<http://fshandbook.info/FS/html/handbook/SUP>] which is part of the Handbook. Full details of the *approved persons* regime and the application process are given in Chapter 10 of *SUP* (*SUP* 10A of the *FCA* manual and 10B of the *PRA* manual).

The applicant is the *firm* that makes the application for approval. The *candidate* is the individual in respect of whom the application is made. The Form A must be completed by the *firm* with information provided by the *candidate*. Both the *firm* and the *candidate* must sign the Form A.

Applications for corporate *candidates* must be made using an adapted Form A that will be supplied by the *FSA FCA and/or PRA* upon request.

### **Important information about the Form A**

The Form A is of the **utmost importance** to the *FCA and/or PRA* assessment of the fitness and propriety of the *candidate*.

**All** information relevant to the application must be provided to the *FCA and/or PRA* with the Form A. This applies even if the information is, or is believed to be, already known to the *FCA and/or PRA*, as a result of it being in the public domain, or has been previously disclosed to the *FCA and/or PRA* or to another regulatory body. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included; if in doubt, disclose it.

If the *firm* or *candidate* becomes aware of further information which might be relevant to the application following submission of the Form A, it should provide it to the *FCA and/or PRA* immediately. The obligation to provide full, frank and unambiguous information does not stop with the submission of the Form A.

The information supplied by the *candidate* should be verified by the *firm* wherever possible. If the *FCA and/or PRA* vetting checks reveal any matters that have not been disclosed, then applications will be delayed and, in some cases, possibly rejected.

The *firm* is responsible for the accuracy of the data and completion of the Form A. If the Form A is not fully and correctly completed, the *FCA and/or PRA* may need to return it for proper completion. This could significantly delay the *FCA and/or PRA's* decision on whether to grant approval to perform the requested *controlled functions*.

The FCA and/or PRA may require the applicant to provide further information at any time after receiving an application and before determining whether approval is to be granted or not. It may direct the format in which this information is provided, for example, in an interview with the candidate.

### **Key assumptions about the firm and the candidate**

The FCA and/or PRA relies on the information contained in the Form A and makes certain assumptions about the firm and the candidate in considering the information contained in the form. It is very important that the candidate and the firm are aware of these assumptions:

1. it is assumed that the candidate is **not performing the controlled function applied for**. A candidate must not perform any controlled function until the FCA and/or PRA, has granted approval. If the firm permits the candidate to perform controlled functions without FCA and/or PRA approval it may be in breach of section 59 of FSMA and the candidate may also be in breach of his/her regulatory obligations;
2. it is assumed that the firm and the candidate know and understand the factors which the FCA and/or PRA takes into account when considering the fitness and propriety of the candidate. These factors are set out in the part of the Handbook entitled the Fit and Proper Test for Approved Persons ("FIT") [<http://fshandbook.info/FS/html/handbook/FIT>];
3. it is assumed that the candidate knows and understands the obligations and responsibilities of an approved person. These are set out in the part of the Handbook entitled the Statements of Principle and Code of Practice for Approved Persons ("APER") [<http://fshandbook.info/FS/html/handbook/APER>]; and
4. finally, it is assumed that both the firm and the candidate have read and understood these guidance notes in completing the Form A. **The responsibility for the accuracy and completeness of the information supplied rests with the candidate and the firm.** Seeking legal and/or compliance advice about how to complete the Form A will **not** discharge that responsibility.

### **Completing this Form Practical notes for completing the Form A**

Expressions in the Form A and in these guidance notes which appear in italics have the meaning given in the Glossary to the Handbook (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the Glossary) [<http://fshandbook.info/FS/html/handbook/Glossary>].

The Form A must be completed in black ink and (if in manuscript) in BLOCK LETTERS. It is now possible to complete the Form A online, using the FCA's Online Notifications and Applications ("ONA") system. See the FCA ONA pages for details of this:

[<http://www.fca.org.uk/your-fca>]; and/or  
<http://www.bankofengland.co.uk/PRA>

All dates should be provided in numeric form (e.g. 29/02/2000 for 29 February 2000).

Indicate clearly if a question is not applicable. Tick Select the appropriate box where a yes/no answer is required. Where you answer "yes" you must:

- (1) provide Further details should be given in section 6 (Supplementary Information) of the Form A. # If there is insufficient space for a detailed answer then you may attach further pages; and
- (2) tick "yes" at the bottom of the relevant page of the Form A to confirm that you have provided additional information.

Additional information can be attached to the Form. It must be securely attached to the Form and you must indicate at section 6.0 the number of additional sheets attached.

If you want to attach additional information to the Form A it must be securely attached, for example by stapling it to the Form A and you should state in section 6 (Supplementary Information) the number of additional sheets attached.

~~Do not assume that information is known to the FSA merely because it is in the public domain, or has been previously disclosed to the FSA or to another regulatory body. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included. The information supplied by the candidate should be verified by the firm wherever possible. If the FSA's vetting checks reveal any matters that have not been disclosed, then applications will be subject to investigation and the candidate's suitability to be approved will be called into question. A person who knowingly or recklessly provides information to the FSA that is false or misleading may commit a criminal offence, and could face prosecution under section 398 of the Act regardless of the status of their application.~~

~~Expressions in this Form in italics have the meaning given in the Glossary to the FSA's Handbook (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the Glossary).~~

~~The firm is responsible for the accuracy of the data and completion of the Form. If the Form is not fully and correctly completed, the FSA may need to return it for proper completion. This could significantly delay the FSA's decision on whether to grant approval to perform the requested controlled functions~~

~~The FSA may require the applicant to provide further information at any time after receiving an application and before determining whether approval is to be granted or not.~~

~~**If a firm has provided, or has information that reasonably suggests that it may have provided, the FSA with information which was or has become false, misleading, incomplete or inaccurate, in a material particular, it must notify the FSA immediately.. Failure to notify the FSA may result in a delay in processing or rejection.**~~

## **SHORTENED APPLICATION FORM**

### **The two types of Form A: Short Form A and Long Form A**

There are two types of Form A; a Long Form A and a Short Form A. The key difference is that the Long Form A requires detailed information about the fitness and propriety of the candidate.

Please use the shortened application form if any of the following conditions apply The Short Form A may be used if any of the following conditions apply:

- (1) ~~an approved person~~ individual who is already an approved person is applying to perform an additional *controlled function* under an *arrangement* with the same *firm*; or
- (2) the *candidate* has ceased to perform a *controlled function* under an *arrangement* with *firm A* and now requires approval to perform a *controlled function* under an *arrangement* with *firm B*. These can be two entirely different *firms* and not just two *firms* in the same group (**however**, see the important exception below at paragraph (3)); or
- (3) ~~an approved person~~ individual who is already an approved person with another firm, firm B, is applying to perform a controlled function for a different firm, firm A and is already authorised approved for that particular group of functions (i.e. either SIF functions: CF1-12B, CF28, CF29, or 30 40 or 50) for another firm. For example, if a the individual is approved to perform CF2 non-executive director is applying to be approved as a CF2 for an additional firm for firm B and now seeks a second, additional approval to be CF1 director for another firm, firm A.

~~A Submission of a CV is only applicable to short form applicants if they have never previously held a significant function or, if the previous submission of their CV when applying for a significant function, has altered from their previous application or the application is for a governing function of an appointed representative. It should be attached securely to the Form.~~

You should submit a curriculum vitae ('CV') with the Short Form A if:

- (1) the candidate has never previously held a significant influence function (CF1-12B, 28, 29, 40 or 50); or
- (2) the candidate's CV has altered from the last time they applied for a significant influence function (i.e. it has changed from the last time the FCA and/or PRA had sight of the CV)

The CV should be attached securely to the Short Form A by stapling it. If you are submitting the Short Form A online, using ONA, the CV should be attached to the application electronically. For help using ONA, refer to:

<http://www.fca.org.uk/your-fca> **and/or**  
<http://www.bankofengland.co.uk/PRA>

However, a full Form A must be completed in full if: The Long Form A **must** be completed if:

- (1) the candidate ceased to be an approved person more than six months ago;
- (2) the candidate or approved person is seeking approval in respect of a significant influence function for the first time, or has not been approved in a significant influence function within the last 6 months; or
- (3) there have been any changes to the answers provided in section 5 of the application form, there have been any matters arising in relation to the candidate's fitness and propriety which mean that their answers to Section 5 of the Long Form A (Fitness and Propriety) may have changed since they last completed a Form A (i.e. since they last made an application for approval).

For example, such matters could include (but are not limited to), where:

- the candidate has been investigated by the FCA and/or PRA, by another regulatory body or an authorised firm;
- the candidate has had CCJs registered against their name or has entered into a voluntary arrangement with creditors (whether formal or informal);
- the candidate has been the subject of a criminal investigation or convicted of criminal offences; or
- the candidate has been the subject of any civil action.

**If you are in any doubt whether a Short Form A is acceptable, please submit a Long Form A and make full disclosure of all issues which could potentially be relevant. A Long Form A is acceptable in all circumstances. If in doubt, disclose.**

## **SECTION 1 – CANDIDATE PERSONAL IDENTIFICATION DETAILS**

The information collected in this section (including nationality, place of birth, date of birth, previous names) is used to assist us in verifying the identity of the candidate thereby enabling us to discharge our statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. This information will not be disclosed for any other purpose without the permission of the applicant candidate.

~~If the candidate has more than one previous name (surname or forenames), passport number or nationality, or is known by any other names, provide details in section 6. (please see 1.08, 4.10)~~

~~1.01: If the *candidate* does not have an *FSA* Individual Reference Number or does not know it, include the name of the previous regulator and the previous Individual Reference Number, as applicable. For individuals who have previously been approved with the *FSA*, their reference number can be found on the Register of Individuals on the *FSA* website.~~

~~1.12 to 14: A full 3 year history for *United Kingdom* addresses must be given for the candidate. Any gaps must be fully explained or a statement provided in either the address history or section 6 of the form, stating that the individual resides abroad.~~

~~The information collected in this section (including nationality, place of birth, date of birth, previous names) is used to assist us in verifying the identity of the candidate thereby enabling us to discharge our statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. This information will not be disclosed for any other purpose without the permission of the applicant.~~

~~1.01a: For individuals who have previously been approved with the *FCA* and/or *PRA* their *FCA* and/or *PRA* Individual Reference Number (“IRN”) can be found on the Register of Individuals on the *FCA* and/or *PRA* websites:  
[\[http://www.fca.org.uk/your-fca\]](http://www.fca.org.uk/your-fca); and/or  
<http://www.bankofengland.co.uk/PRA>~~

~~If the *candidate* has been approved before but does not know their Individual Reference Number and it is not on the Register of Individuals then leave this box blank. Equally, if the candidate does not have an IRN because they have not been an approved person before then leave this box blank.~~

~~1.01b If the *candidate* has previously been an approved person but with a predecessor organisation of the *FCA* and/or *PRA* (for example the Personal Investment Authority) then include the name of the previous regulator here. In addition, please provide the date(s) of approval and the name(s) of the firm(s) involved in the supplementary section in section 6.~~

~~1.01c If the *candidate* has previously been an approved person but with a predecessor organisation of the *FCA* and/or *PRA* then include the previous Individual Reference Number, here.~~

~~1.05: If the *candidate* is commonly known by a different name other than that which appears on their passport or national insurance card then put this name here. This may include, for example, a shortened version of their full name or where they are known by a middle name or names given as a result of naming conventions whether for religious or other reasons. If the candidate has more than one alternative name, please give all other names known by in section 6.~~

~~1.08 If the *candidate* has changed their name (surname or forenames), for example due to marriage, then please put this previous name in the box. If the *candidate* has more than one previous name, please provide details of all the previous names in section 6.~~

~~1.10a If the *candidate* has more than one nationality, please provide details in section 6 as to all nationalities held and the reasons for this.~~

~~1.10b If the *candidate* has more than one passport number, please provide details in section 6 as to all passport numbers held and the reasons for this.~~

~~1.12 to 14: A full 3 year history for all *United Kingdom* addresses must be given for the *candidate*. Any gaps must be fully explained in either the address history section of the form here or, if more space is needed, in section 6 of the form. If any gaps are as a result of the *candidate* being resident outside the UK, please state this and give details of where the *candidate* resided during this period. It is open to the *candidate* to provide a written statement if this is simpler which should be attached to the Form A.~~

## SECTION 2 – FIRM IDENTIFICATION DETAILS

~~2.01 & 2.02: This section identifies the *firm* making the application by *FSA Firm Reference Number (FRN) and name.*~~

2.01 This is the name of the *firm* that is the *applicant* for the purposes of section 59 FSMA. Where the *candidate* will be working at a subsidiary or appointed representative of the *firm* then this will be given at question 3.05 of the Form A.

2.02: This is the *FCA* and/or *PRA Firm Reference Number (FRN)* of the *firm* that is the *applicant* for the purposes of section 59 FSMA. The FRN can be found on the Register of Firms on the *FCA* and/or *PRA* websites: [<http://www.fca.org.uk/Pages/register/index.shtml>]; and/or <http://www.bankofengland.co.uk/PRA>

2.03: The *firm* must ~~indicate~~ give a point of contact for any queries in connection with the application and must provide a telephone contact number and e-mail address. Please note that this need not be the same person that signs the Form A on behalf of the *firm* but should be someone who is able to field and/or answer any questions that the *FCA* and/or *PRA* may have in relation to the application. The signatory will be responsible for the accuracy of the information in the form.

## SECTION 3 – ARRANGEMENTS AND CONTROLLED FUNCTIONS

~~The *firm* must tick the box in 3.01 that most accurately describes its *arrangement* with the *candidate*.~~

In this section, the *firm* should describe its *arrangement* with the *candidate*.

Unless the *firm* indicates otherwise, the *FCA* and/or *PRA* assumes that the *arrangement* detailed by the *firm* on the Form A includes all of the activities that fall within the description of the *controlled function*. This means that a *firm* may alter a *candidate's* responsibilities within the broad description of a *controlled function* without needing further approval from the *FCA* and/or *PRA*. However, where the responsibilities of the individual fall outside the description of the *controlled function* the *firm* must consider what further approval is necessary. Permitting an individual to perform a *controlled function* without *FCA* and/or *PRA* approval is a breach of section 59 of FSMA.

*Firms* wishing to seek guidance with regard to MiFID the Markets in Financial Instruments Directive (MiFID) and how it applies to the selection of *controlled functions* should refer to the MiFID Practical Guide at:

[http://www.fca.gov.uk/pubs/international/mifid\\_guide.pdf](http://www.fca.gov.uk/pubs/international/mifid_guide.pdf)  
<http://www.fca.org.uk/your-fca>; and/or  
<http://www.bankofengland.co.uk/PRA>

~~For applications from~~ Where the application is for the *candidate* to perform the controlled function(s) at a single *firm*, the *firm* should ~~complete~~ answer questions 3.02, 3.03 & and 3.04 indicating the *controlled functions* required by selecting the appropriate box in 3.02.

However, if the application is being made on behalf of a *candidate* who ~~will carry out~~ proposes to perform *controlled functions* for more than one *firm*, then question 3.05 must be used also be answered to describe the *controlled functions* and the relationships between the *candidate* and ~~these firms~~ each *firm* for which the *candidate* proposes to perform the controlled function.

~~3.01: If this application relates to more than one *appointed representative*, provide details in section 6.~~

Please select the box in 3.01 that most accurately describes the *arrangement* with the *candidate*.

If the *candidate* will perform a controlled function on behalf of the *firm* for an *appointed representative* of the *firm* then select the appropriate box at 3.01e or 3.01f and detail the *firm* name and FRN. If the *candidate* proposes to perform *controlled functions* for more than one *appointed representative*, then

the details of each *appointed representative*, including the firm name and FRN should be provided in section 6.

3.02: ~~If the *controlled function 29* is requested, the specific job title of the *candidate* must be included.~~

Guidance about the particular controlled functions can be found in Chapter 10 of the Supervision manual. SUP 10A of the FCA manual and 10B of the PRA manual.

3.03: ~~The effective date is the date on which the *firm* wishes the *candidate* to begin performing *controlled functions* (subject to approval). **This should be left blank unless there is a reason for the effective date to be beyond the FSA's published standard response times.**~~

This box should be left blank in all cases unless there is a reason to **delay the commencement of the performance of the controlled functions** (subject to approval) until a date which is after the FCA and/or PRA published standard response times, details of which can be found at:

<http://www.fca.org.uk/your-fca>; and/or  
<http://www.bankofengland.co.uk/PRA>

The FCA and/or PRA will assume that the *firm* wishes an application to be determined as soon as possible unless this box is completed and the reason for the delay set out in section 6 of the Form A.

**Please note that the *candidate* must not perform the controlled function until the FCA and/or PRA approval has been granted. To do so will mean that both the *firm* and the *candidate* may be in breach of FCA and/or PRA rules and principles.**

3.04a If the *candidate* seeks approval for a *significant influence function*, the specific job title of the *candidate* must be included.

3.04b Insurance mediation

This is not a *controlled function* in its own right. However, every *firm* that carries on insurance mediation activities must appoint an approved person(s) who will be responsible for insurance mediation activities at the *firm* (as detailed at MIPRU 2.2;

<http://fshandbook.info/FS/html/handbook/MIPRU/2/2>

This responsibility must be allocated to a member of the governing body of the firm or in certain circumstances, a senior manager. (i.e. an individual that is applying for approval as CF1, 3-8 or 29).

Please note that insurance mediation is not applicable to *Appointed Representatives*.

Unless the *firm* indicates otherwise, the FSA assumes that the *arrangement* given on the application form includes all of the activities that fall within the description of the *controlled function*. This means that a *firm* may alter a *candidate*'s responsibilities within the broad description of a *controlled function* without needing further approval from the FSA.

#### **SECTION 4 – EMPLOYMENT HISTORY FOR PAST 5 YEARS (Not applicable for a short application)**

A full five-year employment history for the *candidate* must be provided including their current employment at the time of application, with all gaps explained. If the record of employment does not go back five years, all periods of education and unemployment must be indicated. Full details of any periods of self-employment must be included.

Always give the address of the actual place of employment, rather than a central head office.

If there are insufficient pages to provide all of a *candidate's* employment history, either add the information at section 6 or photocopy page 7 and attach the additional pages.

“Regulatory body” in this context means the bodies listed in the notes to section 5 (overleaf).

State the position held by the *candidate* and a brief explanation of his or her duties. If the *candidate's* job title included the word “*director*” but his or her duties did not include those associated with the title of *director*, as defined in the *Glossary*, this should be indicated.

The reason for leaving each employer must be given. If there were any issues arising on leaving that could affect the Fitness and Propriety of the individual, these must be fully explained in section 6. Previous employers may be contacted and the omission of relevant details may result in applications being delayed and, in some cases, possibly rejected.

***Candidates who are applying for significant influence functions (CF1 to 12 CF1-12B, 28; or 29; 40 or 50) are required to submit a copy of their curriculum vitae (CV), in addition to completing section 4 of this Form, unless the application is for a governing function of an appointed representative. It should be attached securely to the Form.***

***This is only applicable to short form applicants if they have never previously held a significant influence function or if the previous submission of their CV when applying for a significant function, has altered from their previous application their CV has altered from the version submitted with their previous application for a significant influence function.***

## **SECTION 5 – FITNESS AND PROPRIETY (Not applicable for a short application)**

Answer the question by ticking the relevant ‘yes’ or ‘no’ box. If the answer to any of the questions is ‘yes’, give complete details in section 6 and attach relevant supporting documentation.

5.01 to 5.02 It is for senior management to decide what checks should be made. Under the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 (‘the Order’)(see Articles 3 and 4 of the Order) the *FSA FCA* and/or *PRA* and the firm have a right to ask about spent, as well as unspent, criminal convictions for employment purposes about candidates for *approved person* status [see Section 5.05 of Form A –(Application to perform controlled functions under the approved persons regime.)]

Cautions are not within the ambit of the Rehabilitation of Offenders Act 1974. Hence cautions never become spent and if asked, a *candidate* must inform a potential employer and the *FSA FCA* and/or *PRA* whether he/she has received a caution.

5.03 to 5.06: Court judgments (e.g. County Court Judgments) and arrangements with creditors (e.g. Individual Voluntary Arrangements) are covered by questions 5.03 to 5.06. Any outstanding County Court Judgments or arrangements with creditors must be listed in section 6, and the circumstances surrounding them explained. The *FSA-FCA* and/or *PRA* will conduct credit checks.

“Regulatory body” in this context refers to:

- i) the self-regulatory organisations including *IMRO, SFA, PIA, LAUTRO, FIMBRA, AFBD* and *TSA*;
- ii) the statutory bodies including the *FSA, Financial Conduct Authority, Prudential Regulation Authority, the Financial Services Authority, SIB, the Society of Lloyd’s, the Registry of Friendly Societies, the Friendly Societies Commission, the Building Societies Commission, the Bank of England; HM Treasury – Insurance Directorate (formerly of the DTI) and the recognised bodies*;
- iii) the *designated professional bodies*; and
- iv) the equivalent of all such regulators overseas.

5.09 This question covers internal investigation by an authorised *firm* in addition to investigations by a regulatory body **at any time**.

## SECTION 6 – SUPPLEMENTARY INFORMATION

This section provides space for additional information. It should be used to disclose additional information about "yes" answers in section 5 of the full Form A and any information which is not the subject of a specific question in section 5, but ~~is~~ might be relevant to the consideration of fitness and propriety, including in relation to the reasons for leaving the firms listed in section 4. For more information on the factors which the ~~FSA~~ FCA and/or PRA ~~takes~~ may take into account when considering applications, please refer to "FIT" in the ~~FSA~~ Handbook.

List here all directorships currently held or previously held in the past **10** years by the *candidate*.

~~Relevant documents~~ Supporting documentation must also be provided, such as evidence of the settlements of ~~County Court Judgments~~ CCJs.

## SECTION 7 – DECLARATIONS & SIGNATURES

This section contains declarations which must be signed by both an appropriate individual for the *firm* or applicant submitting the application and the *candidate*. Signatures MUST NOT be dated more than 3 months prior to the date of submission of the application. The ~~FSA~~ FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59~~(5)~~(7B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions* 1 to 12~~B~~, 28, ~~or~~ 29, 40 ~~or~~ 50) or someone to whom the *firm* has delegated the authority to notify the ~~FSA~~ FCA and/or PRA. The candidate should not sign the declaration on behalf of the firm unless he is a sole trader or the sole director in a limited company. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*. All signatures submitted on forms should be originals.

It is a criminal offence under section 398 of the Financial Services and Markets Act 2000 to knowingly or recklessly provide the FCA and/or PRA with false or misleading information.

Incoming *EEA Firms* undertaking non-MiFID business must confirm by using the tick box that the *candidate* is competent to perform the *controlled function(s)* for which this application is made.

N.B. Please keep these notes before returning the completed Form to the FCA and/or PRA.

**If you have any questions or need additional information, please contact the Firm Contact Centre FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or e-mail [iva@FSA.gov.uk](mailto:iva@FSA.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY~~  
~~Permissions, Decisions and Reporting~~  
~~Financial Conduct Authority~~  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom

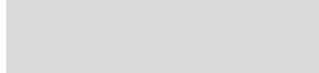
Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Application number  
(for ~~FSA~~ FCA/PRA use only)



The ~~FSA~~ has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the ~~FSA's website at~~

~~[http://www.fsa.gov.uk/pubs/forms/imap\\_formb\\_notes.doc](http://www.fsa.gov.uk/pubs/forms/imap_formb_notes.doc)~~ FCA and PRA website at

[http://media.fshandbook.info/Forms/notes/imap\\_formb\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formb_notes.doc)

[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Both the applicant and the candidate will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form B

# Notice to withdraw an application to perform controlled functions under the approved persons regime

*FSA Handbook Reference: SUP 10 Annex 5R 1 November 2007*

*FCA Handbook Reference: SUP 10A Annex 5R*

*PRA Handbook Reference: SUP 10B Annex 5R*

1 April 2013

Name of *candidate*  
(to be completed by applicant)



Name of *firm*  
(as entered in 2.01)



~~The Financial Services Authority  
Permissions, Decisions & Reporting Division~~

Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London E14 5HS

United Kingdom

Telephone +44 (0) 845 606 9966

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

Facsimile +44 (0) 207 066 0017  
E-mail ~~iva@fca.gov.uk~~ [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.gov.uk>  
<http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above

Email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

## Personal identification details

## Section 1

1.01 *Candidate* FSA Individual Reference Number (IRN)

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname

1.04 ALL forenames

1.05 Date of birth

1.06 National Insurance number

1.07 *Candidate's* private address



I have supplied further information related to this page in Section 4

YES

NO

2.01 Name of *firm*

2.02 ~~FSA~~ Firm Reference Number (FRN)

2.03 a Who should the ~~FSA~~ FCA/PRA contact at the *firm* in relation to this notice?

b Position

c Telephone

d Fax

e E-mail

2.04 *Firms included on application Form (including applicant firm)*

	<del>FSA</del> FRN	Name of <i>firm</i>	Controlled functions
a	<input type="text"/>	<input type="text"/>	<input type="text"/>
b	<input type="text"/>	<input type="text"/>	<input type="text"/>
c	<input type="text"/>	<input type="text"/>	<input type="text"/>
d	<input type="text"/>	<input type="text"/>	<input type="text"/>
e	<input type="text"/>	<input type="text"/>	<input type="text"/>



I have supplied further information related to this page in Section 4 YES  NO

**3.01** Indicate the reason for withdrawal

<i>a</i>	Internal movement of staff	<input type="checkbox"/>
<i>b</i>	Termination of employment or contract	<input type="checkbox"/>
<i>c</i>	Resignation	<input type="checkbox"/>
<i>d</i>	Redundancy	<input type="checkbox"/>
<i>e</i>	Withdrawal of offer of employment	<input type="checkbox"/>
<i>f</i>	End of contract	<input type="checkbox"/>
<i>g</i>	Suspension	<input type="checkbox"/>
<i>h</i>	Other GIVE DETAILS IN SECTION 4	<input type="checkbox"/>



I have supplied further information related to this page in Section 4

YES

NO

**4.01** Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly which question supplementary information relates to.

Question	Information

**4.02** How many additional sheets are being submitted?

**DECLARATION OF CANDIDATE**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

5.01 Candidate's full name

5.02 Signature

Date / /

**DECLARATION BY APPOINTED REPRESENTATIVE OR OTHER FIRM** (if applicable)

**We concur that the application to perform *controlled functions* under the *approved persons* regime made in respect of the above *candidate* should be withdrawn with immediate effect.**

5.03 Name of appointed representative or other *firm*

5.04 Name of *person* signing on behalf of the *firm*

5.05 Job title

5.06 Signature

Date / /

**DECLARATION BY FIRM**

Knowingly or recklessly giving the ~~FSA FCA and/or PRA~~ information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA FCA and/or PRA~~ and to notify the ~~FSA FCA and/or PRA~~ immediately if materially inaccurate information has been provided. APER 4.4.6E 7E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA FCA and/or PRA~~, failure to inform the ~~FSA FCA and/or PRA~~ of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA FCA and/or PRA~~. It should not be assumed that information is known to the ~~FSA FCA and/or PRA~~ merely because it is in the public domain or has previously been disclosed to the ~~FSA FCA and/or PRA~~ or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

5.07	Name of <i>firm</i>	
5.08	Name of <i>person</i> signing on behalf of the <i>firm</i>	
5.09	Job title	
5.10	Signature	
	Date	/ /

## Notes to assist in completing the Form B - Notice to withdraw an application to perform *controlled functions* under the approved persons regime

Full details of the *approved persons* regime and the application process are given in ~~chapter 10 (section 10.12)~~ SUP 10A and SUP 10B of the FCA's and PRA's Supervision manual manuals.

### The purpose of this form

This Form is referred to in ~~the relevant rule in SUP 10.12~~ SUP 10A.13 and SUP 10B.11 of the FCA's and PRA's Supervision manuals. This Form must be used when a *firm* or applicant wishes to withdraw an application to perform *controlled functions* under the *approved persons* regime (Form A) **before** the application has been determined and with immediate effect.

Firms are asked to email ~~IVA@fsa.gov.uk~~ iva.fca@org.uk and/or PRA.firmenquiries@bankofengland.co.uk as soon as it is apparent that an application is to be withdrawn, in order that the Approval process can be halted at the earliest opportunity.

### Completing this Form

The Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

A Notice to withdraw an application may be submitted in relation to all or some of the *controlled functions* or *firms* listed on the original application (Form A). If it is submitted in relation to only some of the *controlled functions* or *firms*, you must list at section 4.01 the *controlled functions* and *firms* to which the withdrawal relates. If section 4.01 is left blank it will be assumed that the withdrawal relates to all of the *controlled functions* listed on the original application.

Any issues that arose in relation to this withdrawal, such as resignation or termination of contract, must be explained in section 4.01.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 4.02 the number of additional sheets attached.

Under section 61(5) of the Financial Services & Markets Act (Determination of applications) the *firm* may withdraw the application only if it also has the consent of the *candidate* and the *person* by whom the *candidate* is or would have been employed, if this is not the *firm* making the application

**Along with the candidate, an appropriate individual must sign the declaration for the *firm* submitting the Form. The ~~FSA~~ FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section ~~59(5)(7B)~~ of the Financial Services & Markets Act (the *significant influence functions – controlled functions* 1 to 12B, 28, & 29, 40 or 50) or someone to whom the *firm* has delegated the authority to notify the ~~FSA~~ FCA and/or PRA. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.**

N.B.: Detach and Please keep these notes before returning the completed Form to the ~~FSA~~ FCA and/or PRA.

~~Firm Contact Centre on 0845 606 9966 or via e-mail at iva@fsa.gov.uk~~

**If you have any questions or need additional information, please contact the FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or e-mail iva@fca.org.uk or PRA.firmenquiries@bankofengland.co.uk.**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY~~  
~~INDIVIDUALS, MUTUALS AND POLICY~~  
~~DEPARTMENT~~  
FINANCIAL CONDUCT AUTHORITY  
25 THE NORTH COLONNADE  
CANARY WHARK  
LONDON E14 5HS

PRUDENTIAL REGULATION AUTHORITY  
20 MOORGATE  
LONDON  
EC2R 6DA  
UNITED KINGDOM

UNITED KINGDOM



Application number  
(for *FSA FCA/PRA* use only)



The ~~FSA has~~ FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the ~~FSA's~~ FCA and PRA website at [http://fsahandbook.info/FSA/docs/notes/imap\\_formc\\_notes.doc](http://fsahandbook.info/FSA/docs/notes/imap_formc_notes.doc)  
[http://media.fshandbook.info/Forms/notes/imap\\_formc\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formc_notes.doc)  
[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Both the applicant and the approved person will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

# Form C

## Notice of ceasing to perform controlled functions

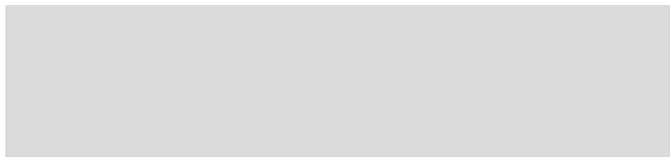
~~FSA FCA Handbook Reference: SUP 10A Annex 6R (Notification under SUP 10.13.6R)~~(Notifications)

~~PRA Handbook Reference: SUP 10B Annex 6R (Notifications)~~

1 April 2013

Name of *approved person*<sup>†</sup>  
(to be completed by applicant)

Name of *firm*<sup>†</sup>



~~The Financial Services Authority - Permissions, Decisions & Reporting Division~~

~~Financial Conduct Authority~~

~~25 The North Colonnade~~

~~Canary Wharf~~

~~London E14 5HS~~

~~United Kingdom~~

~~Telephone +44 (0) 845 606 9966~~

~~Facsimile +44 (0) 207 066 0017~~

~~E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)~~

~~Website <http://www.fsa.gov.uk>~~

~~<http://www.fca.org.uk>~~

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>†</sup> ~~These questions should be completed whether submissions of this form is online or in one of the other ways set out in SUP 15.7~~

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

**Personal identification details****Section 1**1.01 *FSA* Individual Reference Number (IRN) †1.02 Title†  
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname†

1.04 ALL forenames†

1.05 Date of birth†

/ /

1.06 National Insurance number†

1.07 *Approved person's* private address†**Firm identification details****Section 2**2.01 Name of *firm* \*2.02 *FSA Firm* Reference Number (FRN) \*2.03 a Who should the *FSA FCA/PRA* contact at the *firm* in relation to this notice? †

b Business address†

c Position†

d Telephone†

e Mobile†

f Fax†

g E-mail†

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

† The above question(s) appears on an electronic form submission and a paper form submission

† The above question(s) appears on an electronic form submission and a paper form submission

3.01 List all *controlled functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *controlled function* is indicated in column B, the FSA FCA and/ or PRA should be notified in accordance with SUP 10A.14.10R, SUP 10A.14.11G, SUP 10B.12.12.R and SUP 10B.12.13G (that is, within one *business day*, by telephone, fax or email) that this Form will be submitted

	FRN <sup>†</sup>	Name of firm <sup>†</sup>	Controlled function <sup>†</sup>	Effective date <sup>†</sup>	Reason <sup>†</sup>	
					A	B Full explanation in 4.02
a				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other (specify in 4.02) <input type="checkbox"/>
b				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other (specify in 4.02) <input type="checkbox"/>
c				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other (specify in 4.02) <input type="checkbox"/>

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

d			/ /	Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in 4.02)
e			/ /	Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in 4.02)



I have supplied further information related to this page in Section 4<sup>†</sup> YES  NO

<sup>‡</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 <sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

**4.01** Is there any other information the approved person or the firm considers to be relevant to the application? †

Please provide full details†

**4.02** Please indicate clearly which question the supplementary information relates to. †

Question	Information

**4.03** How many additional sheets are being submitted? †

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† The above question(s) appears on an electronic form submission and a paper form submission

## Supporting Documents

Indicate the required supporting documents to accompany this form<sup>†</sup>

Documents	Mode (by email, fax or post)

Other information (please specify)<sup>†</sup>

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<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Warning<sup>†</sup>**

Knowingly or recklessly giving the ~~Financial Services Authority (FSA)~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and 15.6.4R require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA and/or PRA and to notify the ~~FSA~~ FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.6E ~~7E~~ provides that, where an approved person is responsible for reporting matters to the ~~FSA~~ FCA and/or PRA, failure to inform the ~~FSA~~ FCA and/or PRA of materially significant information of which he is aware is a breach of Statement of Principle 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection<sup>†</sup>**

For the purpose of complying with the Data Protection Act, the personal information in this Form may be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation and will not be disclosed for any other purpose without the permission of the applicant.

**I confirm that a permanent copy of this application, signed by the firm, will be retained for an appropriate period, for inspection at the ~~FSA's~~ FCA's and/or PRA's request.** Confirm that you have read and understood the declaration:

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory relating to the Form.**

Tick here to confirm you have read and understood this declaration: ∞

First name of the person signing on behalf of the firm<sup>†</sup>

Surname of the person signing on behalf of the firm<sup>†</sup>

Date<sup>†</sup>

Signature<sup>\*</sup>

Job title<sup>†</sup>

Name of firm<sup>†</sup>

∞ These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

## Notes to assist in completing the Form C - Notice of ceasing to perform *controlled functions*

Full details of the *approved persons* regime and the application process are given in ~~chapter 10 of the Supervision Manual~~ SUP 10A and SUP 10B of the FCA's and PRA's Supervision manuals.

### The purpose of this Form

This Form is referred to in ~~the relevant rule in SUP 10.13~~ SUP 10A.14 and SUP 10B.12 of the FCA's and PRA's Supervision manuals. This Form must be used when an *approved person* ceases to perform one or more *controlled functions*.

If an *approved person* ceases to perform *controlled functions* in respect of a number of *firms* within the same *group*, a single Form C may be used, ensuring all *firms* are clearly marked on the Form.

A *firm* must submit to the ~~FSA~~ FCA and/or PRA a completed Form C no later than seven *business days* after an *approved person* ceases to perform a *controlled function*

Additionally, a forward dated request will not be actioned by the ~~FSA~~ FCA and/or PRA until 7 days before the stated effective day becomes operable.

If a *firm* has reasonable grounds for believing that it will submit a qualified Form C, it must notify the ~~FSA~~ FCA and/or PRA of the fact as soon as practicable.

The Form C is qualified if:

1. the *firm* submitting Form C reasonably believes that the information it contains may affect the ~~FSA's~~ FCA and/or PRA's assessment of an *approved person's* fitness and propriety; or
2. a *firm* dismisses, or suspends, an *approved person* from its employment; or
3. an *approved person* resigns whilst under investigation by the *firm*, the ~~FSA~~ FCA and/or PRA or any other regulatory body.
4. *Firms* are reminded that they should be open and honest with the ~~FSA~~ FCA and PRA as per Principle 11. Any information provided must be factual and able to be substantiated. The ~~FSA~~ FCA and/or PRA reserves the right to use the information provided in carrying out its regulatory functions.

Notification of a qualified Form C must be made in writing by either fax or email and should be made, where possible, within one *business day* of the *firm* becoming aware of the information. If the *firm* does not submit Form C, it should inform the ~~FSA~~ FCA and/or PRA in due course of the reason. This could be done using Form D, if appropriate.

A *firm* is responsible for notifying the ~~FSA~~ FCA and/or PRA if any *approved person* has ceased to perform a *controlled function* under an *arrangement* entered into by its *appointed representative* or former *appointed representative*.

### Completing this Form

This Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 4.02 the number of additional sheets attached.

The reasons why an *approved person* is no longer performing *controlled functions* must be indicated on the Form. However, if an *approved person* has been dismissed or requested to resign, or the *firm* has any doubts about their fitness and propriety (3.01 column B), a full explanation of the reason for the dismissal or resignation must be provided in section 4.01 (supplementary information). If the *firm* ticks the box marked 'Suspension', the *firm* will have to reapply (using Form A) for the individual to perform *controlled functions* again.

The *firm* must also include details of any other matter that the *firm* is aware of and which in its reasonable opinion is relevant in connection with the *approved person* ceasing to perform their *controlled function*.

An appropriate individual must sign the declaration for the *firm* submitting the Form. The ~~FSA~~ FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(5)(7B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions* 1 to 12B, 28, & 29, 40 or 50) or someone to whom the *firm* has delegated the authority to notify the ~~FSA~~ FCA and/or PRA. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

Only the *firm* that made the original application (Form A) may sign this Form except where that individual is the only remaining individual at the firm (e.g. Sole Trader).

N.B.: ~~Detach and~~ Please keep these notes before returning the completed Form to the ~~FSA~~ FCA and/or PRA.

**If you have any questions or need additional information, please contact the ~~Firm Contact Centre~~ FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail at [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk).**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, MUTUALS AND POLICY  
DEPARTMENT~~

THE FINANCIAL CONDUCT AUTHORITY  
25 THE NORTH COLONNADE  
CANARY WHARF  
LONDON E14 5HS  
UNITED KINGDOM

PRUDENTIAL REGULATION AUTHORITY  
20 MOORGATE  
LONDON  
EC2R 6DA  
UNITED KINGDOM



Application number  
(for FSA FCA/PRA use only)

The ~~FSA~~ FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the ~~FSA's~~ FCA and PRA's website at: [http://fsahandbook.info/FSA/docs/notes/imap\\_formd\\_notes.doc](http://fsahandbook.info/FSA/docs/notes/imap_formd_notes.doc)  
[http://media.fshandbook.info/Forms/notes/imap\\_formd\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formd_notes.doc)  
[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA).

Both the applicant and the approved person will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form D

# Notification of changes in personal information or application details

~~FSA FCA Handbook Reference: SUP 10A Annex 7R (Notification under SUP 10.13.18R)~~

PRA Handbook Reference: SUP 10B Annex 7R

1 April 2013

Name of individual  
(to be completed by applicant)

Name of *firm*  
(as entered in 2.01)

~~The Financial Services Authority~~  
~~Permissions, Decisions & Reporting Division~~  
~~Financial Conduct Authority~~  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

## Contact Details

Contact for this notification

	Title <sup>†</sup>	
	First Name <sup>†</sup>	
	Surname <sup>†</sup>	
	Job Title <sup>†</sup>	
	Business address <sup>†</sup>	
	Post code <sup>†</sup>	
	Phone number (including STD code) <sup>†</sup>	
	Email address <sup>†</sup>	
	Mobile No <sup>†</sup>	
	Fax No. <sup>†</sup>	

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<sup>†</sup>The above question(s) appears on an electronic form submission and a paper form submission

**1.01** If any of the details have changed please provide new details below  
 Approved person ~~FSA~~ Individual Reference Number (IRN) †

**DETAILS TO BE CHANGED**

**1.02** Title (e.g. Mr, Mrs, Ms, etc) †

**1.03** Surname †

**1.04** ALL forenames †

**1.05** Date of birth † //

**1.06** National Insurance number †

**1.07** Nationality †

**1.08** Passport number †

**1.09** Other changes in application details and matters relating to fitness and propriety †

**1.10** Effective date of change † //

**1.11** Reason for change †

➔ I have supplied further information related to this page in Section 3 YES  NO

Do you want to notify us of a change of arrangement between the approved person and the firm? †

Does the change in arrangement relate to an appointed representative? †

Current appointed representative details? †

AR FRN	Firm Name

Do you want to add an appointed representative? †-

Do you want to remove an appointed representative? †

As a result of this removal you will need to consider whether to submit a withdrawal of a CF and/or an Appointed Representative termination

Please select the appointed representative to remove †-

AR FRN	Firm Name	Remove

Effective Date †-



---

†-The above question(s) appears on an electronic form submission and a paper form submission

2.01 Name of *firm*

2.02 Firm Reference Number (FRN) <sup>±</sup>

2.03 Other *firms* for whom the individual performs *controlled functions* ‡

	<b>FSA FRN</b>	<b>Name of firm</b>	<b>Controlled function</b>
a	<input type="text"/>	<input type="text"/>	<input type="text"/>
b	<input type="text"/>	<input type="text"/>	<input type="text"/>
c	<input type="text"/>	<input type="text"/>	<input type="text"/>
d	<input type="text"/>	<input type="text"/>	<input type="text"/>
e	<input type="text"/>	<input type="text"/>	<input type="text"/>



I have supplied further information related to this page in Section 3

YES  NO

# Fitness and Propriety<sup>†</sup>

Do you want to notify us of a change to the approved person's fitness and propriety?

1. Has the approved person ever been convicted of any offence (whether spent or not and whether or not in the United Kingdom); (i) involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences and/or other dishonesty; or (ii) relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations and/or insider dealing?

Enter full details in this section

2. Is the approved person the subject of any current criminal proceedings?

Enter full details in this section

3. Has the approved person ever been given a caution in relation to any criminal offence?

Enter full details in this section

4. Has the approved person any convictions for any offences other than those listed above, whether or not in the United Kingdom (excluding traffic offences unless these traffic offences resulted in a ban from driving or involved driving without insurance)?

Enter full details in this section

5. Has the approved person ever had a County Court Judgement (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not, in the United Kingdom or elsewhere?

Enter full details in this section

6. Has the approved person had more than two CCJs or judgement debts?

Enter full details in this section

7. Has the approved person had more than £1,000 in total of CCJs or judgement debts?

Enter full details in this section

8. Is the approved person aware of:

a). any proceedings that have begun, or anybody's intention to begin proceedings, against the approved person for a CCJ or other judgement debt?

Enter full details in this section

b). more than one set of proceedings, or anybody's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?

Enter full details in this section

c). anybody's intention to claim more than £1,000 of CCJs or judgement debts in total from the approved person?

Enter full details in this section

9. Does the approved person have any current judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?

Enter full details in this section

10. Has the approved person ever failed to satisfy any such judgement debts within one year of the order being made?

Enter full details in this section

11. Is the approved person or has the approved person ever been the subject of any bankruptcy proceedings, or proceedings for the sequestration of the approved person's estate?

Enter full details in this section

12. Has the approved person ever entered into, or is in the process of entering into, an agreement in favour of the approved person's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?

Enter full details in this section

13. Does the approved person have any outstanding financial obligations arising from regulated activities, which the approved person has carried out in the past, in the United Kingdom or overseas? (In the case of advisers, this will include any outstanding liabilities arising from commissions paid for the sale of packaged products that have lapsed).

Enter full details in this section

14. Has the approved person ever been found guilty of carrying on any unauthorised regulated activities or been investigated for possible carrying on of unauthorised regulated activities?

Enter full details in this section

15. Is the approved person, or has the approved person, ever been the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?

Enter full details in this section

16. Has the approved person ever, either in the United Kingdom or elsewhere:

- a). been refused entry to, or been dismissed, suspended or asked to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust, whether or not remunerated?

Enter full details in this section

- b). been refused, restricted in or had suspended, the right to carry on any trade, business, or profession for which specific licence, authorisation, registration, membership or other permission is required?

Enter full details in this section

c). been disqualified from acting as a director of a company or from acting in a management capacity or conducting the affairs of any company, partnership or unincorporated association?

Enter full details in this section

d). been the subject of a disqualification direction under section 59 of the Financial Services Act 1986; a prohibition order under section 56 of the Financial Services and Markets Act 2000; or received a warning notice that such a direction or order be made?

Enter full details in this section

17. In relation to activities regulated by the FSA FCA and/or PRA or any other regulatory body, has:

- i. the approved person, or
- ii. any company, partnership or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner or company secretary, during the approved person's association with that entity and for a period of three years after the approved person ceased to be association with it, ever:

a). been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership, or other permission granted by any such body?

Enter full details in this section

b). been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary action by any such body?

Enter full details in this section

c). resigned while under investigation by, or been required to resign from any such body?

Enter full details in this section

d). decided, after making an application for any licence, authorisation, registration, notification, membership, other permission granted by any such body, not to proceed with it?

Enter full details in this section

e). been the subject of any civil action which has resulted in a finding against the approved person or it by a court?

Enter full details in this section

18. Has any company, partnership, or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the approved person's involvement or within one year of such an involvement:

a) been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

Enter full details in this section

b) been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct?

Enter full details in this section

c) been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?

Enter full details in this section

d) been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as already indicated under 17(b) above)?

Enter full details in this section

19. Is the approved person aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the controlled functions for which approval is now sought?

Enter full details in this section

Enter Date of change:



- 3.01** Is there any other information the approved person or the firm considers to be relevant to the application? †  
Please provide full details †
- 3.02** Please indicate clearly which question the supplementary information relates to.

Question	Information

**3.03** How many additional sheets are being submitted?+ [ ]



I have supplied further information related to this page in Section 3 YES  NO

~~† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

## Supporting Documents<sup>‡</sup>

Indicate the required supporting documents to accompany this form.

Documents	Mode (by email, fax, post)

---

~~‡ These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.~~

**DECLARATION OF APPROVED PERSON ‡**

The *firm* must ask the individual to make the declaration only where the *firm* becomes aware of information that would reasonably be material to the assessment of the *approved person's* continuing fitness and propriety.

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection ‡**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FSA FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

The FSA FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. I authorise the FSA FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. I also understand that the results of these checks may be disclosed to my employer.

4.01 Full name of *approved person*  
i.e. Title, forenames, SURNAME ‡

4.02 Signature\*

Date‡ / /

**~~Tick to confirm you have read and understood this declaration:~~**

**DECLARATION OF FIRM ‡**

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided. APER 4.4.6E 7E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA. It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

4.03 Name of the *firm* ‡

4.04 Name of *person* signing  
on behalf of the *firm* ‡

4.05 Position ‡

4.06 Signature\*

~~‡ These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

Date // 

These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7

~~These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.~~

## Notes to assist in completing the Form D - Notification of changes in personal information or application details

Full details of the *approved persons* regime and the application process are given in ~~Chapter 10.13 of the Supervision manual~~ SUP 10A and SUP 10B of the FCA and PRA's Supervision manuals.

### The purpose of this Form

This is Form D referred to in ~~the relevant guidance and rule in SUP 10.13~~ SUP10A.14 and SUP 10B.12 of the FCA and PRA's Supervision manuals. The *firm* must use this Form to inform the FSA/FCA and/or PRA of changes in the personal details of an *approved person* or a change in the details of an application to perform *controlled functions*). It is not necessary to notify the FSA/FCA and/or PRA of changes in an *approved person's* private address.

The *firm* must also keep the FSA/FCA and/or PRA informed of any significant circumstances directly affecting an *approved person* and which any reasonable person would consider relevant to the *approved person's* position under the ~~FSA rules.~~ rules of the FCA and/or PRA.

The *firm* is required to notify the FSA/FCA and/or PRA of any matter, in relation to an *approved person*, that would normally be declared when giving the information required for section 5 of the application to perform controlled functions or matters considered in FIT 2

Do not use this Form if the *approved person* requires approval in respect of further *controlled functions* or has ceased to perform *controlled functions*.

### Completing this Form

This Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

Where a person is an *approved person* in respect of a number of *firms* within the same *group*, a single Form may be used, ensuring all *firms* are clearly marked on the Form.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 3.02 the number of additional sheets attached.

