

Chapter 16

Reporting requirements

16.6 Compliance reports

Application

16.6.1 **G** The effect of **■ SUP 16.1.1 R** is that this section applies to every *firm* within a category listed in the left hand column of the table in **■ SUP 16.6.2 G**.

16.6.2 **G** **Applicable provisions of this section (see **■ SUP 16.6.1 G**)**

Category of firm	Applicable provisions
<i>Bank</i>	SUP 16.6.4 R - SUP 16.6.5 R
<i>Depository of an authorised fund</i>	SUP 16.6.6 R - SUP 16.6.11R

Purpose

16.6.3 **G** [deleted]

16.6.3A **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 **G** [deleted]

Banks

16.6.4 **R** A *bank* must submit compliance reports to the *FCA*.

16.6.5 **R** **Compliance reports from a bank (see **■ SUP 16.6.4 R**)**

Report	Frequency	Due date
List of all <i>overseas regulators</i> for each legal entity in the <i>firm's</i> group	Annually	6 months after the <i>firm's</i> accounting reference date
Organogram showing the authorised entities in the <i>firm's</i> group	Annually	6 months after the <i>firm's</i> accounting reference date

Depositories of authorised funds

16.6.6 **R** A *depository* of an *authorised fund* must submit compliance reports in accordance with ■ SUP 16.6.7 R.

16.6.7 **R** Compliance reports from depositories of authorised funds (see SUP 16.6.8R)

Report	Frequency	Due date
Breach report on the <i>authorised fund manager's</i> breaches as set out in SUP 16.6.8R(1A)	Monthly	30 <i>business days</i> after month end
Oversight report on the <i>depository's</i> oversight visits as set out in SUP 16.6.8R(1B)	Quarterly	30 <i>business days</i> after quarter end (Note)

Note: The quarter ends are 31 March, 30 June, 30 September and 31 December.

16.6.8 **R** (1) [deleted]

- (1A) The breach report from a *depository* of an *authorised fund* to the *FCA* must include, for each *authorised fund* for which it