An appropriate individual must sign the declaration for the *firm* submitting the Form. The FSA/FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(57B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions* 1 to 12B, 28, & 29, 40, or 50) or someone to whom the *firm* has delegated the authority to notify the FSA/FCA and/or PRA. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

Only the *firm* that made the original application (application to perform controlled functions) may sign this Form.

N.B.: ~~Detach and keep~~ Please keep these notes before returning the completed Form to the FSA/FCA and/or PRA.

**If you have any questions or need additional information, please contact the ~~Firm Contact Centre~~ FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail at [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk).**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, MUTUALS AND POLICY  
DEPARTMENT  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom~~

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom



Application number  
(for FSA FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FSA's FCA and PRA's websites at [http://www.fsa.gov.uk/pubs/forms/imap\\_forme\\_notes.doc](http://www.fsa.gov.uk/pubs/forms/imap_forme_notes.doc) [http://media.fshandbook.info/Forms/notes/imap\\_forme\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forme_notes.doc) and [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA).

Both the applicant and the candidate will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form E

# Internal transfer of an approved person

FSA FCA Handbook Reference: SUP 10A Annex 8D

PRA Handbook Reference: SUP 10B Annex 8D

~~4 May 2014~~ 1 April 2013

Name of ~~approved person~~ candidate<sup>†</sup>  
(to be completed by applicant firm)

Name of firm<sup>†</sup>  
(as entered in 2.01)

~~The Financial Services Authority~~ Financial  
Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fsa.gov.uk>  
<http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Personal identifications details

## Section 1

1.01 FSA Individual Reference Number (IRN)<sup>†</sup>

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)<sup>†</sup>

1.03 Surname<sup>†</sup>

1.04 ALL forenames<sup>†</sup>

1.05 Date of birth<sup>†</sup>

1.06 National Insurance number<sup>†</sup>

## Firm identification details

## Section 2

2.01 Name of *firm*

2.02 ~~FSA~~-Firm Reference Number (FRN)

2.03 a Who should the ~~FSA~~ FCA/PRA contact at the *firm* in relation to this application?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information  
related to this page in Section 5

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.01** List all *controlled functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	<b>FSA FRN<sup>†</sup></b>	<b>Name of firm<sup>†</sup></b>	<b>Controlled function<sup>†</sup></b>	<b>Effective date<sup>†</sup></b>
<b>a</b>				//
<b>b</b>				//
<b>c</b>				//
<b>d</b>				//
<b>e</b>				//



I have supplied further information related to this page in Section 5

YES

NO

**4.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<hr/>		
<i>c</i>	<i>Contract for services</i>	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner/Sole trader</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	<i>Appointed representative – customer function</i>	<input type="checkbox"/>
	Name of AR	
<hr/>		
<i>f</i>	<i>Appointed representative – governing function</i>	<input type="checkbox"/>
	Name of AR	
<hr/>		
<i>g</i>	<i>Other</i>	<input type="checkbox"/>
	Give details	

**4.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.  
If the *controlled functions* are to be performed for more than one *firm*, please go to question 4.05

**a** **Significant influence functions**

CF 1	Director function	<input type="checkbox"/>
CF 2	Non- executive director function	<input type="checkbox"/>
CF 3	Chief executive function	<input type="checkbox"/>
CF 4	Partner function	<input type="checkbox"/>
CF 5	Director of an unincorporated association function	<input type="checkbox"/>
CF 6	Small friendly society function	<input type="checkbox"/>



I have supplied further information related to this page in Section 5 YES  NO

**Significant influence functions**  
*continued*

CF 8	Apportionment and oversight function (Non-MiFID business Only)	<input type="checkbox"/>
CF 9	EEA investment business oversight function (Non-MiFID business Only)	<input type="checkbox"/>
CF 10	Compliance oversight function (Non-MiFID business Only)	<input type="checkbox"/>
CF 10 A	CASS operational oversight function	<input type="checkbox"/>
CF 11	Money laundering reporting function	<input type="checkbox"/>
CF 12	Actuarial function	<input type="checkbox"/>
CF 12A	With-profits actuary function	<input type="checkbox"/>
CF 12B	Lloyd's Actuary function	<input type="checkbox"/>
CF 28	System and controls function	<input type="checkbox"/>
CF 29	Significant management function	<input type="checkbox"/>
<b>b</b>	<b><u>significant influence functions</u></b> <i>continued</i>	
CF 40	Benchmark submission function	<input type="checkbox"/>
CF 50	Benchmark administration function	<input type="checkbox"/>
<b>c</b>	<b>Customer function</b>	
CF 30	Customer function	<input type="checkbox"/>

**4.03** Effective date of controlled functions indicated above †

/ /

**4.04** Job title (mandatory for controlled function 28 & 29) †



I have supplied further information related to this page in Section 5

YES

NO

**4.05** List all *firms* within the *group* (including the *firm* entered in 4.02) for which the applicant requires approval and the requested *controlled function* for that *firm*.<sup>†</sup>

	<b>FSA Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for <i>controlled function</i> 28 & 29)	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 5

YES

NO



---

**5.01** Is there any other information the *candidate* or the *firm* considers to be relevant to the application?

YES NO 

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

**5.02** How many additional sheets are being submitted?

**DECLARATION OF CANDIDATE**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

APER 4.4.67E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA~~ FCA and/or PRA, failure to inform the ~~FSA~~ FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the ~~FSA~~ FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>)**

**(<http://FSHandbook.info/FS/html/handbook/APER>)**

**([www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA))**

6.01 Candidate's full name<sup>†</sup>

6.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**DECLARATION OF FIRM**

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.67E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA. It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm*

~~believes~~ believes on the basis of due and diligent enquiries made to date that the *candidate* is a fit and proper person to perform the *controlled function(s)* listed in section 4. ~~The firm also~~

~~believes~~ believes on the basis of due and diligent enquiry, that the *candidate* is competent (including having achieved the relevant qualifications) to fulfil the duties required in the performance of such function(s).

**IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH YOU HAVE NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING**

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES  NO

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 4.05. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA, will be sent to each of those *firms* at the same time as submitting the Form to the FSA FCA and/or PRA.

In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 34.05. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA will be sent to each of those *firms* at the same time as submitting the Form to the FSA FCA and/or PRA.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

(<http://fsahandbook.info/FSA/html/handbook/APER>)

(<http://FSHandbook.info/FS/html/handbook/APER>)

([www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA))

6.03	Name of the <i>firm</i> submitting the application <sup>†</sup>	
6.04	Name of <i>person</i> signing on behalf of the <i>firm</i> <sup>†</sup>	
6.05	Job title <sup>†</sup>	
6.06	Signature <sup>*</sup>	
	Date <sup>†</sup>	/ /

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Notes for Form E

### Internal transfer of an approved person

PLEASE NOTE: A *CANDIDATE* MUST NOT BEGIN PERFORMING ANY *CONTROLLED FUNCTIONS* UNTIL THE ~~FSA~~FSA ~~and/or PRA~~ HAS GRANTED APPROVAL.

Full details of the *approved persons* regime can be found in ~~chapter 10 of the Supervision manual~~ chapter *SUP 10A* and *SUP 10B* of the *FCA* and *PRA's Supervision Manuals*.

The purpose of this Form

This is Form E referred to in ~~SUP 40.13.3D~~ *SUP 10A.14.4D* and *SUP 10B.12.4D* of the *FCA* and *PRA's Supervision Manuals*. A *firm* should use this form when an *approved person* ceases to perform one or more *controlled functions* and the *firm* wishes to apply for approval for the individual in respect of other *controlled functions*. This Form should not be used for a qualified withdrawal (see ~~SUP 40.13.7R~~ *SUP 10A.14.10R* and *SUP 10B.12.12R*). This form may also be used for transfers between *firms* that are part of the same *group*:

1. A *firm* must use Form E where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *controlled functions* within the same *firm* or *group*.
2. A *firm* must not use Form E if the *approved person* is to perform a *significant-influence function* for the first time or has ceased to have approval from the *FCA* or *PRA* to perform one more than six months ago.
3. A *firm* must not use Form E if a notification has been made or should be made under *SUP 10A.14.17R* (Changes in fitness to be notified under Form D) or *SUP 10B.12.18R* (the equivalent *PRA rule*) in relation to any *controlled functions* that that *person* is ceasing to perform (as referred to in (1)) or any *controlled function* that he is continuing to perform in relation to that *firm* or a *firm* in the same *group*.

Form C must be used if the individual is ceasing to perform a *controlled function* and the *firm* is not seeking approval in respect of another *controlled function*.

Form A must be completed in full if the *approved person* is seeking approval in respect of a *significant influence function* for the first time.

### Completing this Form

The Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

All dates should be provided in numeric form (e.g. 29/02/2000 for 29 February 2000).

Indicate clearly if a question is not applicable. Tick the appropriate box where a yes/no answer is required. Further details should be given in section 5 (Supplementary Information) if there is insufficient space for a detailed answer.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 5.02 the number of additional sheets attached.

Do not assume that information is known to the ~~FSA~~FSA ~~and/or PRA~~ merely because it is in the public domain, or has been previously disclosed to the ~~FSA~~FSA ~~FCA and/or PRA~~ or to another regulatory body. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included. The information supplied by the *candidate* should be verified by the *firm* wherever possible. ~~If the FSA's~~ ~~Should the FCA and/or PRA~~ vetting checks reveal any matters that have not been disclosed, then applications will be delayed and, in some cases, possibly rejected. See ~~SUP 40.12.6G~~ *SUP 10A.13.12G* and *SUP 10B.11.11G*.

Expressions in this Form in italics have the meaning given in the *Glossary* to the ~~FSA's Handbook~~ (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the *Glossary*).

The *firm* is responsible for the completion of the Form. If the Form is not fully and correctly completed, the FSAFCA and/or PRA may need to return it for proper completion. This could significantly delay the FSA's FCA and/or PRA's decision on whether to grant approval to perform the requested *controlled functions* (see ~~SUP 40.12.6G~~ 10A.13.12G and SUP10B.11.11G).

The FSAFCA and/or PRA may require the applicant to provide further information at any time after receiving an application and before determining whether it is to be granted or not (see ~~SUP 40.12.8G~~ 10A.13.14G, SUP10B.11.13G and SUP10B.11.14G ).

**If a *firm* has provided, or has information that reasonably suggests that it may have provided, the FSAFCA and/or PRA with information which was or has become false, misleading, incomplete or inaccurate, in a material particular, it must notify the FSA-FCA and/or PRA immediately (see SUP 15.6.4R). Failure to notify the FSAFCA and/or PRA may result in a delay in processing or rejection.**

#### **SECTION 4 – ARRANGEMENTS AND CONTROLLED FUNCTIONS**

The *firm* must tick the box in 4.01 that most accurately describes its *arrangement* with the *candidate*. For applications from a single *firm*, the *firm* should complete 4.02, 4.03 & 4.04 indicating the *controlled functions* required by selecting the appropriate box in 4.02. However, if the application is being made on behalf of a *candidate* who will carry out *controlled functions* for more than one *firm*, 4.05 must be used to describe the *controlled functions* and the relationships between the *candidate* and those *firms*.

- 4.01: If this application relates to more than one *appointed representative*, provide details in section 5.
- 4.02: If the *controlled function* 29 is requested, the specific job title of the *candidate* must be included.
- 4.03: The effective date is the date on which the *firm* wishes the *candidate* to begin performing *controlled functions* (subject to approval). **This should be left blank unless there is a reason for the effective date to be beyond the FSAFCA and/or PRA published standard response times.** For instance, a *firm* may wish to be sure that a *candidate* has been approved before they take up their post.

Unless the *firm* indicates otherwise, the FSAFCA and/or PRA assumes that the *arrangement* given on the application form includes all of the activities that fall within the description of the *controlled function*. This means that a *firm* may alter a *candidate's* responsibilities within the broad description of a *controlled function* without needing further approval from the FSAFCA and/or PRA.

#### **SECTION 5 – SUPPLEMENTARY INFORMATION**

This section provides extra space for any previous answer and for additional information relevant to this application.

The *firm* must include details of any other matter which the *firm* is aware of and which in its reasonable opinion is relevant in connection with the *approved person* ceasing to perform their *controlled function*. If there is insufficient space, additional sheets may be used.

#### **SECTION 6 – DECLARATIONS AND SIGNATURES**

This section contains declarations which must be signed by both an appropriate individual for the *firm* or applicant submitting the application and the *candidate*. The FSAFCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(5) or 59(7B) of the Financial Services and Markets Act (the *significant influence functions – controlled functions* 1 to 12B, 28, & 29, 40 or 50) or someone to whom the *firm* has delegated the authority to notify the FSAFCA and/or PRA. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

N.B. ~~Detach and keep~~ Please keep these notes before returning the completed Form to the FSA/FCA and/or PRA.

**If you have any questions or need additional information, please contact the ~~Firm Contact Centre~~ FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail at iva@fsa.gov.uk iva@fca.org.uk or PRA.firmenquiries@bankofengland.co.uk.**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, CIS & MUTUALS  
DEPARTMENT~~  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom





Application number  
(for FSA-FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FSA's website at [http://www.fsa.gov.uk/pubs/forma\\_notes.doc](http://www.fsa.gov.uk/pubs/forma_notes.doc) both FCA and PRA websites at: [http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc)<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Long Form A – Incoming EEA only Application to perform controlled functions under the approved person regime

~~FSA Handbook Reference: SUP10 Annex 4D~~ FCA Handbook Reference: SUP 10A Annex 4D

~~PRA Handbook Reference: SUP 10B Annex 4D~~

1 April ~~2009~~ 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~The Financial Services Authority – Permissions, Decisions & Reporting Division~~  
~~Financial Conduct Authority~~  
~~25 The North Colonnade~~  
~~Canary Wharf~~  
~~London E14 5HS~~  
~~United Kingdom~~  
Prudential Regulation Authority  
20 Moorgate  
London  
United Kingdom  
EC2R 6DA

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Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fsa.gov.uk>  
<http://www.fca.org.uk>

Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above

Telephone +44 (0) 203 461 7000  
E-mail [PRA.firmenquires@bankofengland.co.uk](mailto:PRA.firmenquires@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Registered as a Limited Company in England and  
Wales No 07854923. Registered Office: 8  
Lothbury Road, London, EC2R 7HH

<b>1.01 a</b>	<i>Candidate</i> Individual Reference Number (IRN) <sup>†</sup>	
<b>b</b>	OR name of previous regulatory body <sup>†</sup>	
<b>c</b>	AND previous reference number (if applicable) <sup>†</sup>	
<b>1.02</b>	Title (e.g. Mr, Mrs, Ms, etc) <sup>†</sup>	
<b>1.03</b>	Surname <sup>†</sup>	
<b>1.04</b>	ALL forenames <sup>†</sup>	
<b>1.05</b>	Name commonly known by <sup>†</sup>	
<b>1.06</b>	Date of birth (dd/mm/yyyy) <sup>†</sup>	/ /
<b>1.07</b>	National Insurance number <sup>†</sup>	
<b>1.08</b>	Previous name <sup>†</sup>	
<b>1.09</b>	Date of name change <sup>†</sup>	/ /
<b>1.10 a</b>	Nationality <sup>†</sup>	
<b>b</b>	Passport number (if National Insurance number not available) <sup>†</sup>	
<b>1.11</b>	Place of birth <sup>†</sup>	



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

1.12 a Private address<sup>†</sup>

[Redacted address field]

b

Postcode<sup>†</sup>

c Dates resident at this address  
(mm/yyyy)<sup>†</sup>

From

/

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1<sup>†</sup>

[Redacted address field]

b

Postcode

c Dates resident at this address  
(mm/yyyy)<sup>†</sup>

From

/

To

/

1.14 a Previous address 2<sup>†</sup>

[Redacted address field]

<sup>1</sup> b

Postcode<sup>†</sup>

c Dates resident at this address  
(mm/yyyy)<sup>†</sup>

From

/

To

/



I have supplied further information  
related to this page in Section 6

YES

NO

<sup>2</sup>

2.01	Name of <i>firm</i> making the application	
2.02	FSA-Firm Reference Number (FRN)	
2.03 a	Who should the FSA-FCA/PRA contact at the <i>firm</i> in relation to this application?	
b	Business Address	
c	Position	
d	Telephone	
e	E-mail	

I have supplied further information related to this page in Section 6 <span style="margin-left: 20px;">YES <input type="checkbox"/></span> <span style="margin-left: 20px;">NO <input type="checkbox"/></span>
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	<i>Partner/Sole trader</i>	<input type="checkbox"/>
<i>e</i>	<i>Appointed representative/tied agent – customer function</i>	<input type="checkbox"/>
	AR firm name and reference number	
<i>f</i>	<i>Appointed representative/tied agent – governing function</i>	<input type="checkbox"/>
	AR firm name and reference number	
<i>g</i>	Other	<input type="checkbox"/>
	Give details	

**3.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.

If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.05**

<b>a</b>	<b>Significant influence functions</b>	CF 11 <i>Money laundering reporting function</i>	<input type="checkbox"/>
		CF 12 <i>Actuarial function</i>	<input type="checkbox"/>
		CF 12A <i>With-profits actuary function</i>	<input type="checkbox"/>
		CF 12B <i>Lloyd's Actuary function</i>	<input type="checkbox"/>
		CF 29 <i>Significant management function</i>	<input type="checkbox"/>
<b>c</b>	<b>significant influence functions</b>	CF 40 <i>Benchmark submission function</i>	<input type="checkbox"/>
		CF 50 <i>Benchmark administration function</i>	<input type="checkbox"/>
<b>b</b>	<b>Customer function</b>	CF 30 <i>Customer function</i>	<input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES

NO

**3.03** Effective date of *controlled functions* indicated above<sup>†</sup>

[Greyed out area]

**3.04** Job title (mandatory for *controlled function 28 & 29*)<sup>†</sup>

Please refer to notes on the requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm?

YES  NO

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

[Greyed out area]



I have supplied further information related to this page in Section 6

YES  NO

**3.05**

**Complete this section only if the application is on behalf of more than one firm.**

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested controlled function for that firm.<sup>†</sup>

	<b>FSA-Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for controlled function 29)	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 6

YES

NO

N.B.: ALL gaps must be accounted for

**4.01**

**Employment details (1)<sup>†</sup>**

<b>a</b>	Period (mm/yyyy)	From	/	To	
<b>b</b>	Nature of employment	<i>a</i>	Employed		<input type="checkbox"/>
		<i>b</i>	Self-employed		<input type="checkbox"/>
		<i>c</i>	Not employed		<input type="checkbox"/>
		<i>d</i>	Full-time education		<input type="checkbox"/>
	If <i>c</i> or <i>d</i> is ticked, please give details				
<b>c</b>	Name of employer				
<b>d</b>	Nature of business				
<b>e</b>	Previous / other names of employer				
<b>f</b>	Last known address of employer				
<b>g</b>	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body	
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?	
<b>i</b>	Position held				
<b>j</b>	Responsibilities				
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation		<input type="checkbox"/>
		<i>b</i>	Redundancy		<input type="checkbox"/>
		<i>c</i>	Retirement		<input type="checkbox"/>
		<i>d</i>	Termination/dismissal		<input type="checkbox"/>
		<i>e</i>	End of contract		<input type="checkbox"/>
		<i>f</i>	Other		<input type="checkbox"/>
	Specify				



I have supplied further information related to this page in Section 6

YES

NO

**4.02 Employment details (2)<sup>†</sup>**

**a** Period (mm/yyyy) From  /  To  /

**b** Nature of employment

<i>a</i>	Employed	<input type="checkbox"/>
<i>b</i>	Self-employed	<input type="checkbox"/>
<i>c</i>	Not employed	<input type="checkbox"/>
<i>d</i>	Full-time education	<input type="checkbox"/>

If *c* or *d* is ticked, please give details

**c** Name of employer

**d** Nature of business

**e** Previous / other names of employer

**f** Last known address of employer

**g** Is/was employer regulated by a regulatory body? YES  NO  Name of regulatory body

**h** Is/was employer an *appointed representative/tied agent*? YES  NO  If yes, of which *firm*?

**i** Position held

**j** Responsibilities

**k** Reason for leaving:

<i>a</i>	Resignation	<input type="checkbox"/>
<i>b</i>	Redundancy	<input type="checkbox"/>
<i>c</i>	Retirement	<input type="checkbox"/>
<i>d</i>	Termination/dismissal	<input type="checkbox"/>
<i>e</i>	End of contract	<input type="checkbox"/>
<i>f</i>	Other	<input type="checkbox"/>

Specify

 I have supplied further information related to this page in Section 6 YES  NO

<p><b>5.01 a</b></p> <p>Has the <i>candidate</i> <b>ever</b> been convicted of any offence (whether spent or not and whether or not in the <i>United Kingdom</i>):</p> <p style="margin-left: 40px;">i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</p> <p style="margin-left: 40px;">ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies</i>, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, <i>money laundering</i>, market manipulations or <i>insider dealing</i>?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>b</b></p> <p>Is the <i>candidate</i> the subject of any current criminal proceedings?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>c</b></p> <p>Has the <i>candidate</i> <b>ever</b> been given a caution in relation to any criminal offence?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.02</b></p> <p>Has the <i>candidate</i> any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 and above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.03 a</b></p> <p>Has the candidate, <b>ever</b> had a County Court Judgement (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not (whether or not in the United Kingdom)?</p> <p>Has the candidate had:</p> <p style="margin-left: 40px;">i. more than 2 CCJs or judgment debts?</p> <p style="margin-left: 40px;">ii. more than £1,000 in total of CCJs or judgment debts?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>b</b></p> <p>Is the candidate aware of:</p> <p style="margin-left: 40px;">i. any proceedings that have begun, or anybody's intention to begin proceedings against the candidate for a CCJ or other judgment debt?</p> <p style="margin-left: 40px;">ii. more than one set of proceedings, or anybody's intention to begin more than one set of proceedings that may lead to a CCJ or other judgment?</p> <p style="margin-left: 40px;">iii. anybody's intention to claim more than £1,000 of CCJs or judgment debts in total from the <i>candidate</i>?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.04</b></p> <p>Does the candidate have any <b>current</b> judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.05</b></p> <p>Has the <i>candidate</i> <b>ever</b> failed to satisfy any such judgment debts within one year of the making of the order?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.06 a</b></p> <p>Is the <i>candidate</i>, or has the <i>candidate</i> <b>ever</b> been, the subject of any bankruptcy proceedings, or proceedings for the sequestration of the <i>candidate's</i> estate?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>

- b** Has the *candidate ever* entered or is in the process of entering into an agreement in favour of the *candidate's* creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed).?
- YES  NO
- 5.07** Does the *candidate* have any outstanding financial obligations arising from *regulated activities*, which the *candidate* has carried on in the past, (whether or not in the *United Kingdom*)?
- (In the case of *advisers*, this will include any outstanding liabilities arising from commissions paid for the sale of *packaged products* that have lapsed.)
- YES  NO
- 5.08** Has the *candidate ever* been found guilty of carrying on any unauthorised *regulated activities* or been investigated for the possible carrying on of unauthorised *regulated activities*?
- YES  NO
- 5.09** Is the *candidate*, or has the *candidate ever* been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?
- YES  NO
- 5.10** Has the *candidate ever* (whether or not in the *United Kingdom*) –
- a** been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?
- YES  NO
- b** been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required?
- YES  NO
- c** been disqualified from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*, *partnership* or unincorporated association?
- YES  NO
- d** been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice that such a direction or order be made?
- YES  NO



I have supplied further information related to this page in Section 6

YES  NO

- 1 In relation to activities regulated by the ~~FSA~~-FCA and/or PRA or any other regulatory body (see note section 5), has:
- i. the *candidate*, or
  - ii. any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary, during the candidate's association with that entity and for a period of three years after the candidate ceased to be associated with it, **ever** –
- a been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted by any such body? YES
  - b been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary or intervention action by any such body? YES
  - c resigned whilst under investigation by, or been required to resign from, any such body? YES
  - d decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by any such body, not to proceed with it? YES
  - e been the subject of any civil action which has resulted in a finding against the *candidate* or it by a court? YES
- 2 **Has any company, partnership, or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the candidate's involvement or within one year of such an involvement –**
- a been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors? YES
  - b been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct? YES
  - c been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation? YES
  - d been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the *Takeover Panel* or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b) above)? YES
- 3 Is the *candidate* aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the *controlled functions* for which approval is now sought? YES



I have supplied further information related to this page in Section 6 YES

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
  - Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.

Question	Information
----------	-------------

**Declaration of Candidate**

Knowingly or recklessly giving the FSA *FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the FSA *FCA and/or PRA* merely because it is in the public domain or has previously been disclosed to the FSA *FCA and/or PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the FSA *FCA and/or PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the FSA *FCA and/or PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the FSA *FCA and/or PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>) (<http://fshandbook.info/fs/html/handbook/APER>) (<http://www.bankofengland.co.uk/PRA>)**

7.01 Candidate's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Declaration of Firm**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA and/or PRA and to notify the ~~FSA~~ FCA and/or PRA immediately if materially inaccurate information has been provided.

~~APER~~ 4.4.6E7E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA~~ FCA and/or PRA, failure to inform the ~~FSA~~ FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle* 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the firm believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. FOR FIRMS UNDERTAKING ANY NON MiFID BUSINESS PLEASE ALSO COMPLETE THE FOLLOWING**

**The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).**

YES  NO

With reference to the above, the ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

**In signing this form on behalf of the firm:**

**a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the ~~FSA~~ FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the ~~FSA~~ FCA and/or PRA.**

**c) I confirm the candidate has been made aware of the regulatory responsibilities of proposed role as set out in , the Statements of Principle and Code of Practice for Approved Persons**

**(~~http://fsahandbook.info/FSA/html/handbook/APER~~)(<http://fshandbook.info/fs/html/handbook/APER>)  
(<http://www.bankofengland.co.uk/PRA>)**

7.03	Name of the firm submitting the application <sup>†</sup>	
7.04	Name of person signing on behalf of the firm <sup>†</sup>	
7.05	Job title <sup>†</sup>	
7.06	Signature <sup>*</sup>	
	Date <sup>†</sup>	/ /

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



Application number  
(for FSA FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FSA's both FCA and PRA websites at: [http://fsa.gov.uk/pubs/forms/imap\\_forma\\_notes.doc](http://fsa.gov.uk/pubs/forms/imap_forma_notes.doc)

[http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc)

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Long Form A – UK and Overseas Firms (not Incoming EEA)

### Application to perform controlled functions under the approved persons regime

**FSA Handbook Reference: SUP 10 Annex 4D**

**FCA Handbook Reference: SUP 10A Annex 4D**

**PRA Handbook Reference: SUP 10B Annex 4D**

1 May 2011–1 April 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~The Financial Services Authority Authorisations Division~~

~~Financial Conduct Authority~~

~~25 The North Colonnade~~

~~Canary Wharf~~

~~London E14 5HS~~

~~United Kingdom~~

~~Telephone +44 (0) 845 606 9966~~

~~Facsimile +44 (0) 207 066 0017~~

~~E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)~~

~~Website <http://www.fsa.gov.uk>~~

~~<http://www.fca.org.uk>~~

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Registered as a Limited Company in England and  
Wales No 07854923. Registered Office: 8 Lothbury

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Registered as a Limited Company in  
England and Wales No 1920623. Registered  
Office as above

Road, London, EC2R 7HH

## Personal identification details

1.01 a	Candidate Individual Reference Number (IRN) <sup>†</sup>	
b	OR name of previous regulatory body <sup>†</sup>	
c	AND previous reference number (if applicable) <sup>†</sup>	
1.02	Title (e.g. Mr, Mrs, Ms, etc) <sup>†</sup>	
1.03	Surname <sup>†</sup>	
1.04	ALL forenames <sup>†</sup>	
1.05	Name commonly known by <sup>†</sup>	
1.06	Date of birth (dd/mm/yyyy) <sup>†</sup>	/ /
1.07	National Insurance number <sup>†</sup>	
1.08	Previous name <sup>†</sup>	
1.09	Date of name change <sup>†</sup>	/ /
1.10 a	Nationality <sup>†</sup>	
b	Passport number (if National Insurance number not available) <sup>†</sup>	
1.11	Place of birth <sup>†</sup>	



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

1.12 a Private address<sup>†</sup>

[Redacted address field]

b

Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup>

From

/

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1<sup>†</sup>

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)<sup>†</sup>

From

/

To

/

1.14 a Previous address 2<sup>†</sup>

[Redacted address field]

1

b

Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup>

From

/

To

/



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7  
Long Form A – UK and Overseas  
Application to perform controlled functions under the approved persons regime  
Version 13-14

2.01	Name of <i>firm</i> making the application	
2.02	<del>FSA</del> Firm Reference Number (FRN)	
2.03 a	Who should the <del>FSA-FCA/PRA</del> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 Long Form A – UK and Overseas Application to perform controlled functions under the approved persons regime Version 13-14

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	Employee	<input type="checkbox"/>
<i>b</i>	Group employee	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	Partner/Sole trader	<input type="checkbox"/>
<i>e</i>	Appointed representative/tied agent – customer function	<input type="checkbox"/>
	AR firm name and reference number	
<i>f</i>	Appointed representative/tied agent – governing function	<input type="checkbox"/>
	AR firm name and reference number	
<i>g</i>	Other	<input type="checkbox"/>
	Give details	

**3.02** For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed. If the controlled functions are to be performed for more than one firm, please go to question **3.05**

<b>a</b>	<b>Significant influence functions</b>	CF 1 Director function <input type="checkbox"/> CF 2 Non-executive director function <input type="checkbox"/> CF 3 Chief executive function <input type="checkbox"/> CF 4 Partner function <input type="checkbox"/> CF 5 Director of an unincorporated association function <input type="checkbox"/> CF 6 Small friendly society function <input type="checkbox"/>
	<b>Significant influence functions</b>	CF 8 Apportionment and oversight function <input type="checkbox"/> (this function is not applicable to all firms please refer to Notes for Completing Form A) CF 10 Compliance oversight function <input type="checkbox"/> CF 10a CASS operational oversight function <input type="checkbox"/> CF 11 Money laundering reporting function <input type="checkbox"/> CF 12 Actuarial function <input type="checkbox"/> CF 12A With-profits actuary function <input type="checkbox"/> CF 12B Lloyd's Actuary function <input type="checkbox"/> CF 28 System and controls function <input type="checkbox"/> CF 29 Significant management function <input type="checkbox"/> CF 40 Benchmark submission function <input type="checkbox"/> CF 50 Benchmark administration function <input type="checkbox"/>
<b>b</b>	<b>Customer function</b>	CF 30 Customer function <input type="checkbox"/>

**3.03** Effective date of controlled functions indicated above<sup>†</sup>

**3.04** Job title (mandatory for controlled function 28 & 29)<sup>†</sup>  
Please refer to notes on the

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 Long Form A – UK and Overseas Application to perform controlled functions under the approved persons regime Version 13-14

requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm?

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

YES  NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES  NO

**3.05 Complete this section only if the application is on behalf of more than one firm.**

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.<sup>†</sup>

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for <i>controlled function</i> 28 & 29)	<b>Effective date</b>
<b>a</b>					/ /
<b>b</b>					/ /
<b>c</b>					/ /
<b>d</b>					/ /
<b>e</b>					/ /



I have supplied further information related to this page in Section 6

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 Long Form A – UK and Overseas Application to perform controlled functions under the approved persons regime Version 13-14

# Employment history in the past 5 years

# Section 4

N.B.: ALL gaps must be accounted for

## 4.01 Employment details (1)<sup>†</sup>

<b>a</b>	Period (mm/yyyy)	From	/	To	
<b>b</b>	Nature of employment	<i>a</i>	Employed		<input type="checkbox"/>
		<i>b</i>	Self-employed		<input type="checkbox"/>
		<i>c</i>	Not employed		<input type="checkbox"/>
		<i>d</i>	Full-time education		<input type="checkbox"/>
	If <i>c</i> or <i>d</i> is ticked, please give details				
<b>c</b>	Name of employer				
<b>d</b>	Nature of business				
<b>e</b>	Previous / other names of employer				
<b>f</b>	Last known address of employer				
<b>g</b>	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body	
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?	
<b>i</b>	Position held				
<b>j</b>	Responsibilities				
<b>k</b>	Reason for leaving:	<i>a</i>	Resignation		<input type="checkbox"/>
		<i>b</i>	Redundancy		<input type="checkbox"/>
		<i>c</i>	Retirement		<input type="checkbox"/>
		<i>d</i>	Termination/dismissal		<input type="checkbox"/>
		<i>e</i>	End of contract		<input type="checkbox"/>
		<i>f</i>	Other		<input type="checkbox"/>
	Specify				

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7  
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Application to perform controlled functions under the approved persons regime  
 Version 13-14

**4.02 Employment details (2)<sup>†</sup>**

<b>a</b>	Period (mm/yyyy)	From		/		To		/																			
<b>b</b>	Nature of employment	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;"><i>a</i></td> <td style="width: 85%;">Employed</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Self-employed</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Not employed</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Full-time education</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>								<i>a</i>	Employed	<input type="checkbox"/>	<i>b</i>	Self-employed	<input type="checkbox"/>	<i>c</i>	Not employed	<input type="checkbox"/>	<i>d</i>	Full-time education	<input type="checkbox"/>						
<i>a</i>	Employed	<input type="checkbox"/>																									
<i>b</i>	Self-employed	<input type="checkbox"/>																									
<i>c</i>	Not employed	<input type="checkbox"/>																									
<i>d</i>	Full-time education	<input type="checkbox"/>																									
	If c or d is ticked, please give details																										
<b>c</b>	Name of employer																										
<b>d</b>	Nature of business																										
<b>e</b>	Previous / other names of employer																										
<b>f</b>	Last known address of employer																										
<b>g</b>	Is/was employer regulated by a regulatory body?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	Name of regulatory body																							
<b>h</b>	Is/was employer an <i>appointed representative/tied agent</i> ?	YES <input type="checkbox"/>	NO <input type="checkbox"/>	If yes, of which <i>firm</i> ?																							
<b>i</b>	Position held																										
<b>j</b>	Responsibilities																										
<b>k</b>	Reason for leaving:	<table border="0" style="width: 100%;"> <tr> <td style="width: 5%;"><i>a</i></td> <td style="width: 85%;">Resignation</td> <td style="width: 10%; text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>b</i></td> <td>Redundancy</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>c</i></td> <td>Retirement</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>d</i></td> <td>Termination/dismissal</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>e</i></td> <td>End of contract</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> <tr> <td><i>f</i></td> <td>Other</td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>								<i>a</i>	Resignation	<input type="checkbox"/>	<i>b</i>	Redundancy	<input type="checkbox"/>	<i>c</i>	Retirement	<input type="checkbox"/>	<i>d</i>	Termination/dismissal	<input type="checkbox"/>	<i>e</i>	End of contract	<input type="checkbox"/>	<i>f</i>	Other	<input type="checkbox"/>
<i>a</i>	Resignation	<input type="checkbox"/>																									
<i>b</i>	Redundancy	<input type="checkbox"/>																									
<i>c</i>	Retirement	<input type="checkbox"/>																									
<i>d</i>	Termination/dismissal	<input type="checkbox"/>																									
<i>e</i>	End of contract	<input type="checkbox"/>																									
<i>f</i>	Other	<input type="checkbox"/>																									
	Specify																										

I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

<sup>†</sup> **The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7**  
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<p><b>5.01 a</b></p> <p>Has the <i>candidate</i> <b>ever</b> been convicted of any offence (whether spent or not and whether or not in the <i>United Kingdom</i>):</p> <p style="margin-left: 20px;">i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty—or</p> <p style="margin-left: 20px;">ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations or insider dealing?</i></p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>b</b></p> <p>Is the <i>candidate</i> the subject of any current criminal proceedings?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>c</b></p> <p>Has the <i>candidate</i> <b>ever</b> been given a caution in relation to any criminal offence?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.02</b></p> <p>Has the <i>candidate</i> any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.03</b></p> <p>Has the candidate, <b>ever</b> had a County Court Judgment (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not, in the United Kingdom or elsewhere?</p> <p><b>a</b></p> <p>Has the candidate had:</p> <p style="margin-left: 20px;">i) more than 2 CCJs or judgment debts?</p> <p style="margin-left: 20px;">ii) more than £1,000 in total of CCJs or judgment debts?</p> <p><b>b</b></p> <p>Is the candidate aware of:</p> <p style="margin-left: 20px;">i. any proceedings that have begun, or anybody's intention to begin proceedings against the candidate for a CCJ or other judgment debt?</p> <p style="margin-left: 20px;">ii. more than one set of proceedings, or anybody's intention to begin more than one set of proceedings that may lead to a CCJ or other judgment debt?</p> <p style="margin-left: 20px;">iii. anybody's intention to claim more than £1,000 of CCJs or judgment debts in total from the <i>candidate</i>?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.04</b></p> <p>Does the candidate have any <b>current</b> judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.05</b></p> <p>Has the <i>candidate</i> <b>ever</b> failed to satisfy any such judgment debts within one year of the order being made?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>
<p><b>5.06 a</b></p> <p>Is the <i>candidate</i>, or has the <i>candidate</i> <b>ever</b> been, the subject of any bankruptcy proceedings, or proceedings for the sequestration of the <i>candidate's</i> estate?</p>	<p>YES <input type="checkbox"/> NO <input type="checkbox"/></p>



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

**b** Has the *candidate* **ever** entered or is in the process of entering into an agreement in favour of the *candidate's* creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?

YES

NO

**5.07** Does the *candidate* have any outstanding financial obligations arising from *regulated activities*, which the *candidate* has carried out in the past (whether or not in the *United Kingdom* or overseas)?

(In the case of *advisers*, this will include any outstanding liabilities arising from commissions paid for the sale of *packaged products* that have lapsed.)

YES

NO

**5.08** Has the *candidate* **ever** been found guilty of carrying on any unauthorised *regulated activities* or been investigated for the possible carrying on of unauthorised *regulated activities*?

YES

NO

**5.09** Is the *candidate*, or has the *candidate* **ever** been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?

YES

NO

**5.10** Has the *candidate* **ever**, (whether or not in the *United Kingdom*) –

**a** been refused entry to, or been dismissed, suspended or requested to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust whether or not remunerated?

YES

NO

**b** been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required?

YES

NO

**c** been disqualified from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*, *partnership* or unincorporated association?

YES

NO

**d** been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice that such a direction or order be made?

YES

NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

**5.11** In relation to activities regulated by the *ESA FCA* and/or *PRA* or any other regulatory body (see note section 5), has:

i. the *candidate* or

ii. any company, partnership or unincorporated association of which the candidate is or has been a controller, director, senior manager, partner or company secretary, during the candidate's association with that entity and for a period of three years after the candidate ceased to be associated with it, **ever** –

- |          |                                                                                                                                                                                   |                              |                             |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>a</b> | been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted by any such body?             | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary action by any such body?                                        | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | resigned whilst under investigation by, or been required to resign from, any such body?                                                                                           | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by any such body, not to proceed with it? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>e</b> | been the subject of any civil action which has resulted in a finding against the <i>candidate</i> or it by a court?                                                               | YES <input type="checkbox"/> | NO <input type="checkbox"/> |



I have supplied further information related to this page in Section 6

~~YES  NO~~

**5.12** **Has any *company, partnership, or unincorporated association* of which the *candidate* is or has been a *controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the candidate's involvement or within one year of such an involvement* –**

- |          |                                                                                                                                                                                                                                                                   |                              |                             |
|----------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>a</b> | been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?                                                                                                      | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>b</b> | been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct?                                                                                                                                                                 | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>c</b> | been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?                        | YES <input type="checkbox"/> | NO <input type="checkbox"/> |
| <b>d</b> | been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the <i>Takeover Panel</i> or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b) above)? | YES <input type="checkbox"/> | NO <input type="checkbox"/> |

**5.13** Is the *candidate* aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the *controlled functions* for which approval is now sought?

YES  NO



I have supplied further information related to this page in Section 6

YES  NO

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
  - **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information

**Declaration of Candidate**

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the FSA FCA and PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the FSA FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the FSA FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>)**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

Tick here to confirm you have read and understood this declaration:<sup>en</sup>

7.01 Candidate's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>‡</sup> / /

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

## Declarations and signatures

### Declaration of Firm

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA and/or PRA and to notify the ~~FSA~~ FCA and/or PRA immediately if materially inaccurate information has been provided.

~~APER~~ 4.4.6E-7E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA~~ FCA and/or PRA, failure to inform the ~~FSA~~ FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle* 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the *firm* believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).**

In signing this form on behalf of the firm:

- a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.
- b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 3.05. I also confirm that a copy of this Form, as submitting to the ~~FSA~~ FCA and/or PRA, will be sent to each of those *firms* at the same time as submitting the Form to the ~~FSA~~ FCA and/or PRA.
- c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

~~(<http://fshandbook.info/FSA/html/handbook/APER>)~~

~~(<http://fshandbook.info/fs/html/handbook/APER>)~~

~~(<http://www.bankofengland.co.uk/PRA>)~~

7.03	Name of the <i>firm</i> submitting the application <sup>†</sup>	<input type="text"/>
7.04	Name of <i>person</i> signing on behalf of the <i>firm</i> <sup>†</sup>	<input type="text"/>
7.05	Job title <sup>†</sup>	<input type="text"/>
7.06	Signature <sup>*</sup>	<input type="text"/>
	Date <sup>†</sup>	<input type="text"/>

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.



Application number  
(for FSA-FCA/PRA use only)

The ~~FSA has~~ FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on ~~the FSA's website at~~ [http://www.fsa.gov.uk/pubs/forma\\_notes.doc](http://www.fsa.gov.uk/pubs/forma_notes.doc), both FCA and PRA websites at: [http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc) <http://www.bankofengland.co.uk/PRA>  
Both the applicant and the candidate will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Short Form A - Incoming EEA Only Application to perform controlled functions under the approved persons regime

~~FSA Handbook Reference: SUP10 Annex 4D~~  
FCA Handbook Reference: SUP 10A Annex 4D  
PRA Handbook Reference: SUP 10B Annex 4D  
1 April 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~Financial Conduct Services Authority~~  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.fsa.gov.uk](mailto:iva@fca.org.fsa.gov.uk)  
Website <http://www.fca.org.fsa.gov.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<b>1.01 a</b>	<i>Candidate</i> Individual Reference Number (IRN)	
<b>b</b>	OR name of previous regulatory body	
<b>c</b>	AND previous reference number (if applicable)	
<b>1.02</b>	Title (e.g. Mr, Mrs, Ms, etc)	
<b>1.03</b>	Surname	
<b>1.04</b>	ALL forenames	
<b>1.05</b>	Name commonly known by	
<b>1.06</b>	Date of birth (dd/mm/yyyy)	/ /
<b>1.07</b>	National Insurance number	
<b>1.08</b>	Previous name	
<b>1.09</b>	Date of name change	/ /
<b>1.10 a</b>	Nationality	
<b>b</b>	Passport number (if National Insurance number not available)	
<b>1.11</b>	Place of birth	



I have supplied further information related to this page in Section 6 YES  NO

1.12 a Private address

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)

From

/

To

PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

1.13 a Previous address 1

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)

From

/

To

/

1.14 a Previous address 2

[Redacted address field]

b

Postcode

c Dates resident at this address (mm/yyyy)

From

/

To

/



I have supplied further information related to this page in Section 6

YES

NO

Version 6.5

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime

<b>2.01</b>	Name of <i>firm</i> making the application	
<b>2.02</b>	Firm Reference Number (FRN)	
<b>2.03 a</b>	Who should the <i>FCA/PRA</i> contact at the <i>firm</i> in relation to this application?	
<b>b</b>	Position	
<b>c</b>	Telephone	
<b>d</b>	Fax	
<b>e</b>	E-mail	



I have supplied further information related to this page in Section 6 YES  NO

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	<i>Partner/Sole trader</i>	<input type="checkbox"/>
<i>e</i>	<i>Appointed representative/tied agent – customer function</i>	<input type="checkbox"/>
	AR firm name and reference number	
<i>f</i>	<i>Appointed representative/tied agent – governing function</i>	<input type="checkbox"/>
	AR firm name and reference number	
<i>g</i>	Other	<input type="checkbox"/>
	Give details	

**3.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.

If the *controlled functions* are to be performed for more than one *firm*, please go to question **3.05**

<b>a</b>	<b><i>Significant influence functions</i></b>	CF 11 <i>Money laundering reporting function</i>	<input type="checkbox"/>
		CF 12 <i>Actuarial function</i>	<input type="checkbox"/>
		CF 12A <i>With-profits actuary function</i>	<input type="checkbox"/>
		CF 12B <i>Lloyd's Actuary function</i>	<input type="checkbox"/>
		CF 29 <i>Significant management function</i>	<input type="checkbox"/>
<b>b</b>	<b><i>significant influence functions continued</i></b>	CF 40 <i>Benchmark submission function</i>	<input type="checkbox"/>
		CF 50 <i>Benchmark administration function</i>	<input type="checkbox"/>
<b>c</b>	<b><i>Customer function</i></b>	CF 30 <i>Customer function</i>	<input type="checkbox"/>



I have supplied further information related to this page in Section 6

YES

NO

**3.03** Effective date of *controlled functions* indicated above

/ /

**3.04** Job title (mandatory for *controlled functions* 29)

Please refer to notes on the requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm? †

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

YES  NO



I have supplied further information related to this page in Section 6

YES  NO

Version 6 5

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime

**3.05**

**Complete this section only if the application is on behalf of more than one firm.**

List all firms within the group (including the firm entered in 2.01) for which the candidate requires approval and the requested controlled function for that firm.

	<b>FSA Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for controlled function 29)	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 6

YES

NO

**Version 6 5**

**† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7**

**Short Form A - Incoming EEA**

**Application to perform controlled function under the approved persons regime**

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA/FSA of the revised detail.

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FCA and/or PRA/FSA of the revised detail.

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

**Declaration of Candidate**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

**In signing this form on behalf of the firm:**

**a) I authorise the ~~FSA~~ FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application'**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>),**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

7.01 Candidate's full name<sup>†</sup>

7.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup> The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.

**Version 6 5**

**† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7**

**Short Form A - Incoming EEA**

**Application to perform controlled function under the approved persons regime**

## Declaration of Firm

Knowingly or recklessly giving the ~~FSA FCA and/or PRA~~ information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA FCA and/or PRA~~ and to notify the ~~FSA FCA and/or PRA~~ immediately if materially inaccurate information has been provided.

APER 4.4.7 6 E provides that, where an *approved person* is responsible for reporting matters to the ~~FSA FCA and/or PRA~~, failure to inform the ~~FSA FCA and/or PRA~~ of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA FCA and/or PRA~~. It should not be assumed that information is known to the ~~FSA FCA and/or PRA~~ merely because it is in the public domain or has previously been disclosed to the ~~FSA FCA and/or PRA~~ or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the firm believes on the basis of due and diligent enquiry that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3.**

**FOR FIRMS UNDERTAKING ANY NON MIFID BUSINESS PLEASE ALSO COMPLETE THE FOLLOWING**

**The firm also believes, on the basis of due and diligent enquiry, that the candidate is competent to fulfil the duties required in the performance of such function(s).**

YES  NO

With reference to the above, the ~~FSA FCA and/or PRA~~ may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

**In signing this form on behalf of the firm:**

**a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the ~~FSA FCA and/or PRA~~, will be sent to each of those firms at the same time as submitting the Form to the ~~FSA FCA and/or PRA~~.**

**c) I confirm the candidate has been made aware of the regulatory responsibilities of proposed role as set out in, the Statements of Principle and Code of Practice for Approved Persons.**

**(<http://fsahandbook.info/FSA/html/handbook/APER>),**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

Tick here to confirm you have read and understood this declaration: <sup>∞</sup>

7.03 Name of the firm submitting the application<sup>†</sup>

7.04 Name of person signing on behalf of the firm<sup>†</sup>

7.05 Job title<sup>†</sup>

7.06 Signature<sup>\*</sup>

Date<sup>†</sup> / /

<sup>∞</sup>The above question(s) should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.

<sup>†</sup>The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup>The above question(s) should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if submission of this form is online.

Version 6 5

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Short Form A - Incoming EEA

Application to perform controlled function under the approved persons regime



Application number  
(for FSA FCA/PRA use only)

The ~~FSA~~ has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the ~~FSA's website~~ both FCA and PRA websites at:  
[http://www.fsa.gov.uk/pubs/forms/imap\\_forma\\_notes.doc](http://www.fsa.gov.uk/pubs/forms/imap_forma_notes.doc)  
[http://media.fshandbook.info/Forms/notes/imap\\_forma\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forma_notes.doc)  
<http://www.bankofengland.co.uk/PRA>

Both the applicant and the candidate will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Short Form A – UK and Overseas Firms (not Incoming EEA)

### Application to perform controlled functions under the approved persons regime

~~FSA~~ FCA Handbook Reference: SUP 10A Annex 4D

PRA Handbook Reference: SUP 10B Annex 4D

~~1 May 2014~~ 1 April 2013

Name of *candidate*<sup>†</sup>  
(to be completed by applicant firm)

Name of *firm*<sup>†</sup>  
(as entered in 2.01)

*Firm* reference number<sup>†</sup>  
(as entered in 2.02)

~~The Financial Services Authority~~ Financial  
Conduct Authority  
 25 The North Colonnade  
 Canary Wharf  
 London E14 5HS  
 United Kingdom  
 Telephone +44 (0) 845 606 9966  
 Facsimile +44 (0) 207 066 0017  
 E-mail ~~iva@fsa.gov.uk~~ iva@fca.org.uk

Prudential Regulation Authority  
 20 Moorgate  
 London  
 EC2R 6DA  
 United Kingdom  
 Telephone +44 (0) 203 461 7000  
 E-mail PRA.firmenquiries@bankofengland.co.uk  
 Website www.bankofengland.co.uk/PRA

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

Website <http://www.fsa.gov.uk>  
<http://www.fca.org.uk>

1.01 a	Candidate <del>FSA</del> Individual Reference Number (IRN) †	
b	OR name of previous regulatory body †	
c	AND previous reference number (if applicable) †	
1.02	Title (e.g. Mr, Mrs, Ms, etc) †	
1.03	Surname †	
1.04	ALL forenames †	
1.05	Name commonly known by †	
1.06	Date of birth (dd/mm/yyyy) †	/ /
1.07	National Insurance number †	
1.08	Previous name †	
1.09	Date of name change †	/ /
1.10 a	Nationality †	
b	Passport number (if National Insurance number not available) †	
1.11	Place of birth †	

➔ **I have supplied further information related to this page in Section 6 †** YES  NO

1.12 a	Private address †	
--------	-------------------	--

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From  /  To  PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)

**1.13 a** Previous address 1<sup>†</sup>

**b** Postcode

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From  /  To  /

**1.14 a** Previous address 2<sup>†</sup>

**1 b** Postcode<sup>†</sup>

**c** Dates resident at this address (mm/yyyy)<sup>†</sup> From  /  To  /

**➔** I have supplied further information related to this page in Section 6<sup>†</sup> YES  NO

2

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

2.01	Name of <i>firm</i> making the application	
2.02	FSA Firm Reference Number (FRN)	
2.03 a	Who should the <del>FSA</del> <u>FCA/PRA</u> contact at the <i>firm</i> in relation to this application?	
b	Position	
c	Telephone	
d	Fax	
e	E-mail	


**I have supplied further information related to this page in Section 6**
 YES  NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	Employee	<input type="checkbox"/>
<i>b</i>	Group employee	<input type="checkbox"/>
	Name of group	
<i>c</i>	Contract for services	<input type="checkbox"/>
<i>d</i>	Partner/Sole trader	<input type="checkbox"/>
<i>e</i>	Appointed representative/tied agent – customer function	<input type="checkbox"/>
	AR firm name and reference number	
<i>f</i>	Appointed representative/tied agent – governing function	<input type="checkbox"/>
	AR firm name and reference number	
<i>g</i>	Other	<input type="checkbox"/>
	Give details	

**3.02** For applications from a single firm, please tick the boxes that correspond to the controlled functions to be performed.  
 If the controlled functions are to be performed for more than one firm, please go to question 3.05

<b>a</b>	<b>Significant influence functions</b>	CF 1 Director function	<input type="checkbox"/>
		CF 2 Non-executive director function	<input type="checkbox"/>
		CF 3 Chief executive function	<input type="checkbox"/>
		CF 4 Partner function	<input type="checkbox"/>
		CF 5 Director of an unincorporated association function	<input type="checkbox"/>
		CF 6 Small friendly society function	<input type="checkbox"/>
	<b>Significant influence functions continued</b>	CF 8 Apportionment and oversight function <i>(this function is not applicable to all firms please refer to Notes for Completing Form A)</i>	<input type="checkbox"/>
		CF 10 Compliance oversight function	<input type="checkbox"/>
		CF 10Aa CASS operational oversight function	<input type="checkbox"/>
		CF 11 Money Laundering reporting function	<input type="checkbox"/>
		CF 12 Actuarial function	<input type="checkbox"/>
		CF 12A With-profits actuary function	<input type="checkbox"/>
<b>b</b>	<b>significant influence functions continued</b>	CF 12B Lloyd's Actuary function	<input type="checkbox"/>
		CF 28 System and controls function	<input type="checkbox"/>
		CF 29 Significant management function	<input type="checkbox"/>
		CF 40 Benchmark submission function	<input type="checkbox"/>
		CF 50 Benchmark administration function	<input type="checkbox"/>
<b>c</b>	<b>Customer function</b>	CF 30 Customer function	<input type="checkbox"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



I have supplied further information related to this page in Section 6

YES

NO

**3.03** Effective date of *controlled functions* indicated above<sup>†</sup>

**3.04** Job title (mandatory for *controlled function* 28 & 29)<sup>†</sup>

Please refer to notes on the requirements for submitting a CV

**Insurance mediation**

Will the candidate be responsible for Insurance mediation at the firm?

(Note: Yes can only be selected if the individual is applying for (CF1, 3-8 or 29)

YES  NO



I have supplied further information related to this page in Section 6<sup>†</sup>

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.05 Complete this section only if the application is on behalf of more than one firm.**

List all *firms* within the *group* (including the *firm* entered in 2.01) for which the *candidate* requires approval and the requested *controlled function* for that *firm*.<sup>†</sup>

	<b>Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for controlled function 28 & 29)	<b>Effective date</b>
<b>a</b>					/ /
<b>b</b>					/ /
<b>c</b>					/ /
<b>d</b>					/ /
<b>e</b>					/ /



I have supplied further information related to this page in Section 6

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long form A as opposed to a Short Form A informing the ~~FSA~~ FCA and/or PRA of the revised detail.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

This section has been removed. However if there has been a change to the detail in this section since your last approval, you must submit a Long Form A as opposed to a Short Form A informing the FSA FCA and/or PRA of the revised detail.

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

- 6.00
- If there is any other information the *candidate* or the *firm* considers to be relevant to the application, it must be included here.
  - If this application relates to a Significant influence controlled function then please provide full details of
    - why the candidate is competent and capable to carry out the controlled function(s) applied for.
    - why the appointment complements the firm's business strategy, activity and market in which it operates.
    - how the appointment was agreed including details of any discussions at governing body level (where applicable).
  - Please also include here any additional information indicated in previous sections of the Form.
  - **Please include a list of all directorships currently or previously held by the *candidate* in the past 10 years (where *director* has the meaning given in the *Glossary*.)**
  - If there is insufficient space, please continue on a separate sheet of paper and clearly identify the section and question to which the additional information relates.
  - **Full details must be provided here if there were any issues that could affect the Fitness and Propriety of the individual that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.**

Question	Information
	<p data-bbox="448 1715 1190 1742">Please indicate how many additional sheets are being submitted</p>

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Declaration of *Candidate***

Knowingly or recklessly giving the *FSA FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the *FSA FCA and/or PRA* merely because it is in the public domain or has previously been disclosed to the *FSA FCA and/or PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FSA FCA and/or PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FSA FCA and/or PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the *FSA FCA and/or PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>)**

**(<http://fshandbook.info/fs/html/handbook/APER>)**

**(<http://www.bankofengland.co.uk/PRA>)**

7.01 *Candidate's* full name<sup>‡</sup>

7.02 Signature<sup>\*</sup>

Date<sup>‡</sup> / /

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

<sup>‡</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Declaration of Firm

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided.

*APER* 4.4.67E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle* 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA.

It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**In making this application the firm:**

**believes on the basis of due and diligent enquiries made to date that the candidate is a fit and proper person to perform the controlled function(s) listed in section 3. The firm also**

**believes, on the basis of due and diligent enquiry, that the candidate is competent (including having achieved the relevant qualifications) to fulfil the duties required in the performance of such function(s).**

**In signing this form on behalf of the firm:**

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application, and sign this Form, on behalf of each firm identified in section 3.05. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA, will be sent to each of those firms at the same time as submitting the Form to the FSA FCA and/or PRA.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

(<http://fsahandbook.info/FSA/html/handbook/APER>)

(<http://fshandbook.info/fs/html/handbook/APER>)

(<http://www.bankofengland.co.uk/PRA>)

7.03 Name of the firm submitting the application<sup>‡</sup>

7.04 Name of person signing on behalf of the firm<sup>‡</sup>

7.05 Job title<sup>‡</sup>

7.06 Signature<sup>\*</sup>

Date<sup>‡</sup> / /

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

‡ The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in *SUP* 15.7

## **Guidance Notes to assist with the completion of the Long and/or Short Form A for UK, Overseas and Incoming EEA firms for an application to perform controlled function(s) under the approved persons regime.**

PLEASE NOTE: A *CANDIDATE* MUST NOT PERFORM ANY *CONTROLLED FUNCTION* UNTIL THE ~~FSA~~ FCA and/or PRA HAS GRANTED APPROVAL.

Full details of the ~~approved persons regime and the application process~~ are given in chapter 10 (Section 10.12) of the Supervision manual ('*SUP*').

For more information on the factors which the FSA takes into account when considering applications, please refer to the Fit and Proper Test for Approved Persons ('*FIT*') in the FSA Handbook.

### **The purpose of this Form What is the Form A used for?**

This Form is referred to in the relevant direction in SUP 10.12. This Form must be used where the *candidate* is an individual seeking approval to perform *controlled functions*. The *firm* is the applicant.

The Form A is used by an authorised firm which seeks the *FCA* and/or *PRA*'s approval under section 59 of the Financial Services and Markets Act 2000 ("FSMA") for a particular individual to perform controlled functions. The Form A is referred to in the Supervision Manual ("*SUP*") [<http://fshandbook.info/FS/html/handbook/SUP>] which is part of the Handbook. Full details of the *approved persons* regime and the application process are given in Chapter 10 of *SUP* (*SUP* 10A of the *FCA* manual and 10B of the *PRA* manual).

The applicant is the *firm* that makes the application for approval. The *candidate* is the individual in respect of whom the application is made. The Form A must be completed by the *firm* with information provided by the *candidate*. Both the *firm* and the *candidate* must sign the Form A.

Applications for corporate *candidates* must be made using an adapted Form A that will be supplied by the ~~FSA~~ FCA and/or PRA upon request.

### **Important information about the Form A**

The Form A is of the **utmost importance** to the *FCA* and/or *PRA* assessment of the fitness and propriety of the *candidate*.

**All** information relevant to the application must be provided to the *FCA* and/or *PRA* with the Form A. This applies even if the information is, or is believed to be, already known to the *FCA* and/or *PRA*, as a result of it being in the public domain, or has been previously disclosed to the *FCA* and/or *PRA* or to another regulatory body. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included; if in doubt, disclose it.

If the *firm* or *candidate* becomes aware of further information which might be relevant to the application following submission of the Form A, it should provide it to the *FCA* and/or *PRA* immediately. The obligation to provide full, frank and unambiguous information does not stop with the submission of the Form A.

The information supplied by the *candidate* should be verified by the *firm* wherever possible. If the *FCA* and/or *PRA* vetting checks reveal any matters that have not been disclosed, then applications will be delayed and, in some cases, possibly rejected.

The *firm* is responsible for the accuracy of the data and completion of the Form A. If the Form A is not fully and correctly completed, the *FCA* and/or *PRA* may need to return it for proper completion. This could significantly delay the *FCA* and/or *PRA*'s decision on whether to grant approval to perform the requested *controlled functions*.

The FCA and/or PRA may require the applicant to provide further information at any time after receiving an application and before determining whether approval is to be granted or not. It may direct the format in which this information is provided, for example, in an interview with the candidate.

### **Key assumptions about the firm and the candidate**

The FCA and/or PRA relies on the information contained in the Form A and makes certain assumptions about the firm and the candidate in considering the information contained in the form. It is very important that the candidate and the firm are aware of these assumptions:

1. it is assumed that the candidate is not performing the controlled function applied for. A candidate must not perform any controlled function until the FCA and/or PRA, has granted approval. If the firm permits the candidate to perform controlled functions without FCA and/or PRA approval it may be in breach of section 59 of FSMA and the candidate may also be in breach of his/her regulatory obligations;
2. it is assumed that the firm and the candidate know and understand the factors which the FCA and/or PRA takes into account when considering the fitness and propriety of the candidate. These factors are set out in the part of the Handbook entitled the Fit and Proper Test for Approved Persons ("FIT") [<http://fshandbook.info/FS/html/handbook/FIT>];
3. it is assumed that the candidate knows and understands the obligations and responsibilities of an approved person. These are set out in the part of the Handbook entitled the Statements of Principle and Code of Practice for Approved Persons ("APER") [<http://fshandbook.info/FS/html/handbook/APER>]; and
4. finally, it is assumed that both the firm and the candidate have read and understood these guidance notes in completing the Form A. **The responsibility for the accuracy and completeness of the information supplied rests with the candidate and the firm.** Seeking legal and/or compliance advice about how to complete the Form A will not discharge that responsibility.

### **Completing this Form Practical notes for completing the Form A**

Expressions in the Form A and in these guidance notes which appear in italics have the meaning given in the Glossary to the Handbook (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the Glossary) [<http://fshandbook.info/FS/html/handbook/Glossary>].

The Form A must be completed in black ink and (if in manuscript) in BLOCK LETTERS. It is now possible to complete the Form A online, using the FCA's Online Notifications and Applications ("ONA") system. See the FCA ONA pages for details of this:

[<http://www.fca.org.uk/your-fca>]; and/or  
<http://www.bankofengland.co.uk/PRA>

All dates should be provided in numeric form (e.g. 29/02/2000 for 29 February 2000).

Indicate clearly if a question is not applicable. Tick Select the appropriate box where a yes/no answer is required. Where you answer "yes" you must:

- (1) provide Further details should be given in section 6 (Supplementary Information) of the Form A. If there is insufficient space for a detailed answer then you may attach further pages; and
- (2) tick "yes" at the bottom of the relevant page of the Form A to confirm that you have provided additional information.

Additional information can be attached to the Form. It must be securely attached to the Form and you must indicate at section 6.0 the number of additional sheets attached.

If you want to attach additional information to the Form A it must be securely attached, for example by stapling it to the Form A and you should state in section 6 (Supplementary Information) the number of additional sheets attached.

~~Do not assume that information is known to the FSA merely because it is in the public domain, or has been previously disclosed to the FSA or to another regulatory body. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included. The information supplied by the candidate should be verified by the firm wherever possible. If the FSA's vetting checks reveal any matters that have not been disclosed, then applications will be subject to investigation and the candidate's suitability to be approved will be called into question. A person who knowingly or recklessly provides information to the FSA that is false or misleading may commit a criminal offence, and could face prosecution under section 398 of the Act regardless of the status of their application.~~

~~Expressions in this Form in italics have the meaning given in the Glossary to the FSA's Handbook (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the Glossary).~~

~~The firm is responsible for the accuracy of the data and completion of the Form. If the Form is not fully and correctly completed, the FSA may need to return it for proper completion. This could significantly delay the FSA's decision on whether to grant approval to perform the requested controlled functions~~

~~The FSA may require the applicant to provide further information at any time after receiving an application and before determining whether approval is to be granted or not.~~

~~**If a firm has provided, or has information that reasonably suggests that it may have provided, the FSA with information which was or has become false, misleading, incomplete or inaccurate, in a material particular, it must notify the FSA immediately.. Failure to notify the FSA may result in a delay in processing or rejection.**~~

## **SHORTENED APPLICATION FORM**

### **The two types of Form A: Short Form A and Long Form A**

There are two types of Form A; a Long Form A and a Short Form A. The key difference is that the Long Form A requires detailed information about the fitness and propriety of the candidate.

Please use the shortened application form if any of the following conditions apply The Short Form A may be used if any of the following conditions apply:

- (1) an approved person individual who is already an approved person is applying to perform an additional controlled function under an arrangement with the same firm; or
- (2) the candidate has ceased to perform a controlled function under an arrangement with firm A and now requires approval to perform a controlled function under an arrangement with firm B. These can be two entirely different firms and not just two firms in the same group (however, see the important exception below at paragraph (3)); or
- (3) an approved person individual who is already an approved person with another firm, firm B, is applying to perform a controlled function for a different firm, firm A and is already authorised approved for that particular group of functions (i.e. either SIF functions: CF1-12B, CF28, CF29, or 30 40 or 50) for another firm. For example, if a the individual is approved to perform CF2 non-executive director is applying to be approved as a CF2 for an additional firm for firm B and now seeks a second, additional approval to be CF1 director for another firm, firm A.

~~A Submission of a CV is only applicable to short form applicants if they have never previously held a significant function or, if the previous submission of their CV when applying for a significant function, has altered from their previous application or the application is for a governing function of an appointed representative. It should be attached securely to the Form.~~

You should submit a curriculum vitae ('CV') with the Short Form A if:

- (1) the candidate has never previously held a significant influence function (CF1-12B, 28, 29, 40 or 50); or
- (2) the candidate's CV has altered from the last time they applied for a significant influence function (i.e. it has changed from the last time the FCA and/or PRA had sight of the CV)

The CV should be attached securely to the Short Form A by stapling it. If you are submitting the Short Form A online, using ONA, the CV should be attached to the application electronically. For help using ONA, refer to:

<http://www.fca.org.uk/your-fca> and/or  
<http://www.bankofengland.co.uk/PRA>

However, a full Form A must be completed in full if: The Long Form A **must** be completed if:

- (1) the candidate ceased to be an approved person more than six months ago;
- (2) the candidate or approved person is seeking approval in respect of a significant influence function for the first time, or has not been approved in a significant influence function within the last 6 months; or
- (3) there have been any changes to the answers provided in section 5 of the application form. there have been any matters arising in relation to the candidate's fitness and propriety which mean that their answers to Section 5 of the Long Form A (Fitness and Propriety) may have changed since they last completed a Form A (i.e. since they last made an application for approval).

For example, such matters could include (but are not limited to), where:

- the candidate has been investigated by the FCA and/or PRA, by another regulatory body or an authorised firm;
- the candidate has had CCJs registered against their name or has entered into a voluntary arrangement with creditors (whether formal or informal);
- the candidate has been the subject of a criminal investigation or convicted of criminal offences; or
- the candidate has been the subject of any civil action.

**If you are in any doubt whether a Short Form A is acceptable, please submit a Long Form A and make full disclosure of all issues which could potentially be relevant. A Long Form A is acceptable in all circumstances. If in doubt, disclose.**

## **SECTION 1 – CANDIDATE PERSONAL IDENTIFICATION DETAILS**

The information collected in this section (including nationality, place of birth, date of birth, previous names) is used to assist us in verifying the identity of the candidate thereby enabling us to discharge our statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. This information will not be disclosed for any other purpose without the permission of the applicant candidate.

~~If the candidate has more than one previous name (surname or forenames), passport number or nationality, or is known by any other names, provide details in section 6. (please see 1.08, 4.10)~~

~~1.01: If the *candidate* does not have an *FSA* Individual Reference Number or does not know it, include the name of the previous regulator and the previous Individual Reference Number, as applicable. For individuals who have previously been approved with the *FSA*, their reference number can be found on the Register of Individuals on the *FSA* website.~~

~~1.12 to 14: A full 3 year history for *United Kingdom* addresses must be given for the candidate. Any gaps must be fully explained or a statement provided in either the address history or section 6 of the form, stating that the individual resides abroad.~~

~~The information collected in this section (including nationality, place of birth, date of birth, previous names) is used to assist us in verifying the identity of the candidate thereby enabling us to discharge our statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. This information will not be disclosed for any other purpose without the permission of the applicant.~~

~~1.01a: For individuals who have previously been approved with the *FCA* and/or *PRA* their *FCA* and/or *PRA* Individual Reference Number (“IRN”) can be found on the Register of Individuals on the *FCA* and/or *PRA* websites:  
[\[http://www.fca.org.uk/your-fca\]](http://www.fca.org.uk/your-fca); and/or  
<http://www.bankofengland.co.uk/PRA>~~

~~If the *candidate* has been approved before but does not know their Individual Reference Number and it is not on the Register of Individuals then leave this box blank. Equally, if the candidate does not have an IRN because they have not been an approved person before then leave this box blank.~~

~~1.01b If the *candidate* has previously been an approved person but with a predecessor organisation of the *FCA* and/or *PRA* (for example the Personal Investment Authority) then include the name of the previous regulator here. In addition, please provide the date(s) of approval and the name(s) of the firm(s) involved in the supplementary section in section 6.~~

~~1.01c If the *candidate* has previously been an approved person but with a predecessor organisation of the *FCA* and/or *PRA* then include the previous Individual Reference Number, here.~~

~~1.05: If the *candidate* is commonly known by a different name other than that which appears on their passport or national insurance card then put this name here. This may include, for example, a shortened version of their full name or where they are known by a middle name or names given as a result of naming conventions whether for religious or other reasons. If the candidate has more than one alternative name, please give all other names known by in section 6.~~

~~1.08 If the *candidate* has changed their name (surname or forenames), for example due to marriage, then please put this previous name in the box. If the *candidate* has more than one previous name, please provide details of all the previous names in section 6.~~

~~1.10a If the *candidate* has more than one nationality, please provide details in section 6 as to all nationalities held and the reasons for this.~~

~~1.10b If the *candidate* has more than one passport number, please provide details in section 6 as to all passport numbers held and the reasons for this.~~

~~1.12 to 14: A full 3 year history for all *United Kingdom* addresses must be given for the *candidate*. Any gaps must be fully explained in either the address history section of the form here or, if more space is needed, in section 6 of the form. If any gaps are as a result of the *candidate* being resident outside the UK, please state this and give details of where the *candidate* resided during this period. It is open to the *candidate* to provide a written statement if this is simpler which should be attached to the Form A.~~

## SECTION 2 – FIRM IDENTIFICATION DETAILS

~~2.01 & 2.02: This section identifies the *firm* making the application by *FSA Firm Reference Number (FRN)* and name.~~

2.01 This is the name of the *firm* that is the *applicant* for the purposes of section 59 FSMA. Where the *candidate* will be working at a subsidiary or appointed representative of the *firm* then this will be given at question 3.05 of the Form A.

2.02: This is the *FCA* and/or *PRA Firm Reference Number (FRN)* of the *firm* that is the *applicant* for the purposes of section 59 FSMA. The FRN can be found on the Register of Firms on the *FCA* and/or *PRA* websites: [<http://www.fca.org.uk/Pages/register/index.shtml>]; and/or <http://www.bankofengland.co.uk/PRA>

2.03: The *firm* must ~~indicate~~ give a point of contact for any queries in connection with the application and must provide a telephone contact number and e-mail address. Please note that this need not be the same person that signs the Form A on behalf of the *firm* but should be someone who is able to field and/or answer any questions that the *FCA* and/or *PRA* may have in relation to the application. The signatory will be responsible for the accuracy of the information in the form.

## SECTION 3 – ARRANGEMENTS AND CONTROLLED FUNCTIONS

~~The *firm* must tick the box in 3.01 that most accurately describes its *arrangement* with the *candidate*.~~

In this section, the *firm* should describe its *arrangement* with the *candidate*.

Unless the *firm* indicates otherwise, the *FCA* and/or *PRA* assumes that the *arrangement* detailed by the *firm* on the Form A includes all of the activities that fall within the description of the *controlled function*. This means that a *firm* may alter a *candidate's* responsibilities within the broad description of a *controlled function* without needing further approval from the *FCA* and/or *PRA*. However, where the responsibilities of the individual fall outside the description of the *controlled function* the *firm* must consider what further approval is necessary. Permitting an individual to perform a *controlled function* without *FCA* and/or *PRA* approval is a breach of section 59 of FSMA.

*Firms* wishing to seek guidance with regard to MiFID the Markets in Financial Instruments Directive (MiFID) and how it applies to the selection of *controlled functions* should refer to the MiFID Practical Guide at:

[http://www.fca.gov.uk/pubs/international/mifid\\_guide.pdf](http://www.fca.gov.uk/pubs/international/mifid_guide.pdf)  
<http://www.fca.org.uk/your-fca>; and/or  
<http://www.bankofengland.co.uk/PRA>

~~For applications from~~ Where the application is for the *candidate* to perform the controlled function(s) at a single *firm*, the *firm* should ~~complete~~ answer questions 3.02, 3.03 & and 3.04 indicating the *controlled functions* required by selecting the appropriate box in 3.02.

However, if the application is being made on behalf of a *candidate* who ~~will carry out~~ proposes to perform *controlled functions* for more than one *firm*, then question 3.05 must be used also be answered to describe the *controlled functions* and the relationships between the *candidate* and ~~these firms~~ each *firm* for which the *candidate* proposes to perform the controlled function.

~~3.01: If this application relates to more than one *appointed representative*, provide details in section 6.~~

Please select the box in 3.01 that most accurately describes the *arrangement* with the *candidate*.

If the *candidate* will perform a controlled function on behalf of the *firm* for an *appointed representative* of the *firm* then select the appropriate box at 3.01e or 3.01f and detail the *firm* name and FRN. If the *candidate* proposes to perform *controlled functions* for more than one *appointed representative*, then

the details of each *appointed representative*, including the firm name and FRN should be provided in section 6.

3.02: ~~If the *controlled function 29* is requested, the specific job title of the *candidate* must be included.~~

Guidance about the particular controlled functions can be found in Chapter 10 of the Supervision manual. SUP 10A of the FCA manual and 10B of the PRA manual.

3.03: ~~The effective date is the date on which the *firm* wishes the *candidate* to begin performing *controlled functions* (subject to approval). **This should be left blank unless there is a reason for the effective date to be beyond the FSA's published standard response times.**~~

This box should be left blank in all cases unless there is a reason to **delay the commencement of the performance of the controlled functions** (subject to approval) until a date which is after the FCA and/or PRA published standard response times, details of which can be found at:

<http://www.fca.org.uk/your-fca>; and/or  
<http://www.bankofengland.co.uk/PRA>

The FCA and/or PRA will assume that the *firm* wishes an application to be determined as soon as possible unless this box is completed and the reason for the delay set out in section 6 of the Form A.

**Please note that the *candidate* must not perform the *controlled function* until the FCA and/or PRA approval has been granted. To do so will mean that both the *firm* and the *candidate* may be in breach of FCA and/or PRA rules and principles.**

3.04a If the *candidate* seeks approval for a *significant influence function*, the specific job title of the *candidate* must be included.

3.04b Insurance mediation

This is not a *controlled function* in its own right. However, every *firm* that carries on insurance mediation activities must appoint an approved person(s) who will be responsible for insurance mediation activities at the *firm* (as detailed at MIPRU 2.2;

<http://fshandbook.info/FS/html/handbook/MIPRU/2/2>

This responsibility must be allocated to a member of the governing body of the firm or in certain circumstances, a senior manager. (i.e. an individual that is applying for approval as CF1, 3-8 or 29).

Please note that insurance mediation is not applicable to *Appointed Representatives*.

Unless the *firm* indicates otherwise, the FSA assumes that the *arrangement* given on the application form includes all of the activities that fall within the description of the *controlled function*. This means that a *firm* may alter a *candidate*'s responsibilities within the broad description of a *controlled function* without needing further approval from the FSA.

#### **SECTION 4 – EMPLOYMENT HISTORY FOR PAST 5 YEARS (Not applicable for a short application)**

A full five-year employment history for the *candidate* must be provided including their current employment at the time of application, with all gaps explained. If the record of employment does not go back five years, all periods of education and unemployment must be indicated. Full details of any periods of self-employment must be included.

Always give the address of the actual place of employment, rather than a central head office.

If there are insufficient pages to provide all of a *candidate's* employment history, either add the information at section 6 or photocopy page 7 and attach the additional pages.

“Regulatory body” in this context means the bodies listed in the notes to section 5 (overleaf).

State the position held by the *candidate* and a brief explanation of his or her duties. If the *candidate's* job title included the word “*director*” but his or her duties did not include those associated with the title of *director*, as defined in the *Glossary*, this should be indicated.

The reason for leaving each employer must be given. If there were any issues arising on leaving that could affect the Fitness and Propriety of the individual, these must be fully explained in section 6. Previous employers may be contacted and the omission of relevant details may result in applications being delayed and, in some cases, possibly rejected.

***Candidates who are applying for significant influence functions (CF1 to 12 CF1-12B, 28; or 29; 40 or 50) are required to submit a copy of their curriculum vitae (CV), in addition to completing section 4 of this Form, unless the application is for a governing function of an appointed representative. It should be attached securely to the Form.*** This is only applicable to short form applicants if they have never previously held a *significant influence function* or if ~~the previous submission of their CV when applying for a significant function, has altered from their previous application~~ their CV has altered from the version submitted with their previous application for a significant influence function.

## **SECTION 5 – FITNESS AND PROPRIETY (Not applicable for a short application)**

Answer the question by ticking the relevant ‘yes’ or ‘no’ box. If the answer to any of the questions is ‘yes’, give complete details in section 6 and attach relevant supporting documentation.

5.01 to 5.02 It is for senior management to decide what checks should be made. Under the Rehabilitation of Offenders Act 1974 (Exceptions) Order 1975 (‘the Order’)(see Articles 3 and 4 of the Order) the ~~FSA FCA~~ and/or ~~PRA~~ and the firm have a right to ask about spent, as well as unspent, criminal convictions for employment purposes about candidates for *approved person* status [see Section 5.05 of Form A –(Application to perform controlled functions under the approved persons regime.)]

Cautions are not within the ambit of the Rehabilitation of Offenders Act 1974. Hence cautions never become spent and if asked, a *candidate* must inform a potential employer and the ~~FSA FCA~~ and/or ~~PRA~~ whether he/she has received a caution.

5.03 to 5.06: Court judgments (e.g. County Court Judgments) and arrangements with creditors (e.g. Individual Voluntary Arrangements) are covered by questions 5.03 to 5.06. Any outstanding County Court Judgments or arrangements with creditors must be listed in section 6, and the circumstances surrounding them explained. The ~~FSA-FCA~~ and/or ~~PRA~~ will conduct credit checks.

“Regulatory body” in this context refers to:

- i) the self-regulatory organisations including *IMRO, SFA, PIA, LAUTRO, FIMBRA, AFBD* and *TSA*;
- ii) the statutory bodies including the ~~FSA~~, *Financial Conduct Authority, Prudential Regulation Authority*, the *Financial Services Authority, SIB*, the *Society of Lloyd's*, the *Registry of Friendly Societies*, the *Friendly Societies Commission*, the *Building Societies Commission*, the *Bank of England*; *HM Treasury – Insurance Directorate* (formerly of the *DTI*) and the *recognised bodies*;
- iii) the *designated professional bodies*; and
- iv) the equivalent of all such regulators overseas.

5.09 This question covers internal investigation by an authorised *firm* in addition to investigations by a regulatory body **at any time**.

## SECTION 6 – SUPPLEMENTARY INFORMATION

This section provides space for additional information. It should be used to disclose additional information about "yes" answers in section 5 of the full Form A and any information which is not the subject of a specific question in section 5, but is might be relevant to the consideration of fitness and propriety, including in relation to the reasons for leaving the firms listed in section 4. For more information on the factors which the ~~FSA~~ FCA and/or PRA ~~takes~~ may take into account when considering applications, please refer to "FIT" in the ~~FSA~~ Handbook.

List here all directorships currently held or previously held in the past **10** years by the *candidate*.

~~Relevant documents~~ Supporting documentation must also be provided, such as evidence of the settlements of ~~County Court Judgments~~ CCJs.

## SECTION 7 – DECLARATIONS & SIGNATURES

This section contains declarations which must be signed by both an appropriate individual for the *firm* or applicant submitting the application and the *candidate*. Signatures MUST NOT be dated more than 3 months prior to the date of submission of the application. The ~~FSA~~ FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59~~(5)~~(7B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions* 1 to 12~~B~~, 28, or 29, 40 or 50) or someone to whom the *firm* has delegated the authority to notify the ~~FSA~~ FCA and/or PRA. The candidate should not sign the declaration on behalf of the firm unless he is a sole trader or the sole director in a limited company. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*. All signatures submitted on forms should be originals.

It is a criminal offence under section 398 of the Financial Services and Markets Act 2000 to knowingly or recklessly provide the FCA and/or PRA with false or misleading information.

Incoming *EEA Firms* undertaking non-MiFID business must confirm by using the tick box that the *candidate* is competent to perform the *controlled function(s)* for which this application is made.

N.B. Please keep these notes before returning the completed Form to the FCA and/or PRA.

**If you have any questions or need additional information, please contact the Firm Contact Centre FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or e-mail [iva@FSA.gov.uk](mailto:iva@FSA.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk).**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY~~  
~~Permissions, Decisions and Reporting~~  
~~Financial Conduct Authority~~  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom

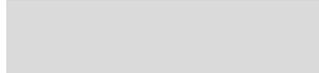
Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



Application number  
(for ~~FSA~~ FCA/PRA use only)



The ~~FSA~~ has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the ~~FSA's website at~~

~~[http://www.fsa.gov.uk/pubs/forms/imap\\_formb\\_notes.doc](http://www.fsa.gov.uk/pubs/forms/imap_formb_notes.doc)~~ FCA and PRA website at

[http://media.fshandbook.info/Forms/notes/imap\\_formb\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formb_notes.doc)

[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Both the applicant and the candidate will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form B

# Notice to withdraw an application to perform controlled functions under the approved persons regime

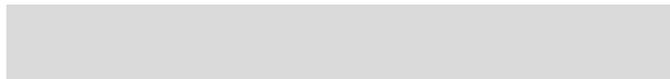
*FSA Handbook Reference: SUP 10 Annex 5R 1 November 2007*

*FCA Handbook Reference: SUP 10A Annex 5R*

*PRA Handbook Reference: SUP 10B Annex 5R*

1 April 2013

Name of *candidate*  
(to be completed by applicant)



Name of *firm*  
(as entered in 2.01)



~~The Financial Services Authority~~  
~~Permissions, Decisions & Reporting Division~~  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000

Facsimile +44 (0) 207 066 0017  
E-mail ~~iva@fca.gov.uk~~ [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website ~~http://www.fsa.gov.uk~~  
<http://www.fca.org.uk>  
Registered as a Limited Company in England  
and Wales No 1920623. Registered Office as  
above

Email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Registered as a Limited Company in England and  
Wales No 07854923. Registered Office: 8 Lothbury  
Road, London, EC2R 7HH

**Personal identification details**

**Section 1**

**1.01** *Candidate FSA* Individual Reference Number (IRN)

**1.02** Title (e.g. Mr, Mrs, Ms, etc)

**1.03** Surname

**1.04** ALL forenames

**1.05** Date of birth

**1.06** National Insurance number

**1.07** *Candidate's* private address



I have supplied further information related to this page in Section 4

YES

NO

2.01 Name of *firm*

2.02 ~~FSA~~ Firm Reference Number (FRN)

2.03 a Who should the ~~FSA~~ FCA/PRA contact at the *firm* in relation to this notice?

b Position

c Telephone

d Fax

e E-mail

2.04 *Firms included on application Form (including applicant firm)*

	<del>FSA</del> FRN	Name of <i>firm</i>	Controlled functions
a	<input type="text"/>	<input type="text"/>	<input type="text"/>
b	<input type="text"/>	<input type="text"/>	<input type="text"/>
c	<input type="text"/>	<input type="text"/>	<input type="text"/>
d	<input type="text"/>	<input type="text"/>	<input type="text"/>
e	<input type="text"/>	<input type="text"/>	<input type="text"/>



I have supplied further information related to this page in Section 4 YES  NO

**3.01** Indicate the reason for withdrawal

- |          |                                       |                          |
|----------|---------------------------------------|--------------------------|
| <i>a</i> | Internal movement of staff            | <input type="checkbox"/> |
| <i>b</i> | Termination of employment or contract | <input type="checkbox"/> |
| <i>c</i> | Resignation                           | <input type="checkbox"/> |
| <i>d</i> | Redundancy                            | <input type="checkbox"/> |
| <i>e</i> | Withdrawal of offer of employment     | <input type="checkbox"/> |
| <i>f</i> | End of contract                       | <input type="checkbox"/> |
| <i>g</i> | Suspension                            | <input type="checkbox"/> |
| <i>h</i> | Other                                 | <input type="checkbox"/> |
- GIVE DETAILS IN SECTION 4



I have supplied further information  
related to this page in Section 4

YES

NO

**4.01** Include here any issues that arose in relation to this withdrawal, such as resignation or termination of contract. Indicate clearly which question supplementary information relates to.

Question	Information

**4.02** How many additional sheets are being submitted?

**DECLARATION OF CANDIDATE**

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

5.01 Candidate's full name

5.02 Signature

Date / /

**DECLARATION BY APPOINTED REPRESENTATIVE OR OTHER FIRM** (if applicable)

**We concur that the application to perform *controlled functions* under the *approved persons* regime made in respect of the above *candidate* should be withdrawn with immediate effect.**

5.03 Name of appointed representative or other *firm*

5.04 Name of *person* signing on behalf of the *firm*

5.05 Job title

5.06 Signature

Date / /

**DECLARATION BY FIRM**

Knowingly or recklessly giving the ~~FSA FCA and/or PRA~~ information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). *SUP* 15.6.1R and *SUP* 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA FCA and/or PRA~~ and to notify the ~~FSA FCA and/or PRA~~ immediately if materially inaccurate information has been provided. ~~APER 4.4.6E 7E~~ provides that, where an *approved person* is responsible for reporting matters to the ~~FSA FCA and/or PRA~~, failure to inform the ~~FSA FCA and/or PRA~~ of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA FCA and/or PRA~~. It should not be assumed that information is known to the ~~FSA FCA and/or PRA~~ merely because it is in the public domain or has previously been disclosed to the ~~FSA FCA and/or PRA~~ or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

5.07	Name of <i>firm</i>	
5.08	Name of <i>person</i> signing on behalf of the <i>firm</i>	
5.09	Job title	
5.10	Signature	
	Date	/ /

## Notes to assist in completing the Form B - Notice to withdraw an application to perform *controlled functions* under the approved persons regime

Full details of the *approved persons* regime and the application process are given in ~~chapter 10 (section 10.12)~~ *SUP 10A* and *SUP 10B* of the *FCA's* and *PRA's* ~~Supervision manual manuals~~.

### The purpose of this form

This Form is referred to in ~~the relevant rule in SUP 10.12~~ *SUP 10A.13* and *SUP 10B.11* of the *FCA's* and *PRA's* *Supervision manuals*. This Form must be used when a *firm* or applicant wishes to withdraw an application to perform *controlled functions* under the *approved persons* regime (Form A) **before** the application has been determined and with immediate effect.

Firms are asked to email ~~IVA@fsa.gov.uk~~ [iva.fca@org.uk](mailto:iva.fca@org.uk) and/or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk) as soon as it is apparent that an application is to be withdrawn, in order that the Approval process can be halted at the earliest opportunity.

### Completing this Form

The Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

A Notice to withdraw an application may be submitted in relation to all or some of the *controlled functions* or *firms* listed on the original application (Form A). If it is submitted in relation to only some of the *controlled functions* or *firms*, you must list at section 4.01 the *controlled functions* and *firms* to which the withdrawal relates. If section 4.01 is left blank it will be assumed that the withdrawal relates to all of the *controlled functions* listed on the original application.

Any issues that arose in relation to this withdrawal, such as resignation or termination of contract, must be explained in section 4.01.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 4.02 the number of additional sheets attached.

Under section 61(5) of the Financial Services & Markets Act (Determination of applications) the *firm* may withdraw the application only if it also has the consent of the *candidate* and the *person* by whom the *candidate* is or would have been employed, if this is not the *firm* making the application

**Along with the candidate, an appropriate individual must sign the declaration for the *firm* submitting the Form. The ~~FSA~~ *FCA* and/or *PRA* considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(5)(7B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions 1 to 12B, 28, & 29, 40 or 50*) or someone to whom the *firm* has delegated the authority to notify the ~~FSA~~ *FCA* and/or *PRA*. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.**

N.B.: ~~Detach and~~ Please keep these notes before returning the completed Form to the ~~FSA~~ *FCA* and/or *PRA*.

~~Firm Contact Centre on 0845 606 9966 or via e-mail at~~ [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk)

**If you have any questions or need additional information, please contact the *FCA* Customer Contact Centre on 0845 606 9966 or *PRA* Firm Enquiries on 020 3461 7000 or e-mail [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk).**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, MUTUALS AND POLICY  
DEPARTMENT~~

FINANCIAL CONDUCT AUTHORITY  
25 THE NORTH COLONNADE  
CANARY WHARF  
LONDON E14 5HS

PRUDENTIAL REGULATION AUTHORITY  
20 MOORGATE  
LONDON  
EC2R 6DA  
UNITED KINGDOM

UNITED KINGDOM



Application number  
(for *FSA FCA/PRA* use only)



The ~~FSA has~~ FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the ~~FSA's~~ FCA and PRA website at [http://fsahandbook.info/FSA/docs/notes/imap\\_formc\\_notes.doc](http://fsahandbook.info/FSA/docs/notes/imap_formc_notes.doc)  
[http://media.fshandbook.info/Forms/notes/imap\\_formc\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formc_notes.doc)  
[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

Both the applicant and the approved person will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

# Form C

## Notice of ceasing to perform controlled functions

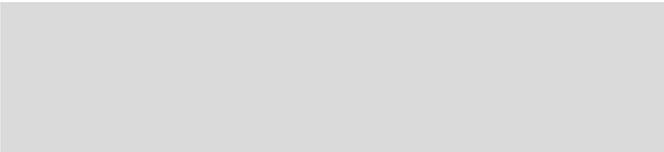
~~FSA FCA Handbook Reference: SUP 10A Annex 6R (Notification under SUP 10.13.6R)~~(Notifications)

~~PRA Handbook Reference: SUP 10B Annex 6R (Notifications)~~

1 April 2013

Name of *approved person*<sup>†</sup>  
(to be completed by applicant)

Name of *firm*<sup>†</sup>



~~The Financial Services Authority - Permissions, Decisions & Reporting Division~~

~~Financial Conduct Authority~~

~~25 The North Colonnade~~

~~Canary Wharf~~

~~London E14 5HS~~

~~United Kingdom~~

~~Telephone +44 (0) 845 606 9966~~

~~Facsimile +44 (0) 207 066 0017~~

~~E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)~~

~~Website <http://www.fsa.gov.uk>~~

~~<http://www.fca.org.uk>~~

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

United Kingdom

Telephone +44 (0) 203 461 7000

E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>†</sup> ~~These questions should be completed whether submissions of this form is online or in one of the other ways set out in SUP 15.7~~

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

## Personal identification details

## Section 1

1.01 *FSA* Individual Reference Number (IRN) †

1.02 Title†  
(e.g. Mr, Mrs, Ms, etc)

1.03 Surname†

1.04 ALL forenames†

1.05 Date of birth†

1.06 National Insurance number†

1.07 *Approved person's* private address†

## Firm identification details

## Section 2

2.01 Name of *firm* \*

2.02 *FSA Firm* Reference Number (FRN) \*

2.03 a Who should the *FSA FCA/PRA* contact at the *firm* in relation to this notice? †

b Business address†

c Position†

d Telephone†

e Mobile†

f Fax†

g E-mail†

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

† The above question(s) appears on an electronic form submission and a paper form submission

† The above question(s) appears on an electronic form submission and a paper form submission

3.01 List all *controlled functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

If the reason for ceasing to perform the *controlled function* is indicated in column B, the FSA FCA and/ or PRA should be notified in accordance with SUP 10.13.7R and SUP 10.13.8G-10A.14.10R, SUP 10A.14.11G, SUP 10B.12.12.R and SUP 10B.12.13G (that is, within one *business day*, by telephone, fax or email) that this Form will be submitted

	FRN <sup>†</sup>	Name of firm <sup>†</sup>	Controlled function <sup>†</sup>	Effective date <sup>†</sup>	Reason <sup>†</sup>	
					A	B Full explanation in 4.02
a				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other (specify in 4.02) <input type="checkbox"/>
b				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other (specify in 4.02) <input type="checkbox"/>
c				/ /	Internal movement of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other (specify in 4.02) <input type="checkbox"/>

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<b>d</b>			/ /	Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in 4.02)
<b>e</b>			/ /	Internal move- ment of staff <input type="checkbox"/> Resignation <input type="checkbox"/> Redundancy <input type="checkbox"/> Retirement <input type="checkbox"/> End of contract <input type="checkbox"/>	Dismissal/ termination of employment or contract <input type="checkbox"/> Suspension <input type="checkbox"/> Other <input type="checkbox"/> (specify in 4.02)



I have supplied further information related to this page in Section 4<sup>†</sup> YES  NO

<sup>‡</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 <sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

**4.01** Is there any other information the approved person or the firm considers to be relevant to the application? †

Please provide full details†

**4.02** Please indicate clearly which question the supplementary information relates to. †

Question	Information

**4.03** How many additional sheets are being submitted? †

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† The above question(s) appears on an electronic form submission and a paper form submission

## Supporting Documents

Indicate the required supporting documents to accompany this form<sup>†</sup>

Documents	Mode (by email, fax or post)

Other information (please specify)<sup>†</sup>

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<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Warning<sup>†</sup>**

Knowingly or recklessly giving the ~~Financial Services Authority (FSA)~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and 15.6.4R require an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA and/or PRA and to notify the ~~FSA~~ FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.6E ~~7E~~ provides that, where an approved person is responsible for reporting matters to the ~~FSA~~ FCA and/or PRA, failure to inform the ~~FSA~~ FCA and/or PRA of materially significant information of which he is aware is a breach of Statement of Principle 4. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection<sup>†</sup>**

For the purpose of complying with the Data Protection Act, the personal information in this Form may be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation and will not be disclosed for any other purpose without the permission of the applicant.

**I confirm that a permanent copy of this application, signed by the firm, will be retained for an appropriate period, for inspection at the ~~FSA's~~ FCA's and/or PRA's request.** Confirm that you have read and understood the declaration:

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the explanatory relating to the Form.**

Tick here to confirm you have read and understood this declaration: ∞

First name of the person signing on behalf of the firm<sup>†</sup>

Surname of the person signing on behalf of the firm<sup>†</sup>

Date<sup>†</sup>

Signature<sup>\*</sup>

Job title<sup>†</sup>

Name of firm<sup>†</sup>

∞ These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>\*</sup> The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

## Notes to assist in completing the Form C - Notice of ceasing to perform *controlled functions*

Full details of the *approved persons* regime and the application process are given in ~~chapter 10 of the Supervision Manual~~ SUP 10A and SUP 10B of the FCA's and PRA's Supervision manuals.

### The purpose of this Form

This Form is referred to in ~~the relevant rule in SUP 10.13~~ SUP 10A.14 and SUP 10B.12 of the FCA's and PRA's Supervision manuals. This Form must be used when an *approved person* ceases to perform one or more *controlled functions*.

If an *approved person* ceases to perform *controlled functions* in respect of a number of *firms* within the same *group*, a single Form C may be used, ensuring all *firms* are clearly marked on the Form.

A *firm* must submit to the ~~FSA~~ FCA and/or PRA a completed Form C no later than seven *business days* after an *approved person* ceases to perform a *controlled function*

Additionally, a forward dated request will not be actioned by the ~~FSA~~ FCA and/or PRA until 7 days before the stated effective day becomes operable.

If a *firm* has reasonable grounds for believing that it will submit a qualified Form C, it must notify the ~~FSA~~ FCA and/or PRA of the fact as soon as practicable.

The Form C is qualified if:

1. the *firm* submitting Form C reasonably believes that the information it contains may affect the ~~FSA's~~ FCA and/or PRA's assessment of an *approved person's* fitness and propriety; or
2. a *firm* dismisses, or suspends, an *approved person* from its employment; or
3. an *approved person* resigns whilst under investigation by the *firm*, the ~~FSA~~ FCA and/or PRA or any other regulatory body.
4. *Firms* are reminded that they should be open and honest with the ~~FSA~~ FCA and PRA as per Principle 11. Any information provided must be factual and able to be substantiated. The ~~FSA~~ FCA and/or PRA reserves the right to use the information provided in carrying out its regulatory functions.

Notification of a qualified Form C must be made in writing by either fax or email and should be made, where possible, within one *business day* of the *firm* becoming aware of the information. If the *firm* does not submit Form C, it should inform the ~~FSA~~ FCA and/or PRA in due course of the reason. This could be done using Form D, if appropriate.

A *firm* is responsible for notifying the ~~FSA~~ FCA and/or PRA if any *approved person* has ceased to perform a *controlled function* under an *arrangement* entered into by its *appointed representative* or former *appointed representative*.

### Completing this Form

This Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 4.02 the number of additional sheets attached.

The reasons why an *approved person* is no longer performing *controlled functions* must be indicated on the Form. However, if an *approved person* has been dismissed or requested to resign, or the *firm* has any doubts about their fitness and propriety (3.01 column B), a full explanation of the reason for the dismissal or resignation must be provided in section 4.01 (supplementary information). If the *firm* ticks the box marked 'Suspension', the *firm* will have to reapply (using Form A) for the individual to perform *controlled functions* again.

The *firm* must also include details of any other matter that the *firm* is aware of and which in its reasonable opinion is relevant in connection with the *approved person* ceasing to perform their *controlled function*.

An appropriate individual must sign the declaration for the *firm* submitting the Form. The ~~FSA~~ FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(5)(7B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions* 1 to 12B, 28, & 29, 40 or 50) or someone to whom the *firm* has delegated the authority to notify the ~~FSA~~ FCA and/or PRA. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

Only the *firm* that made the original application (Form A) may sign this Form except where that individual is the only remaining individual at the firm (e.g. Sole Trader).

N.B.: ~~Detach and~~ Please keep these notes before returning the completed Form to the ~~FSA~~ FCA and/or PRA.

**If you have any questions or need additional information, please contact the ~~Firm Contact Centre~~ FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail at [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk).**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, MUTUALS AND POLICY  
DEPARTMENT~~

THE FINANCIAL CONDUCT AUTHORITY  
25 THE NORTH COLONNADE  
CANARY WHARF  
LONDON E14 5HS  
UNITED KINGDOM

PRUDENTIAL REGULATION AUTHORITY  
20 MOORGATE  
LONDON  
EC2R 6DA  
UNITED KINGDOM



Application number  
(for FSA FCA/PRA use only)

The ~~FSA has~~ FCA and PRA have produced notes which will assist both the applicant and the approved person in answering the questions in this form. Please read these notes, which are available on the ~~FSA's~~ FCA and PRA's website at: [http://fsahandbook.info/FSA/docs/notes/imap\\_formd\\_notes.doc](http://fsahandbook.info/FSA/docs/notes/imap_formd_notes.doc)  
[http://media.fshandbook.info/Forms/notes/imap\\_formd\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formd_notes.doc)  
[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA).

Both the applicant and the approved person will be treated by the ~~FSA~~ FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form D

# Notification of changes in personal information or application details

~~FSA FCA Handbook Reference: SUP 10A Annex 7R (Notification under SUP 10.13.18R)~~

PRA Handbook Reference: SUP 10B Annex 7R

1 April 2013

Name of individual  
(to be completed by applicant)

Name of ~~firm~~  
(as entered in 2.01)

~~The Financial Services Authority~~  
~~Permissions, Decisions & Reporting Division~~  
~~Financial Conduct Authority~~  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

~~Prudential Regulation Authority~~  
~~20 Moorgate~~  
~~London~~  
~~EC2R 6DA~~  
~~United Kingdom~~  
~~Telephone +44 (0) 203 461 7000~~  
~~Email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)~~  
~~Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)~~

## Contact Details

Contact for this notification

	Title <sup>†</sup>	
	First Name <sup>†</sup>	
	Surname <sup>†</sup>	
	Job Title <sup>†</sup>	
	Business address <sup>†</sup>	
	Post code <sup>†</sup>	
	Phone number (including STD code) <sup>†</sup>	
	Email address <sup>†</sup>	
	Mobile No <sup>†</sup>	
	Fax No. <sup>†</sup>	

---

<sup>†</sup>The above question(s) appears on an electronic form submission and a paper form submission

**1.01** If any of the details have changed please provide new details below  
*Approved person* FSA Individual Reference Number (IRN) †

**DETAILS TO BE CHANGED**

**1.02** Title (e.g. Mr, Mrs, Ms, etc) †

**1.03** Surname †

**1.04** ALL forenames †

**1.05** Date of birth † //

**1.06** National Insurance number †

**1.07** Nationality †

**1.08** Passport number †

**1.09** Other changes in application details and matters relating to fitness and propriety †

**1.10** Effective date of change † //

**1.11** Reason for change †

➔ I have supplied further information related to this page in Section 3 YES  NO

Do you want to notify us of a change of arrangement between the approved person and the firm? †

Does the change in arrangement relate to an appointed representative? †

Current appointed representative details? †

AR FRN	Firm Name

Do you want to add an appointed representative? †-

Do you want to remove an appointed representative? †

As a result of this removal you will need to consider whether to submit a withdrawal of a CF and/or an Appointed Representative termination

Please select the appointed representative to remove †-

AR FRN	Firm Name	Remove

Effective Date †-

---

†-The above question(s) appears on an electronic form submission and a paper form submission

2.01 Name of *firm*

2.02 Firm Reference Number (FRN) <sup>‡</sup>

2.03 Other *firms* for whom the individual performs *controlled functions* †

	<b>FSA FRN</b>	<b>Name of firm</b>	<b>Controlled function</b>
a	<input type="text"/>	<input type="text"/>	<input type="text"/>
b	<input type="text"/>	<input type="text"/>	<input type="text"/>
c	<input type="text"/>	<input type="text"/>	<input type="text"/>
d	<input type="text"/>	<input type="text"/>	<input type="text"/>
e	<input type="text"/>	<input type="text"/>	<input type="text"/>



I have supplied further information related to this page in Section 3

YES  NO

# Fitness and Propriety<sup>†</sup>

Do you want to notify us of a change to the approved person's fitness and propriety?

1. Has the approved person ever been convicted of any offence (whether spent or not and whether or not in the United Kingdom); (i) involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences and/or other dishonesty; or (ii) relating to companies, building societies, industrial and provident societies, credit unions, friendly societies, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, money laundering, market manipulations and/or insider dealing?

Enter full details in this section

2. Is the approved person the subject of any current criminal proceedings?

Enter full details in this section

3. Has the approved person ever been given a caution in relation to any criminal offence?

Enter full details in this section

4. Has the approved person any convictions for any offences other than those listed above, whether or not in the United Kingdom (excluding traffic offences unless these traffic offences resulted in a ban from driving or involved driving without insurance)?

Enter full details in this section

5. Has the approved person ever had a County Court Judgement (CCJ) or other judgement debt, whether satisfied or not and whether discharged or not, in the United Kingdom or elsewhere?

Enter full details in this section

6. Has the approved person had more than two CCJs or judgement debts?

Enter full details in this section

7. Has the approved person had more than £1,000 in total of CCJs or judgement debts?

Enter full details in this section

8. Is the approved person aware of:

a). any proceedings that have begun, or anybody's intention to begin proceedings, against the approved person for a CCJ or other judgement debt?

Enter full details in this section

b). more than one set of proceedings, or anybody's intention to begin more than one set of proceedings, that may lead to a CCJ or other judgement debt?

Enter full details in this section

c). anybody's intention to claim more than £1,000 of CCJs or judgement debts in total from the approved person?

Enter full details in this section

9. Does the approved person have any current judgement debts (including CCJs) made under a court order still outstanding, whether in full or in part?

Enter full details in this section

10. Has the approved person ever failed to satisfy any such judgement debts within one year of the order being made?

Enter full details in this section

11. Is the approved person or has the approved person ever been the subject of any bankruptcy proceedings, or proceedings for the sequestration of the approved person's estate?

Enter full details in this section

12. Has the approved person ever entered into, or is in the process of entering into, an agreement in favour of the approved person's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?

Enter full details in this section

13. Does the approved person have any outstanding financial obligations arising from regulated activities, which the approved person has carried out in the past, in the United Kingdom or overseas? (In the case of advisers, this will include any outstanding liabilities arising from commissions paid for the sale of packaged products that have lapsed).

Enter full details in this section

14. Has the approved person ever been found guilty of carrying on any unauthorised regulated activities or been investigated for possible carrying on of unauthorised regulated activities?

Enter full details in this section

15. Is the approved person, or has the approved person, ever been the subject of an investigation into allegations of misconduct or malpractice in connection with any business activity?

Enter full details in this section

16. Has the approved person ever, either in the United Kingdom or elsewhere:

- a). been refused entry to, or been dismissed, suspended or asked to resign from, any profession, vocation, office or employment, or from any fiduciary office or position of trust, whether or not remunerated?

Enter full details in this section

- b). been refused, restricted in or had suspended, the right to carry on any trade, business, or profession for which specific licence, authorisation, registration, membership or other permission is required?

Enter full details in this section

c). been disqualified from acting as a director of a company or from acting in a management capacity or conducting the affairs of any company, partnership or unincorporated association?

Enter full details in this section

d). been the subject of a disqualification direction under section 59 of the Financial Services Act 1986; a prohibition order under section 56 of the Financial Services and Markets Act 2000; or received a warning notice that such a direction or order be made?

Enter full details in this section

17. In relation to activities regulated by the FSA FCA and/or PRA or any other regulatory body, has:

- i. the approved person, or
- ii. any company, partnership or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner or company secretary, during the approved person's association with that entity and for a period of three years after the approved person ceased to be association with it, ever:

a). been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership, or other permission granted by any such body?

Enter full details in this section

b). been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary action by any such body?

Enter full details in this section

c). resigned while under investigation by, or been required to resign from any such body?

Enter full details in this section

d). decided, after making an application for any licence, authorisation, registration, notification, membership, other permission granted by any such body, not to proceed with it?

Enter full details in this section

e). been the subject of any civil action which has resulted in a finding against the approved person or it by a court?

Enter full details in this section

18. Has any company, partnership, or unincorporated association of which the approved person is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the approved person's involvement or within one year of such an involvement:

a) been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors?

Enter full details in this section

b) been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct?

Enter full details in this section

c) been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation?

Enter full details in this section

d) been convicted of any criminal offence, censured, disciplined or publicly criticised by any inquiry, by the Takeover Panel or any governmental or statutory authority or any other regulatory body (other than as already indicated under 17(b) above)?

Enter full details in this section

19. Is the approved person aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the controlled functions for which approval is now sought?

Enter full details in this section

Enter Date of change:



- 3.01** Is there any other information the approved person or the firm considers to be relevant to the application? †  
Please provide full details †
- 3.02** Please indicate clearly which question the supplementary information relates to.

Question	Information

**3.03** How many additional sheets are being submitted? †



I have supplied further information related to this page in Section 3 YES  NO

~~† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

## Supporting Documents ‡

Indicate the required supporting documents to accompany this form.

Documents	Mode (by email, fax, post)

---

~~‡ These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.~~

**DECLARATION OF APPROVED PERSON ‡**

The *firm* must ask the individual to make the declaration only where the *firm* becomes aware of information that would reasonably be material to the assessment of the *approved person's* continuing fitness and propriety.

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000). It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**Data Protection ‡**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FSA FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

The FSA FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. I authorise the FSA FCA and/or PRA to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. I also understand that the results of these checks may be disclosed to my employer.

4.01 Full name of *approved person*  
i.e. Title, forenames, SURNAME ‡

4.02 Signature\*

Date‡ / /

**Tick to confirm you have read and understood this declaration:**

**DECLARATION OF FIRM ‡**

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided. APER 4.4.6E 7E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA. It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

4.03 Name of the *firm* ‡

4.04 Name of *person* signing  
on behalf of the *firm* ‡

4.05 Position ‡

4.06 Signature\*

~~‡ These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

Date // 

These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7

~~These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7.~~

## Notes to assist in completing the Form D - Notification of changes in personal information or application details

Full details of the *approved persons* regime and the application process are given in ~~Chapter 10.13 of the Supervision manual~~ SUP 10A and SUP 10B of the FCA and PRA's Supervision manuals.

### The purpose of this Form

This is Form D referred to in ~~the relevant guidance and rule in SUP 10.13~~ SUP10A.14 and SUP 10B.12 of the FCA and PRA's Supervision manuals. The *firm* must use this Form to inform the FSA/FCA and/or PRA of changes in the personal details of an *approved person* or a change in the details of an application to perform *controlled functions*). It is not necessary to notify the FSA/FCA and/or PRA of changes in an *approved person's* private address.

The *firm* must also keep the FSA/FCA and/or PRA informed of any significant circumstances directly affecting an *approved person* and which any reasonable person would consider relevant to the *approved person's* position under the ~~FSA rules.~~ rules of the FCA and/or PRA.

The *firm* is required to notify the FSA/FCA and/or PRA of any matter, in relation to an *approved person*, that would normally be declared when giving the information required for section 5 of the application to perform controlled functions or matters considered in *FIT 2*

Do not use this Form if the *approved person* requires approval in respect of further *controlled functions* or has ceased to perform *controlled functions*.

### Completing this Form

This Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

Where a person is an *approved person* in respect of a number of *firms* within the same *group*, a single Form may be used, ensuring all *firms* are clearly marked on the Form.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 3.02 the number of additional sheets attached.

An appropriate individual must sign the declaration for the *firm* submitting the Form. The FSA/FCA and/or PRA considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(57B) of the Financial Services & Markets Act (the *significant influence functions – controlled functions 1 to 12B, 28, & 29, 40, or 50*) or someone to whom the *firm* has delegated the authority to notify the FSA/FCA and/or PRA. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

Only the *firm* that made the original application (application to perform controlled functions) may sign this Form.

N.B.: ~~Detach and keep~~ Please keep these notes before returning the completed Form to the FSA-FCA and/or PRA.

**If you have any questions or need additional information, please contact the ~~Firm Contact Centre~~ FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail at [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk).**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, MUTUALS AND POLICY  
DEPARTMENT  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom~~

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom



Application number  
(for FSA FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the candidate in answering the questions in this form. Please read these notes, which are available on the FSA's FCA and PRA's websites at [http://www.fsa.gov.uk/pubs/forms/imap\\_forme\\_notes.doc](http://www.fsa.gov.uk/pubs/forms/imap_forme_notes.doc) [http://media.fshandbook.info/Forms/notes/imap\\_forme\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_forme_notes.doc) and [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA).

Both the applicant and the candidate will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form E

# Internal transfer of an approved person

FSA FCA Handbook Reference: SUP 10A Annex 8D

PRA Handbook Reference: SUP 10B Annex 8D

~~1 May 2011~~ 1 April 2013

Name of ~~approved person~~ candidate<sup>†</sup>  
(to be completed by applicant firm)

Name of firm<sup>†</sup>  
(as entered in 2.01)

~~The Financial Services Authority~~ Financial  
Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fsa.gov.uk>  
<http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
Email [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Personal identifications details

## Section 1

1.01 FSA Individual Reference Number (IRN)<sup>†</sup>

1.02 Title  
(e.g. Mr, Mrs, Ms, etc)<sup>†</sup>

1.03 Surname<sup>†</sup>

1.04 ALL forenames<sup>†</sup>

1.05 Date of birth<sup>†</sup>

1.06 National Insurance number<sup>†</sup>

## Firm identification details

## Section 2

2.01 Name of *firm*

2.02 ~~FSA~~-Firm Reference Number (FRN)

2.03 a Who should the ~~FSA~~ FCA/PRA contact at the *firm* in relation to this application?

b Position

c Telephone

d Fax

e E-mail



I have supplied further information  
related to this page in Section 5

YES

NO

<sup>†</sup> The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**3.01** List all *controlled functions* which the *approved person* is ceasing to perform. The effective date is the date the *person* will cease to perform the functions.

	<b>FSA FRN<sup>†</sup></b>	<b>Name of firm<sup>†</sup></b>	<b>Controlled function<sup>†</sup></b>	<b>Effective date<sup>†</sup></b>
<b>a</b>				//
<b>b</b>				//
<b>c</b>				//
<b>d</b>				//
<b>e</b>				//



I have supplied further information related to this page in Section 5

YES

NO

**4.01** Nature of the arrangement between the candidate and the applicant.

<i>a</i>	<i>Employee</i>	<input type="checkbox"/>
<hr/>		
<i>b</i>	<i>Group employee</i>	<input type="checkbox"/>
	Name of group	
<hr/>		
<i>c</i>	<i>Contract for services</i>	<input type="checkbox"/>
<hr/>		
<i>d</i>	<i>Partner/Sole trader</i>	<input type="checkbox"/>
<hr/>		
<i>e</i>	<i>Appointed representative – customer function</i>	<input type="checkbox"/>
	Name of AR	
<hr/>		
<i>f</i>	<i>Appointed representative – governing function</i>	<input type="checkbox"/>
	Name of AR	
<hr/>		
<i>g</i>	<i>Other</i>	<input type="checkbox"/>
	Give details	

**4.02** For applications from a single *firm*, please tick the boxes that correspond to the *controlled functions* to be performed.  
If the *controlled functions* are to be performed for more than one *firm*, please go to question 4.05

<b>a</b>	<b>Significant influence functions</b>	<table border="0"> <tr> <td style="width: 5%;">CF 1</td> <td style="width: 75%;">Director function</td> <td style="width: 20%; text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>CF 2</td> <td>Non- executive director function</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>CF 3</td> <td>Chief executive function</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>CF 4</td> <td>Partner function</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>CF 5</td> <td>Director of an unincorporated association function</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> <tr> <td>CF 6</td> <td>Small friendly society function</td> <td style="text-align: right;"><input type="checkbox"/></td> </tr> </table>	CF 1	Director function	<input type="checkbox"/>	CF 2	Non- executive director function	<input type="checkbox"/>	CF 3	Chief executive function	<input type="checkbox"/>	CF 4	Partner function	<input type="checkbox"/>	CF 5	Director of an unincorporated association function	<input type="checkbox"/>	CF 6	Small friendly society function	<input type="checkbox"/>
CF 1	Director function	<input type="checkbox"/>																		
CF 2	Non- executive director function	<input type="checkbox"/>																		
CF 3	Chief executive function	<input type="checkbox"/>																		
CF 4	Partner function	<input type="checkbox"/>																		
CF 5	Director of an unincorporated association function	<input type="checkbox"/>																		
CF 6	Small friendly society function	<input type="checkbox"/>																		

➔ I have supplied further information related to this page in Section 5    YES     NO

**Significant influence functions**  
*continued*

CF 8	Apportionment and oversight function (Non-MiFID business Only)	<input type="checkbox"/>
CF 9	EEA investment business oversight function (Non-MiFID business Only)	<input type="checkbox"/>
CF 10	Compliance oversight function (Non-MiFID business Only)	<input type="checkbox"/>
CF 10 A	CASS operational oversight function	<input type="checkbox"/>
CF 11	Money laundering reporting function	<input type="checkbox"/>
CF 12	Actuarial function	<input type="checkbox"/>
CF 12A	With-profits actuary function	<input type="checkbox"/>
CF 12B	Lloyd's Actuary function	<input type="checkbox"/>
CF 28	System and controls function	<input type="checkbox"/>
CF 29	Significant management function	<input type="checkbox"/>
<b>b</b>	<b><u>significant influence functions</u></b> <i>continued</i>	
CF 40	Benchmark submission function	<input type="checkbox"/>
CF 50	Benchmark administration function	<input type="checkbox"/>
<b>c</b>	<b>Customer function</b>	
CF 30	Customer function	<input type="checkbox"/>

**4.03** Effective date of controlled functions indicated above †

/ /

**4.04** Job title (mandatory for controlled function 28 & 29) †



I have supplied further information related to this page in Section 5

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.05** List all *firms* within the *group* (including the *firm* entered in 4.02) for which the applicant requires approval and the requested *controlled function* for that *firm*.<sup>†</sup>

	<b>FSA Firm Reference Number</b>	<b>Name of firm</b>	<b>Controlled function</b>	<b>Job title</b> (mandatory for <i>controlled function</i> 28 & 29)	<b>Effective date</b>
<b>a</b>					//
<b>b</b>					//
<b>c</b>					//
<b>d</b>					//
<b>e</b>					//



I have supplied further information related to this page in Section 5

YES

NO



---

**5.01** Is there any other information the *candidate* or the *firm* considers to be relevant to the application?

YES NO 

If yes, please provide details below or on a separate sheet of paper and clearly identify the section and question to which the additional information relates.

Question	Information

**5.02** How many additional sheets are being submitted?

**DECLARATION OF CANDIDATE**

Knowingly or recklessly giving the *FSA FCA and/or PRA* information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

*APER 4.4.67E* provides that, where an *approved person* is responsible for reporting matters to the *FSA FCA and/or PRA*, failure to inform the *FSA FCA and/or PRA* of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the *FSA FCA and/or PRA*. It should not be assumed that information is known to the *FSA FCA and/or PRA* merely because it is in the public domain or has previously been disclosed to the *FSA FCA and/or PRA* or another regulatory body. If there is any doubt about the relevance of information, it should be included.

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

For the purposes of complying with the Data Protection Act, the personal information provided in this Form will be used by the *FSA FCA and/or PRA* to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation, and will not be disclosed for any other purpose without the permission of the applicant.

With reference to the above, the *FSA FCA and/or PRA* may seek to verify the information given in this Form including answers pertaining to fitness and propriety. This may include a credit reference check.

In signing the form below:

**a) I authorise the *FSA FCA and/or PRA* to make such enquiries and seek such further information as it thinks appropriate in the course of verifying the information given in this Form. Individual candidates may be required to apply to the Criminal Records Bureau for a search to be made as to whether any criminal records are held in relation to them and to disclose the result of that search to us. I also understand that the results of these checks may be disclosed to the firm submitting this application.**

**b) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.**

**c) I confirm that I understand the regulatory responsibilities of my proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons**

**(<http://fsahandbook.info/FSA/html/handbook/APER>)**

**(<http://FSHandbook.info/FS/html/handbook/APER>)**

**([www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA))**

6.01 Candidate's full name<sup>†</sup>

6.02 Signature<sup>\*</sup>

Date<sup>†</sup> / /

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**DECLARATION OF FIRM**

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.67E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA. It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm*

~~believes~~ believes on the basis of due and diligent enquiries made to date that the *candidate* is a fit and proper person to perform the *controlled function(s)* listed in section 4. ~~The firm also~~

~~believes~~ believes on the basis of due and diligent enquiry, that the *candidate* is competent (including having achieved the relevant qualifications) to fulfil the duties required in the performance of such function(s).

**IF UNDERTAKING ANY NON MiFID BUSINESS FOR WHICH YOU HAVE NOT PREVIOUSLY APPLIED FOR AUTHORISATION, PLEASE ALSO COMPLETE THE FOLLOWING**

The *firm* also believes, on the basis of due and diligent enquiry, that the *candidate* is competent to fulfil the duties required of such function(s). YES  NO

I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 4.05. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA, will be sent to each of those *firms* at the same time as submitting the Form to the FSA FCA and/or PRA.

In signing this form on behalf of the firm:

a) I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the notes to this Form.

b) I confirm that I have authority to make this application, and sign this Form, on behalf of each *firm* identified in section 4.05. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA will be sent to each of those *firms* at the same time as submitting the Form to the FSA FCA and/or PRA.

c) I confirm the candidate has been made aware of the regulatory responsibilities of the proposed role as set out in the Statements of Principle and Code of Practice for Approved Persons

(<http://fsahandbook.info/FSA/html/handbook/APER>)

(<http://FSHandbook.info/FS/html/handbook/APER>)

([www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA))

6.03	Name of the <i>firm</i> submitting the application <sup>†</sup>	
6.04	Name of <i>person</i> signing on behalf of the <i>firm</i> <sup>†</sup>	
6.05	Job title <sup>†</sup>	
6.06	Signature <sup>*</sup>	
	Date <sup>†</sup>	/ /

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## Notes for Form E

### Internal transfer of an approved person

PLEASE NOTE: A *CANDIDATE* MUST NOT BEGIN PERFORMING ANY *CONTROLLED FUNCTIONS* UNTIL THE ~~FSA~~FSA ~~and/or PRA~~ HAS GRANTED APPROVAL.

Full details of the *approved persons* regime can be found in ~~chapter 10 of the Supervision manual~~ chapter *SUP 10A* and *SUP 10B* of the *FCA* and *PRA's Supervision Manuals*.

The purpose of this Form

This is Form E referred to in ~~SUP 40.13.3D~~ *SUP 10A.14.4D* and *SUP 10B.12.4D* of the *FCA* and *PRA's Supervision Manuals*. A *firm* should use this form when an *approved person* ceases to perform one or more *controlled functions* and the *firm* wishes to apply for approval for the individual in respect of other *controlled functions*. This Form should not be used for a qualified withdrawal (see ~~SUP 40.13.7R~~ *SUP 10A.14.10R* and *SUP 10B.12.12R*). This form may also be used for transfers between *firms* that are part of the same *group*:

1. A *firm* must use Form E where an *approved person* is both ceasing to perform one or more *controlled functions* and needs to be approved in relation to one or more *controlled functions* within the same *firm* or *group*.
2. A *firm* must not use Form E if the *approved person* is to perform a *significant-influence function* for the first time or has ceased to have approval from the *FCA* or *PRA* to perform one more than six months ago.
3. A *firm* must not use Form E if a notification has been made or should be made under *SUP 10A.14.17R* (Changes in fitness to be notified under Form D) or *SUP 10B.12.18R* (the equivalent *PRA rule*) in relation to any *controlled functions* that that *person* is ceasing to perform (as referred to in (1)) or any *controlled function* that he is continuing to perform in relation to that *firm* or a *firm* in the same *group*.

Form C must be used if the individual is ceasing to perform a *controlled function* and the *firm* is not seeking approval in respect of another *controlled function*.

Form A must be completed in full if the *approved person* is seeking approval in respect of a *significant influence function* for the first time.

### Completing this Form

The Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

All dates should be provided in numeric form (e.g. 29/02/2000 for 29 February 2000).

Indicate clearly if a question is not applicable. Tick the appropriate box where a yes/no answer is required. Further details should be given in section 5 (Supplementary Information) if there is insufficient space for a detailed answer.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 5.02 the number of additional sheets attached.

Do not assume that information is known to the ~~FSA~~FSA ~~and/or PRA~~ merely because it is in the public domain, or has been previously disclosed to the ~~FSA~~FSA ~~FCA and/or PRA~~ or to another regulatory body. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included. The information supplied by the *candidate* should be verified by the *firm* wherever possible. ~~If the FSA's~~ Should the FCA and/or PRA vetting checks reveal any matters that have not been disclosed, then applications will be delayed and, in some cases, possibly rejected. See ~~SUP 40.12.6G~~ *SUP 10A.13.12G* and *SUP 10B.11.11G*.

Expressions in this Form in italics have the meaning given in the *Glossary* to the ~~FSA's Handbook~~ (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the *Glossary*).

The *firm* is responsible for the completion of the Form. If the Form is not fully and correctly completed, the ~~FSAFCA~~ and/or ~~PRA~~ may need to return it for proper completion. This could significantly delay the ~~FSA's FCA~~ and/or ~~PRA's~~ decision on whether to grant approval to perform the requested *controlled functions* (see ~~SUP 40.12.6G~~ 10A.13.12G and SUP10B.11.11G).

The ~~FSAFCA~~ and/or ~~PRA~~ may require the applicant to provide further information at any time after receiving an application and before determining whether it is to be granted or not (see ~~SUP 40.12.8G~~ 10A.13.14G, SUP10B.11.13G and SUP10B.11.14G ).

**If a *firm* has provided, or has information that reasonably suggests that it may have provided, the ~~FSAFCA~~ and/or ~~PRA~~ with information which was or has become false, misleading, incomplete or inaccurate, in a material particular, it must notify the ~~FSA-FCA~~ and/or ~~PRA~~ immediately (see SUP 15.6.4R). Failure to notify the ~~FSAFCA~~ and/or ~~PRA~~ may result in a delay in processing or rejection.**

#### **SECTION 4 – ARRANGEMENTS AND CONTROLLED FUNCTIONS**

The *firm* must tick the box in 4.01 that most accurately describes its *arrangement* with the *candidate*. For applications from a single *firm*, the *firm* should complete 4.02, 4.03 & 4.04 indicating the *controlled functions* required by selecting the appropriate box in 4.02. However, if the application is being made on behalf of a *candidate* who will carry out *controlled functions* for more than one *firm*, 4.05 must be used to describe the *controlled functions* and the relationships between the *candidate* and those *firms*.

- 4.01: If this application relates to more than one *appointed representative*, provide details in section 5.
- 4.02: If the *controlled function* 29 is requested, the specific job title of the *candidate* must be included.
- 4.03: The effective date is the date on which the *firm* wishes the *candidate* to begin performing *controlled functions* (subject to approval). **This should be left blank unless there is a reason for the effective date to be beyond the ~~FSAFCA~~ and/or ~~PRA~~ published standard response times.** For instance, a *firm* may wish to be sure that a *candidate* has been approved before they take up their post.

Unless the *firm* indicates otherwise, the ~~FSAFCA~~ and/or ~~PRA~~ assumes that the *arrangement* given on the application form includes all of the activities that fall within the description of the *controlled function*. This means that a *firm* may alter a *candidate's* responsibilities within the broad description of a *controlled function* without needing further approval from the ~~FSAFCA~~ and/or ~~PRA~~.

#### **SECTION 5 – SUPPLEMENTARY INFORMATION**

This section provides extra space for any previous answer and for additional information relevant to this application.

The *firm* must include details of any other matter which the *firm* is aware of and which in its reasonable opinion is relevant in connection with the *approved person* ceasing to perform their *controlled function*. If there is insufficient space, additional sheets may be used.

#### **SECTION 6 – DECLARATIONS AND SIGNATURES**

This section contains declarations which must be signed by both an appropriate individual for the *firm* or applicant submitting the application and the *candidate*. The ~~FSAFCA~~ and/or ~~PRA~~ considers that an appropriate individual would either be an individual approved for a *controlled function* described under section 59(5) or 59(7B) of the Financial Services and Markets Act (the *significant influence functions – controlled functions* 1 to 12B, 28, & 29, 40 or 50) or someone to whom the *firm* has delegated the authority to notify the ~~FSAFCA~~ and/or ~~PRA~~. If this authority has been delegated, the *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

N.B. ~~Detach and keep~~ Please keep these notes before returning the completed Form to the FSA/FCA and/or PRA.

**If you have any questions or need additional information, please contact the ~~Firm Contact Centre~~ FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail at iva@fsa.gov.uk iva@fca.org.uk or PRA.firmenquiries@bankofengland.co.uk.**

PLEASE RETURN COMPLETED FORM TO:

~~THE FINANCIAL SERVICES AUTHORITY  
INDIVIDUALS, CIS & MUTUALS  
DEPARTMENT~~  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom

# Add an appointed representative or tied agent form

Notification under *SUP 12.7.1R* (i.e. the form in *SUP 12 Ann 3R*)

6 February 2008

Firm name (i.e. the principal firm)<sup>†</sup>

("The firm")

Firm reference number<sup>§\*</sup>

Address<sup>§\*</sup>

Please return the form to:

The Financial Services Authority  
Financial Conduct Authority  
**Individuals, Mutuals and Policy Department**  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44(0) 20 7066 0019 +44 (0) 845 606 9966  
Facsimile +44(0) 20 7066 0017 +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*

These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

<sup>§</sup> Denotes a mandatory field

Registered as a Limited Company in England and  
Wales No 1920623. Registered Office as above.

## NOTES

This form should be used to notify the ~~FSA~~ FCA of a new appointed representative or tied agent. It is the form required by SUP 12.7.1R which is set out in SUP 12 Ann 3R.

For the purposes of this form, references to 'appointed representative' include 'tied agent' unless the context otherwise requires.

### Personal Details

### Section A

**1** Contact name for this form (this is not necessarily the same person making the declaration at the end of the form)<sup>†</sup>

§

**2** Contact's details:

**a** position in the *firm*<sup>†</sup>

§

**b** daytime telephone number<sup>†</sup>

§

**c** e-mail address<sup>†</sup>

**d** individual reference number (IRN), if applicable<sup>\*</sup>

**e** business address<sup>†</sup>

**f** post code<sup>†</sup>

**g** mobile phone<sup>†</sup>

**h** fax number<sup>†</sup>

---

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup> These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

§ Denotes a mandatory field

1 Name of the appointed representative<sup>†</sup> §

Appointed Representative FRN (if known) \*

2 Address of the appointed representative<sup>†</sup> §

Postcode:

3 Trading name(s) of the appointed representative, if different to the name given in question 1 above<sup>†</sup>

4 Telephone number of the appointed representative<sup>†</sup>

5 Fax number of the appointed representative<sup>†</sup>

6 Email address of the appointed representative<sup>†</sup>

7 Website address of the appointed representative<sup>†</sup>

8 Legal status of the appointed representative <sup>†</sup> §

Private limited company	<input type="checkbox"/>	Public limited company	<input type="checkbox"/>
Partnership	<input type="checkbox"/>	Limited partnership	<input type="checkbox"/>
Limited liability partnership	<input type="checkbox"/>	Unincorporated association	<input type="checkbox"/>
Sole trader	<input type="checkbox"/>	Other, please specify below	<input type="checkbox"/>

§ / /

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

§ Denotes a mandatory field

9 Date of appointment (if an appointed representative carrying on insurance mediation activities or a tied agent) or commencement of activities (if any other kind of appointed representative) <sup>†</sup>§

[Redacted area]

Yes No

10 Is the appointed representative an introducer appointed representative? <sup>†</sup>§

11 Will the appointed representative undertake designated investment business? <sup>†</sup>§

12 Will the appointed representative undertake home finance activities? <sup>†</sup>§

13 Is the application in respect of: <sup>†</sup>§

(1) an appointed representative who will carry on insurance mediation activities?

If question 13(1) is answered “yes”, you must complete the 3 fields immediately below:

Name of main contact for ~~FSA~~ Financial Services register:

Title <sup>†</sup>

Forename(s) <sup>†</sup>

Surname <sup>†</sup>

or

(2) a tied agent?

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 <sup>§</sup> Denotes a mandatory field



## Warning<sup>‡</sup>

Knowingly or recklessly giving the FSA FCA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000).

SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and to notify the FSA FCA immediately if materially inaccurate information has been provided.

Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA Appropriate Regulator.

It should not be assumed that information is known to the FSA FCA merely because it is in the public domain or has previously been disclosed to the FSA FCA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

## Data Protection<sup>‡</sup>

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FSA FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

## Review and submission<sup>†</sup>

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

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FSA FCA on request.

## Declaration<sup>‡</sup>

### By submitting this notification:

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FSA FCA information that is false or misleading in a material particular.**
- **I/we will notify the FSA FCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.**

Signature<sup>\*</sup> \_\_\_\_\_

Name of signatory<sup>‡</sup> \_\_\_\_\_

Date<sup>‡</sup>

/ /

Position in firm<sup>‡</sup> \_\_\_\_\_

Individual Registration Number (if applicable)

Tick here to confirm you have read and understood this declaration: ∞

---

<sup>\*</sup> These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

∞ These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.



# Appointed representative or tied agent - change details – ~~ONA~~ Version

Notification under SUP 12.7.7R (i.e. the form in SUP 12 Ann 4R)

Firm name (i.e. the principal firm) †

("The firm")

Firm reference number \*

Address\*

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

~~† The above question(s) appears on an electronic form submission and a paper form submission~~

~~\* The above question(s) appears on a paper form submission only. That section does not appear on an electronic form submission~~

Please return this form to: ~~The Financial Services Authority,  
Individuals, Mutuals and Policy Department~~

Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London E14 5HS

United Kingdom

Telephone +44 (0) 845 606 9966

Facsimile +44 (0) 207 066 0017

E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)

Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623.

Registered Office as above

## NOTES

This form should be used to change the details of an existing appointed representative or tied agent. It is the form required by SUP 12.7.7R which is set out in SUP 12 Ann 4R.

For the purposes of this form, references to 'appointed representative' include 'tied agent' unless the context otherwise requires.

**N.B. if all the changes made on the form do not take effect from the same date, you should use more than one form for each set of changes that take effect on the same date.**

## Personal Details

## Section A

1 Contact Name for this form (this is not necessarily the same person making the declaration at the end of the form)<sup>†</sup>

§

2 Contact's details:

a position in the *firm*<sup>†</sup>

§

b daytime telephone number<sup>†</sup>

§

c e-mail address<sup>†</sup>

d business address<sup>†</sup>

e post code<sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~

f mobile phone number<sup>†</sup>

g fax number<sup>†</sup>

## Change Details of an Existing Appointed Representative

## Section B

What is the name of the appointed representative whose details are to be amended?<sup>†</sup>

§

What is this appointed representative's Firm Reference Number? (If not known, this can be found on the ~~FSA~~ Financial Services Register on our website at [www.fsa.gov.uk](http://www.fsa.gov.uk) ~~www.fca.org.uk~~ www.fca.org.uk)<sup>†</sup>

§

Yes

1 a. Do you wish to suspend the appointed representative?<sup>†</sup>

If 'Yes', please give the reasons for this:<sup>†</sup>

If you have any additional information to add to the reason above please attach it to this form<sup>†</sup>.

Yes

b. Do you wish to reinstate the appointed representative?<sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~



I have supplied further information  
related to this page in Section 3<sup>†</sup>

YES

NO

2 Do you wish to change the name of the appointed representative? <sup>†</sup>  Yes

If 'Yes', what is the new name of the appointed representative? <sup>†</sup>

§

3a Do you wish to change the legal status of the appointed representative? <sup>†</sup>  Yes

If 'Yes', what is the new legal status of the appointed representative? <sup>†</sup>

Private limited company	<input type="checkbox"/>	Public limited company	<input type="checkbox"/>
Partnership	<input type="checkbox"/>	Limited partnership	<input type="checkbox"/>
Limited liability partnership	<input type="checkbox"/>	Unincorporated association	<input type="checkbox"/>
Sole trader	<input type="checkbox"/>	Other, please specify below	<input type="checkbox"/>

3b Has the name change been approved by Companies House? <sup>†</sup>  Yes  No  N/A

**N.B.** If the appointed representative is a UK registered company or LLP, the name of the appointed representative can only be changed if the change has already been approved by Companies House.

4 Do you wish to change the address of the appointed representative? <sup>†</sup>  Yes

If 'Yes', please enter the new address: <sup>†</sup>

§

Postcode:

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~

- 5 Do you wish to change the trading name(s) of the appointed representative? <sup>†</sup>  Yes

If 'Yes', please provide details below. If you wish to amend a trading name please enter the name to be deleted in the box on the left and add the new one in the box on the right.

Please detail the trading name(s) to be deleted below: <sup>†</sup>

Please detail the trading name(s) to be added below: <sup>†</sup>

--	--

- 6 Do you wish to change the telephone number of the appointed representative? <sup>†</sup>  Yes

If 'Yes', please enter the new telephone number: <sup>†</sup>

§

- 7 Do you wish to change the fax number of the appointed representative? <sup>†</sup>  Yes

If 'Yes', please enter the new fax number: <sup>†</sup>

§

- 8 Do you wish to change the E-mail address of the appointed representative? <sup>†</sup>  Yes

If 'Yes', please enter the new e-mail address: <sup>†</sup>

§

- 9 Do you wish to change the website address of the appointed representative? <sup>†</sup>  Yes

If 'Yes', please enter the new website address: <sup>†</sup>

§

- 10 Is the appointed representative currently an introducer appointed representative? <sup>†</sup>  Yes  No

Do you wish to change this? If 'Yes', please provide details below: <sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~

[Redacted]

- 11 Do you wish to change the details of the Main Contact for the ~~FSA~~ Financial Services Register for this appointed representative? <sup>†</sup>  Yes  No

If 'Yes', please give the new details:

Title<sup>†</sup>

[Redacted]

Forename(s) <sup>†</sup>

[Redacted]

Surname<sup>†</sup>

[Redacted]

- 12 Does the appointed representative undertake home finance activities? <sup>†</sup>  Yes  No
- Do you wish to change this? If 'Yes', please provide details below: <sup>†</sup>

[Redacted]

- 13 Does the appointed representative undertake designated investment business activities? <sup>†</sup>  Yes  No
- Do you wish to change this? If 'Yes', please provide details below: <sup>†</sup>

[Redacted]

- 14 Is the change in respect of an appointed representative who is carrying on or proposes to carry on insurance mediation activities or a tied agent? <sup>†</sup>  Yes  No
- If so please provide details below: <sup>†</sup>

[Redacted]

- 15 Please enter the date on which these changes take effect: <sup>†</sup> § / / [Redacted]

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~

**3.01** Is there any other information the approved person or the firm considers to be relevant to the application? †

Yes

No

If so, please provide full details†

**3.02** Please indicate clearly which question the supplementary information relates to. †

Question	Information

---

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~‡ The above question(s) appears on an electronic form submission and a paper form submission~~

**3.03** How many additional sheets are being submitted? †

## Supporting Documents

Indicate the required supporting documents to accompany this form<sup>†</sup>.

Documents	Mode (Send by email, Post, or Fax)

Other information (please specify)<sup>‡</sup>:

--

---

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>‡</sup> ~~The above question(s) appears on an electronic form submission and a paper form submission~~

**Warning<sup>†</sup>**

Knowingly or recklessly giving the FSAFCA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FSAFCA and to notify the FSAFCA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSAFCA. It should not be assumed that information is known to the FSAFCA merely because it is in the public domain or has previously been disclosed to the FSAFCA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

**Data Protection<sup>†</sup>**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FSAFCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FSAFCA on request.

**Declaration<sup>†</sup>**

**By submitting this notification:**

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FSAFCA information that is false or misleading in a material particular.**
- **I/we will notify the FSAFCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.**

Signature<sup>\*</sup>

Name of signatory<sup>†</sup>.

Date<sup>†</sup>

Position in *firm*<sup>†</sup>

Individual Reference Number (if applicable)<sup>†</sup>

Tick here to confirm you have read and understood this declaration: <sup>∞</sup>

---

\*The above questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>∞</sup> These questions should only be completed if submission of this form is online. It should not be completed if the form is being submitted in one of the other ways set out in SUP 15.7.

<sup>\*</sup> The above question(s) appears on a paper form submission only. That section does not appear on an electronic form submission

<sup>†</sup> The above question(s) appears on an electronic form submission and a paper form submission

<sup>∞</sup> The above question(s) appears on the electronic form submission only. It does not appear on a paper form submission.



# Appointed Representative - Termination

Notification under SUP 12.8.1R (i.e. the form in SUP 12 Ann 5R)

Firm name (i.e. the principal firm)<sup>†</sup>

("The firm")

Firm reference number\*

Address\*

~~Please return this form to:~~

~~The Financial Services Authority  
Individuals, Mutuels and Policy Department  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966~~

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

~~<sup>‡</sup> The above question appears on an electronic form submission and a paper form submission~~

~~<sup>\*</sup> The above question(s) appears on a paper form submission only. That section does not appear on an electronic form submission~~

Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fca.org.uk>

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

This form should be used to notify the ~~FSA~~ FCA of the termination of an existing appointed representative arrangement



**1** Contact name for this form †

§

**2** Contact's details:

**a** position in the *firm*†

§

**b** daytime telephone number†

§

**c** e-mail address†

**d** individual reference number (IRN), if applicable†

**e** business address†

**f** post code†

**g** mobile phone†

**h** fax number†

---

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~‡ The above question(s) appears on an electronic form submission and a paper form submission~~

**If you wish to terminate more than one of your appointed representatives for the same reason and with effect from the same date please complete this section, otherwise proceed to section B2.**

Please list the names, FRNs and postcodes of the appointed representatives you wish to terminate below:

Appointed representative name<sup>†</sup>

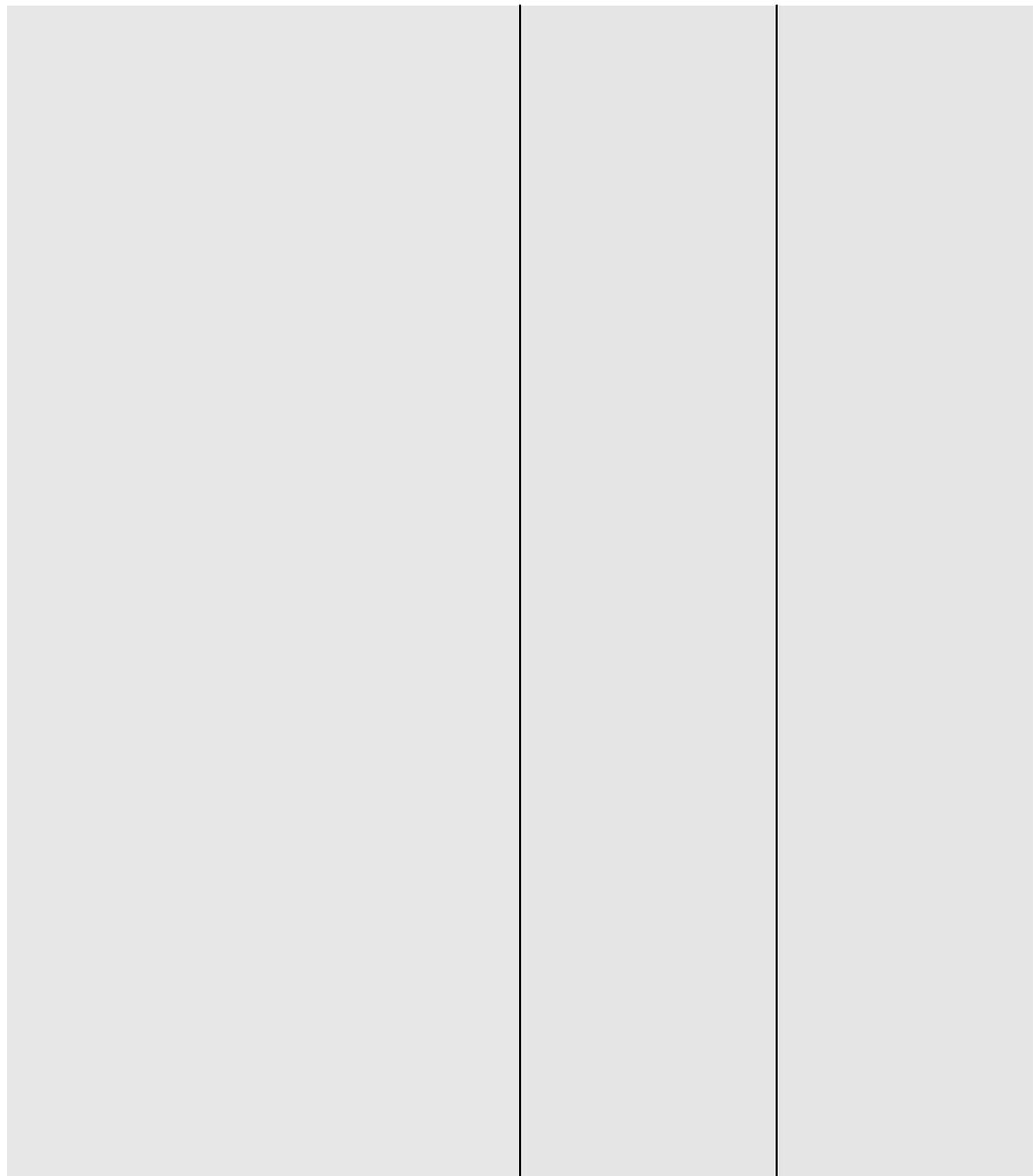
FRN<sup>†</sup>

Postcode<sup>†</sup>

---

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~



Reason for Termination<sup>†</sup>:

- |                                        |                          |                                       |                          |
|----------------------------------------|--------------------------|---------------------------------------|--------------------------|
| Resignation/end of contract            | <input type="checkbox"/> | Terminated by Principal               | <input type="checkbox"/> |
| Deceased                               | <input type="checkbox"/> | Redundancy                            | <input type="checkbox"/> |
| Resignation whilst under investigation | <input type="checkbox"/> | Retirement                            | <input type="checkbox"/> |
| Suspension                             | <input type="checkbox"/> | Termination of Employment or Contract | <input type="checkbox"/> |

If the reason for termination is Terminated by Principal please give further details below<sup>†</sup>:

If you have any additional information to add to the reason above please attach it to this form<sup>†</sup>.

Date of Termination: <sup>†</sup>

/ /

---

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~



Please use this section if you wish to terminate one appointed representative. If you wish to terminate more than one appointed representative but for different reasons please copy this section as appropriate and attach to the form.

In order to terminate an appointed representative please complete the following details:

Please enter the name of the appointed representative<sup>†</sup>:

§

Please enter the FRN of the appointed representative: <sup>†</sup>

§

Please enter the postcode of the appointed representative: <sup>†</sup>

Reason for Termination: <sup>†</sup>

Resignation/end of contract

Terminated by Principal

Deceased

Redundancy

Resignation whilst under investigation

Retirement

Suspension

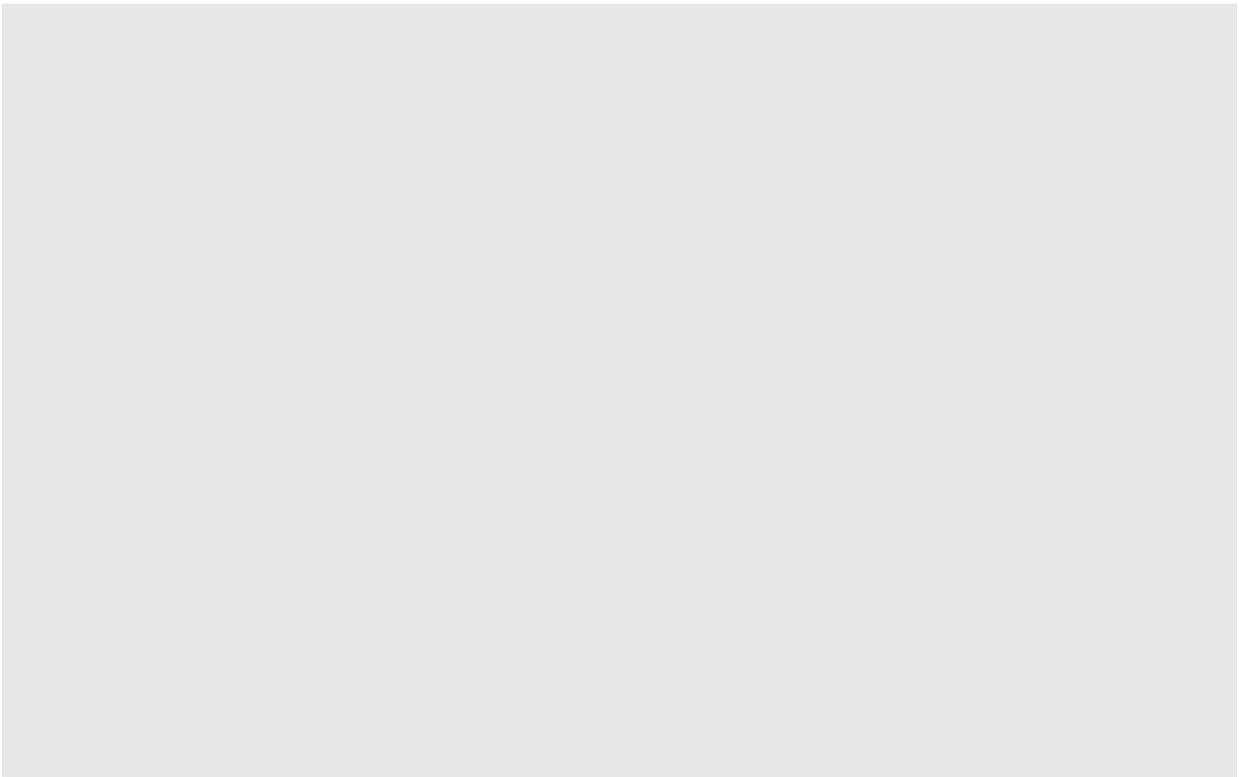
Termination of Employment or Contract

If the reason for termination is Terminated by Principal please give further details below: <sup>†</sup>

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<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~<sup>‡</sup> The above question(s) appears on an electronic form submission and a paper form submission~~



If you have any additional information to add to the reason above please attach it to this form. †

Date of Termination: †:

/ /

---

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~‡ The above question(s) appears on an electronic form submission and a paper form submission~~

**Warning<sup>†</sup>:**

Knowingly or recklessly giving the FSA FCA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and to notify the FSA FCA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA. It should not be assumed that information is known to the FSA FCA merely because it is in the public domain or has previously been disclosed to the FSA FCA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

**Data Protection<sup>†</sup>**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the FSA FCA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**Review and submission<sup>†</sup>**

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

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FSA FCA on request.

**Declaration<sup>†</sup>**

**By submitting this notification**

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FSA FCA information that is false or misleading in a material particular.**
- **I/we will notify the FSA FCA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.**

Date<sup>†</sup>

/ /

Name of signatory<sup>†</sup>

Position in *firm*<sup>†</sup>

Individual Reference Number (if applicable)<sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online.

~~\*The above question(s) appears on an electronic form submission and a paper form submission~~

Signature\*



Tick here to confirm you have read and understood this declaration<sup>∞</sup>

---

<sup>\*</sup> ~~The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission.~~

<sup>∞</sup> ~~The above question(s) appears on the electronic form submission only. It does not appear on a paper form submission.~~



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



## Passporting

### Notification of intention to establish a branch in another EEA state (excluding the Payment Services Directive and Electronic Money Directive)

(SUP 13 Annex 1R – Notification under SUP 13.5.1R)

Full name of firm

#### Purpose of this form

You should complete this form if you are a *UK firm* that wishes to exercise a passport right to establish your first *establishment* in a particular *EEA State*. You should also use this form if you are a *UK firm* that wishes to notify us – the regulator – of changes to the details of your current *branch*.

#### Important information you should read before completing this form

A *UK firm* can only use this form if it is entitled to establish a *branch* in another *EEA State* subject to the conditions of a relevant *single market directive* (see Schedule 3 of the Financial Services and Markets Act 2000 (FSMA)). By completing this form, you are confirming this is the case. *UK firms* should consult the legislation or take their own legal advice both in the *UK* and in the relevant *EEA State(s)* if they are in any doubt.

We give guidance on this in Chapter 13 of the Supervision manual (*SUP*). In particular, a *UK firm* that wants to exercise an *EEA right* must have the specific activity included in its Scope of Permission (unless the *UK firm* is a *subsidiary* of a *firm* which is a *credit institution* that meets the criteria set out in the *Banking Consolidation Directive*).

#### Filling in the Form

1. If you are using your computer to complete the form, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed, print the relevant sections and sign the declaration in section 10.
2. If you are filling in the form by hand, use black ink, write clearly and, once you have completed the relevant sections, sign the declaration in section 10.
3. All firms should answer sections 1, 2 and 10. Sections 3-9 refer to specific directives and only relevant sections should be completed. However, please answer all questions in the sections relevant to you.
4. If there is not enough space on the form, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.

*If solo regulated send to:*  
The Financial Services Authority *Financial Conduct Authority*  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS  
**Telephone:** +44 (0)20 7066 4000 7188  
**Fax:** +44 (0)20 7066 9798  
**Website:** [www.fsa.gov.uk](http://www.fsa.gov.uk) [www.fca.org.uk](http://www.fca.org.uk)

*If dual regulated send to:*  
The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

**Telephone:** +44(0)20 3461 7000  
**Website:** [www.bankofengland.co.uk](http://www.bankofengland.co.uk)

# 1 Contact details

## 1.1 Details of the person we will contact about this application

Firm reference number †	
Title †	
Contact name†	
Address Line 1†	
Address Line 2†	
Postcode†	
Country†	
Telephone number†	
Fax number†	
Email address†	

---

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 2 Details about the branch

- 2.1 Please indicate the *EEA State* in which you wish to establish a *branch*.

EEA State †	
-------------	--

- 2.2 Please provide the address in the *EEA State* in which the *branch* will be established and from which we can get information about the business. †

Address: †	
Telephone number: †	Fax number: †

- 2.3 Please list the names of all *managers* of the *branch* (including main agents in respect of insurance applications). †

Title	Forenames	Surname

- 2.4 Tell us the proposed date for the business to start at the branch. †

Date	dd/mm/yy
------	----------

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

### 3 Insurance Mediation Directive (IMD)

- 3.1 Please confirm that the *UK firm* wishes to passport under the IMD by ticking the box below. †

The <i>firm</i> intends to carry on <i>insurance mediation</i> in the <i>EEA State</i> identified in section 2 by establishing a <i>branch</i> .	<input type="checkbox"/>
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† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

# 4 Markets in Financial Instruments Directive ('MiFID')

4.1 Please tick the appropriate boxes to show the *investment services* your firm will provide, together with the associated instruments. †

		EEA State														
		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please refer to page 6 for a full description of MiFID Services and activities.

UK Firms that intend to use a Tied Agent established in the territory of another EEA state are required to complete Annex 1 at the end of this form and tick the appropriate boxes below to show the investment services to be provided by the tied Agent.

§ Please refer to MiFID Article 23(1) for details of the activities that may be provided by a tied agent

		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	2	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	3	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	4	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	5	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	6	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	7	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	8	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	9	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	10	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7A

**Investment services and activities**

- (1) Reception and transmission of orders in relation to one or more financial instruments
- (2) Execution of orders on behalf of clients
- (3) Dealing on own account
- (4) Portfolio management
- (5) Investment advice
- (6) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- (7) Placing of financial instruments without a firm commitment basis
- (8) Operation of Multilateral Trading Facilities

**Ancillary services**

- (1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management
- (2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- (3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- (4) Foreign exchange services where these are connected to the provision of investment services
- (5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments
- (6) Services related to underwriting
- (7) Investment services and activities as well as ancillary services of the type included under Section A or B of Annex 1 related to the underlying of the derivatives included under Section C – 5, 6, 7 and 10 - where these are connected to the provision of investment or ancillary services

**Financial Instruments**

- (1) Transferable securities
- (2) Money-market instruments
- (3) Units in collective investment undertakings
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash
- (5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls
- (8) Derivative instruments for the transfer of credit risk
- (9) Financial contracts for differences
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls

**4.2 Please give details of the firm's programme of operations. Describe the particular EEA activities your firm will carry on and the structural organisation of the branch<sup>†</sup>**

(This summary should be completed in English. In some instances, where requested by the host Member State, we may ask you to provide an additional copy translated into the language of the host Member State, for onward transmission to the Competent Authority of that state).

Requirement	Response
<p><b><u>1. Corporate strategy</u></b><sup>†</sup></p> <p>a) How will the branch contribute to the strategy of the firm/group?</p> <p>b) What will the main functions of the branch be?</p>	
<p><b><u>2. Commercial Strategy</u></b><sup>†</sup></p> <p>a) Describe the types of customers/counterparties the branch will be dealing with</p> <p>b) Describe how the firm will obtain and deal with these clients</p>	
<p><b><u>3. Organisational structure</u></b><sup>†</sup></p> <p>a) Briefly describe how the branch fits into the corporate structure of the firm/group? (This may be facilitated by attaching an organisational chart)</p> <p>b) Set out the organisational structure of the branch, showing both functional and legal reporting lines</p> <p>c) Which individual will be responsible for the branch operations on a day to day basis?</p> <p>d) Which individual will be responsible for compliance at the branch?</p> <p>e) Which individual will be responsible for dealing with complaints in relation to the branch?</p> <p>f) How will the branch report to the head office?</p>	

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

g) <i>Detail any critical outsourcing arrangements</i> †	
<b>4. Tied Agents</b> † a) <i>Will the branch use tied agents?</i>  b) <i>If the information is available, what is the identity of the tied agents? (Annex 1)</i>  c) <i>What investment services and activities will be provided by the tied agent?</i>	
<b>5. Systems &amp; Controls</b> † <i>Provide a brief summary of arrangements for:</i> a) <i>Safeguarding client money and assets</i> b) <i>Compliance with the conduct of business and other obligations that fall under the responsibility of the host state competent authority according to MiFID Article 32(7) and record keeping under Article 13(9)</i> c) <i>Code of Conduct, including personal account dealing</i> d) <i>Anti-money laundering</i> e) <i>Monitoring and control of critical outsourcing agreements (if applicable)</i>	
<b>6. Auditor details</b> † <i>Details of the audit arrangements of the branch (including where applicable, details of the external auditor)</i>	
<b>7. Profit &amp; loss forecast</b> † Attach a forecast statement for profit & loss and cashflow, both over a 12 month period.	

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 5 Banking Directive

### 5.1 Please tick the appropriate boxes to show the activities to be provided. †

#### Note to Question

#### 5.1

The box marked § should only be completed by UK credit institutions wishing to passport investment services and activities and ancillary services provided for by the extended scope of MiFID with effect from 1 November 2007.

Activity		
1	Acceptance of deposits and other repayable funds	<input type="checkbox"/>
2	Lending, including, inter alia, consumer credit, mortgage credit, factoring, with or without recourse, and financing of commercial transactions (including forfeiting)	<input type="checkbox"/>
3	Financial leasing	<input type="checkbox"/>
4	Payment services as defined in Article 4(3) of Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market	<input type="checkbox"/>
5	Issuing and administering other means of payment (e.g. travellers' cheques and bankers' drafts) insofar as this activity is not covered by point 4	<input type="checkbox"/>
6	Guarantees and commitments	<input type="checkbox"/>
7	Trading for own account or for account of customers in:	<input type="checkbox"/>
	(a) money market instruments (cheques, bills, certificates of deposits etc)	<input type="checkbox"/>
	(b) foreign exchange	<input type="checkbox"/>
	(c) financial futures and options	<input type="checkbox"/>
	(d) exchange and interest-rate instruments	<input type="checkbox"/>
	(e) transferable securities	<input type="checkbox"/>
8	Participation in securities issues and the provision of services related to such issues	<input type="checkbox"/>
9	Advice to undertakings on capital structure, industrial strategy, and related questions and advice and services relating to mergers and the purchase of undertakings	<input type="checkbox"/>
10	Money broking	<input type="checkbox"/>
11	Portfolio management and advice	<input type="checkbox"/>
12	Safekeeping and administration of securities	<input type="checkbox"/>
13	Credit reference services	<input type="checkbox"/>
14	Safe custody services	<input type="checkbox"/>
§	Additional MiFID services and activities subject to mutual recognition under the Banking Directive	<input type="checkbox"/>

§ See separate matrix on next page

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

		EEA State <sup>†</sup>														
		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please refer to page 6 for a full description of MiFID investment services activities and instruments.

UK firms that intend to use a tied agent *established* in the territory of the host state are required to complete 'Annex 1' at the end of this form and tick the appropriate boxes below to show the investment services to be provided by the tied Agent. §

§ Please refer to MiFID Article 23(1) for details of the activities that may be provided by a tied agent

		EEA State §														
		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	2	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	3	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	4	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	5	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	6	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	7	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	8	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	9	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								
	10	<input type="checkbox"/>				<input type="checkbox"/>		<input type="checkbox"/>								

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**5.2 Please give details of the firm's programme of operations. Describe the particular EEA activities your firm will carry on and the structural organisation of the branch<sup>†</sup>**

(This summary should be completed in English. In some instances, where requested by the host Member State, we may ask you to provide an additional copy translated into the language of the host Member State, for onward transmission to the Competent Authority of that state).

Requirement	Response
<p><b><u>1. Business Plan</u></b><sup>†</sup></p> <p>a) <i>How will the branch contribute to the overall strategy of the institution/group?</i></p> <p>b) <i>What will be the main objectives and functions of the branch?</i></p> <p>c) <i>Describe the types of customers/counterparties the branch will be dealing with</i></p> <p>d) <i>Describe how the institution will obtain and deal with these customers/clients</i></p>	
<p><b><u>2. Organisational structure</u></b><sup>†</sup></p> <p>a) <i>Briefly describe how the branch fits into the corporate structure of the group</i></p> <p>b) <i>Description of the administrative structure of the branch (number of business units/premises; number of employees; organisational chart, showing both functional and legal reporting lines)</i></p> <p>c) <i>Details of the branch manager(s) – CV(s) to be supplied</i></p> <p>d) <i>Details of any direct business relations (clients, partners, counterparties) and conditions under which they operate</i></p> <p>e) <i>Details of links with administrative and IT systems of the head office</i></p> <p>f) <i>Details of links with internal control system of the head office</i></p>	
<p><b><u>3. Systems &amp; Controls</u></b><sup>†</sup></p> <p>a) <i>Measures for supervising risk management procedures (includes credit/market/operational/liquidity)</i></p> <p>b) <i>Powers of the branch in respect of granting credit facilities</i></p> <p>c) <i>Details of the audit arrangements of the branch (including where applicable details of the external auditor)</i></p> <p>d) <i>anti-money laundering procedures (including the name of the AML compliance officer)</i></p> <p>e) <i>monitoring and control of critical outsourcing arrangements (if applicable)</i></p>	
<p><b><u>4. Financial information</u></b></p>	

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<p><i>Attach a forecast for over at least a 12 months period, of material items of the Balance Sheet and Profit and Loss.</i></p>	
<p><b>5 Investment activities</b> (if applicable) †</p> <ul style="list-style-type: none"> <li>• <i>Provide details of arrangements for:</i> <ul style="list-style-type: none"> <li>• <i>safeguarding client money and assets</i></li> <li>• <i>compliance with the conduct of business and other obligations that fall under the responsibility of the Competent Authority of the host Member State according to MiFID Article 32(7) and record keeping under MiFID Article 13(9)</i></li> <li>• <i>code of conduct, including personal account dealing</i></li> </ul> </li> <li>• <i>Provide details of the individual who will be responsible for compliance of the branch</i></li> <li>• <i>Provide details of the individual responsible for dealing with complaints in relation to the investment activities of the branch</i></li> </ul>	

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 6 Consolidated Life Assurance Directive

### Note to Question 6.1

For the purpose of this form, 'authorised agent' means an agent or employee of the *insurance undertaking* who has authority (a) to bind the *insurance undertaking* in its relations with third parties and (b) to represent the *insurance undertaking* in its relations with *overseas regulators* and courts in the *EEA State* of the *branch*.

- 6.1 Please provide the name of the *UK firm's* authorised agent. If the firm is a *member of Lloyd's*, please also confirm that the authorised agent has power to accept service of proceedings on behalf of *Lloyd's*.<sup>†</sup>

Name of agent <sup>†</sup>  
If applicable, confirmation that agent has power to accept service of proceedings on behalf of <i>Lloyd's</i> <sup>†</sup> <input type="checkbox"/>

- 6.2 Please tick the appropriate boxes to show the classes of business to be provided.<sup>†</sup>

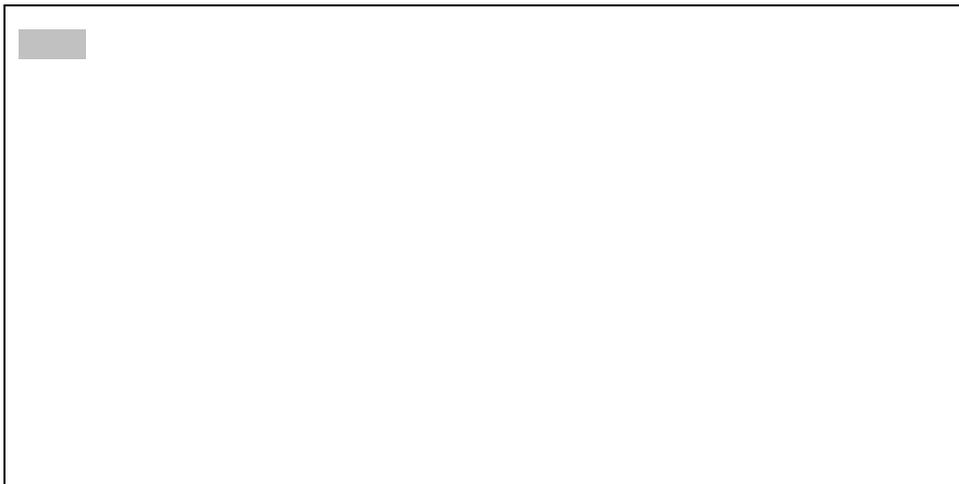
Classes of Business		
I	Life and Annuity	<input type="checkbox"/>
II	Marriage and Birth	<input type="checkbox"/>
III	Linked Long Term	<input type="checkbox"/>
IV	Permanent Health	<input type="checkbox"/>
V	Tontines	<input type="checkbox"/>
VI	Capital redemption	<input type="checkbox"/>
VII	Pension Fund Management	<input type="checkbox"/>
VIII	Collective Insurance	<input type="checkbox"/>
IX	Social Insurance	<input type="checkbox"/>

- 6.3 Please give details of the nature of the commitments to be covered in the *EEA State* concerned.<sup>†</sup>

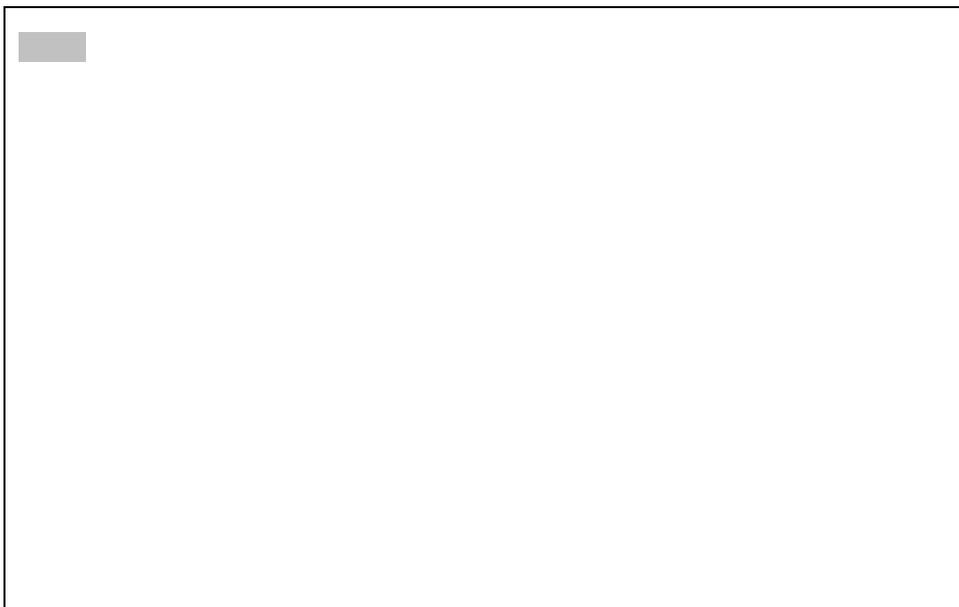
------------------------------------------

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**6.4 Please give details of the structural organisation of the *branch* (you may wish to attach an organisation chart).<sup>†</sup>**



**6.5 Please give details of the guiding principles for reinsurance of business carried on, or to be carried on, in the *EEA State* concerned. This should include the *firm's* maximum retention per risk or event after all reinsurance is ceded<sup>†</sup>**



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<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 6.6 Please confirm you have attached the following. †

i.	Estimates of the costs of installing administrative services and the organisation for securing business in the <i>EEA State</i> concerned.	Attached	<input type="checkbox"/>
ii.	Estimates of the resources available to cover the costs detailed in (i) above.	Attached	<input type="checkbox"/>
iii.	For each of the first three years following the establishment of the <i>branch</i> , estimates of the <i>firm's</i> margin of solvency and the margin of solvency required and the method of calculation.	Attached	<input type="checkbox"/>
iv.	For each of the first three years following the establishment of the <i>branch</i> , the details described below with regards to the business carried on in the <i>EEA State</i> concerned (this information should be provided on both optimistic and pessimistic bases, for each type of contract or treaty):		
		a) the number of contracts or treaties expected to be issued;	Attached <input type="checkbox"/>
		b) the total premium income, both gross and net of reinsurance ceded; and	Attached <input type="checkbox"/>
		c) the total sums assured or the total amounts payable each year by way of annuity.	Attached <input type="checkbox"/>
v.	For each of the first three years following the establishment of the <i>branch</i> , the details described below with regards to the business carried on in the <i>EEA State</i> concerned:		
		a) a statement setting out, on both optimistic and pessimistic bases, detailed estimates of income and expenditure for direct business, reinsurance acceptances and reinsurance cessions; and	Attached <input type="checkbox"/>
		b) a statement of estimates relating to the financial resources intended to cover underwriting liabilities.	Attached <input type="checkbox"/>
vi.	Particulars of any associations that exist or are proposed to exist between:		
		a) the directors and controllers of the <i>UK firm</i> ; and	Attached <input type="checkbox"/>
		b) any <i>person</i> who will act as an insurance broker, agent, loss adjuster or reinsurer for the <i>UK firm</i> in the <i>EEA State</i> concerned.	Attached <input type="checkbox"/>
vii.	The names of the principal reinsurers of business to be carried on in the <i>EEA State</i> concerned.	Attached	<input type="checkbox"/>
viii.	The sources of business in the <i>EEA State</i> concerned (for example, insurance brokers, agents, own employees or direct selling) with the approximate percentage expected	Attached	<input type="checkbox"/>

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

from each of those sources.		
ix. Copies or drafts of:		
a) any separate reinsurance treaties covering business to be written in the <i>EEA State</i> concerned;	Attached	<input type="checkbox"/>
b) any standard agreements which the <i>UK firm</i> will enter into with brokers or agents in the <i>EEA State</i> concerned; and	Attached	<input type="checkbox"/>
c) any agreements which the <i>UK firm</i> will enter into with persons (other than employees of the <i>UK firm</i> ) who will manage the business to be carried on in the <i>EEA State</i> concerned.	Attached	<input type="checkbox"/>
x. The technical bases that the actuary appointed in accordance with <i>SUP 4.3.1R</i> proposes to use for each class of business to be carried on in the <i>EEA State</i> concerned, including the bases needed for calculating premium rates and mathematical reserves.	Attached	<input type="checkbox"/>
xi. A statement by the actuary so appointed as to whether:		
a) he considers that the premium rates that will be used in the <i>EEA State</i> concerned are suitable; and	Attached	<input type="checkbox"/>
b) he agrees with the information provided under sections 6.5 and 6.6 v (a) and (b).	Attached	<input type="checkbox"/>
xii. The technical bases used to calculate the statements and estimates referred to in sections 6.6 iv and v.	Attached	<input type="checkbox"/>

## 7 First, Second and Third Non-Life Insurance Directives

- 7.1 Please provide the name of *UK firm's* authorised agent. If the firm is a *member of Lloyd's*, please confirm that the authorised agent has power to accept service of proceedings on behalf of *Lloyd's*.<sup>†</sup>

Name of agent <sup>†</sup>  █
If applicable, confirmation that agent has power to accept service of proceedings on behalf of <i>Lloyd's</i> <sup>†</sup>  <input type="checkbox"/>

- 7.2 Please tick the appropriate boxes to show the classes of business to be carried out from the *branch*.<sup>†</sup>

Classes of Business		
1	Accident	<input type="checkbox"/>
2	Sickness	<input type="checkbox"/>
3	Land Vehicles	<input type="checkbox"/>
4	Railway Rolling Stock	<input type="checkbox"/>
5	Aircraft	<input type="checkbox"/>
6	Ships	<input type="checkbox"/>
7	Goods in Transit	<input type="checkbox"/>
8	Fire and Natural Forces	<input type="checkbox"/>
9	Damage to Property	<input type="checkbox"/>
10	Motor Vehicle Liability	<input type="checkbox"/>
11	Aircraft Liability	<input type="checkbox"/>
12	Liability for Ships	<input type="checkbox"/>
13	General Liability	<input type="checkbox"/>
14	Credit	<input type="checkbox"/>
15	Suretyship	<input type="checkbox"/>
16	Miscellaneous Financial Loss	<input type="checkbox"/>
17	Legal Expenses	<input type="checkbox"/>
18	Assistance	<input type="checkbox"/>

**7.3 Please give details of the nature of the risks to be covered in the EEA State(s) concerned.<sup>†</sup>**

**Note to question**

**7.3**

- i. If the *firm* covers, or intends to cover, relevant **motor vehicle risks**, please provide details of the *firm's* membership of the national bureau and the national guarantee fund in the *EEA State* concerned at question 7.3.

'Relevant motor risks' has the meaning given to *motor vehicle liability* in Schedule 1 to the *Regulated Activities Order*.

- ii. If the firm covers (or intends to cover) **health insurance**, please provide the technical bases used, or to be used, for calculating premiums in respect of such risks in question 7.3.

- iii. If the firm covers (or intends to cover) risks relating to **legal expenses insurance**, please state, in question 7.3, the option chosen from those described in Article 3(2) of Directive 87/344/EEC of 22 June 1987 on the coordination of laws, regulations and administrative provisions relating to legal expenses insurance.

**7.4 Please give details of the structural organisation of the branch (UK firms may wish to attach an organisation chart).<sup>†</sup>**

**7.5 Please give details of the guiding principles as to reinsurance of business carried on, or to be carried on, in the EEA State concerned, including the firm's maximum retention per risk or event after all reinsurance ceded.<sup>†</sup>**

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 7.6 Please confirm you have attached the following. †

i.	Estimates of the costs of installing administrative services and the organisation for securing business in the <i>EEA State</i> concerned.	Attached	<input type="checkbox"/>
ii.	Estimates of the resources available to cover the costs detailed in (i) above.	Attached	<input type="checkbox"/>
iii.	If contracts of a kind falling within paragraph 18 of Schedule 1 to the <i>Regulated Activities Order</i> (Assistance) are, or are to be, effected or carried out, the resources available for providing assistance.	Attached	<input type="checkbox"/>
iv.	For each of the first three years following the establishment of the <i>branch</i> , estimates of the <i>firm's</i> margin of solvency and the margin of solvency required and the method of calculation.	Attached	<input type="checkbox"/>
v.	For each of the first three years following the establishment of the <i>branch</i> , give the details described below about the business carried on in the <i>EEA State</i> concerned:		
a)	estimates relating to expenses of management (other than cost of installation) and, in particular, those relating to current general expenses and commissions;	Attached	<input type="checkbox"/>
b)	estimates relating to premiums or contributions (both gross and net of all reinsurance ceded) and to claims (after all reinsurance recoveries); and	Attached	<input type="checkbox"/>
c)	estimates relating to the financial resources intended to cover underwriting liabilities.	Attached	<input type="checkbox"/>
vi.	Particulars of any associations that exist or are proposed to exist between:		
a)	the directors and controllers of the <i>UK firm</i> ; and	Attached	<input type="checkbox"/>
b)	any <i>person</i> who will act as an insurance broker, agent, loss adjuster or reinsurer for the <i>UK firm</i> in the <i>EEA State</i> concerned.		
vii.	The names of the principal reinsurers of business to be carried on in the <i>EEA State</i> concerned.	Attached	<input type="checkbox"/>

Continued over

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

7.6 continued<sup>†</sup>

viii. The sources of business in the <i>EEA State</i> concerned (for example, insurance brokers, agents, own employees or direct selling) with the approximate percentage expected from each of these sources.	Attached	<input type="checkbox"/>
ix. Copies or drafts of:  a) any separate reinsurance treaties covering business to be written in the <i>EEA State</i> concerned;  b) any standard agreements which the <i>UK firm</i> will enter into with brokers or agents in the <i>EEA State</i> concerned; and  c) any agreements which the <i>UK firm</i> will enter into with <i>persons</i> (other than employees of the <i>UK firm</i> ) who will manage the business to be carried on in the <i>EEA State</i> concerned.		
	Attached	<input type="checkbox"/>
	Attached	<input type="checkbox"/>
x. Copies or drafts of any agreements which the <i>UK firm</i> will have with main agents in the <i>EEA State</i> concerned.	Attached	<input type="checkbox"/>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 8 Reinsurance Directive

- 8.1 Please confirm the type(s) of reinsurance activity to be carried out by the branch under the Reinsurance Directive by ticking one of the boxes below. †**

Life reinsurance business	<input type="checkbox"/>
Non-life reinsurance business	<input type="checkbox"/>

- 8.2 Please provide the name and powers of the authorised agent. Please note that the authorised agent should be located at the same address of branch. †**

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 9 Undertakings for Collective Investment in Transferable Securities

9.1 You must select those activities that you wish to carry out under the *UCITS Directive* as listed in article 6(2) and (3) of the *UCITS Directive*.

Management of <i>UCITS</i>	<input type="checkbox"/>
Management of portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where those portfolios include one or more of the instruments listed in Section C of Annex I to <i>MiFID</i> .	<input type="checkbox"/>
Investment advice concerning one or more of the instruments listed in Section C of Annex I to <i>MiFID</i> .	<input type="checkbox"/>
Safekeeping and administration in relation to <i>units</i> of collective investment undertakings.	<input type="checkbox"/>

9.2 Please give details of the *firm's* programme of operations

**Note to Question**

**9.2**  
Provide a programme of operations setting out the activities and services envisaged according to article 6(2) and (3) and the organisational structure of the *branch* which must include a description of the risk management process.

Provide also a description of the procedures and arrangements for dealing properly with investor complaints, including how it is ensured that there are no restrictions on investors exercising such rights and the arrangements for making information available at the request of the public or the *competent authority* of the *UCITS Home State*;

For a suggested template *firms* may adhere to question 4.2 when preparing a programme of operations

**Note: Other Requirements for UCITS management companies**

In addition to the submission of this notice to the ~~FSA~~ FCA, *management companies* should note, where the application is to manage a *UCITS* in another *EEA State*, they will be required by the rules of the *competent authority* of the *UCITS Home State* implementing article 20 of the *UCITS Directive* to provide them with:

- (1) the written agreement that has been entered into with the *depository*; and
- (2) information on delegation arrangements regarding the functions of investment management and administration, as referred to in Annex II to the *UCITS Directive*.

If the *management company* already manages other *UCITS* of the same type as the company is proposing to manage in the the *UCITS Home State*, article 20 provides that reference to the documentation already provided shall be sufficient for the purposes of (1) and (2).

- 9.3 Please confirm if the information referred to above has been submitted to the *competent authority* of the *UCITS Home State*. If it has not been submitted or if article 20 is not applicable please explain why, including (if applicable) when it is expected that the information will be provided.**


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## 10 Declaration

### Note to Declaration

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the *firm*.

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please take appropriate professional advice before supplying information to us.

There will be a delay in processing the application if any information is inaccurate or incomplete. And failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application process.

- **I understand it is a criminal offence knowingly or recklessly to give the FSA FCA/PRA information that is false or misleading in a material particular.**
- **I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.**
- **I confirm that I am authorised to sign on behalf of the *firm*.**

Name <sup>†</sup>	
Position <sup>†</sup>	
Signature*	
Date <sup>†</sup>	dd/mm/yy

\*

I enclose the following sections (mark the appropriate section)

Section 1 – Contact Details (mandatory)	<input type="checkbox"/>
Section 2 – Details about the branch (mandatory)	<input type="checkbox"/>
Section 3 – Insurance Mediation Directive	<input type="checkbox"/>
Section 4 – Markets in Financial Instruments Directive	<input type="checkbox"/>
Section 5 – Banking Consolidation Directive	<input type="checkbox"/>
Section 6 – Consolidated Life Assurance Directive	<input type="checkbox"/>
Section 7 – First, Second and Third Non-Life Insurance Directives	<input type="checkbox"/>
Section 8 – Reinsurance directive	<input type="checkbox"/>
Section 9 - Undertakings for Collective Investments in Transferable Securities	<input type="checkbox"/>
Section 10 – Declaration (mandatory)	<input type="checkbox"/>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\* These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

## ANNEX 1 – Tied Agent Notification Form

This form should be used to notify FSA the FCA when a UK firm intends to use a *tied agent established* in the territory of another EEA state.

### Tied Agent Details

1	Name of Tied Agent <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>
2	Address of Tied Agent <sup>†</sup>	<input style="width: 95%; height: 100px;" type="text"/>
3	Trading name(s) of Tied Agent, if different to the name given in question 1 above <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>
4	Telephone number of Tied Agent <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>
5	Fax number of Tied agent <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>
6	E-mail address of Tied Agent <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>
7	Website of Tied Agent <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>
8	Legal Status of Tied Agent <sup>†</sup> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input type="checkbox"/> Private Limited Company  <input type="checkbox"/> Partnership  <input type="checkbox"/> Limited Liability  <input type="checkbox"/> Sole Trader             </div> <div style="width: 45%;"> <input type="checkbox"/> Public Limited Company  <input type="checkbox"/> Limited Partnership  <input type="checkbox"/> Unincorporated Association  <input type="checkbox"/> Other, please specify below             </div> </div>	<input style="width: 95%; height: 25px;" type="text"/>
9	Date of commencement of agreement With your firm <sup>†</sup>	<input style="width: 95%; height: 25px;" type="text"/>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



## Passporting Notification of intention to provide cross-border services in another EEA state

MARKETS IN-FINANCIAL INSTRUMENTS DIRECTIVE (SUP13 Annex 2R – Notice under SUP 13.5.2R)

**Full Name of firm:** ‡

**FRN:** \_\_\_\_\_

### Purpose of this form

You should complete this form if you are a *UK firm* that wishes to exercise a passport right to provide *cross border services* in another *EEA State* or a *Recognised Investment Exchange* that wishes to provide access arrangements in another EEA state under the Markets in Financial Instruments Directive ('MiFID').

You may also use this form if you are a *UK firm* that wishes to notify us (~~the FSA~~ the FCA/PRA) of changes to the details of its current *cross border services*.

### Important information you should read before completing this form

A *UK firm* can only use this form if it is entitled to provide *cross border services* into another *EEA State* subject to the conditions of MiFID (see Schedule 3 of the Financial Services and Markets Act 2000 (FSMA)). By completing this form, you are confirming this is the case. *UK firms* should consult the legislation or take legal advice both in the *UK* and in the relevant *EEA State(s)* if they are in any doubt.

We give guidance on this in Chapter 13 of the Supervision manual (*SUP*). In particular, a *UK firm* that wants to exercise an *EEA right* must have the specific activity included in its Scope of Permission.

### Filling in the form

1. If you are using your computer to complete the form, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed, print the relevant sections and sign the declaration in section 4.
2. If you are filling in the form by hand, use black ink, write clearly and, once you have completed the relevant sections, sign the declaration in section 4.
3. If there is not enough space on the form, you may need to use separate sheets of paper. Clearly, mark each separate sheet of paper with the relevant question number.

If solo regulated send to:

The Financial Services Authority  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS  
**Telephone:** +44 (0)20 7066 1000-7188  
**Fax:** +44 (0)20 70669798  
**Website:** [www.fsa.gov.uk](http://www.fsa.gov.uk) [www.fca.org.uk](http://www.fca.org.uk)  
**E-mail:** [passport.notifications@fca.org.uk](mailto:passport.notifications@fca.org.uk)  
Registered as a Limited Company

If dual regulated send to:

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

**Telephone:** +44(0)20 3461 7000

**Website:** [www.bankofengland.co.uk](http://www.bankofengland.co.uk)  
**E-mail:** [pra-Passporting@bankofengland.co.uk](mailto:pra-Passporting@bankofengland.co.uk)  
Registered as a Limited Company in England and  
Wales No 07854923. Registered Office: 8 Lothbury  
Road, London, EC2R 7HH.

# 1 Contact details

## 1.1 Details of the person we will contact about this notification

FSA-Firm reference number †	
Title †	
Contact name†	
Address Line 1†	
Address Line 2†	
Postcode†	
Country†	
Telephone number†	
Fax number †	
Email address †	

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†-These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 2 Details of the services to be provided

2.1 Please indicate the *EEA State(s)* into which services are to be provided. †

States required	
Austria	<input type="checkbox"/>
Belgium	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
Cyprus	<input type="checkbox"/>
Czech Republic	<input type="checkbox"/>
Denmark	<input type="checkbox"/>
Estonia	<input type="checkbox"/>
Finland	<input type="checkbox"/>
France	<input type="checkbox"/>
Germany	<input type="checkbox"/>
Gibraltar	<input type="checkbox"/>
Greece	<input type="checkbox"/>
Hungary	<input type="checkbox"/>
Iceland	<input type="checkbox"/>
Ireland	<input type="checkbox"/>
Italy	<input type="checkbox"/>
Latvia	<input type="checkbox"/>
Liechtenstein	<input type="checkbox"/>
Lithuania	<input type="checkbox"/>
Luxembourg	<input type="checkbox"/>
Malta	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>
Norway	<input type="checkbox"/>
Poland	<input type="checkbox"/>
Portugal	<input type="checkbox"/>
Romania	<input type="checkbox"/>
Slovak Republic	<input type="checkbox"/>
Slovenia	<input type="checkbox"/>
Spain	<input type="checkbox"/>
Sweden	<input type="checkbox"/>
All States	<input type="checkbox"/>

### **Note to Question 2.1**

*UK firms* have the right to provide *cross border services* to Gibraltar. So, references in this form to an *EEA State* include references to Gibraltar (see the Financial Services and Markets Act (Gibraltar) Order 2001).

Recognised Investment Exchanges completing box 2.1 will be indicating the EEA states in which they intend to provide access arrangements.

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**2.2** If the *firm* intends to provide services into more than one *EEA State*, will these services vary for each State? †

Yes ▶

No ▶

**2.3** Tell us the proposed date for the business to start. †

Date	
------	--

# 3 Markets in Financial Instruments Directive ('MiFID')

3.1 Please tick the appropriate boxes to show the *investment services* to be provided, together with the associated instruments (if the answer to question 2.2 as 'Yes', please complete a separate matrix for each *EEA State*). Recognised Investment Exchanges should complete only box 3.2<sup>†</sup>

		EEA State														
		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

UK firms that intend to use a tied agent to provide cross-border services in the territory of the host state are required to complete 'Annex 1' at the end of this form.

A full description of MiFID service activities and instruments can be found on the next page.

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Investment services and activities**

- (1) Reception and transmission of orders in relation to one or more financial instruments
- (2) Execution of orders on behalf of clients
- (3) Dealing on own account
- (4) Portfolio management
- (5) Investment advice
- (6) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- (7) Placing of financial instruments without a firm commitment basis
- (8) Operation of Multilateral Trading Facilities

**Ancillary services**

- (1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management
- (2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- (3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- (4) Foreign exchange services where these are connected to the provision of investment services
- (5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments
- (6) Services related to underwriting
- (7) Investment services and activities as well as ancillary services of the type included under Section A or B of Annex 1 related to the underlying of the derivatives included under Section C – 5, 6, 7 and 10 - where these are connected to the provision of investment or ancillary services

**Financial Instruments**

- (1) Transferable securities
- (2) Money-market instruments
- (3) Units in collective investment undertakings
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash
- (5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls
- (8) Derivative instruments for the transfer of credit risk
- (9) Financial contracts for differences
- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls

**3.2 Please give details of the *firm's* programme of operations, including a description of the particular EEA activities the firm will carry on.<sup>†</sup>**

**Note to Question**

**3.2**

*UK firms* should consider the following points when preparing a programme of operations:

- details about the services to be provided into the other *EEA State(s)*, including a description of the way in which the proposed services will be conducted;
- details of any other business (i.e. non-investment business) which is currently being (or will be) provided into the other *EEA State(s)*;
- a description of the type of *client* or counterpart with whom the services will be conducted; and
- details of the systems of internal controls over the services to be provided into the other *EEA State(s)* that will be used by management in the *UK* to monitor such activities.

*UK firms* requiring specific information about the content and level of detail of information to be provided are encouraged to contact the Passport Notification Unit (contact details are given on page 16).

**Recognised Investment Exchanges should state whether they are providing access arrangements in respects of a regulated market or MTF, or both.**

**Where a Recognised Investment Exchange intends to make access arrangements for different types of market in different EEA States, it should specify which arrangements it intends to make in each of those states.**

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 4 Declaration

### Note to Declaration

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the firm.

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please seek appropriate professional advice before supplying information to us.

There will be a delay in processing the notification if any information is inaccurate or incomplete. And failure to notify us immediately of any significant change to the information provided may result in a serious delay in the notification process.

- I understand it is a criminal offence knowingly or recklessly to give the **FSA FCA/PRA** information that is false or misleading in a material particular.
- I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.
- I confirm that I am authorised to sign on behalf of the *firm*/Recognised Investment Exchange

Name <sup>†</sup>	
Position <sup>†</sup>	
IRN (if applicable)	
Signature*	
Date <sup>†</sup>	dd/mm/yy

\*

I enclose the following sections (mark the appropriate section)

Section 1 – Contact details (mandatory)	<input type="checkbox"/>
Section 2 – Details of the services (mandatory)	<input type="checkbox"/>
Section 3 – Markets in Financial Instruments Directive	<input type="checkbox"/>
Section 4 – Declaration (mandatory)	<input type="checkbox"/>
Annex 1 – Tied Agent Details	<input type="checkbox"/>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

## ANNEX 1 – Tied Agent Notification Form

This form should be used to notify the FSA FCA/PRA when a *UK firm* intends to use a *tied agent* to provide cross-border services in the territory of another *EEA state*.

### Tied Agent Details

1	Name of Tied Agent <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>
2	Address of Tied Agent <sup>†</sup>	<input style="width: 100%; height: 100px;" type="text"/>
3	Trading name(s) of Tied Agent, if different to the name given in question 1 above <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>
4	Telephone number of Tied Agent <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>
5	Fax number of Tied agent <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>
6	E-mail address of Tied Agent <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>
7	Website of Tied Agent <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>
8	Legal Status of Tied Agent <sup>†</sup>	<input type="checkbox"/> Private Limited Company <input type="checkbox"/> Public Limited Company <input type="checkbox"/> Partnership <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Limited Liability <input type="checkbox"/> Unincorporated Association <input type="checkbox"/> Sole Trader <input type="checkbox"/> Other, please specify below
		<input style="width: 100%; height: 25px;" type="text"/>
9	Date of commencement of agreement with your firm <sup>†</sup>	<input style="width: 100%; height: 25px;" type="text"/>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Warning**

Knowingly or recklessly giving the FSA FCA/PRA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA/PRA and to notify the FSA FCA/PRA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA/PRA. It should not be assumed that information is known to the FSA FCA/PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA/PRA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

**Data Protection**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the Financial Conduct Authority to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the FSA FCA/PRA on request.

**Declaration****By submitting this notification**

- **I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.**
- **I am/we are aware that it is a criminal offence knowingly or recklessly to give the FSA FCA/PRA information that is false or misleading in a material particular.**
- **I/we will notify the FSA FCA/PRA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application notification process or enforcement action.**

Date<sup>†</sup>

\_\_\_\_\_

Name of signatory<sup>†</sup>

\_\_\_\_\_

Position in firm<sup>†</sup>

\_\_\_\_\_

Individual Registration Number<sup>†</sup>  
(if applicable)

\_\_\_\_\_



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY

## Passporting Notification of intention to provide cross-border services in another EEA state

(SUP 13 Annex 3R – Notice under SUP 13.5.2R)

**Full name of Firm name:** † –

**FRN:**

### Purpose of this form

You should complete this form if you are a *UK firm* that wishes to exercise a passport right to provide *cross border services* in another *EEA State* under the *Consolidated Life Assurance Directive* and/or the *Third Non-Life Insurance Directive*.

You may also use this form if you are a *UK firm* that wishes to notify us (the ~~FSA~~) the PRA of changes to the details of its current *cross border services*.

### Important information you should read before completing this form

A *UK firm* can only use this form if it is entitled to provide *cross border services* into another *EEA State* subject to the conditions of the *Consolidated Life Assurance Directive* and/or the *Third Non-Life Insurance Directive* (see Schedule 3 of the Financial Services and Markets Act 2000 (FSMA)). By completing this form, you are confirming this is the case. *UK firms* should consult the legislation or take legal advice both in the *UK* and in the relevant *EEA State(s)* if they are in any doubt.

We give guidance on this in Chapter 13 of the Supervision manual (*SUP*). In particular, a *UK firm* that wants to exercise an *EEA right* must have the specific activity included in its Scope of Permission.

### Filling in the form

1. If you are using your computer to complete the form, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed, print the relevant sections and sign the declaration in section 5.
2. If you are filling in the form by hand, use black ink, write clearly and, once you have completed the relevant sections, sign the declaration in section 5.
3. If there is not enough space on the form, you may need to use separate sheets of paper. Clearly, mark each separate sheet of paper with the relevant question number.

The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS  
Telephone: +44 (0)20 7066 1000  
Fax: +44 (0)20 7066 9798  
Website: [www.fsa.gov.uk](http://www.fsa.gov.uk)

#### Send to:

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

Telephone: +44(0)20 3461 7000  
Website: [www.bankofengland.co.uk](http://www.bankofengland.co.uk)  
E-mail: [pra-passporting@bankofengland.co.uk](mailto:pra-passporting@bankofengland.co.uk)

In this form the FSA uses the following terms:

'FSA', 'we', 'our', or 'us' refers to the Financial Services Authority;  
'Applicant firm' refers to the firm applying for authorisation and

# 1 Contact details

## 1.1 Details of the person we will contact about this application

FSA Firm reference number †	
Title †	
Contact name †	
Address Line 1 †	
Address Line 2 †	
Postcode †	
Country †	
Telephone number †	
Fax number †	
Email address †	

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP-15-7

## 2 Details of the services to be provided

2.1 Please indicate the *EEA State(s)* into which services are to be provided.

States required	
Austria	<input type="checkbox"/>
Belgium	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
Cyprus	<input type="checkbox"/>
Czech Republic	<input type="checkbox"/>
Denmark	<input type="checkbox"/>
Estonia	<input type="checkbox"/>
Finland	<input type="checkbox"/>
France	<input type="checkbox"/>
Germany	<input type="checkbox"/>
Gibraltar	<input type="checkbox"/>
Greece	<input type="checkbox"/>
Hungary	<input type="checkbox"/>
Iceland	<input type="checkbox"/>
Ireland	<input type="checkbox"/>
Italy	<input type="checkbox"/>
Latvia	<input type="checkbox"/>
Liechtenstein	<input type="checkbox"/>
Lithuania	<input type="checkbox"/>
Luxembourg	<input type="checkbox"/>
Malta	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>
Norway	<input type="checkbox"/>
Poland	<input type="checkbox"/>
Portugal	<input type="checkbox"/>
Romania	<input type="checkbox"/>
Slovak Republic	<input type="checkbox"/>
Slovenia	<input type="checkbox"/>
Spain	<input type="checkbox"/>
Sweden	<input type="checkbox"/>
All States	<input type="checkbox"/>

### Note to Question 2.1

*UK firms* have the right to provide *cross border services* to Gibraltar. So, references in this form to an *EEA State* include references to Gibraltar (see the Financial Services and Markets Act (Gibraltar) Order 2001).

2.2 If the *firm* intends to provide services into more than one *EEA State*, will these services vary for each State? <sup>‡</sup>

- Yes ▶   
No ▶

2.3 Tell us the proposed date for the business to start. <sup>‡</sup>

Date	dd/mm/yy
------	----------

### 3 Consolidated Life Assurance Directive

- 3.1 Please tick the appropriate boxes to show the classes of business to be provided (if the answer to question 2.2 was 'Yes' please complete a separate matrix for each EEA State).<sup>†</sup>

EEA State		
Classes of Business		
I	Life and Annuity	<input type="checkbox"/>
II	Marriage and Birth	<input type="checkbox"/>
III	Linked Long Term	<input type="checkbox"/>
IV	Permanent Health	<input type="checkbox"/>
V	Tontines	<input type="checkbox"/>
VI	Capital redemption	<input type="checkbox"/>
VII	Pension Fund Management	<input type="checkbox"/>
VIII	Collective Insurance	<input type="checkbox"/>
IX	Social Insurance	<input type="checkbox"/>

- 3.2 Please give details of the nature of the commitments to be covered in the EEA State(s) concerned.<sup>†</sup>

<sup>†</sup> These questions should be completed where the submission of this form is online or in one of the other ways set out in SUP 15.7

## 4 First, Second and Third Non-Life Insurance Directives

- 4.1 Please tick the appropriate boxes to show the classes of business to be provided (if the answer to question 2.2 was 'Yes', please complete a separate matrix for each EEA State).<sup>†</sup>

EEA State:

Classes of Business		
1	Accident	<input type="checkbox"/>
2	Sickness	<input type="checkbox"/>
3	Land Vehicles	<input type="checkbox"/>
4	Railway Rolling Stock	<input type="checkbox"/>
5	Aircraft	<input type="checkbox"/>
6	Ships	<input type="checkbox"/>
7	Goods in Transit	<input type="checkbox"/>
8	Fire and Natural Forces	<input type="checkbox"/>
9	Damage to Property	<input type="checkbox"/>
10	Motor Vehicle Liability (refer to note 4.2.1 on next page)	<input checked="" type="checkbox"/>
11	Aircraft Liability	<input type="checkbox"/>
12	Liability for Ships	<input type="checkbox"/>
13	General Liability	<input type="checkbox"/>
14	Credit	<input type="checkbox"/>
15	Suretyship	<input type="checkbox"/>
16	Miscellaneous Financial Loss	<input type="checkbox"/>
17	Legal Expenses (refer to note 4.2.3 on next page)	<input type="checkbox"/>
18	Assistance	<input type="checkbox"/>

<sup>†</sup> These questions should be completed where the submission of this form is online or in one of the other ways set out in SUP 15.7

**4.2 You must provide details of the nature of the risks to be covered in the EEA State(s) concerned.<sup>†</sup>**

**Note to Question**

**4.2**

1) If the *firm* covers, or intends to cover, relevant **motor vehicle risks**, please provide the following additional information in section 4.2 (if required by the *EEA State* concerned as part of the *consent notice*):

- the name and address of the claims representative; and
- details of the *firm's* membership of the national bureau and the national guarantee fund in the *EEA State* concerned.

'Relevant motor risks' has the meaning given to *motor vehicle liability* in Schedule 1 to the *Regulated Activities Order*. 'Claims representative' has the meaning given to it in the *EEA Passport Rights Regulations*.

2) If the *firm* covers (or intends to cover) **health insurance**, please provide the technical bases used, or to be used, for calculating premiums in respect of such risks in section 4.2.

3) If the *firm* covers (or intends to cover) risks relating to **legal expenses insurance**, please state in section 4.2 the option chosen from those described in Article 3(2) of Directive 87/344/EEC of 22 June 1987 on the coordination of laws, regulations and administrative provisions relating to legal expenses insurance.

<sup>†</sup> These questions should be completed where the submission of this form is online or in one of the other ways set out in SUP-15.7

## 5 Declaration

### **Note to Declaration**

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the *firm*.

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please seek appropriate professional advice before supplying information to us.

There will be a delay in processing the application if any information is inaccurate or incomplete. And failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application process.

- **I understand it is a criminal offence knowingly or recklessly to give the FSA PRA/FCA information that is false or misleading in a material particular.**
- **I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.**
- **I confirm that I am authorised to sign on behalf of the *firm*.**

Name <sup>†</sup>	
Position <sup>†</sup>	
IRN (if applicable)	
Signature <sup>‡</sup>	
Date <sup>†</sup>	dd/mm/yy

I enclose the following sections (mark the appropriate section) <sup>\*</sup>

Section 1 – Contact details (mandatory)	<input type="checkbox"/>
Section 2 – Details of the services (mandatory)	<input type="checkbox"/>
Section 3 - Consolidated Life Directive	<input type="checkbox"/>
Section 4 – First, Second and Third Non-Life Insurance Directives	<input type="checkbox"/>
Section 5 – Declaration (mandatory)	<input type="checkbox"/>

<sup>†</sup> These questions should be completed where the submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup> These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. They should not be completed if the submission of this form is online



BANK OF ENGLAND  
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## Passporting Notification of intention to provide cross-border services in another EEA state

**Full name Name of firm: †**

**FRN:**

**BANKING CONSOLIDATION DIRECTIVE**

**(SUP 13 Annex 4R-Notice under SUP 13.5.2R)**

### **Purpose of this form**

You should complete this form if you are a *UK firm* that wishes to exercise a passport right to provide *cross border services* in another *EEA State* under the *Banking Consolidation Directive*.

You may also use this form if you are a *UK firm* that wishes to notify ~~us (the FSA)~~ the PRA of changes to the details of its current *cross border services*.

### **Important information you should read before completing this form**

A *UK firm* can only use this form if it is entitled to provide *cross border services* into another *EEA State* subject to the conditions of the *Banking Consolidation Directive* (see Schedule 3 of the Financial Services and Markets Act 2000 (FSMA)). By completing this form, you are confirming this is the case. *UK firms* should consult the legislation or take legal advice both in the *UK* and in the relevant *EEA State(s)* if they are in any doubt.

We give guidance on this in ~~Chapter 13 of the~~ Supervision manual (*SUP 13*). In particular, a *UK firm* that wants to exercise an *EEA right* must have the specific activity included in its Scope of Permission (unless the *UK firm* is a *subsidiary* of a *firm* which is a *credit institution* that meets the criteria set out in the *Banking Consolidation Directive*).

### **Filling in the form**

1. If you are using your computer to complete the form, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed, print the relevant sections and sign the declaration in section 4.
2. If you are filling in the form by hand, use black ink, write clearly and, once you have completed the relevant sections, sign the declaration in section 4.
3. If there is not enough space on the form, you may need to use separate sheets of paper. Clearly, mark each separate sheet of paper with the relevant question number.

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Registered as a Limited Company in England and  
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Website [www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)  
E-mail [pra-passporting@bankofengland.co.uk](mailto:pra-passporting@bankofengland.co.uk)

# 1 Contact details

## 1.1 Details of the person we will contact about this notification

FSA Firm reference number <sup>†</sup>	
Title <sup>†</sup>	
Contact name <sup>†</sup>	
Address Line 1 <sup>†</sup>	
Address Line 2 <sup>†</sup>	
Postcode <sup>†</sup>	
Country <sup>†</sup>	
Telephone number <sup>†</sup>	
Fax number <sup>†</sup>	
Email address <sup>†</sup>	

---

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 2 Details of the services to be provided

2.1 Please indicate the *EEA State(s)* into which services are to be provided.<sup>†</sup>

States required	
Austria	<input type="checkbox"/>
Belgium	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
Cyprus	<input type="checkbox"/>
Czech Republic	<input type="checkbox"/>
Denmark	<input type="checkbox"/>
Estonia	<input type="checkbox"/>
Finland	<input type="checkbox"/>
France	<input type="checkbox"/>
Germany	<input type="checkbox"/>
Gibraltar	<input type="checkbox"/>
Greece	<input type="checkbox"/>
Hungary	<input type="checkbox"/>
Iceland	<input type="checkbox"/>
Ireland	<input type="checkbox"/>
Italy	<input type="checkbox"/>
Latvia	<input type="checkbox"/>
Liechtenstein	<input type="checkbox"/>
Lithuania	<input type="checkbox"/>
Luxembourg	<input type="checkbox"/>
Malta	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>
Norway	<input type="checkbox"/>
Poland	<input type="checkbox"/>
Portugal	<input type="checkbox"/>
Romania	<input type="checkbox"/>
Slovak Republic	<input type="checkbox"/>
Slovenia	<input type="checkbox"/>
Spain	<input type="checkbox"/>
Sweden	<input type="checkbox"/>
All States	<input type="checkbox"/>

### Note to Question 2.1

*UK firms* have the right to provide *cross border services* to Gibraltar. So, references in this form to an *EEA State* include references to Gibraltar (see the Financial Services and Markets Act (Gibraltar) Order 2001).

Recognised Investment Exchanges completing box 2.1 will be indicating *EEA states* in which they intend to provide access arrangements

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

2.2 If the *firm* intends to provide services into more than one *EEA State*, will these services vary for each State? †

- Yes ▶
- No ▶

2.3 Tell us the proposed date for the business to start. †

Date	dd/mm/yy
------	----------

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## 3 Banking Consolidation Directive

- 3.1 You must tick the appropriate boxes to show the activities to be provided (if the answer to question 2.2 was 'Yes', please complete a separate matrix for each EEA State).<sup>†</sup>

### Note to Question

#### 3.1

The Box marked ¥ should only be completed by UK credit institutions wishing to passport investment services and activities and ancillary services provided for by the extended scope of MiFID.

EEA State		
Activity		
1	Acceptance of deposits and other repayable funds	<input type="checkbox"/>
2	Lending, including, inter alia, consumer credit, mortgage credit, factoring, with or without recourse, and financing of commercial transactions (including forfeiting)	<input type="checkbox"/>
3	Financial leasing	<input type="checkbox"/>
4	Payment services as defined in Article 4(3) of Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market	<input type="checkbox"/>
5	Issuing and administering other means of payment (e.g. travellers' cheques and bankers' drafts) insofar as this activity is not covered by point 4	<input type="checkbox"/>
6	Guarantees and commitments	<input type="checkbox"/>
7	Trading for own account or for account of customers in:	<input type="checkbox"/>
	(a) money market instruments (cheques, bills, certificates of deposits etc)	<input type="checkbox"/>
	(b) foreign exchange	<input type="checkbox"/>
	(c) financial futures and options	<input type="checkbox"/>
	(d) exchange and interest-rate instruments	<input type="checkbox"/>
	(e) transferable securities	<input type="checkbox"/>
8	Participation in securities issues and the provision of services related to such issues	<input type="checkbox"/>
9	Advice to undertakings on capital structure, industrial strategy, and related questions and advice and services relating to mergers and the purchase of undertakings	<input type="checkbox"/>
10	Money broking	<input type="checkbox"/>
11	Portfolio management and advice	<input type="checkbox"/>
12	Safekeeping and administration of securities	<input type="checkbox"/>
13	Credit reference services	<input type="checkbox"/>
14	Safe custody services	<input type="checkbox"/>
¥	Additional MiFID services and activities subject to mutual recognition under the BCD*	<input type="checkbox"/>

¥ See separate matrix on next page

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

		EEA State														
		Investment services and activities								Ancillary services						
		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
Financial Instruments	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	8	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	9	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please refer to page 6-Z for a full description of MiFID Services and activities.

UK Firms that intend to use a Tied Agent established in the territory of another EEA state are required to complete Annex 1 at the end of this form and tick the appropriate boxes below to show the investment services to be provided by the tied Agent.¥

¥Please refer to MiFID Article 23(1) for details of the activities that may be provided by a tied agent

		1	2	3	4	5	6	7	8	1	2	3	4	5	6	7
<b>Financial Instruments</b>	1	<input type="checkbox"/>														
	2	<input type="checkbox"/>														
	3	<input type="checkbox"/>														
	4	<input type="checkbox"/>														
	5	<input type="checkbox"/>														
	6	<input type="checkbox"/>														
	7	<input type="checkbox"/>														
	8	<input type="checkbox"/>														
	9	<input type="checkbox"/>														
	10	<input type="checkbox"/>														

**Investment services and activities**

- (1) Reception and transmission of orders in relation to one or more financial instruments
- (2)

Execution of orders on behalf of clients

- (3) Dealing on own account
- (4) Portfolio management
- (5) Investment advice
- (6) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis
- (7) Placing of financial instruments without a firm commitment basis
- (8) Operation of Multilateral Trading Facilities

**Ancillary services**

- (1) Safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management
- (2) Granting credits or loans to an investor to allow him to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction
- (3) Advice to undertakings on capital structure, industrial strategy and related matters and advice and services relating to mergers and the purchase of undertakings
- (4) Foreign exchange services where these are connected to the provision of investment services
- (5) Investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments
- (6) Services related to underwriting
- (7) Investment services and activities as well as ancillary services of the type included under Section A or B of Annex 1 related to the underlying of the derivatives included under Section C – 5, 6, 7 and 10 - where these are connected to the provision of investment or ancillary services

**Financial Instruments**

- (1) Transferable securities
- (2) Money-market instruments
- (3) Units in collective investment undertakings
- (4) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivatives instruments, financial indices or financial measures which may be settled physically or in cash
- (5) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event)
- (6) Options, futures, swaps, and any other derivative contract relating to commodities that can be physically settled provided that they are traded on a regulated market and/or an MTF
- (7) Options, futures, swaps, forwards and any other derivative contracts relating to commodities, that can be physically settled not otherwise mentioned in C.6 and not being for commercial purposes, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are cleared and settled through recognised clearing houses or are subject to regular margin calls
- (8) Derivative instruments for the transfer of credit risk
- (9) Financial contracts for differences

- (10) Options, futures, swaps, forward rate agreements and any other derivative contracts relating to climatic variables, freight rates, emission allowances or inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties (otherwise than by reason of a default or other termination event), as well as any other derivative contracts relating to assets, rights, obligations, indices and measures not otherwise mentioned in this Section, which have the characteristics of other derivative financial instruments, having regard to whether, inter alia, they are traded on a regulated market or an MTF, are cleared and settled through recognised clearing houses or are subject to regular margin calls

## 4 Declaration

### Note to Declaration

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the firm.

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please seek appropriate professional advice before supplying information to us.

There will be a delay in processing the application if any information is inaccurate or incomplete. And failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application process.

- I understand it is a criminal offence knowingly or recklessly to give the **FSA-FCA/PRA** information that is false or misleading in a material particular.
- I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.
- I confirm that I am authorised to sign on behalf of the *firm*.

Name †	
Position †	
IRN (if applicable)	
Signature ‡	
Date *	dd/mm/yy

I enclose the following sections (mark the appropriate section) \*

Section 1 – Contact details (mandatory)	<input type="checkbox"/>
Section 2 – Details of the services (mandatory)	<input type="checkbox"/>
Section 3 – Banking Directive	<input type="checkbox"/>
Section 4 – Declaration (mandatory)	<input type="checkbox"/>
Annex 1 – Tied Agent Details	<input type="checkbox"/>

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

‡ These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online

## ANNEX 1 – Tied Agent Notification Form

This form should be used to notify ~~FSA~~ FCA/PRA when a *UK firm* intends to use a *tied agent* to provide cross-border services in the territory of another *EEA state*.

**Tied Agent Details**

1 Name of Tied Agent<sup>†</sup>

2 Address of Tied Agent<sup>†</sup>

3 Trading name(s) of Tied Agent, if different to the name given in question 1 above<sup>†</sup>

4 Telephone number of Tied Agent<sup>†</sup>

5 Fax number of Tied agent<sup>†</sup>

6 E-mail address of Tied Agent<sup>†</sup>

7 Website of Tied Agent<sup>†</sup>

8 Legal Status of Tied Agent<sup>†</sup>

<input type="checkbox"/> Private Limited Company	<input type="checkbox"/> Public Limited Company
<input type="checkbox"/> Partnership	<input type="checkbox"/> Limited Partnership
<input type="checkbox"/> Limited Liability	<input type="checkbox"/> Unincorporated Association
<input type="checkbox"/> Sole Trader	<input type="checkbox"/> Other, please specify below

9 Date of commencement of agreement with your firm<sup>†</sup>

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7



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**Passporting Notification of intention to provide cross border services in another EEA state INSURANCE MEDIATION DIRECTIVE (SUP 13 Annex 5R –Notification under SUP 13.5.2R)**

Full name of firm<sup>‡</sup> FIRM NAME:

FRN:

**Purpose of this form**

You should complete this form if you are a *UK firm* that wishes to exercise a passport right to provide *cross border services* in another *EEA State* under the *Insurance Mediation Directive*.

If you are an Appointed Representative ('AR') then this form **must** be completed by the sponsoring firm on your behalf.

**Important information you should read before completing this form**

A *UK firm* can only use this form if it is entitled to provide *cross border services* into another *EEA State* subject to the conditions of the *Insurance Mediation Directive* (see Schedule 3A of the Financial Services and Markets Act 2000 (FSMA)). By completing this form, you are confirming this is the case. *UK firms* should consult the legislation or take legal advice both in the *UK* and in the relevant *EEA State(s)* if they are in any doubt.

We give guidance on this in Chapter 13 of the Supervision manual (*SUP*). In particular, a *UK firm* that wants to exercise an *EEA right* must have the specific activity included in its Scope of Permission.

**Filling in the form**

1. If you are using your computer to complete the form, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed, print the relevant sections and sign the declaration in section 4.
2. If you are filling in the form by hand, use black ink, write clearly and, once you have completed the relevant sections, sign the declaration in section 4.
3. All firms should answer sections 1, 2 and 3.
4. ~~If there is not enough space on the form, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number~~

If dual regulated send to:

The Financial Services Authority

25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

Telephone: +44 (0)20 7066 7188

Fax: +44 (0)20 7066 1000

Website: [www.fsa.gov.uk](http://www.fsa.gov.uk)

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA

Telephone: +44(0)20 3461 7000

Website: [www.bankofengland.co.uk](http://www.bankofengland.co.uk)

E-mail: [pra-passporting@bankofengland.co.uk](mailto:pra-passporting@bankofengland.co.uk)

# 1 Contact details

## 1.1 Details of the person we will contact about this notification

FSA Firm reference number <sup>†</sup>	
Title <sup>†</sup>	
Contact name <sup>†</sup>	
Address Line 1 <sup>†</sup>	
Address Line 2 <sup>†</sup>	
Postcode <sup>†</sup>	
Country <sup>†</sup>	
Telephone number <sup>†</sup>	
Fax number <sup>†</sup>	
Email address <sup>†</sup>	

<sup>†</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP-15-7

## 2 Details of the services to be provided

### 2.1 Please indicate the *EEA State(s)* into which services are to be provided.<sup>‡</sup>

States required	
Austria	<input type="checkbox"/>
Belgium	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
Cyprus	<input type="checkbox"/>
Czech Republic	<input type="checkbox"/>
Denmark	<input type="checkbox"/>
Estonia	<input type="checkbox"/>
Finland	<input type="checkbox"/>
France	<input type="checkbox"/>
Germany	<input type="checkbox"/>
Gibraltar	<input type="checkbox"/>
Greece	<input type="checkbox"/>
Hungary	<input type="checkbox"/>
Iceland	<input type="checkbox"/>
Italy	<input type="checkbox"/>
Ireland	<input type="checkbox"/>
Latvia	<input type="checkbox"/>
Liechtenstein	<input type="checkbox"/>
Lithuania	<input type="checkbox"/>
Luxembourg	<input type="checkbox"/>
Malta	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>
Norway	<input type="checkbox"/>
Poland	<input type="checkbox"/>
Portugal	<input type="checkbox"/>
Romania	<input type="checkbox"/>
Slovak Republic	<input type="checkbox"/>
Slovenia	<input type="checkbox"/>
Spain	<input type="checkbox"/>
Sweden	<input type="checkbox"/>
All States	<input type="checkbox"/>

#### Note to Question

##### 2.1

*UK firms* have the right to provide *cross border services* to Gibraltar. So, references in this form to an *EEA State* include references to Gibraltar (see the Financial Services and Markets Act (Gibraltar) Order 2001).

### 2.2 Tell us the proposed date for the business to start<sup>\* ‡</sup>

Date	dd/mm/yy
------	----------

<sup>‡</sup> These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

<sup>\*</sup> There may be restrictions on the date which business can start which arise from EU law. We will notify you if this applies.

### 3 Insurance Mediation Directive (IMD)

- 3.1 You must confirm that the *UK firm* wishes to passport under the IMD by ticking the box below. †

The <i>firm</i> intends to carry on <i>insurance mediation</i> in the <i>EEA State(s)</i> identified in section 2 by providing <i>cross border services</i> .	<input type="checkbox"/>
---------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------

- 3.2 If this form is in respect of one or more Appointed Representative(s) of the firm then please list below the name(s) and **FSA firm** reference number(s) of those Appointed Representatives

ERN <sup>†</sup> Firm reference number	
Name of Company <sup>†</sup>	
Address Line 1 <sup>†</sup>	
Address Line 2 <sup>†</sup>	
Address Line 3 <sup>†</sup>	
Address Line 4 <sup>†</sup>	
County <sup>†</sup>	
Town <sup>†</sup>	
Postcode/Zip <sup>†</sup>	
EEA State <sup>†</sup>	
Phone Number (including STD code) <sup>†</sup>	
E-mail address <sup>†</sup>	
Mobile number <sup>†</sup>	
Fax number <sup>†</sup>	

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## 4 Declaration

### **Note to Declaration**

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the *firm*.

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please seek appropriate professional advice before supplying information to us.

There will be a delay in processing the application notification if any information is inaccurate or incomplete. And failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application notification process.

- **I understand it is a criminal offence knowingly or recklessly to give the FSA PRA information that is false or misleading in a material particular.**
- **I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.**
- **I confirm that I am authorised to sign on behalf of the *firm*.**

Name <sup>†</sup>	
Position <sup>†</sup>	
Signature*	
Date*	dd/mm/yy

I enclose the following sections (mark the appropriate section)\*

Section 1 – Contact details (mandatory)	<input type="checkbox"/>
Section 2 – Details of the services (mandatory)	<input type="checkbox"/>
Section 3 – Insurance Mediation Directive	<input type="checkbox"/>
Section 4 – Declaration (mandatory)	<input type="checkbox"/>

† These questions should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

\*These questions should only be completed if the form is being submitted in one of the ways set out in SUP 15.7 other than online submission. It should not be completed if the submission of this form is online



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



## **Passporting** Notification of intention to provide cross-border services in another EEA state. (SUP 13 Annex 6R – Notification under SUP 13.5.2R)

### **Full name of firm**

<b>FIRM NAME:</b>
<b>FRN:</b>

### **Purpose of this form**

You should complete this form if you are a *UK firm* that wishes to exercise a passport right to provide *cross border services* in another *EEA State* under the Undertakings for Collective Investment in Transferable Securities Directive (“the *UCITS Directive*”).

You may also use this form if you are a *UK firm* that wishes to notify us (~~the FSA~~) (the regulator) of changes to the details of its current *cross border services*.

**Important information you should read before completing this form** A *UK firm* can only use this form if it is entitled to provide *cross border services* into another *EEA State* subject to the conditions of the *UCITS Directive* (see Schedule 3 to the Financial Services and Markets Act 2000 (FSMA)). By completing this form, you are confirming this is the case. *UK firms* should consult the legislation or take legal advice both in the *UK* and in the relevant *EEA State(s)* if they are in any doubt.

We give guidance on this in Chapter 13 of the Supervision manual (*SUP*). In particular, a *UK firm* that wants to exercise an *EEA right* must have the specific activity included in its Scope of Permission.

### **Filling in the form**

1. If you are using your computer to complete the form, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed, print the relevant sections and sign the declaration in section 4.
2. If you are filling in the form by hand, use black ink, write clearly and, once you have completed the relevant sections, sign the declaration in section 4.
3. If there is not enough space on the form, you may need to use separate sheets of paper. Clearly, mark each separate sheet of paper with the relevant question number.

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#### **If solo regulated send to:**

~~The Financial Services Authority~~ Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS  
**Telephone:** +44 (0)20 7066 4000 7188  
**Fax:** +44 (0)20 70 66 9798  
**Website:** ~~www.fsa.gov.uk~~ www.fca.org.uk  
**E-mail:** passport.notifications@fca.org.uk

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#### **If dual regulated send to:**

The Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
**Telephone:** +44(0)20 3461 7000  
**Website:** www.bankofengland.co.uk  
**E-mail:** pra-passporting@bankofengland.co.uk

~~Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.~~

# 1 Contact details

## 1.1 Details of the person we will contact about this ~~application~~ notification

FSA <u>Firm</u> reference number	
Contact name	
Telephone number	
Fax number	
Email address	

## 2 Details of the services to be provided

2.1 Please indicate the *EEA State(s)* into which services are to be provided.

States required	
Austria	<input type="checkbox"/>
Belgium	<input type="checkbox"/>
Bulgaria	<input type="checkbox"/>
Cyprus	<input type="checkbox"/>
Czech Republic	<input type="checkbox"/>
Denmark	<input type="checkbox"/>
Estonia	<input type="checkbox"/>
Finland	<input type="checkbox"/>
France	<input type="checkbox"/>
Germany	<input type="checkbox"/>
Gibraltar	<input type="checkbox"/>
Greece	<input type="checkbox"/>
Hungary	<input type="checkbox"/>
Iceland	<input type="checkbox"/>
Ireland	<input type="checkbox"/>
Italy	<input type="checkbox"/>
Latvia	<input type="checkbox"/>
Liechtenstein	<input type="checkbox"/>
Lithuania	<input type="checkbox"/>
Luxembourg	<input type="checkbox"/>
Malta	<input type="checkbox"/>
Netherlands	<input type="checkbox"/>
Norway	<input type="checkbox"/>
Poland	<input type="checkbox"/>
Portugal	<input type="checkbox"/>
Romania	<input type="checkbox"/>
Slovak Republic	<input type="checkbox"/>
Slovenia	<input type="checkbox"/>
Spain	<input type="checkbox"/>
Sweden	<input type="checkbox"/>
All States	<input type="checkbox"/>

**Note to Question 2.1**

*UK firms* have the right to provide *cross border services* to Gibraltar. References in this form to an *EEA State* include references to Gibraltar (see the Financial Services and Markets Act (Gibraltar) Order 2001).

2.2 If the *firm* intends to provide services into more than one *EEA State*, will these services vary for each State?

- Yes ▶   
 No ▶

2.3 Tell us the proposed date for the business to start.

Date	dd/mm/yy
------	----------

### 3 Undertakings for Collective Investment in Transferable Securities

3.1 You must select those activities that you wish to carry out under the *UCITS Directive* as listed in article 6(2) and (3) of the *UCITS Directive*.

Management of <i>UCITS</i>	<input type="checkbox"/>
Management of portfolios of investments, including those owned by pension funds, in accordance with mandates given by investors on a discretionary, client-by-client basis, where those portfolios include one or more of the instruments listed in Section C of Annex I to <i>MIFID</i> .	<input type="checkbox"/>
Investment advice concerning one or more of the instruments listed in Section C of Annex I to <i>MIFID</i> .	<input type="checkbox"/>
Safekeeping and administration in relation to <i>units</i> of collective investment undertakings.	<input type="checkbox"/>

3.2 Please give details of the *firm's* programme of operations

<p>Note to Question 3.2</p> <p>Provide a programme of operations setting out the activities and services envisaged according to article 6(2) and (3) which must include a description of the risk management process.</p> <p>Provide also a description of the procedures and arrangements for dealing properly with investor complaints including how it is ensured that there are no restrictions on investors exercising such rights and the arrangements for making information available at the request of the public or the <i>competent authority</i> of the <i>UCITS Home State</i>.</p>

**Note: Other Requirements for UCITS management companies**

In addition to the submission of this notice to the FSA ~~FCA~~, *management companies* should note, where the application is to manage a *UCITS* in another *EEA State*, they will be required by the rules of the *competent authority* of the *UCITS Home State* implementing article 20 of the *UCITS Directive* to provide them with:

- (1) the written agreement that has been entered into with the *depository*; and
- (2) information on delegation arrangements regarding functions of investment management and administration, as referred to in Annex II to the *UCITS Directive*.

If the *management company* already manages other *UCITS* of the same type as the company is proposing to manage in the *UCITS Home State*, article 20 provides that reference to the documentation already provided shall be sufficient for the purposes of (1) and (2).

**3.3 Please confirm if the information referred to above has been submitted to the *competent authority* of the *UCITS Home State*. If it has not been submitted or if article 20 is not applicable please explain why, including (if applicable) when it is expected that the information will be provided.**

## 4 Declaration

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please seek appropriate professional advice before supplying information to us.

There will be a delay in processing the application if any information is inaccurate or incomplete. And failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application process.

- I understand it is a criminal offence knowingly or recklessly to give the *FSA PRA/FCA* information that is false or misleading in a material particular.
- I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.
- I confirm that I am authorised to sign on behalf of the *firm*.

Name	
Position	
IRN (if applicable)	
Signature	
Date	dd/mm/yy

I enclose the following sections

- Section 1 – Contact details
- Section 2 – Details of the services
- Section 3 – Undertakings for Collective Investment in Transferable Securities
- Section 4 – Declaration

### Note to Declaration

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the *firm*.

## Where to send this form

1) Please address the form to:

- ~~(a) a member of or for the attention of our Passport Notification Unit, or if submitted with an application for *Part IV permission*, our Authorisation Department; and~~  
~~(b) send it to us by one of the methods described in (2) below.~~

~~(2) Please send the form by:~~

- ~~(a) emailing it to [passport.notifications@fsa.gov.uk](mailto:passport.notifications@fsa.gov.uk), if not submitted with an application for *Part IV Permission*; or~~  
~~(b) leaving the application at our Canary Wharf office (see (a) above) and obtaining a timestamped receipt; or~~  
~~(c) posting it to The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS; or~~  
~~(d) hand delivering it to a member of the Passport Notification Unit or, if submitted with an application for *Part IV permission*, to the Authorisation Department; or~~  
~~(e) faxing it to the Passport Notification Unit on 020 7066 9798 (if not submitted with an application for *Part IV Permission*).~~

~~**If you have any questions or need additional information, please contact the Passport Notification Unit on 020 7066 1000 or email [passport.notifications@fsa.gov.uk](mailto:passport.notifications@fsa.gov.uk).**~~



**Notice of intention from a UK firm to exercise the right of establishment in another EEA Member State**

**Firm name:**

**Firm reference number:**

**Intended EEA state(s) of establishment:**

**Purpose of this form**

- *auction regulation* to establish a branch and/or use agents located in another *EEA state*.
- This form assists the ~~FSA's~~ *FCA's* supervision of a branch in another *EEA state* and its cooperation with regulators in other *EEA states*.

For general guidance on the exercise of passport rights by *UK firms*, please refer to *SUP 13*.

**Filling in the form**

1. When completing the notification, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed send to the email address below.
2. All relevant questions must be answered in full and all relevant documents attached.

If you have any questions in connection with Auction regulation, please call the Firm Contact Centre on: 0845 606 9966 (Call rates may vary) Overseas call +44 20 7066 1000 or E-mail: [EmissionsTrading@fca.org.uk](mailto:EmissionsTrading@fca.org.uk) [EmissionsTrading@fca.org.uk](mailto:EmissionsTrading@fca.org.uk)

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Emissions Trading Team  
The Financial Services Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London, E14 5HS  
Telephone: +44 (0)20 7066 4000 [7188](tel:+442070667188)

E-mail: [EmissionsTrading@fca.org.uk](mailto:EmissionsTrading@fca.org.uk) [EmissionsTrading@fca.org.uk](mailto:EmissionsTrading@fca.org.uk)

# 1. Contact details of the firm in the UK

## 1.1 Details of the person we can contact about this notification.

Contact name	
FRN	
Position at firm	
Telephone number	+
Email address	@
Web address	www

# 2. Details about the establishment (branch and/or agents)

## 2.1 Branch details

Please provide the address of the proposed EEA branch(es)

Address	
Country	
Telephone	
E-mail at the branch	

## 2.2 Please provide details of the branch manager(s)

<i>Title</i>	<i>Forename</i>	<i>Surname</i>	<i>Direct E-mail:</i>	<i>Direct dial telephone</i>

## 2.3 Please give the proposed date for the business to start at the branch or the date on which business started at the branch (dd/mm/yyyy).

<input type="text"/>							
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

**2.4 Do you intend to use an agent located in another EEA state to carry on auction regulation bidding in that EEA state?**

Yes       No

**If 'Yes' please complete sections 2.5 – 2.7.**

**2.5 Agent details**

Name of agent			
Contact name			
Address			
Postcode			
Telephone number			+44(0)
Email address			@

**2.6 If you are using more than one agent, please attach their details to this form using the format above.**

**2.7 Please give the proposed date the agent is to commence business on the firm's behalf or the date on which business commenced (dd/mm/yyyy).**

--	--	--	--	--	--	--	--	--	--

### 3. Declaration

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please take appropriate professional advice before supplying information to us.

There will be a delay in processing the application if any information is inaccurate or incomplete. Failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application process.

#### **Note to declaration**

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the firm.

- I understand it is a criminal offence to knowingly or recklessly give the FCA and or PRA information that is false or misleading.
- I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.
- I confirm that I am authorised to sign on behalf of the firm.

Name	
Position	
Telephone	
E-mail	
Signature	
Date	dd/mm/yy

#### **Data protection**

For the purposes of complying with the Data Protection Act 1998, the personal information in this form will be used by the FSA FCA and or PRA to discharge its statutory functions under the *auction regulation* and other relevant legislation and may be disclosed to third parties for those purposes.

### 4 Where to send this form

Please email the completed form, together with any required documentation to the Emissions Trading team at: [EmissionsTrading@fsa.gov.uk](mailto:EmissionsTrading@fsa.gov.uk) [EmissionsTrading@fca.org.uk](mailto:EmissionsTrading@fca.org.uk)

## Notice of intention to establish a branch in the UK under the auction regulations

Firm name:

Home state reference number:

EEA state of authorisation (home state):

### Purpose of this form

You must complete this notification if you are an *incoming EEA firm* that is seeking to exercise an *EEA right* under the *auction regulation* to establish a branch and/or use agents located in the United Kingdom.

This form enables the ~~FSA~~ FCA to supervise a UK establishment of an *incoming EEA firm's* compliance with the *applicable provisions* that apply to that establishment as set out in the ~~FSA~~ Handbook at SUP 13A Annex 1G (Application of the Handbook to Incoming EEA Firms).

Please note that we require an *incoming EEA firm* with an establishment in the UK to have an approved *Money Laundering Reporting Officer*.

For general guidance on the exercise of passport rights in the UK by *incoming EEA firms*, please refer to SUP 13A (Qualifying for authorisation under the Act).

### Filling in the form

1. When completing the notification, use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question. Once completed please send to the email address below.

2. All relevant questions must be answered in full and all relevant documents attached.

If you have any questions in connection with Auction regulation, please call the Firm Contact Centre on: 0845 606 9966 (Call rates may vary) Overseas call +44 20 7066 1000 or E-mail:

~~EmissionsTrading@fca.gov.uk~~ EmissionsTrading@fca.org.uk

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Emissions Trading Team  
The Financial ~~Services~~ Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London, E14 5HS  
Telephone: +44 (0)20 7066 4000 7188 (option 1)

E-mail: ~~EmissionsTrading@fca.gov.uk~~ EmissionsTrading@fca.org.uk

# 1. Contact details of the firm in the home state

## 1.1 Details of the person we can contact about this notification in the home state.

Contact name	
Position at firm	
Telephone number	+
Email address	
Web address	www

# 2. Details about the establishment

## 2.1 Branch details

Please provide the address of the UK branch from which we can obtain information about the business.

Address			
Postcode			
Telephone number		+44(0)	
Email address at branch		@	

## 2.2 Please provide details of the branch manager(s) and (if different) the Money Laundering Reporting Officer

<i>Title</i>	<i>Forename</i>	<i>Surname</i>	<i>Direct E-mail:</i>	<i>Direct dial number</i>

The Money Laundering Reporting Officer (CF11) is required to be registered as an approved person with the FSA and, as an incoming EEA firm should submit the appropriate form in application for this if it has not done so at the time of submitting this form.

## 2.3 Please give the proposed date for the business to start at the branch or the date on which business started at the branch (dd/mm/yyyy)

<input type="text"/>							
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

## 2.4 Do you intend to use an agent located in the UK to carry on auction regulation bidding in the UK?

Yes       No

If 'Yes' please complete sections 2.5 – 2.7

**2.5 Agent details**

Name of agent	
Contact name	
Address	
Postcode	
Telephone number	+44(0)
E-mail address	@

**2.6 If you are using more than one agent, please attach their details to this form using the format above.**

**2.7 Please give the proposed date the agent is to commence business on the firm's behalf or the date on which business commenced (dd/mm/yyyy)**

<input type="text"/>							
----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------	----------------------

### 3. Details about your authorisation

Requirement	Response
<p><b><u>Permission to Conduct the Activity</u></b> Please provide evidence of your authorisation under the <i>auction regulation</i>, including the date on which authorisation was granted by your <b>Home State Regulator</b></p> <p><b>NOTE:</b> a copy of the authorisation letter from your <b>Home State Regulator</b> should normally be sufficient evidence of this.</p>	

## 4. Declaration

### **Note to declaration**

If you are submitting this notification electronically you do not need to provide a signature here. However, you still need to have the authority to make this notification on behalf of the firm.

It is a criminal offence to knowingly or recklessly give us information that is false or misleading. If necessary, please take appropriate professional advice before supplying information to us.

There will be a delay in processing the application if any information is inaccurate or incomplete. Failure to notify us immediately of any significant change to the information provided may result in a serious delay in the application process.

- I understand it is a criminal offence to knowingly or recklessly give the FSA FCA information that is false or misleading.
- I confirm that the information in this form is accurate and complete to the best of my knowledge and belief.
- I confirm that I am authorised to sign on behalf of the firm.

Name	
Position	
Telephone	
E-mail	
Signature	
Date	dd/mm/yy

### **Data protection**

For the purposes of complying with the Data Protection Act 1998, the personal information in this form will be used by the FSA FCA to discharge its statutory functions under the *auction regulation* and other relevant legislation, and may be disclosed to third parties for those purposes.

## Where to send this form

Please email the completed form, together with any required documentation to the Emissions Trading team at:  
[EmmissionsTrading@fsa.gov.uk](mailto:EmmissionsTrading@fsa.gov.uk) [EmmissionsTrading@fca.org.uk](mailto:EmmissionsTrading@fca.org.uk)



Application number [redacted]  
(for FSA FCA/PRA use only)

The FSA has FCA and PRA have produced notes which will assist both the applicant and the notified person in answering the questions in this form. Please read these notes, which are available on the FSA website both FCA and PRA websites at:

[http://www.fsahandbook.info/FSA/docs/notes/imap\\_formc\\_notes.doc](http://www.fsahandbook.info/FSA/docs/notes/imap_formc_notes.doc)

[http://media.fshandbook.info/Forms/notes/imap\\_formf\\_notes.doc](http://media.fshandbook.info/Forms/notes/imap_formf_notes.doc)

<http://www.bankofengland.co.uk/PRA>

Both the applicant and the notified person will be treated by the FSA FCA and PRA as having taken these notes into consideration when completing their answers to the questions in this form.

## Form F - Changes in notified persons

FSA FCA and PRA Handbook Reference: SUP 15 Annex 2R – Notification under SUP 15.4.1R

1 April 2013

Name of notified person<sup>†</sup>  
(to be completed by applicant)

Name of firm<sup>†</sup>

~~The Financial Services Authority~~ Financial  
Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 845 606 9966  
Facsimile +44 (0) 207 066 0017  
E-mail [iva@fca.org.uk](mailto:iva@fca.org.uk)  
Website <http://www.fsa.gov.uk>  
<http://www.fca.org.uk>

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom  
Telephone +44 (0) 203 461 7000  
E-mail [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)  
Website <http://www.bankofengland.co.uk/PRA>

<sup>†</sup>These The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

‡

## Contact Details

Contact for this application

Title†
First Name†
Surname†
Job Title†
Business address †
Post code†
Phone number (including STD code) †
Email address†
Mobile No†
Fax No. †

These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Form F – Changes in notified persons**

**Version 4: June 2010 Version 5**

Has the notified person previously been approved by FSA?†

Details of notified person

Is the notified person an approved person?

YES  NO

1.01 a If 'yes' Notified person's FSA Individual Reference Number (IRN)†

b OR name of previous regulatory body†

c AND previous reference number†

1.02 Title (e.g. Mr, Mrs, Ms, etc)†

1.03 Surname†

1.04 ALL forenames†

1.05 Name commonly known by†

1.06 Date of birth†

/ /

1.07 National Insurance number†

1.08 Previous name†

1.09 Date of change†

/ /

1.10 Reason for change†

1.11 a Nationality†

b Passport Number† (If National Insurance number not available)

1.12 Place of birth†

➔ I have supplied further information related to this in Section 6†

YES  NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

1.13 a Private address<sup>†</sup>

b Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup> From / /  To PRESENT

(If address has changed in the last three years, please provide addresses for the previous three years.)<sup>†</sup>

1.14 a Previous address 1<sup>†</sup>

b Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup> From / /  To / /

1.15 a Previous address 2<sup>†</sup>

b Postcode<sup>†</sup>

c Dates resident at this address (mm/yyyy)<sup>†</sup> From / /  To / /

 I have supplied further information related to this in Section 6<sup>†</sup> YES  NO

<sup>†</sup>These The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

# Firm identification details

# Section 2

There are current holder(s) of this notifiable role. Please tick the individuals you wish to withdraw from this role.†

IRN	Name	Remove

2.01 Name of *firm* making the application†

2.02 a ~~FSA~~ Firm Reference Number (FRN)†

2.03 a Name of Home State regulator†

b Country†



I have supplied further information related to this in Section 6†

YES

NO

---

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Notified Positions****Section 3**

3.01 Notified positions individual is taking over. †

a *Firm's* world-wide chief executive where *the person* is situated outside the *United Kingdom*

b The *person*, if not the world-wide chief executive, within the *overseas* firm with a purely strategic responsibility for *UK* operations

c For a *bank*: the two or more *persons* who effectively direct its business in accordance with SYSC 4.2.2

d For a *UK* branch of an *insurer*: the *authorised UK representative*

3.02 Effective date†

/ /

3.03 Individual Reference Number of individual being replaced†

3.04 Name of individual being replaced†



I have supplied further information related to this in Section 6†

YES

NO

**Employment history for past 5 years****Section 4**

These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Form F – Changes in notified persons**

**Version 4: June 2010 Version 5**

Please start with the most recent employment. †

Note: ALL gaps in employment must be accounted for

**4.01 Employment details (1)**

**a** Period (mm/yyyy) † From / To /

**b** Nature of employment †

<i>a</i>	Employed	<input type="checkbox"/>
<i>b</i>	Self-employed	<input type="checkbox"/>
<i>c</i>	Unemployed	<input type="checkbox"/>
<i>d</i>	Full-time education	<input type="checkbox"/>

if b, c or d is ticked, please give details †

**c** Name of employer †

**d** Nature of business †

**e** Previous / other names of employer †

**f** Last known address of employer †

**g** Is / was employer regulated by a regulatory body? † Yes  No  Name of regulatory body

**h** Is / was employer an *appointed representative/tied agent* † Yes  No  If yes, of which firm?

**i** Position held †

**j** Responsibilities †

**k** Reason for leaving †

<i>a</i>	Resignation	<input type="checkbox"/>
<i>b</i>	Redundancy	<input type="checkbox"/>
<i>c</i>	Retirement	<input type="checkbox"/>
<i>d</i>	Termination/dismissal	<input type="checkbox"/>
<i>e</i>	End of contract	<input type="checkbox"/>
<i>f</i>	Other	<input type="checkbox"/>

Specify †

I have supplied further information related to this in Section 6 † YES  NO

**4.02 a** Period (mm/yyyy) † From / To /

**b** Nature of employment<sup>†</sup>

a	Employed	<input type="checkbox"/>
b	Self-employed	<input type="checkbox"/>
c	Unemployed	<input type="checkbox"/>
d	Full-time education	<input type="checkbox"/>

if b, c or d is ticked, please give details<sup>†</sup>

**c** Name of employer<sup>†</sup>

**d** Nature of business<sup>†</sup>

**e** Previous / other names of employer<sup>†</sup>

**f** Last known address of employer<sup>†</sup>

**g** Is / was employer regulated by a regulatory body?<sup>†</sup> Yes  No  Name of regulatory body

**h** Is / was employer an *appointed representative/tied agent*?<sup>†</sup> Yes  No  If yes, of which *firm*?

**i** Position held<sup>†</sup>

**j** Responsibilities<sup>†</sup>

**k** Reason for leaving<sup>†</sup>

a	Resignation	<input type="checkbox"/>
b	Redundancy	<input type="checkbox"/>
c	Retirement	<input type="checkbox"/>
d	Termination/dismissal	<input type="checkbox"/>
e	End of contract	<input type="checkbox"/>
f	Other	<input type="checkbox"/>

Specify<sup>†</sup>

 I have supplied further information related to this in Section 6<sup>†</sup> YES  NO

<sup>†</sup> These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.03 Employment details (3)**

<b>a</b>	Period (mm/yyyy) <sup>†</sup>	From /	To /
<b>b</b>	Nature of employment <sup>†</sup>	a Employed	<input type="checkbox"/>
		b Self-employed	<input type="checkbox"/>
		c Unemployed	<input type="checkbox"/>
		d Full-time education	<input type="checkbox"/>
	if b, c or d is ticked, please give details <sup>†</sup>		
<b>c</b>	Name of employer <sup>†</sup>		
<b>d</b>	Nature of business <sup>†</sup>		
<b>e</b>	Previous / other names of employer <sup>†</sup>		
<b>f</b>	Last known address of employer <sup>†</sup>		
<b>g</b>	Is / was employer regulated by a regulatory body? <sup>†</sup>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Name of regulatory body
<b>h</b>	Is / was employer an <i>appointed representative/tied agent</i> <sup>†</sup>	Yes <input type="checkbox"/> No <input type="checkbox"/>	If yes, of which <i>firm</i> ?
<b>i</b>	Position held <sup>†</sup>		
<b>j</b>	Responsibilities <sup>†</sup>		
<b>k</b>	Reason for leaving <sup>†</sup>	a Resignation	<input type="checkbox"/>
		b Redundancy	<input type="checkbox"/>
		c Retirement	<input type="checkbox"/>
		d Termination/dismissal	<input type="checkbox"/>
		e End of contract	<input type="checkbox"/>
		f Other	<input type="checkbox"/>
	Specify <sup>†</sup>		

<sup>†</sup> These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.04 Employment details (4)**

<b>a</b>	Period (mm/yyyy) †	From /                      To /												
<b>b</b>	Nature of employment †	<table border="0"> <tr><td>a Employed</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>b Self-employed</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>c Unemployed</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>d Full-time education</td><td style="text-align: right;"><input type="checkbox"/></td></tr> </table>	a Employed	<input type="checkbox"/>	b Self-employed	<input type="checkbox"/>	c Unemployed	<input type="checkbox"/>	d Full-time education	<input type="checkbox"/>				
a Employed	<input type="checkbox"/>													
b Self-employed	<input type="checkbox"/>													
c Unemployed	<input type="checkbox"/>													
d Full-time education	<input type="checkbox"/>													
	if b, c or d is ticked, please give details †													
<b>c</b>	Name of employer †													
<b>d</b>	Nature of business †													
<b>e</b>	Previous / other names of employer †													
<b>f</b>	Last known address of employer †													
<b>g</b>	Is / was employer regulated by a regulatory body? †	<table border="0"> <tr> <td>Yes <input type="checkbox"/></td> <td>No <input type="checkbox"/></td> <td>Name of regulatory body</td> </tr> <tr> <td colspan="3" style="border: 1px solid gray; height: 20px;"></td> </tr> </table>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Name of regulatory body									
Yes <input type="checkbox"/>	No <input type="checkbox"/>	Name of regulatory body												
<b>h</b>	Is / was employer an <i>appointed representative/tied agent</i> †	<table border="0"> <tr> <td>Yes <input type="checkbox"/></td> <td>No <input type="checkbox"/></td> <td>If yes, of which <i>firm</i>?</td> </tr> <tr> <td colspan="3" style="border: 1px solid gray; height: 20px;"></td> </tr> </table>	Yes <input type="checkbox"/>	No <input type="checkbox"/>	If yes, of which <i>firm</i> ?									
Yes <input type="checkbox"/>	No <input type="checkbox"/>	If yes, of which <i>firm</i> ?												
<b>i</b>	Position held †													
<b>j</b>	Responsibilities †													
<b>k</b>	Reason for leaving †	<table border="0"> <tr><td>a Resignation</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>b Redundancy</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>c Retirement</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>d Termination/dismissal</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>e End of contract</td><td style="text-align: right;"><input type="checkbox"/></td></tr> <tr><td>f Other</td><td style="text-align: right;"><input type="checkbox"/></td></tr> </table>	a Resignation	<input type="checkbox"/>	b Redundancy	<input type="checkbox"/>	c Retirement	<input type="checkbox"/>	d Termination/dismissal	<input type="checkbox"/>	e End of contract	<input type="checkbox"/>	f Other	<input type="checkbox"/>
a Resignation	<input type="checkbox"/>													
b Redundancy	<input type="checkbox"/>													
c Retirement	<input type="checkbox"/>													
d Termination/dismissal	<input type="checkbox"/>													
e End of contract	<input type="checkbox"/>													
f Other	<input type="checkbox"/>													
	Specify †													

I have supplied further information related to this in Section 6 †      YES       NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**4.05 Employment details (5)**

<b>a</b>	Period (mm/yyyy) †	From /	To /
<b>b</b>	Nature of employment †	a Employed <input type="checkbox"/> b Self-employed <input type="checkbox"/> c Unemployed <input type="checkbox"/> d Full-time education <input type="checkbox"/>	
	if b, c or d is ticked, please give details †		
<b>c</b>	Name of employer †		
<b>d</b>	Nature of business †		
<b>e</b>	Previous / other names of employer †		
<b>f</b>	Last known address of employer †		
<b>g</b>	Is / was employer regulated by a regulatory body? †		
<b>h</b>	Is / was employer an <i>appointed representative/tied agent</i> †		
<b>i</b>	Position held †		
<b>j</b>	Responsibilities †		
<b>k</b>	Reason for leaving †		
	Specify †		



I have supplied further information related to this in Section 6 †

YES

NO

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

5.01	a	<p>Has the notified person <b>ever</b> been convicted of any offence (whether spent or not and whether or not in the <i>United Kingdom</i>):</p> <p style="margin-left: 20px;">i. involving fraud, theft, false accounting, offences against the administration of public justice (such as perjury, perverting the course of justice and intimidation of witnesses or jurors), serious tax offences or other dishonesty or</p> <p style="margin-left: 20px;">ii. relating to <i>companies, building societies, industrial and provident societies, credit unions, friendly societies</i>, insurance, banking or other financial services, insolvency, consumer credit or consumer protection, <i>money laundering</i>, market manipulations or <i>insider dealing</i>?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	b	Is the notified person the subject of any current criminal proceedings?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	c	Has the notified person <b>ever</b> been given a caution in relation to any criminal offence	Yes <input type="checkbox"/>	No <input type="checkbox"/>
		* -		
5.02		Has the notified person any convictions for any offences (whether spent or not and whether or not in the United Kingdom) other than those in 5.01 above (excluding traffic offences that did not result in a ban from driving or did not involve driving without insurance)?*	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.03	a	<p>Has the notified person <b>ever</b> had a County Court Judgment (CCJ) or other judgement debt, (whether or not in the United Kingdom)</p> <p>Has the notified person had:</p> <p style="margin-left: 20px;">i. more than 2 CCJs or judgment debts?</p> <p style="margin-left: 20px;">or</p> <p style="margin-left: 20px;">ii. more than £1,000 in total of CCJs or judgment debts?</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
	b	<p>Is the notified person aware of anybody's intention to: <del>begin</del></p> <p style="margin-left: 20px;">i. begin more than one set of proceedings against the notified person for a CCJ or other judgment debt? Or</p> <p style="margin-left: 20px;">ii. claim more than £1,000 of CCJs or judgment debts in total from the notified person</p>	Yes <input type="checkbox"/>	No <input type="checkbox"/>
			Yes <input type="checkbox"/>	No <input type="checkbox"/>
			Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.04		Does the notified person have any judgment debts (including CCJs) made under a court order still outstanding, whether in full or in part?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.05		Has the notified person <b>ever</b> failed to satisfy any such judgment debts within one year of the making of the order?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
5.06	a	Is the notified person, or has the notified person <b>ever</b> been, the subject of any bankruptcy proceedings or proceedings for the sequestration of the notified person's estate?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

b Has the notified person **ever** entered or is in the process of entering into an agreement in favour of the notified person's creditors, for example a deed of arrangement or an individual voluntary arrangement (or in Scotland a trust deed)?

Yes  No



I have supplied further information related to this in Section 6†

YES  NO

5.07 Does the notified person have any outstanding financial obligations arising from *regulated activities*, which the notified person has carried on in the past (whether or not in the *United Kingdom*)?

Yes  No

(In the case of *advisers*, this will include any outstanding liabilities arising from commissions paid for the sale of *packaged products* that have lapsed.)

5.08 Has the notified person **ever** been found guilty of carrying on any unauthorised *regulated activities* or been investigated for the possible carrying on of unauthorised *regulated activities*?

Yes  No

5.09 Is the notified person, or has the notified person **ever** been, the subject of an investigation into allegations of misconduct or malpractice in connection with any business activities?

Yes  No

5.10 **Has the notified person ever** (whether or not in the *United Kingdom*) –

a been refused entry to, or been dismissed or requested to resign from, any profession, vocation, office or employment, or any fiduciary office or position of trust, whether or not remunerated?

Yes  No

b been refused, restricted in, or had suspended, the right to carry on any trade, business or profession for which specific licence, authorisation, registration, membership or other permission is required?

Yes  No

c been disqualified by a court from acting as a *director* of a *company* or from acting in a management capacity or conducting the affairs of any *company*, *partnership* or *unincorporated association*?

Yes  No

d been the subject of a disqualification direction under section 59 of the Financial Services Act 1986 or a prohibition order, under section 56 of the Financial Services and Markets Act 2000, or received a warning notice that such a direction or order be made?

Yes  No

5.11 In relation to activities regulated by the ~~FSA~~ *FCA* and/or *PRA* or any other regulatory body (see note section 5), has:

i. the notified person, or

ii. any company, partnership or unincorporated association of which the notified person is or has been a controller, director, senior manager, partner or company secretary, during the notified person's association with that entity and for a period of three years after the notified person ceased to be associated with it, **ever** –

a been refused, had revoked, restricted or terminated, any licence, authorisation, registration, notification, membership or other permission granted **by any such body**?

Yes  No

These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

- b been criticised, censured, disciplined, suspended, expelled, fined, or been the subject of any other disciplinary or intervention action **by any such body**? Yes  No
- c resigned whilst under investigation by, or been required to resign from, **any such body**? Yes  No
- d decided, after making an application for any licence, authorisation, registration, notification, membership or other permission granted by **any such body**, not to proceed with it? Yes  No
- e been the subject of any civil action which has resulted in a finding against the notified person or it by a court? Yes  No

➔ I have supplied further information related to this in Section 6† YES  NO

**5.12 Has any company, partnership or unincorporated association of which the notified person is or has been a controller, director, senior manager, partner, or company secretary, in the United Kingdom or elsewhere, at any time during the notified person's involvement or within one year of such an involvement -**

- a been put into liquidation, wound up, ceased trading, had a receiver or administrator appointed or entered into any voluntary arrangement with its creditors? Yes  No
- b been adjudged by a court liable for any fraud, misfeasance, wrongful trading or other misconduct? Yes  No
- c been investigated or been involved in an investigation by an inspector appointed under companies or any other legislation, or required to produce documents to the Secretary of State, or any other authority, under any such legislation? Yes  No
- d been convicted of any criminal offence, censured, disciplined or publicly criticised, by any inquiry, by the *Takeover Panel* or any governmental or statutory authority or any other regulatory body (other than as already indicated under 5.11(b)) Yes  No

**5.13** Is the notified person aware of any business interests, employment obligations, or any other situations which may conflict with the performance of the *controlled functions* for which approval is now sought? Yes  No

Enter Date of change: †



I have supplied further information related to this in Section 6<sup>†</sup>

YES

NO

## Supplementary Information †

### Section 6

**6.01** Is there any other information the notified person of the firm considers to be relevant to the application?<sup>†</sup>

Please provide full details<sup>†</sup>

**6.02** Full details must be provided here if there were any issues that arose when leaving an employer listed in section 4 or if any question has been answered 'yes' in section 5.<sup>†</sup>

Please indicate clearly which question additional information relates to.<sup>†</sup>

Question	Information

**6.03** Include a list of all directorships currently or previously held by the notified person in the past 10 years (where *director* has the meaning given in the *Glossary*).<sup>†</sup>

**6.04** Is there any other information the notified person or the *firm* considers to be relevant to the application?<sup>†</sup>

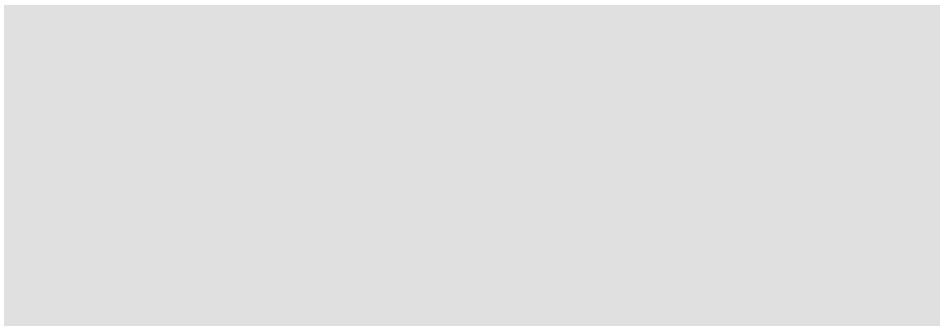
Yes  No

If yes, provide details below or on a separate sheet of paper<sup>†</sup>

<sup>†</sup> These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Form F – Changes in notified persons**

**Version 4: June 2010 Version 5**



## Supporting Documents†

Indicate the required supporting documents to accompany this form.

Documents	Mode (Send by Email, Post, or by Fax)

Other information

--

These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

## DECLARATION OF NOTIFIED PERSON<sup>†</sup>

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000).

It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA or another *regulatory body*. If there is any doubt about the relevance of information, it should be included.

### Data Protection<sup>†</sup>

For the purposes of complying with the Data Protection Act, the personal information in this Form will be used by the ~~FSA~~ FCA and/or PRA to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**I can confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the Notes to this Form.**

The ~~FSA~~ FCA and/or PRA may seek to verify the information given in this Form including answers pertaining to fitness and propriety. **I authorise the ~~FSA~~ FCA and/or PRA to make such enquiries and seek further information as it thinks appropriate in the course of verifying the information given in this Form. I also understand that the results of these checks may be disclosed to my employer.**

7.01 Notified person's full name<sup>†</sup>

7.02 Signature \*

Date<sup>†</sup> / /

Tick here to confirm you have read and understood this declaration: <sup>∞</sup>

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission

<sup>∞</sup> The above question(s) appears on the electronic form submission only. It does not appear on a paper form submission.

~~These~~ <sup>†</sup> ~~The above~~ question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**DECLARATION OF FIRM<sup>†</sup>**

Knowingly or recklessly giving the FSA FCA and/or PRA information which is false or misleading in a material particular may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.1R and SUP 15.6.4R require an *authorised person* to take reasonable steps to ensure the accuracy and completeness of information given to the FSA FCA and/or PRA and to notify the FSA FCA and/or PRA immediately if materially inaccurate information has been provided.

APER 4.4.67E provides that, where an *approved person* is responsible for reporting matters to the FSA FCA and/or PRA, failure to inform the FSA FCA and/or PRA of materially significant information of which he is aware is a breach of *Statement of Principle 4*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FSA FCA and/or PRA.

It should not be assumed that information is known to the FSA FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the FSA FCA and/or PRA or another regulatory body. If there is any doubt about the relevance of information, it should be included.

In making this application the *firm* believes on the basis of due and diligent enquiry that the notified person is a fit and proper person to perform the notified position(s) listed in section 3. The *firm* also believes, on the basis of due and diligent enquiry, that the notified person is competent to fulfil the duties required of such function(s).

**I confirm that the information in this Form is accurate and complete to the best of my knowledge and belief and that I have read the Notes to this Form.**

**I confirm that I have authority to make this notification, and sign this Form, on behalf of each *firm* identified in section 7. I also confirm that a copy of this Form, as submitted to the FSA FCA and/or PRA will be sent to each of those *firms* at the same time as submitting the Form to the FSA FCA and/or PRA.**

Name of the *firm* submitting the application<sup>†</sup>

7.03

7.04 Name of *person* signing on behalf of the *firm*<sup>†</sup>

7.05 Job title<sup>†</sup>

7.06 Signature

Date<sup>†</sup>

Tick here to confirm you have read and understood this declaration:

## Completion Checklist

Is the Form fully completed? †

Are ALL forenames included? †

Is there a complete five-year employment history with all gaps explained? †

Is the Form correctly signed and dated by both the *firm* making the application and the notified person? †

Has all supplementary information been included and clearly marked? †

\* The above question(s) appears on a paper form submission only. That question does not appear on an electronic form submission

† The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

These † The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~N.B. Detach and keep the Notes before returning the completed Form to the FSA. †~~

~~These †~~ The above question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

**Form F – Changes in notified persons**

**Version 4: June 2010 Version 5**

## Notes for Form F

### Changes in notified persons

The *rule* for notification is set out in SUP 15.4.1R.

#### The purpose of this Form

This is Form F referred to in SUP 15.4.1R (2).

Membership of the *governing body* of an *overseas firm* with a branch in the *United Kingdom* is not a *controlled function* requiring approval of the ~~FSA~~FCA and/or PRA under the *approved persons* regime. The rule at SUP 15.4.1R (Notified persons) is not made under the powers conferred on the ~~FSA~~FCA and/or PRA by Part V of the *Act* and the *Statements of Principle* do not apply to a *person* notified to the ~~FSA~~FCA and/or PRA under SUP 15.4.1R unless he is also an *approved person*.

An *overseas firm* (excluding an *incoming firm*) must notify the ~~FSA~~FCA and/or PRA within 30 *business days* of any *person* taking up or ceasing to hold the following positions (see SUP 15.4.1R):

- the *firm's* world-wide chief executive if the *person* is based outside the *United Kingdom*;
- the *person*, if not the world-wide chief executive, within the *overseas firm* with a purely strategic responsibility for *UK* operations (see ~~SUP 10.7.4G~~ SUP 10A.7.4G);
- for a *bank*: the two or more *persons* who effectively direct its business in accordance with ~~IPRU (BANK) GN 3.3.1R~~; SYSC 4.2.2;
- for an *insurer*, the *authorised UK representative*.

These notifications must be submitted using this Form. However, if the *person* is an *approved person*, notification can be made by letter giving details of his name and the position to which the notification relates (see SUP 15.4.1R (2)).

If adverse information is revealed about a *person* notified to the ~~FSA~~FCA and/or PRA under SUP 15.4.1R, the ~~FSA~~FCA and/or PRA may exercise its *own-initiative power* against the *firm* (see SUP 15.4.4G).

#### Completing this Form

The Form must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

All dates should be provided in numeric form (e.g. 29/02/2000 for 29 February 2000).

Indicate clearly if a question is not applicable. Tick the appropriate box where a yes/no answer is required. Further details should be given in section 6 (Supplementary Information) if there is insufficient space for a detailed answer.

Additional information can be attached to the Form. It must be securely attached to the rest of the Form and you must indicate at question 6.03 the number of additional sheets attached.

Do not assume that information is known to the ~~FSA~~FCA and/or PRA merely because it is in the public domain, or has been previously disclosed to the ~~FSA~~FCA and/or PRA or to another *regulatory body*. In all circumstances, disclosures should be full, frank and unambiguous. If there is any doubt about the relevance of information, it should be included. The information supplied by the notified *person* should be verified by the *firm* wherever possible.

Expressions in this Form in italics have the meaning given in the *Glossary to the FSA'S Handbook* (or, if no meaning is given there, the expressions are to be interpreted in accordance with the related expression defined in the *Glossary*).

The *firm* is responsible for the accuracy of the data and completion of the Form. If the Form is not fully and correctly completed, the FSA/FCA and/or PRA may need to return it for proper completion.

**The FSA/FCA and/or PRA must be informed immediately of any material changes to the information provided in this Form. All changes must be communicated to the FSA/FCA and/or PRA by the *firm* (see SUP 15.6.4R).**

## SECTION 1 – PERSONAL IDENTIFICATION DETAILS

If the notified *person* has more than one previous name (surname or forenames), passport number or nationality, or is known by any other names, provide details in section 6.

1.01: If the notified *person* does not have an FSA/FCA and/or PRA Individual Reference Number or does not know it, include the name of the previous regulator and the previous Individual Reference Number, as applicable.

1.13: *United Kingdom* addresses must be given, or a statement stating that the individual resides abroad.

## SECTION 2 – FIRM IDENTIFICATION DETAILS

2.01 & 2.02: This section identifies the *firm* making the application by FSA/FCA and/or PRA Firm Reference Number (FRN) and name. If the individual will be performing the notified activity in relation to more than one *firm* and this notification is given on behalf of those other *firms*, please list the names and FSA/FCA and/or PRA Firm Reference Numbers of the other *firms* at section 6.

2.03: The regulatory organisation and country of the *firm's* registered office must also be indicated.

2.04: The *firm* must also indicate a point of contact for any queries in connection with the application.

## SECTION 3 – CHANGES TO NOTIFIED PERSONS

The notified position to which this Form relates should be identified, including effective date and, if applicable, the name of individual being replaced.

## SECTION 4 – EMPLOYMENT HISTORY FOR PAST 5 YEARS

A full five-year employment history for the notified *person* must be provided – with all gaps explained. If the record of employment does not go back five years, all periods of education and unemployment must be indicated. Full details of any periods of self-employment should also be included.

Always give the address of the actual place of employment, rather than a central head office.

The employment history should be provided in **reverse chronological order**, starting with the most recent period of employment, unemployment etc, but excluding the activity to which this notification relates.

“Regulatory body” in this context means the bodies listed in the notes to section 5 (below).

State the position held by the notified *person* and a brief explanation of his or her duties. If the notified *person's* job title included the word “director” but his or her duties did not include those associated with the title of *director*, as defined in the *Glossary*, this should be indicated.

The reason for leaving each employer must be given. If there were any issues arising on leaving, these must be fully explained in section 6. Previous employers may be contacted.

## SECTION 5 – FITNESS AND PROPRIETY

Answer the questions by ticking the relevant 'yes' or 'no' box. If the answer to any of the questions is 'yes', give complete details in section 6 and attach relevant supporting documentation.

When answering question 5.01, all 'spent' convictions must be disclosed by virtue of the Exceptions Order to the Rehabilitation of Offenders Act 1974 and any overseas equivalent of a spent conviction,

5.03-5.06: Court judgments (e.g. County Court Judgments) (and their overseas equivalent) and arrangements with creditors (e.g. Individual Voluntary Arrangements) are covered by questions 5.03 to 5.06. Any outstanding County Court Judgments or arrangements with creditors must be listed in section 6, and the circumstances surrounding them explained.

"Regulatory body" in this context refers to:

- i. self-regulatory organisations including *IMRO, SFA, PIA, LAUTRO, FIMBRA, AFBD* and *TSA*;
- ii. the statutory bodies including the ~~FSA~~ *Financial Conduct Authority, Prudential Regulation Authority, the Financial Services Authority, SIB, the Society of Lloyd's, the Registry of Friendly Societies, the Friendly Societies Commission, the Building Societies Commission, the Bank of England; HM Treasury – Insurance Directorate (formerly of the DTI), HM Revenue & Customs* and the *recognised bodies*;
- iii. the *designated professional bodies*; and
- iv. the equivalent of all such ~~regulators~~ regulatory bodies overseas.

## SECTION 6 – SUPPLEMENTARY INFORMATION

This section provides space for additional information and should be used whenever a question in section 5 is answered 'yes'.

~~List here all directorships currently held or held in the past 10 years by the candidate.~~

~~Relevant documents must also be provided, such as evidence of the settlements of CCJs~~

## SECTION 7 – DECLARATIONS AND SIGNATURES

This section contains declarations which must be signed by both an appropriate individual for the *firm* or applicant submitting the application and the notified *person*. The ~~FSA/FCA and/or PRA~~ considers that an appropriate individual would be someone to whom the *firm* has delegated the authority to notify the ~~FSA/FCA and/or PRA~~. The *firm* should keep records of those individuals authorised to sign on behalf of the *firm*.

N.B. Please keep these notes before returning the completed Form to the FCA and/or PRA.

**If you have any questions or need additional information, please contact the Firm-FCA Customer Contact Centre on 0845 606 9966 or PRA Firm Enquiries on 020 3461 7000 or via e-mail [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk) or [PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)**

~~Please Return Completed Form to:  
The Financial Services Authority  
Individuals, Mutuals and Policy Department  
Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS  
United Kingdom~~

Prudential Regulation Authority  
20 Moorgate  
London  
EC2R 6DA  
United Kingdom



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



[This form may be completed on screen and printed, or printed for completion by hand.](#)

[NOTE: You cannot save the form if you are completing it using Acrobat Reader. It is therefore advisable to assemble all the information you require before completing the form.](#)

[Print as many copies as you require before quitting](#)

[This form can be saved if you are using the full Acrobat application.](#)

[All fields except Signatures may be completed on screen.](#)

[Text in blue will not print.](#)

## Standing Data

**To update firm name and trading names, website address,  
accounting reference date, auditors, locum, contacts and addresses.**

*SUP 15 Annex 3R – Notifications under SUP 16.10*

(April 2013)

[Click in any field to enter text. Press tab to go to next field.](#)

Firm name †

("The Firm")

Firm reference number †

Address †

**(Please return the form, marked for the attention of the Customer Contact Centre to:)**

Financial Conduct

Services Authority

25 The North Colonnade

~~† These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

Canary Wharf  
London E14 5HS  
United Kingdom  
Telephone +44 (0) 20 7066 1000  
Facsimile +44 (0) 20 7066 1099

Registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

~~\*These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

## NOTES

This form should be used to update your *firm* name and trading name(s), website address, accounting reference date, auditors, locum, contacts and addresses.

### Personal Details

### Section A

1 Contact Name for this notification †

SP  
| \*  
\_\_\_\_\_

2 Contact's Details: †

a Position in the firm †

SP  
| \*  
\_\_\_\_\_

b Daytime telephone number †

SP  
| \*  
\_\_\_\_\_

c E-mail address †

\_\_\_\_\_

d Individual reference number (IRN), if applicable †

\_\_\_\_\_

### Change Full Name of Firm

### Section B

If you wish to advise the ~~FSA~~ FCA or PRA of a change to the firm's name please enter the following details, otherwise proceed to Section C1. †

**Note:** this section is not intended to be used by firms that are covered by Industrial & Provident, Friendly Society, Credit Union or Building Society legislation. These firms should contact the FCA's ~~FSA's~~ Mutuals Team.

Current Legal Status:

(a) Private Limited Company

(b) Public Limited Company

(c) Limited Liability Partnership

(d) Limited Partnership

(e) Sole Trader

(f) Unlimited Liability Company

(g) Partnership

(h) **Other, please specify below**

\_\_\_\_\_

~~† These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

2 Please enter the date on which the change becomes effective<sup>‡</sup> / /  
Yes No N/A

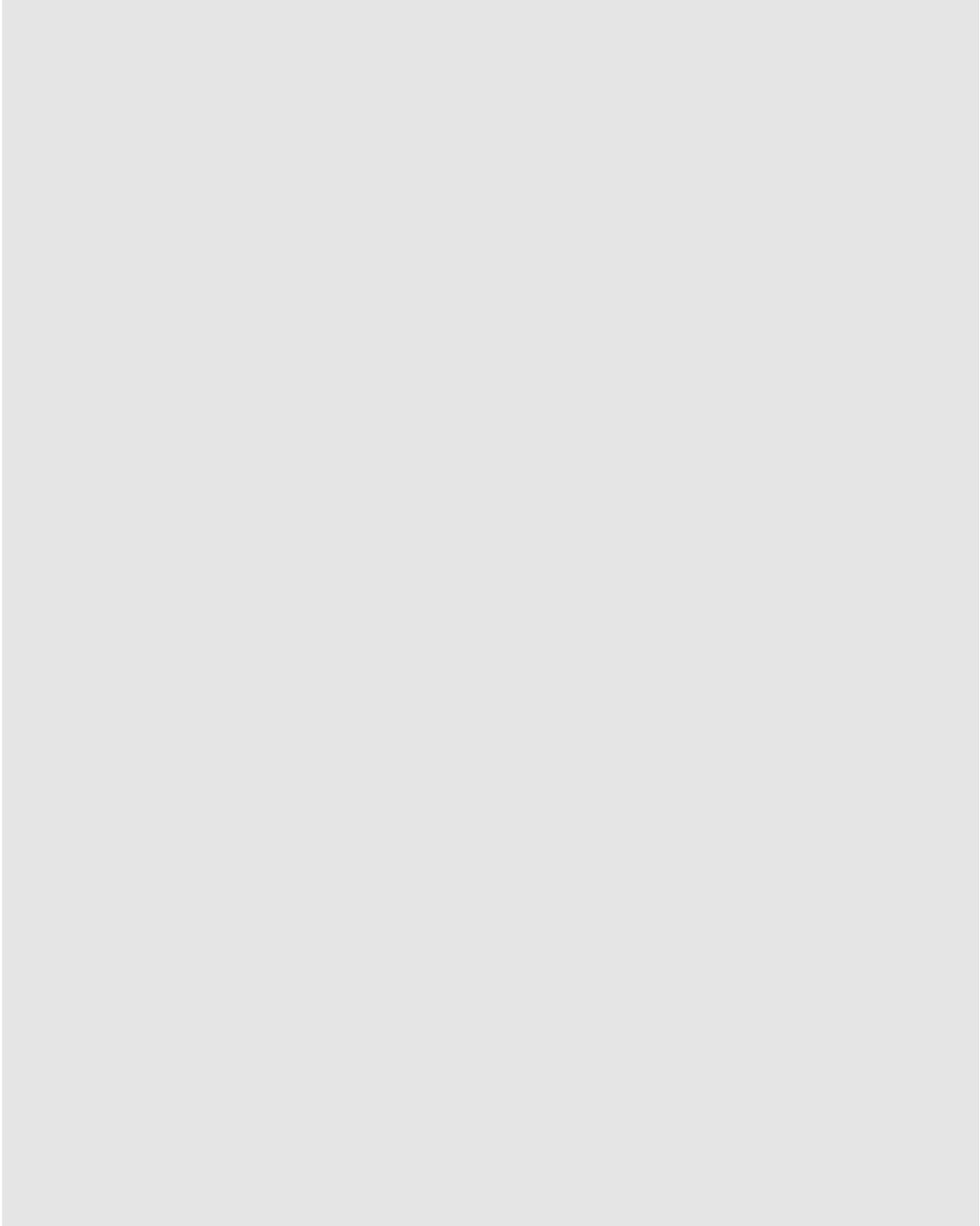
3 Has the change requested been approved by Companies House?<sup>‡</sup>

1 New full name of *firm*

~~‡ These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

**If your *firm* is a UK registered limited company (including PLC), limited partnership (if registered at Companies House), *limited liability partnership* or unlimited liability company, you should only make a change to your *firm* name if the change has already been approved by Companies House.**

If you have answered 'Not Applicable', please explain why below:



4 I confirm that the change requested does not constitute a change of legal status.<sup>‡</sup>

**Add New Trading Name(s) †****Section C1**

If you wish to add a new trading name of the firm please enter the following details, otherwise please proceed to Section C2:

<b>1</b>	New Trading Name	<input type="text"/>	₹	*
<b>1a</b>	Please enter the date on which the change becomes effective	<input type="text"/>	/	<input type="text"/> / ₹
<b>2</b>	New Trading Name	<input type="text"/>	₹	*
<b>2a</b>	Please enter the date on which the change becomes effective	<input type="text"/>	/	<input type="text"/> / ₹
<b>3</b>	New Trading Name	<input type="text"/>	₹	*
<b>3a</b>	Please enter the date on which the change becomes effective	<input type="text"/>	/	<input type="text"/> / ₹
<b>4</b>	New Trading Name	<input type="text"/>	₹	*
<b>4a</b>	Please enter the date on which the change becomes effective	<input type="text"/>	/	<input type="text"/> / ₹

**Delete Current Trading Name(s) †****Section C2**

If you wish to delete a trading name of the firm please enter the following details, otherwise please proceed to Section D:

<b>1</b>	Trading name to be deleted	<input type="text"/>	₹*	
<b>1a</b>	Please confirm when the trading name must cease:	<input type="text"/>	/	<input type="text"/> / ₹
<b>1b</b>	I confirm that the above trading name will not be used by the firm from the date indicated above.		<b>4b</b>	I confirm th
<b>2</b>	Trading name to be deleted	<input type="text"/>		
<b>2a</b>	Please confirm when the trading name must cease:	<input type="text"/>	/	<input type="text"/> /
<b>2b</b>	I confirm that the above trading name will not be used by the firm from the date indicated above.		*	
<b>3</b>	Trading name to be deleted	<input type="text"/>		
<b>3a</b>	Please confirm when the trading name must cease:	<input type="text"/>	/	<input type="text"/> /
<b>3b</b>	I confirm that the above trading name will not be used by the firm from the date indicated above.		₹	
<b>4</b>	Trading name to be deleted	<input type="text"/>	₹*	

~~† These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

1 \*



1 \*

If you wish to change the contact details of the Complaints Officer or Primary Compliance Contact please enter the following details, otherwise please proceed to Section E1:

**Please note that this will not change your approved person records. If you want to change these records, please complete the appropriate Approved Persons Form.**

Please indicate which contact this change applies to. If you wish to change the details for both please copy this form and record the details for each on separate forms, unless the details are the same.

(a) Complaints Officer

(b) Primary Compliance Contact

1 Title<sup>‡</sup>

\*

2 Forename(s)<sup>‡</sup>

\*

3 Surname<sup>‡</sup>

\*

4 Job Title<sup>‡</sup>

5 Email address<sup>‡</sup>

6 Phone number. This must be a direct dialled number.<sup>‡</sup>

\*

7 Fax Number<sup>‡</sup>

8 Please enter the date on which the change becomes effective.<sup>‡</sup>

\* / /

9 Address<sup>‡</sup>

\*

Postcode:

10 If you would also like the contact details of the following to be changed, please tick the appropriate boxes. This will amend the contact details in line with the changes recorded above.<sup>‡</sup>

Complaints Contact

Primary Compliance Contact

~~\*These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~





(c) Customer Services

(d) EEA Branch Address

Page 6

§\* Denotes a mandatory field

~~\* These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

(e) Firm Association Branch

(f) Professional Advisor

Please enter the new address details:

2 Address

§\*

Postcode:

3 Telephone number.

§\*

4 Fax Number

5 Email address

6 Please enter the date on which the change becomes effective.

/ / §\*

~~\*These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

~~\* These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

1 Please enter the following details to change your accounting reference date:

- (a) Current Accounting Reference Date (dd/mm)  /
- (b) New Accounting Reference Date (dd/mm)  /

2 What accounting periods will result from the change? The new accounting reference date that you have entered could result in several different periods depending on whether you want to extend or reduce your periods and which period is the first period affected.

Although the FCA or PRA may accept accounting periods of up to 18 months, SUP 16.3.18G advises firms that accounting periods longer than 15 months may be deemed unacceptable as this may hinder the timely provision of relevant and important information to the FCA or PRA. If a firm wishes to have an accounting period of longer than 18 months (sole traders and certain partnerships), the firm must apply to the FCA in writing.

Please detail the start and end dates for the current accounting period and the two following periods below:

- (a) Current Period  /  to  /
- (b) Next Period  /  to  /
- (c) Next Period 2  /  to  /

**Note the change that you have requested will result in a change to your reporting timetable.**

3 I confirm the change requested above and that it is correctly represented by the accounting periods listed.

Please enter the new website address:

1 Website (format – [www.fca.org](http://www.fca.org) or [www.fsa.gov.uk](http://www.fsa.gov.uk)):

Please enter the following details to change your Auditor's details:

1 Firm name

†These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7

~~\*These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

2 Address

SP\*

Postcode:

3 Telephone number.

SP\*

4 Fax Number

5 Email address

6 Effective date

/ / SP\*

## Change Locum Details†

## Section H2

Please enter the following details to change your Locum's details:

1 Title

2 Forename(s)

3 Surname

4 Firm name

SP\*

5 Address

SP\*

Postcode:

~~†These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

~~\*These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

6 Telephone number.

[Redacted field]

§\*

7 Fax Number

[Redacted field]

8 Email address

[Redacted field]

6 Effective date

/ /

§\*



**Warning**

Knowingly or recklessly giving the FCA or PRAFSA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the FCA or PRAFSA and to notify the FCA or PRAFSA *immediately if materially inaccurate information has been provided*. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the FCA or PRAFSA. It should not be assumed that information is known to the FCA or PRAFSA merely because it is in the public domain or has previously been disclosed to the FCA or PRAFSA or another regulatory body. If you are not sure whether a piece of information is relevant, please include it anyway.

**Data Protection**

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the Financial Conduct Services Authority and the Prudential Regulation Authority to discharge their ~~its~~ statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

**Declaration**

By submitting this notification form

- I/we confirm that the information contained in this form is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.
- I am/we are aware that it is a criminal offence knowingly or recklessly to give the FCA or PRA FSA information that is false or misleading in a material particular.
- I/we confirm that, for those questions that do not require supporting evidence, the records which demonstrate the firm's compliance with the rules in relation to the questions will be available to the FCA or PRAFSA on request.
- I/we will notify the FCA or PRAFSA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in enforcement action.

Date<sup>‡</sup>

Name of first signatory<sup>1‡</sup>

Position<sup>2</sup> of first signatory<sup>\*</sup>

Individual Reference Number (IRN)<sup>\*</sup>

Signature<sup>\*</sup>

Name of second signatory<sup>1\*</sup>

Position<sup>2</sup> of second signatory<sup>\*</sup>

Individual Reference Number (IRN)<sup>\*</sup>

Signature<sup>\*</sup>

~~‡These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

~~\*These should only be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 other than online submissions. It should not be completed if the submission of this form is online.~~

~~June 2010~~

<sup>1</sup> For a sole trader, the signature of the principal is required.  
For a limited company, the signature of two directors or one director and the company secretary is required.  
For a partnership, the signature of at least one partner is required.

<sup>2</sup> e.g. director, partner or sole trader

~~†These question(s) should be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7~~

~~\*These should only be completed whether submission of this form is online or in one of the other ways set out in SUP 15.7 other than online submissions. It should not be completed if the submission of this form is online.~~

~~June 2010~~



BANK OF ENGLAND  
PRUDENTIAL REGULATION  
AUTHORITY



# Notification Form

~~(September 2004)~~ (April 2013)

Firm name

("The Firm")

FSA-Firm Reference Number

Address

Please return the form, marked for the attention of your ~~normal~~ relevant supervisory contact ~~to~~ as appropriate:

~~The Financial Services Authority~~

Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London

E14 5HS United Kingdom

[www.fca.org.uk](http://www.fca.org.uk)

[fcc@fca.org.uk](mailto:fcc@fca.org.uk)

Prudential Regulation Authority

20 Moorgate

London

EC2R 6DA

[www.bankofengland.co.uk/PRA](http://www.bankofengland.co.uk/PRA)

[PRA.firmenquiries@bankofengland.co.uk](mailto:PRA.firmenquiries@bankofengland.co.uk)

Telephone +44 (0) 20 7066 1000

Facsimile +44 (0) 20 7066 1099

Telephone +44 (0) 20 3461 7000

The Financial Conduct Authority is registered as a Limited Company in England and Wales No 1920623. Registered Office as above.

The Prudential Regulation Authority is registered as a Limited Company in England and Wales No 07854923. Registered Office: 8 Lothbury Road, London, EC2R 7HH

1 Contact Name for this form \*

2 Contact's Details:

a Position in the firm \*

b Daytime telephone number \*

c E-mail address

d Individual reference number (IRN), if applicable

Type of notification

Section B

There are circumstances where a firm must disclose information to the ~~FSA~~ FCA and/or PRA in a timely manner, including:-

- where a rule has been breached;
- where the firm fails to satisfy a threshold condition (these can be found in ~~the Threshold Conditions Sourcebook ('COND')~~, part of the FSA Handbook; Schedule 6 of the Financial Services and Markets Act 2000);
- where a matter occurs which could have a significant adverse impact on a firm, including its ability to provide adequate services to a customer;
- where a particular notifiable event may have occurred.

A consolidated summary of some of the notification rules is in the ~~FSA~~ Handbook, Schedule 2 of the Supervision Modules (SUP). Also, Principle for Businesses No 11 requires a firm to disclose appropriately any information of which the ~~FSA~~ FCA and/or PRA would reasonably expect notice. Other notification requirements are listed in Schedule 2 of many of the other ~~FSA manuals~~ FCA and PRA Modules within the Handbook. This form allows you to make any of these notifications.

3 To help us process your notification efficiently, please select at least one of the categories below:\*

Finance/capital issues †

For example:

- breach of capital requirements;
- excess in allowed large exposures requirements;
- qualification in audited annual accounts (financial issue); and
- insolvency, bankruptcy or winding up.

Client money issues



For example:

- negative client money account; and
- notifiable issue in client assets report.

Professional indemnity insurance (PII) cover



For example:

- cover not renewed;
- cover exhausted; and
- cover does not meet ~~FSA~~ FCA or PRA requirements.

Complaints, including a decision not to pay a Financial Ombudsman Service award



Fraud, error or other irregularities



For example:

- fraud on the firm (actual or attempted);
- fraud by staff (actual or attempted); and
- money laundering issues.

Litigation/disciplinary issues, including civil, criminal or disciplinary proceedings against the firm or any of its representatives.



Other rule breaches (not included above).



Other notification requirements (not relating to a rule breach)



For example:

- a repayment of a subordinated loan (see the Supervision manual (SUP) 15.3.8(3)(a,b)G for more information); or
- any proposed restructuring, reorganisation or business expansion that could have a significant impact on the firm's risk profile and resources.

~~This form does not cover~~

This Notification should form should not be used for the following purposes:

- changes to Standing Data e.g. change of firm name, address, contact details, website, auditor, accounting reference date). ~~These.~~ (These changes need to be made via the ~~FSA-FCA and PRA~~ Standing Data form); or
- Whistle blowing (i.e. e.g. revealing a suspected wrongdoing in an organisation.) In these circumstances you should email ~~whistle@fsa.gov.uk~~ [whistle@fca.org.uk](mailto:whistle@fca.org.uk), or write in or phone us.

Please see our website for more details.  
~~<http://www.fsa.gov.uk/whistle/>~~

Yes No

4 Has the notifiable event occurred? \*



4a If selected 'Yes', on what date did the event occur (record last applicable date)?

/ /

4b If selected 'No', what is the probability of the event occurring?

[Large greyed-out text area for question 4b]

5 If this notification is about a specific rule, threshold condition and/or principle, please record its reference if known:

[Greyed-out text area for question 5]

6 What are the details of the notification? \*

[Large greyed-out text area for question 6]

7 What (if any) is the impact of the notification?

Yes No N/A

8 If relevant, have you resolved the issue?

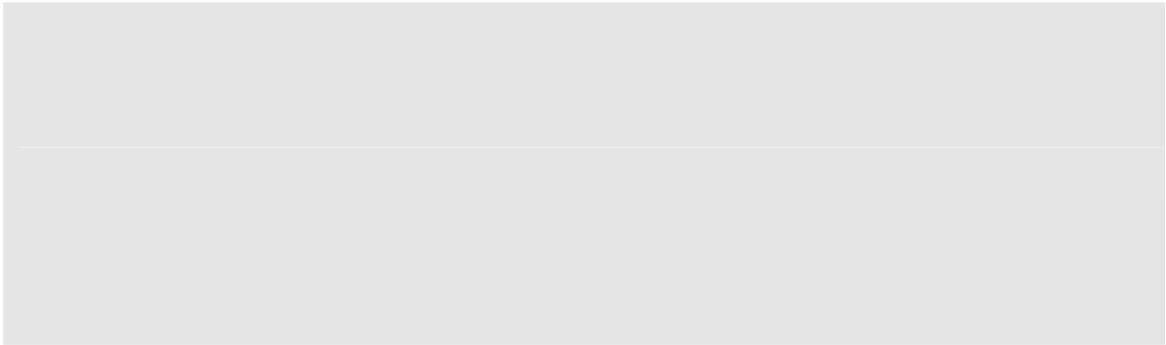
8a If answered 'Yes'. When did you resolve the issue (end date)?

/ /

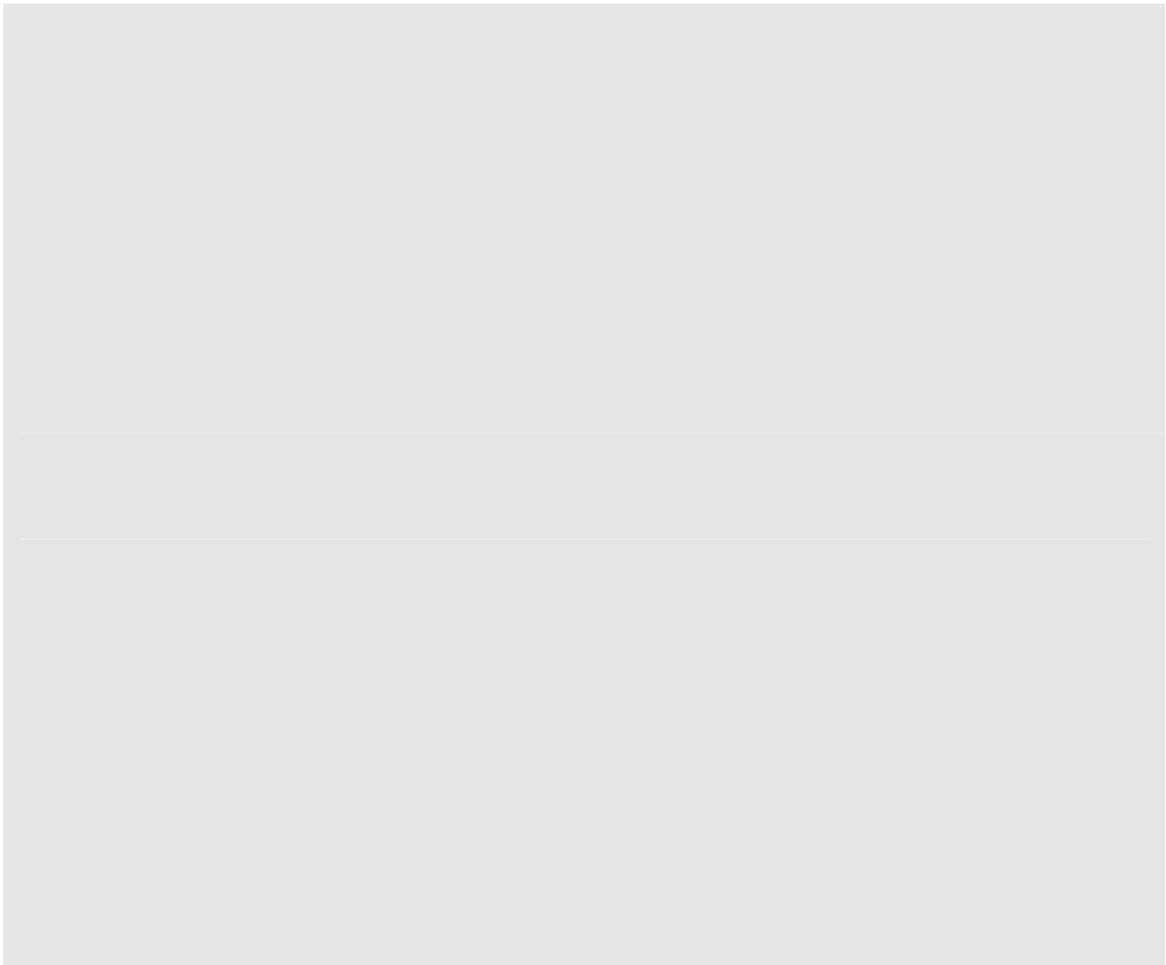
How was the issue resolved?

8b If answered 'No', what action (if any) will you be taking?

8c If answered 'Not applicable', please explain why below:



9 If you have any additional information to add to this form, please enter it below or attach it as a document. (Please remember to mark attachments with the firm's name and FRN, and the question number to which the document relates.)



Warning

Knowingly or recklessly giving the ~~FSA~~ FCA and/or PRA information, which is false or misleading in a material particular, may be a criminal offence (sections 398 and 400 of the Financial Services and Markets Act 2000). SUP 15.6.4R requires an authorised person to take reasonable steps to ensure the accuracy and completeness of information given to the ~~FSA~~ FCA and/or PRA and to notify the ~~FSA~~ FCA and/or PRA immediately if materially inaccurate information has been provided. Contravention of these requirements may lead to disciplinary sanctions or other enforcement action by the ~~FSA~~ FCA and/or PRA. It should not be assumed that information is known to the ~~FSA~~ FCA and/or PRA merely because it is in the public domain or has previously been disclosed to the ~~FSA~~ FCA and/or PRA. If you are not sure whether a piece of information is relevant, please include it anyway.

Data Protection

For the purposes of complying with the Data Protection Act, the personal information in this form will be used by the ~~Financial Services Authority~~ Financial Conduct Authority and/or the Prudential Regulation Authority to discharge its statutory functions under the Financial Services and Markets Act 2000 and other relevant legislation. It will not be disclosed for any other purposes without the permission of the applicant.

Declaration

- I/we confirm that this information is accurate and complete to the best of my knowledge and belief and that I have taken all reasonable steps to ensure that this is the case.
- I am/we are aware that it is a criminal offence knowingly or recklessly to give the ~~FSA~~ FCA and/or PRA information that is false or misleading in a material particular.
- Some questions do not require supporting evidence. However, the records, which demonstrate the applicant firm's compliance with the rules in relation to the questions, must be available to the ~~FSA~~ FCA and/or PRA on request.
- I/we will notify the ~~FSA~~ FCA and/or PRA immediately if there is a significant change to the information given in the form. If I/we fail to do so, this may result in a delay in the application process or enforcement action.

Date	<input type="text"/>
Name of first signatory <sup>1</sup>	<input type="text"/>
Position <sup>2</sup> of first signatory	<input type="text"/>
Individual Registration Number	<input type="text"/>
Signature	<input type="text"/>
Name of second signatory	<input type="text"/>
Position of second signatory	<input type="text"/>
Individual Registration Number	<input type="text"/>
Signature	<input type="text"/>

<sup>1</sup> For a sole trader, the signature of the principal is required.  
 For a limited company, the signature of two directors or one director and the company secretary is required.  
 For a partnership, the signature of at least one partner is required.

<sup>2</sup> e.g. Director, Partner or Sole Trader.

**Annex B**

**Amendments to the Perimeter Guidance manual (PERG)**

In this Annex, underlining indicates new text and striking through indicates deleted text.

## Certification – Form A

### Application for a periodical publication certificate

Full name of applicant proprietor

Full name of publication

#### **Important information you should read before completing this form**

This form should only be used to apply for a certificate under article 54 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001, when the application relates to a newspaper, journal, magazine or other periodical publication. It should not be used for an application relating to a service comprising regularly updated news or information in writing or other legible form or a TV or radio programme. Separate forms are available for these.

For further information please refer to PERG 7: <http://fsahandbook.info/FS/html/handbook/PERG/7>  
<http://fshandbook.info/FS/html/handbook/PERG/7>

Please keep a copy of the forms you complete and any supporting documents you include with this application for your future reference.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may call into question your suitability to be certified, you may be committing a criminal offence and could face prosecution under section 398 of FSMA regardless of the status of your application.**

#### **Terms in this application pack**

In this pack, the ~~FSA~~-FCA uses the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm;
- 'the applicant firm' refers to the firm applying for authorisation;
- 'the ~~FSA~~-FCA', 'we', 'us' or 'our' refers to the Financial ~~Services~~-Conduct Authority;
- FSMA refers to the Financial Services and Markets Act 2000; and
- RAO refers the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

#### **Contents of this form**

1	Contact details	3
2	Information about the publication	6
3	Application fee	9
4	Declaration of applicant	10

## Filling in the form

**1** If you are using your computer:

- use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question;
- print out all the parts of the form you have completed; and
- sign the declaration.

**2** If you are filling in the form by hand:

- use black ink;
- write clearly; and
- sign the declaration.

**3** If you think a question does not apply to you, write 'not applicable' and explain why.

**4** If you leave a question blank, do not sign the declaration or attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time we take to assess your application.

**5** If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.

**6** Post the application consisting of:

- this form;
- supporting documents; and
- the application fee to us at:

**Permissions Department**  
**The Financial ~~Services~~ Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**

## 1

**Contact details**

We need this information in case we need to contact you when we assess your application.

**1.1 Contact details of the applicant proprietor**

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Mobile number (optional)	
Fax number (including STD code)	
Email address	

**1.2 Name of publication**

--

**1.3 Contact details of publisher**
 Tick if same as 1.1

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

**1.4 Contact details of editor**

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

**1.5 Contact details for the person handling this application** Tick if same as 1.1

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

# 2 Information about your publication

## 2.1 How is it published?

If the electronic version differs materially from the hard copy, the two versions will need to be considered in separate applications.

- Hard copy  
 Electronic form  
 Both

## 2.2 How often is it published?

- Daily  
 Weekly  
 Monthly  
 Quarterly  
 Biannual  
 Annual  
 Other ▶ Give details below

## 2.3 What is the purpose(s) of the publication?

Please give details of the principal purpose and indicate if this is likely to change in the near future.

## 2.4 Attach any evidence to support the information given in Question 2.3 and please include details of the documents you have attached below.

- Business plan  
 Statements of editorial policy  
 Marketing literature  
 Other ▶ Give details below

## 2.5 Why is the publication considered to qualify for the exclusion?

## 2.6 Why are you applying for a certificate?

--

2.7 Give details of the estimated average proportion (based on a representative sample of the publication) of material falling within each of the following categories.<sup>1</sup>

a) Investment advice <sup>2</sup>	%
b) Material which leads to or enables dealing in or acquiring financial products (which is not investment advice) <sup>3</sup>	%
c) Material relating to financial products (which is neither advice nor material leading to/enabling dealing in or acquiring financial products investments) <sup>3</sup>	%
d) Material that has nothing at all to do with financial product <sup>3</sup>	%

Please give details of the criteria you use to distinguish material in (b) and (c). You must include examples of the material contained in the publication to illustrate the allocation of material to each category.

--

<sup>1</sup> For further information please refer to PERG 7:  
<http://fshandbook.info/FSA/html/handbook/PERG/7>  
<http://fshandbook.info/FS/html/handbook/PERG/7>

<sup>2</sup> Investment advice means advice of the kind covered by articles 53, 53A, 53B, 53C or 53D RAO taking no account of the exclusion in article 54 RAO.

<sup>3</sup> I.e. securities or relevant investments, as defined in article 3 RAO or regulated mortgage contracts, home reversion plans, home purchase plans or sale and rent back agreements.

**2.8 What are your circulation figures?**

For hard copy publications, give the most recent figures. Show separately any publications available only or partly in electronic form. If the publication is new, give the estimated circulation figures.

	Hard copy	Electronic copy
Number (UK)		
Number (Overseas)		
Period (From) (dd/mm/yyyy)		
Period (To) (dd/mm/yyyy)		

**2.9 How have the figures in Question 2.8 been calculated?****2.10 What is the estimated readership in the UK?**

Please give details of the basis on which your estimate was made.

**2.11 Please provide information about the readership profile.**

Please include details of the source and basis of this information.

**2.12 Are you producing monthly or more frequent publications?**

- Yes ▶ You must attach six representative samples of the publication.
- No ▶ You must attach three representative samples of the publication.
- Samples attached

Please note, we may ask for further samples.

# 3 Application fee

You must send a cheque for the appropriate application fee in full with this application pack; otherwise the application will not be processed.

## The application fee is £2000

You must pay the full application fee by cheque. **It is not refundable** (even if you decide to withdraw your application).

## How to pay

- 1 Make the cheque payable to the Financial ~~Services~~ Conduct Authority. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for certification' on the back of the cheque.
- 4 Send the cheque with the application pack.

# 4 Declaration of applicant

This declaration must be signed on behalf of the applicant by the editor.

I undertake to notify the ~~FSA~~ FCA of any significant change in the information provided in this form which occurs after the date of submission of the application and prior to my receiving notification of the ~~FSA's~~ FCA's decision concerning the application.

I confirm that the information given in this application is complete and correct to the best of my knowledge and belief.

Signature	
Name	
Date	(dd/mm/yyyy)

## Certification – Form B

### Application for a TV or radio service certificate

Full name of applicant proprietor

Full name of TV or radio service

#### **Important information you should read before completing this form**

This form should be used to apply for a certificate under article 54 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 when the application relates to the broadcast or transmission of TV or radio programmes. It should not be used for an application in relation to a service comprising regularly updated news or information in writing or other legible form or a newspaper or other periodical publication. Separate forms are available for these.

For further information please refer to PERG 7: <http://fsahandbook.info/FSA/html/handbook/PERG/7>  
<http://fshandbook.info/FS/html/handbook/PERG/7>

Please keep a copy of the forms you complete and the supporting documents that you include with this application pack for your future reference.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may call into question your suitability to be certified, and you may be committing a criminal offence and could face prosecution under section 398 of the FSMA regardless of the status of your application.**

#### **Terms in this application pack**

In this application pack the FSA FCA uses the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm;
- 'the applicant firm' refers to the firm applying for authorisation;
- 'the FSA' 'the FCA' , 'we', 'us' or 'our' refers to the Financial Conduct Authority;
- 'FSMA' refers to the Financial Services and Markets Act 2000; and
- 'RAO' refers to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

#### **Contents of this form**

1	Contact details	3	Application form	9
2	Information about the publication	6	Declaration of applicant	10

## Filling in the form

- 1 If you are using your computer:
  - use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question;
  - print out all the parts of the form you have completed; and
  - sign the declaration.
- 2 If you are filling in the form by hand:
  - use black ink;
  - write clearly; and
  - sign the declaration.
- 3 If you think a question does not apply to you, write 'not applicable' and explain why.
- 4 If you leave a question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time we take to assess your application.
- 5 If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 6 Post the application consisting of:
  - this form;
  - supporting documents; and
  - the application fee to us at:

**Permissions Department**  
**~~The Financial Services Authority~~**  
**The Financial Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**

## 1

## Contact details

We need this information in case we need to contact you when we assess your application.

### 1.1 Contact details of the applicant proprietor

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Mobile number (optional)	
Fax number (including STD code)	
Email address	

**1.2 Name of TV or radio service**

--

**1.3 Contact details of TV or radio station**
 Tick if same as 1.1

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

**1.4 Contact details of person in day-to-day control of the service**

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

**1.5 Contact details for the person handling this application** Tick if same as 1.1

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

# 2 Information about the service

## 2.1 What are the means of provision of service?

Please state whether the service is provided solely by means of broadcast / transmission or is also available in some other form.

## 2.2 What are the broadcasting / transmission times?

## 2.3 What is the purpose(s) of the broadcast / transmission?

Please give details of the principal purpose and indicate if this is likely to change in the near future.

## 2.4 You must attach any supporting evidence to support the information given in Question 2.3. Please give details of the documents you have attached below.

- Business plan  
 Statements of editorial policy  
 Marketing literature  
 Other ▶ Give details below

## 2.5 Why is the service considered to qualify for the exclusion?

**2.6 Why are you applying for a certificate?**

**2.7 Give details of the estimated average proportion of material featured in the service which falls within each of the following categories.<sup>1</sup>**

a) Investment advice <sup>2</sup>	%
b) Material which leads to or enables dealing in or acquiring financial products (which is not investment advice) <sup>3</sup>	%
c) Material relating to financial products (which is neither advice nor material leading to/enabling dealing in or acquiring financial products) <sup>3</sup>	%
d) Material that has nothing at all to do with financial products <sup>3</sup>	%

Please give details of the criteria used to distinguish material in (b) and (c). You must include examples of the material contained in the service to illustrate the allocation of material to each category.

**2.8 What period was used for the estimate given in Question 2.7? (dd/mm/yyyy)**

From

		/			/				
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To

		/			/				
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<sup>1</sup> For further information please refer to  
<http://fshandbook.info/FSA/html/handbook/PERG/7>  
<http://fshandbook.info/FS/html/handbook/PERG/7>

<sup>2</sup> Investment advice means advice of the kind covered by articles 53, 53A, 53B, 53C or 53D RAO taking no account of the exclusion in article 54 RAO.

<sup>3</sup> I.e. securities or relevant investments, as defined in article 3 RAO or regulated mortgage contracts, home reversion plans, home purchase plans or sale and rent back agreements.

**2.9 On what basis is this considered to give a representative view?**

--

**2.10 Please provide details of the audience figures**

Give the most recent figures. If the service is new, give the estimated audience figures. Indicate the period to which the figures relate.

Number (UK)	
Number (Overseas)	
Period (From) (dd/mm/yyyy)	
Period (To) (dd/mm/yyyy)	

**2.11 How have the figures in Question 2.10 been calculated?**

--

**2.12 Please provide information about your listener /viewer profile.**

Please give details of the source and basis of information.

--

**2.13 Please confirm that you have contacted the FSA FCA to agree the means by which the FSA FCA can access samples of the service concerned.**

Yes

# 3 Application fee

You must send a cheque for the appropriate application fee in full with this application pack; otherwise the application will not be processed.

## The application fee is £2,000

You must pay the full application fee by cheque. **It is not refundable** (even if you decide to withdraw your application).

## How to pay

- 1 Make the cheque payable to the ~~Financial Services Authority~~ Financial Conduct Authority. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for certification' on the back of the cheque.
- 4 Send the cheque with the application pack.

# 4 Declaration of applicant

This declaration must be signed on behalf of the applicant by the person in day-to-day control of the service.

I undertake to notify the ~~FSA~~ FCA of any significant change in the information provided in this form which occurs after the date of submission of the application and prior to my receiving notification of the ~~FSA's~~ FCA's decision concerning the application.

I confirm that the information given in this application is complete and correct to the best of my knowledge and belief.

Signature	
Name	
Date	(dd/mm/yyyy)

## Certification – Form C

### Application for news or information service certificate

Full name of applicant proprietor

Full name of news or information service

#### **Important information you should read before completing this form**

This form should only be used if your application is for a certificate under article 54 of the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001 when the application relates to a service comprising regularly updated news or information reading writing or other legible form. This form should not be used for an application relating to a newspaper or other periodical publication or a TV or radio programme. Separate forms are available for these.

For further information please refer to PERG 7: <http://fsahandbook.info/FS/html/handbook/PERG/7>  
<http://fshandbook.info/FS/html/handbook/PERG/7>

Please keep a copy of the forms you complete and the supporting documents that you include with this application pack for your future reference.

For the purposes of complying with the Data Protection Act 1998, please note that any personal information provided to us will be used to discharge our statutory functions under the Financial Services and Markets Act 2000 (FSMA) and other relevant legislation and may be disclosed to third parties for those purposes.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may call into question your suitability to be certified, and you may be committing a criminal offence and could face prosecution under section 398 of the FSMA regardless of the status of your application.**

#### **Terms in this application pack**

In this application pack the FSA FCA uses the following terms:

- 'you' refers to the person(s) signing the form on behalf of the applicant firm;
- 'the applicant firm' refers to the firm applying for authorisation;
- 'the FSA' 'the FCA' , 'we', 'us' or 'our' refers to the ~~Financial Services Authority~~ Financial Conduct Authority;
- 'FSMA' refers to the Financial Services and Markets Act 2000; and
- 'RAO' refers to the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.

#### **Contents of this form**

1	Contact details	3
2	Information about the publication	6
3	Application fee	9
4	Declaration of applicant	10

## Filling in the form

- 1 If you are using your computer:
  - use the TAB key to move from question to question and press SHIFT TAB to move back to the previous question;
  - print out all the parts of the form you have completed; and
  - sign the declaration.
- 2 If you are filling in the form by hand:
  - use black ink;
  - write clearly; and
  - sign the declaration.
- 3 If you think a question does not apply to you, write 'not applicable' and explain why.
- 4 If you leave a question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the application as incomplete. This will increase the time we take to assess your application.
- 5 If there is not enough space on the forms, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 6 Post the application consisting of:
  - this form;
  - supporting documents; and
  - the application fee to us at:

### Permissions Department

~~The Financial Services Authority~~  
**The Financial Conduct Authority**  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS

## 1

**Contact details**

We need this information in case we need to contact you when we assess the application.

**1.1 Contact details of the applicant proprietor**

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Mobile number (optional)	
Fax number (including STD code)	
Email address	

**1.2 Name of service**

--

**1.3 Contact details of service provider**
 Tick if same as 1.1

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Email address	

**1.4 Contact details of person in day-to-day control of the service**

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

**1.5 Contact details for the person handling this application** Tick if same as 1.1

Title	
First names	
Surname	
Address	
Postcode	
Phone number (including STD code)	
Fax number (including STD code)	
Mobile number (optional)	
Email address	

# 2 Information about the service

## 2.1 How is the service provided?

Please state whether the service is provided through a website, intranet, teletext or other. Is the service also available in another form?

## 2.2 How frequent is it?

Is the service available 24 hours per day? If not, indicate dates and times of availability.

## 2.3 What is the purpose(s) of the broadcast / transmission?

Please give details of the principal purpose and indicate if this is likely to change in the near future.

## 2.4 Please attach any supporting evidence to support the information given in Question 2.3. Please give details of the documents you have attached below.

- Business plan
- Statements of policy
- Marketing literature
- Other ▶ Give details below

## 2.5 Why do you consider the service as qualifying for the exclusion?

**2.6 Why are you applying for a certificate?**

--

**2.7 Does the certificate cover the whole service? If not, how much of it does it cover?**

Please define how much of the service the certificate will apply to e.g. if it is a website, will the certificate apply to the whole service or just part of it. If only part, how is the distinction made.

--

**2.8 Give details of the estimated average proportion of material featured in the service which falls within each of the following categories.<sup>1</sup>**

a) Investment advice <sup>2</sup>	%
b) Material which leads to or enables dealing in or acquiring financial products (which is not investment advice) <sup>3</sup>	%
c) Material relating to financial products (which is neither advice nor material leading to/enabling dealing in or acquiring financial products) <sup>3</sup>	%
d) Material that has nothing at all to do with financial products <sup>3</sup>	%

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<sup>1</sup> PERG 7 contains FSA FCA guidance on material – see

<http://fsahandbook.info/FSA/html/handbook/PERG/7>

<http://fshandbook.info/FS/html/handbook/PERG/7>

<sup>2</sup> Investment advice means advice of the kind covered by article 53, 53A, 53B, 53C or 53D RAO taking no account of the exclusion in article 54 RAO.

<sup>3</sup> I.e. securities or relevant investments, as defined in article 3 RAO or regulated mortgage contracts, home reversion plans, home purchase plans or sale and rent back agreements.

Please give details of the criteria used to distinguish material in (b) and (c). You must include examples of the material contained in the service to illustrate the allocation of material to each category.

**2.9 What period was used for the estimate given in Question 2.8? (dd/mm/yyyy)**

From

		/			/				
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To

		/			/				
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**2.10 On what basis do you consider that this offers a representative view?**

**2.11 Please provide us with your audience figures**

Give the most recent figures. If the service is new, give the estimated audience figures. Indicate the period to which the figures relate.

Number (UK)	
Number (Overseas)	
Period (From) (dd/mm/yyyy)	
Period (To) (dd/mm/yyyy)	

**2.12 How have the figures in Question 2.11 been calculated?**

**2.13 Please provide information about the profile and motives of the audience / readership.**

Please give details of the source and basis of information.

**2.14 Please confirm that you have contacted the FSA FCA to agree the means by which we can access samples of your service.**

Yes

# 3 Application fee

You must send a cheque for the appropriate application fee in full with this application pack; otherwise the application will not be processed.

## The application fee is £2,000

You must pay the full application fee by cheque. **It is not refundable** (even if you decide to withdraw your application).

## How to pay

- 1 Make the cheque payable to the ~~Financial Services Authority~~ Financial Conduct Authority. We cannot accept post-dated cheques.
- 2 Write the name of the applicant firm on the back of the cheque.
- 3 Write 'Application for certification' on the back of the cheque.
- 4 Send the cheque with the application pack.

# 4 Declaration of applicant

This declaration must be signed on behalf of the applicant by the person in day-to-day control of the service.

I undertake to notify the ~~FSA~~ FCA of any significant change in the information provided in this form which occurs after the date of submission of the application and prior to my receiving notification of the ~~FSA's~~ FCA's decision concerning the application.

I confirm that the information given in this application is complete and correct to the best of my knowledge and belief.

Signature	
Name	
Date	(dd/mm/yyyy)

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for approval of prospectus by competent authority)	Section 87A	None
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective investment schemes)	Section 137A(1)	Section 137G(1)
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section	Section 213	Section 213

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
217(7) (Insurers in financial difficulties)		
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property schemes)	Section 239	None
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme	Section 278	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
particulars)		
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc) and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	None
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

SCHEDULE A

Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).	relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).
Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Section 137A(1)	Section 137G(1)
Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)	None
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	None.
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2009/209)	2009/209).	
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209)	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI 2009/209).	None
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
	(SI 2008/346).	

**SCHEDULE A**

**Part 3**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

SCHEDULE A

Part 4

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power under section 165A)	None	Section 165B(6)
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the	Section 210	Section 210

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Electronic Money Regulations 2011 (SI 2011/99.)		
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404: supplementary)	Section 404A	None

SCHEDULE A

Part 5

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

SCHEDULE A

Part 6

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to	Paragraph 5(4) (Notice to UK	Paragraph 5(4) (Notice to UK

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Authority) of Schedule 4 (Treaty Rights)	Regulator) of Schedule 4 (Treaty Rights)	Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

SCHEDULE A

Part 8

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

SCHEDULE A

Part 9

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

SCHEDULE A

Part 10

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000(Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None



## Appendix 3: Section 24

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# Legal Cutover (FCA and PRA Miscellaneous Amendments No 2) Instrument 2013

**LEGAL CUTOVER (FCA AND PRA HANDBOOK MISCELLANEOUS  
AMENDMENTS NO 2) INSTRUMENT 2013**

**WHEREAS:**

- A. The Authority has, in accordance with Article 5 of the Designation Order, appointed persons to exercise functions referred to in Article 5(1) of the Designation Order, which include the function of the Financial Conduct Authority of designating or modifying a Relevant Instrument and the functions of making rules and issuing guidance.
- B. By virtue of Article 5(3)(a) of the Designation Order the persons appointed may discharge the relevant functions as if they were the governing body of the Financial Conduct Authority.
- C. By virtue of Article 7(1) of the Designation Order this Instrument shall be treated as if it had been made by the Financial Conduct Authority acting through its governing body.
- D. Article 2(1)(c) of the Early Commencement Order commenced certain of the Financial Conduct Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.
- F. Article 2(1)(c) of the Early Commencement Order commenced certain of the Prudential Regulation Authority's rule making and other powers for the purposes specified in Part 3 of the Schedule to that Order.

**Interpretation**

1 In this Instrument (including the Recitals):

- (1) "Designation Order" means the Financial Services Act 2012 (Transitional Provisions) (Rules and Miscellaneous Provisions) Order 2013 (SI 2013/161);
- (2) "Early Commencement Order" means the Financial Services Act 2012 (Commencement No. 1) Order 2013 (SI 2013/113);
- (3) "the 2000 Act" means the Financial Services and Markets Act 2000;
- (4) "the 2012 Act" means the Financial Services Act 2012;
- (5) "the Authority" means the Financial Services Authority;
- (6) "Financial Conduct Authority" means the body corporate referred to in section 1A of the 2000 Act as amended by section 6 of the 2012 Act;
- (7) "Prudential Regulation Authority" means the body corporate referred to in section 2A(1) of the 2000 Act as amended by section 6 of the 2012 Act;
- (8) "PRA Relevant Instrument" means a Relevant Instrument designated by the Prudential Regulation Authority under the powers in Article 3(1) of the Designation Order.
- (9) "Relevant Instrument" has the meaning in section 119(6)(b) of the 2012 Act.

**Rules etc. made, given or amended by the Financial Conduct Authority**

- 2 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 3, the Financial Conduct Authority amends each FCA provision in the Annexes to this Instrument.
- 3 The Financial Conduct Authority amends the provisions in paragraph 2 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 2 of Parts 1 to 10 of Schedule A to this Instrument.
- 4 The rule-making powers in paragraph 3 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.

**Commencement: Financial Conduct Authority**

- 5 The Financial Conduct Authority directs that paragraph 2 of this Instrument comes into force on 1 April 2013.

**Rules etc. made, given or amended by the Prudential Regulation Authority**

- 6 In accordance with Article 2(1)(c) of the Early Commencement Order and in the exercise of the powers and related provisions specified in paragraph 7, the Prudential Regulation Authority amends each PRA provision in the Annexes to this Instrument.
- 7 The Prudential Regulation Authority amends the provisions in paragraph 6 in exercise of the powers and related provisions of the 2000 Act, as amended by the 2012 Act, and of other enactments as amended by or under the 2012 Act, listed in column 3 of Parts 1 to 10 of Schedule A to this Instrument.
- 8 The rule-making powers in paragraph 6 are specified for the purpose of section 138G (Rule-making instruments) of the 2000 Act, as amended by the 2012 Act.
- 9 The Prudential Regulation Authority gives as guidance each PRA provision in the Annexes to this instrument that makes an amendment to a provision identified as “PRA” or “FCA/PRA” in a PRA Relevant Instrument.

**Commencement: Prudential Regulation Authority**

- 10 The Prudential Regulation Authority directs that paragraphs 6 and 9 of this Instrument comes into force on 1 April 2013.

**Citation**

- 11 This Instrument may be cited as the Legal Cutover (FCA and PRA Handbook Miscellaneous Amendments No 2) Instrument 2013.

**By order of the persons appointed under Article 5 of the Designation Order to discharge specified functions of the Financial Conduct Authority as if they were its governing body**

19 March 2013

**By order of the Board of the Prudential Regulation Authority**

22 March 2013

### Amendments to the Handbook

The modules of the FCA and PRA Handbooks of rules and guidance listed in column (1) below are amended in accordance with the Annexes to this instrument listed in column (2).

(1)	(2)
SYSC	Annex A
FIT	Annex B
TC	Annex C
GEN	Annex D
BIPRU	Annex E
MIPRU	Annex F
IPRU - FSOC	Annex G
IPRU - INV	Annex H
COBS	Annex I
CASS	Annex J
SUP	Annex K
DISP	Annex L
CREDS	Annex M
PROF	Annex N
EMPS	Annex O
OMPS	Annex P
SERV	Annex Q
PERG	Annex R
SUP 16 Annexes	Annex S

## Annex A

### Amendments to cross references in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
2.1.6 G	SUP 10.7.1 R	10A.7.1 R	
2.1.6 G	SUP 10.1	SUP 10A.1	
3.2.9 G	SUP 10.7.8 R	10A.7.8 R	
4.4.6 G	SUP 10.7.1	10A.7.1 R	
4.4.6 G	SUP 10.1	SUP 10A.1	
5.1.5 G	SUP 10	SUP 10A and SUP 10B	

**Annex B**

**Amendments to cross references in the Fit and Proper Test for Approved Persons sourcebook (FIT)**

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.1.1 G	SUP 10.1.12 G	SUP 10A.1.10 G and SUP 10B.1.10 G	
1.1.1 G	SUP 10.1.13 R	SUP 10A.1.11 R and SUP 10B.1.11 R	
1.1.1 G	SUP 10.1.14 R	SUP 10A.1.13 R SUP 10B.1.12 R	
1.1.2 G	SUP 10	SUP 10A and SUP 10B	
1.2.2 G	SUP 10	SUP 10A and SUP 10B	
2.1.1 G	SUP 10.13.16 R	SUP 10A.14.17 R and SUP 10B.12.18 R	

## Annex C

### Amendments to cross references in the Training and Competence sourcebook (TC)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
2.1.9 R	SUP 10.10.7B R	SUP 10A.10.8 R	

**Annex D**

**Amendments to cross references in General Provisions (GEN)**

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.3.5 G	EG 8 (Variation and cancellation of permission on the FSA's own initiative and intervention against incoming firms)	EG 8 (Variation and cancellation of permission and imposition of requirements on the FCA's own initiative and intervention against incoming firms)	
TP 1.3 (3)(8)	FEES 3.2		Delete

## Annex E

### Amendments to cross references in the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
12.3.9 G	COND 2.5.7 G (6)		Delete
12.3.9 G	Threshold condition 5	Threshold condition 2E, 3D, 4E or 5E as applicable	

## Annex F

### **Amendments to cross references in the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance intermediaries (MIPRU)**

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
2.2.3 G	SUP 10.1.21 R	SUP 10A.1.18 R	

## Annex G

### Amendments to cross references in the Interim Prudential sourcebook for Friendly Societies (IPRU-FSOC)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
Initial Guidance (3) G	APER, Statements of Principle, Code of Practice	APER	

## Annex H

### Amendments to cross references in the Interim Prudential sourcebook for Investment Business (IPRU-INV)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
13.1.2 G	COND (threshold condition 4)	Threshold condition 2D or 3C as applicable	

## Annex I

### Amendments to cross references in the Conduct of Business sourcebook (COBS)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
5.2.2 R	GEN 4, Annex 1 R	GEN 4 Annex 1R or GEN 4 Annex 1AR as appropriate	
6.1.5 G	GEN 4, Annex 1 R	GEN 4 Annex 1R or GEN 4 Annex 1AR as appropriate	

## Annex J

### Amendments to cross references in the Client Assets sourcebook (CASS)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.4.11 G	SUP 10.4.5 R	SUP 10A.4.5 R	
1.4.11 G	SUP 10.7.9 G	10A.7.9 R	

## Annex K

### Amendments to cross references in the Supervision sourcebook (SUP)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
3.2.1 G	COND 2.5.7 G (11)		Delete
4.2.5 G	COND 2.5.7 G (11)		Delete
4.3.5 G	SUP 10	SUP 10B	
4.5.11 G	SUP 10.13.6 R	10B.12.10 R	
4.5.11 G	SUP 10 Annex 6 R	10A Annex 6 R	
4.5.11 G	SUP 10.13.7 R	10B.12.12 R	
4.6.2 G	SUP 10	SUP 10B	
12.2.8 G	SUP 10.1.16 R	SUP 10A.1.15 R	
12.4.4 G	SUP 10, Annex 4	SUP 10A, Annex 4 or SUP 10B, Annex 4	
12.4.5 G	Threshold condition 3 (close links)	Threshold condition 2C or 3B as applicable	
12.4.5C R	SUP 10	SUP 10A and SUP 10B	
12.6.8 G	SUP 10.1.16 R	SUP 10A.1.15 R	
12.6.8 G	SUP 10.1.16A R	SUP 10A.1.16 R	
12.6.8 G	SUP 10.3.2 G	SUP 10A.3.2 G	
12.6.8 G	SUP 10.4.1 R	SUP 10A.4.1 R	
12.6.9 G	SUP 10.12	SUP 10A.13.1 G	
12.7.3A R	SUP 10.12.4A	SUP 10A.13.7	
App 2.3.2 G	Threshold condition 4 (Adequate resources)	Threshold condition 4D or 5D as applicable	
App 2.3.2 G	COND 2.2		Delete

## Annex L

### Amendments to cross references in the Dispute Resolution: Complaints sourcebook (DISP)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.10.3 G	SUP 10.13.20A R	SUP 10A.14.24 R	

**Annex M**

**Amendments to cross references in the Credit Unions New sourcebook (CREDS)**

In this Annex, in the paragraph referred to in column (1), the reference or references in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
5.1.2 G	COND 2.4		Delete
6.1.2 G	COND 2.4		Delete
8.3.8 G	SUP 10.9	SUP 10A.9	
8.3.8 G	SUP 10.9.3 G	SUP 10A.9.4 G	
10.1.3 G	SUP 1	SUP 1A	
10.1.3 G	SUP 10	SUP 10A and SUP 10B	
10.1.3 G	COAF		Delete

**Annex N**

**Amendments to cross references in the Professional Firms sourcebook (PROF)**

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
5.3.5 G	SUP 10.1.18 R	SUP 10A.1.17 R	
5.3.5 G	SUP 10	SUP 10A	
7.2.3 G	SUP 13.3.5 G	SUP 13.3.2G to SUP 13.3.2CG and SUP 13.3.5G	
7.2.4 G	SUP 13.4.3 G		Delete

## Annex O

### Amendments to cross references in the Energy Market Participants sourcebook (EMPS)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.2.2 G	COAF		Delete
1.2.3 G	SUP 10.1.21 R	SUP 10A.1.18 R	
1.2.3 G	SUP 10.1.22 G	SUP 10A.1.19 G	

## Annex P

### Amendments to cross references in the Oil Market Participants sourcebook (OMPS)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.2.2 G	SUP 10.1.21 R	SUP 10A.1.18 R	
1.2.2 G	SUP 10.1.22 G	SUP 10A.1.19 G	

## Annex Q

### Amendments to cross references in the Service Companies sourcebook (SERV)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
1.2.2 G	SUP 10.1.21 R	SUP 10A.1.18 R	
1.2.2 G	SUP 10.1.22 G	SUP 10A.1.19 G	

## Annex R

### Amendments to cross references in the Perimeter Guidance Manual (PERG)

In this Annex, in the paragraph referred to in column (1), the reference in column (2) is replaced by the reference in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
13.7	SUP 10.1	SUP 10A.1	
13.7	APER 1.1.4 G	APER 1.1A.4 G	
13.7	APER 2.1.1A P	APER 2.1A.2 P	
13.7	COND 1.1.4 G	COND 1.1A.7 G	

**Annex S**

**Amendments to cross references in SUP 16 Annexes**

In this Annex, in the Annex referred to in column (1), the reference or words in column (2) is replaced by the reference or the words in column (3), except where indicated in column (4), unless the context otherwise requires.

(1)	(2)	(3)	(4)
Annex 6R Annex 9R Annex 12G Annex 18AR Annex 18BG Annex 27AD Annex 27BG Annex 28BG Annex 29AR	FSA	FCA	Annex 18AR, Section B2: delete FSA;  Annex 18AR, Section D1: delete FSA;  Annex 18AR, Section H: delete FSA  Annex 18BG, page 16: appropriate regulator
Annex 14(1)R Annex 14(2)R Annex 15(1)G Annex 15(2)G	FSA	PRA	Annex 15(1)G, Page 3, first paragraph (Front page): FCA  Annex 15(1)G, Page 4, 1E:

			appropriate regulator
Annex 19BG Annex 24R Annex 25G Annex 31BG	FSA	appropriate regulator	Annex 24R, FSA003, Capital Adequacy (page 5), line 14: delete FSA  Annex 24R, FSA031, Capital Adequacy, Part 4: delete FSA
Annex 24R, FSA028, Question 27	If the answer to 27 above is 'No', then you do not have to complete any more of this data item, but it still needs to be submitted to the FSA.	If the answer to 27 above is 'No', then you do not have to complete any more of this data item, but it still needs to be submitted.	
Annex 15(1)G Annex 15(2)G	Financial Services Authority	FCA	Annex 15(1)G, Page 2: PRA  Annex 15(2)G Page 2, 3 <sup>rd</sup> paragraph: PRA  Annex 15(2)G, Page 23: PRA
Annex 9R	FSA registration number	FCA registration number	
Annex 6R Annex 9R Annex 14(1)R Annex 15G	FSA Handbook	Handbook	

Annex 18BG Annex 19BG			
Annex 25G	FSA Handbook glossary	Handbook glossary	
Annex 9R Annex 14(1)R Annex 14(2)R Annex 19AR Annex 19BG Annex 21R Annex 24R Annex 25G Annex 27BG Annex 29R Annex 29AG	FSA firm reference number	Firm reference number	
Annex 24R	FSA FRN	FRN	
Annex 15G	Part IV permission	Part 4a permission	
Annex 19BG	section 16.7	section 16.12	
Annex 25G	SUP 16.7	SUP 16.12	
Annex 19BG, Section C: Capital, second paragraph	In addition, the FSA operating framework requires us to identify the main risks to our statutory objectives. (...) the specific FSA objectives that are potentially impacted are those relating to market confidence and consumer protection.	In addition, the <u>FCA</u> and the <u>PRA</u> are <u>required</u> to identify the main risks to our statutory objectives. (...) The specific <u>FCA</u> objectives that are potentially impacted are those relating to market confidence and consumer protection.	
Annex 15G, page 2	Customer Contact number 085 606 9966 and International number +44 20 7066 1000	Customer Contact number 0800 111 6768	
Annex 14(1)R Annex 14(2)R	The Financial Services Authority Revenue and Information Management Department	Regulatory Data Group Statistics and Regulatory Data Division (HO5 A-B) Bank of England Threadneedle Street London EC2R 8AH	

	<p>25 The North Colonnade Canary Wharf London E14 5HS United Kingdom</p> <p>Telephone +44 (0) 20 7066 1000</p> <p>Website <a href="http://www.fsa.gov.uk">http://www.fsa.gov.uk</a></p> <p>Registered as a Limited Company in England and Wales No 1920623. Registered Office as above</p>	<p><a href="mailto:creditunionreporting@bankofengland.co.uk">creditunionreporting@bankofengland.co.uk</a></p> <p>Fax: 020 7601 3334</p>	
Annex9R	<p>The Financial Services Authority Revenue and Information Management Department 25 The North Colonnade Canary Wharf London E14 5HS United Kingdom Telephone +44 (0) 20 7066 1000 Website <a href="http://www.fsa.gov.uk">http://www.fsa.gov.uk</a> Registered as a Limited Company in England and Wales No 1920623. Registered Office as above</p>	<p>The Financial Conduct Authority Central Reporting 25 The North Colonnade Canary Wharf London E14 5HS United Kingdom</p> <p><a href="http://www.fca.org.uk">http://www.fca.org.uk</a></p>	

**SCHEDULE A**

**Part 1**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 59 (Approval for particular arrangements)	Section 59	Section 59
Section 72 (The competent authority)	Part VI	None
Section 73A (Part 6 Rules)	Section 73A	None
Section 74 (The official list)	Section 74	None
Section 75 (Applications for listing)	Section 75	None
Section 77 (Discontinuance and suspension of listing)	Section 77	None
Section 79 (Listing particulars and other documents)	Section 79	None
Section 80 (General duty of disclosure in listing particulars)	Section 80	None
Section 81 (Supplementary listing particulars)	Section 81	None
Section 84 (Matters which may be dealt with by prospectus rules)	Section 84	None
Section 85 (Prohibition of dealing etc in transferable securities without approved prospectus)	Section 85	None
Section 87 (Election to have prospectus)	Section 87	None
Section 87A (Criteria for	Section 87A	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
approval of prospectus by competent authority)		
Section 87B (Exemptions from disclosure)	Section 87B	None
Section 87G (Supplementary prospectus)	Section 87G	None
Section 88 (Sponsors)	Section 88	None
Section 89 (Public censure of sponsor)	Sections 88A-88F	None
Section 89A (Transparency rules)	Section 89A	None
Section 89B (Provision of voteholder information)	Section 89B	None
Section 89C (Provision of information by issuers of transferable securities)	Section 89C	None
Section 89D (Notification of voting rights held by issuer)	Section 89D	None
Section 89E (Notification of proposed amendment of issuer's constitution)	Section 89E	None
Section 89F (Transparency rules: interpretation etc)	Section 89F	None
Section 89G (Transparency rules: other supplementary provisions)	Section 89G	None
Section 89O (Corporate governance rules)	Section 89O	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 96 (Obligations of issuers of listed securities)	Section 96	None
Section 96A (Disclosure of information requirements)	Section 96A	None
Section 96C (Suspension of trading)	Section 96C	None
Section 99 (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Section 99(1) and (2) (Fees)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31
Section 100 (Penalties)	Sections 312J and 312K, and schedule 1ZA, Part 2.	None
Section 101 (Part 6 rules: general provisions)	Sections 101 and 137T.	None.
Section 118(8) (Market abuse)	Section 118(8)	None
Section 136(2) (Funding of the legal assistance scheme)	Section 136(2)	None
Section 138 (General rule-making power)	Section 137A	Section 137G
Section 138(1) (General rule-making power)	Section 137A(1)	Section 137G(1)
Section 139 (Miscellaneous ancillary matters)	Section 137B	None
Section 139(4) (Miscellaneous ancillary matters)	Section 137B(3)	None
Section 139A (General rules about remuneration)	Sections 137H and 137I	Sections 137H and 137I
Section 140 (Restrictions on managers of certain collective	Section 137A(1)	Section 137G(1)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
investment schemes)		
Section 141 (Insurance business rules)	Section 137A(1)	Section 137G(1)
Section 142(2) (Insurance business: regulations supplementing Authority's rules)	Section 137A(1)	Section 137G(1)
Section 144 (Price stabilising rules)	Section 137Q	None
Section 145 (Financial promotion rules)	Section 137R	None
Section 146 (Money laundering rules)	Section 137A(1)	None
Section 147 (Control of information rules)	Section 137P	Section 137P
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 149 (Evidential provisions)	Section 138C	Section 138C
Section 150(2) (Actions for damages)	Section 138D(3)	Section 138D(1)
Section 156 (General supplementary powers)	Section 137T	Section 137T
Section 213 (The compensation scheme) (including as referred to in section 216(5) (Continuity of long-term insurance policies) and section 217(7) (Insurers in financial difficulties)	Section 213	Section 213

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 214 (General)	Section 214	Section 214
Section 215 (Rights of the scheme in relevant person's insolvency)	Section 215	Section 215
Section 216 (Continuity of long-term insurance policies)	Section 216	Section 216
Section 217 (Insurers in financial difficulties)	Section 217	Section 217
Section 218(2)(b) (Annual report)	Section 218(2)(b)	Section 218(2)(b)
Section 223 (Management expenses)	Section 223	Section 223
Section 223C (Payments in error)	Section 223C	Section 223C
Section 224F (Rules about relevant schemes)	Section 224F	Section 224F
Section 226 (Compulsory jurisdiction) (including as applied by regulation 125 of the Payment Services Regulations 2009 (SI 2009/209))	Section 226	None
Section 226A(7) (Consumer credit jurisdiction)	Section 226A(7)	None
Section 229 (Awards)	Section 229	None
Section 234 (Industry funding)	Section 234	None
Section 238(5) (Restrictions on promotion)	Section 238(5)	None
Section 239 (Single property)	Section 239	None

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
schemes)		
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 247 (Trust scheme rules)	Section 247	None
Section 248 (Scheme particulars rules)	Section 248	None
Section 278 (Rules as to scheme particulars)	Section 278	None
Section 283(1) (Facilities and information in UK)	Section 283(1)	None
Section 293 (Notification requirements)	Section 293	Section 293
Section 293(1) (Notification requirements)	Section 293(1)	Section 293(1)
Section 295 (Notification: overseas investment exchanges and overseas clearing houses)	Section 295	Section 295
Section 300B (Duty to notify proposal to make regulatory provision)	Section 300B	Section 300B
Section 322 (Rules applicable to former underwriting members)	None	Section 322
Section 332(1) (Rules in relation to persons to whom the general prohibition does not apply)	Section 332(1)	None
Section 340 (Appointment)	Section 340	Section 340

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 17 (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23.	Schedule 1ZB, Paragraph 31.
Paragraph 17(1) (Fees) of Schedule 1 (The Financial Services Authority)	Schedule 1ZA, Paragraph 23(1).	Schedule 1ZB, Paragraph 31(1).
Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12 of Part 2 (Funding) of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	Paragraph 12(1) (Funding of the relevant costs by authorised persons or payment service providers) of Part 2 of Schedule 1A (Further provision about the Consumer Financial Education Body)	None
Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)	Paragraphs 19 (Establishment) and 20 (Services) of Schedule 3 (EEA Passport Rights)
Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI	None
Paragraphs 1 (General), 4 (Rules), and 7 (Fees) of Schedule 7 (The Authority as Competent Authority for Part VI)	Part VI and Schedule 1ZA Paragraph 23	None
Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc)	Paragraphs 7(3) (Annual reports), 13 (Authority's procedural rules), 16B (Procedure for complaints etc)	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	and 16D (Enforcement of money awards) of Schedule 17 (The Ombudsman Scheme)	
Paragraph 13(4) (Authority's procedural rules) of Schedule 17 (The Ombudsman Scheme) to the Act	Paragraph 13(4) of Schedule 17	None

SCHEDULE A

Part 2

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 6(1) (FSA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulation 6(1) (FCA rules) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	None
Article 4(1) (Designation of pre-commencement provisions) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 137A(1)	Section 137G(1)
Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	Article 15 (Record-keeping and reporting requirements relating to relevant complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Ombudsman and Complaints Scheme) Order 2001 (SI 2001/2326)	None
The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)	None	The Financial Services and Markets Act 2000 (Variation of Threshold Conditions) Order 2001 (SI 2001/2507)
Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring	Articles 4 (Pending applications), 6 (Post-commencement applications), 9 (Article 9 defaults occurring

Column 1	Column 2	Column 3
<p><b>Provisions of other enactments under which the Authority made rules</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).</p>	<p>before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).</p>	<p>before commencement), 9A (Contributions in relation to mesothelioma claims), 10 (Applications in respect of compulsory liability insurance), 12 (Applications under the new scheme) and 23 (Record-keeping and reporting requirements relating to pre-commencement) of the Financial Services and Markets Act 2000 (Transitional Provisions, Repeals and Savings) (Financial Services Compensation Scheme) Order 2001 (SI 2001/2967).</p>
<p>Articles 9 (Designation of existing provisions to take effect as rules) and 10 (Modifications of existing provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)</p>	<p>Section 137A(1)</p>	<p>Section 137G(1)</p>
<p>Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)</p>	<p>Regulation 3 (Consumer contract requirements: modification of rule-making powers) of the Electronic Commerce Directive (Financial Services and Markets) Regulations 2002 (SI 2002/1775)</p>	<p>None</p>

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706)	Regulation 2 (Power of the Authority to make rules under section 138 of the Financial Services and Markets Act 2000) of the Financial Services and Markets Act 2000 (Fourth Motor Insurance Directive) Regulations 2002 (SI 2002/2706).	None.
Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454)	Article 9 (Record-keeping and reporting requirements relating to relevant transitional complaints) of the Financial Services and Markets Act 2000 (Transitional Provisions) (Complaints Relating to General Insurance and Mortgages) Order (SI 2004/454).	None
Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)	Regulation 2(3) (Application for permission) of the Capital Requirements Regulations 2006 (SI 2006/3221)
Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 82 (Reporting requirements) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services Regulations 2009 (SI	Regulations 86 (Proposal to take disciplinary measures) and 93 (Guidance) of and paragraph 1 of Schedule 5 (Disciplinary powers) to the Payments Services	None

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority made rules</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
2009/209)	Regulations 2009 (SI 2009/209).	
Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 92 (Costs of supervision) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 59 (Costs of supervision) of the Electronic Money Regulations 2011 (SI 2011/99).	None
Articles 3 (Further power for Authority to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259)	None	Article 3 (Further power for PRA to make rules concerning mesothelioma claims) and 4 (Modification of FSMA in relation to FSA rules for mesothelioma claims) of the Compensation Act 2006 (Contribution for Mesothelioma Claims) Regulations 2006 (SI 2006/3259).
Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties	Regulations 8 (Applications for registration), 9 (Applications for admission to the register of issuers), 18 (Notification requirements), 20 (Material changes to the regulated covered bond), 24 (Requirements relating to the asset pool), 25 (Change of owner), 36 (financial penalties	None

Column 1	Column 2	Column 3
<p><b>Provisions of other enactments under which the Authority made rules</b></p>	<p><b>Corresponding provisions: Financial Conduct Authority</b></p>	<p><b>Corresponding provisions: Prudential Regulation Authority</b></p>
<p>policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346)</p>	<p>policy statement), 46 (Modifications of primary and secondary legislation) of, and paragraph 5 (fees) to the Schedule (Modifications to primary and secondary legislation) to, the Regulated Covered Bonds Regulations 2008 (SI 2008/346).</p>	

SCHEDULE A

Part 3

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued codes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 64(2) (Conduct: statements and codes)	Section 64(2)	Section 64(2)
Section 119 (The code)	Section 119	None
Section 120 (Provisions included in the Authority's code by reference to the City Code)	Section 120	None
Section 121 (Codes: procedure)	Section 121	None

SCHEDULE A

Part 4

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 63C(1) (Statement of policy)	Section 63C(1)	Section 63C(1)
Section 64 (Conduct: statements and codes)	Section 64	Section 64
Section 64(1) (Conduct: statements and codes)	Section 64(1)	Section 64(1A)
Section 69 (Statement of policy) (including as applied by paragraph 1 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 1 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 69	Section 69
Section 69(1) (Statement of policy)	Section 69(1)	Section 69(1)
Section 93 (Statement of policy)	Section 93	None
Section 93(1) (Statement of policy)	Section 93(1)	None
Section 124 (Statement of policy)	Section 124	None
Section 124(1) (Statement of policy)	Section 124(1)	None
Section 131J(1) (Statement of policy)	Section 131J(1)	None
Section 165B(6) (Safeguards etc in relation to exercise of power)	None	Section 165B(6)

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
under section 165A)		
Section 169(9) (Investigations etc in support of overseas regulator) (including as applied by paragraph 3 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 3 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 169(9)	Section 169(9)
Section 210 (Statements of policy) (including as applied by regulation 86(6) of the Payment Services Regulations 2009 (SI 2009/209) and regulation 53 (6) of the Electronic Money Regulations 2011 (SI 2011/99).)	Section 210	Section 210
Section 210(1) (Statements of policy)	Section 210(1)	Section 210(1)
Section 395 (The Authority's procedures) (including as applied by paragraph 7 of Schedule 5 to the Payment Services Regulations 2009 (SI 2009/209) and paragraph 8 of Schedule 3 to the Electronic Money Regulations 2011 (SI 2011/99).)	Section 395	Section 395
Section 395(5) (The Authority's procedures)	Section 395(5)	Section 395(5)
Section 404(3) (Consumer redress schemes)	Section 404(3)	None
Section 404A (Rules under s404:	Section 404A	None

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
supplementary)		

**SCHEDULE A**

**Part 5**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority issued statements</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 42 (Guidance) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346)	Regulation 44 (Warning notices and decision notices) of the Regulated Covered Bonds Regulations 2008 (SI 2008/346).	None
Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209)	Regulation 93 (Guidance) of the Payment Services Regulations 2009 (SI 2009/209).	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

**SCHEDULE A**

**Part 6**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 51 (Applications under this Part)	Section 55U	Section 55U
Section 60 (Applications for approval)	Section 60	Section 60
Section 148(3) (Modification or waiver of rules)	Section 138A(3)	Section 138A(3)
Section 182 (Notification)	Section 179	None
Section 218A (Authority's power to require information)	Section 218A	Section 218A
Section 242 (Applications for authorisation of unit trust schemes)	Section 242	None
Section 250 (Modification or waiver of rules)	Section 250	None
Sections 250(4) and (5) (Modification or waiver of rules)	Sections 250(4) and (5)	None
Section 270(6)(b) (Schemes authorised in designated countries or territories)	Section 270(6)(b)	None
Section 274 (Applications for recognition of individual schemes)	Section 274	None
Section 287 (Application by an investment exchange)	Section 287	None
Section 294 (Modification or waiver of rules)	Section 294	Section 294

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority directed, required or specified:</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 294(2) (Modification or waiver of rules)	Section 294(2)	Section 294(2)
Section 316 (Direction by Authority)	Section 316	Section 316
Section 317 (The core provisions)	Section 317	Section 317
Section 318 (Exercise of powers through Council)	Section 318	Section 318
Paragraph 5(4) (Notice to Authority) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)	Paragraph 5(4) (Notice to UK Regulator) of Schedule 4 (Treaty Rights)

**SCHEDULE A**

**Part 7**

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority directed, required or specified</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228)	Regulations 7(3) and (4) (Modification or waiver of FSA rules) and 12 (Application for authorisation) of the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228).	<b>None</b>
Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 49 (Reporting requirements) of the Electronic Money Regulations 2011 (SI 2011/99).	None

SCHEDULE A

Part 8

Column 1	Column 2	Column 3
<b>Provisions of the 2000 Act under which the Authority made complaints schemes</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Paragraph 7 (Arrangements for the investigation of complaints) of Schedule 1 (The Financial Services Authority)	Part 6 of the Financial Services Act 2012	Part 6 of the Financial Services Act 2012

**SCHEDULE A**

**Part 9**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of the 2000 Act under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Section 157 (Guidance)	Section 139A	None
Section 157(1) (Guidance)	Section 139A(1)	None
Section 158A (Guidance on outsourcing by investment firms and credit institutions)	None	None

**SCHEDULE A**

**Part 10**

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Article 11(1) (Guidance) of the Financial Services and Markets Act 2000 (Transitional Provisions and Savings) (Rules) Order 2001 (SI 2001/1534)	Section 139A(1)	None
Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	Article 14 (Guidance on continued provisions) of the Financial Services and Markets Act 2000 (Consequential Amendments and Transitional Provisions) (Credit Unions) Order 2002 (SI 2002/1501)	None
Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	Articles 9D (Applications for certificates) and 9F (Revocation of certificate on request) of the Regulated Activities Order	None
Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	Articles 9G (Obtaining information from certified persons etc) and 9H (Rules prohibiting the issue of electronic money at a discount) of the Regulated Activities Order	None
Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009	Section 123 of the Banking Act 2009

Column 1	Column 2	Column 3
<b>Provisions of other enactments under which the Authority gave guidance</b>	<b>Corresponding provisions: Financial Conduct Authority</b>	<b>Corresponding provisions: Prudential Regulation Authority</b>
Regulation 14 (Guidance) of the Cross-Border Payments in Euro Regulations 2010 (SI 2010/89)	Regulation 15 of the Payments in Euro (Credit Transfers and Direct Debits) Regulations 2012 (SI 2012/3122)	None
Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	Regulation 60 (Guidance) of the Electronic Money Regulations 2011 (SI 2011/99).	None

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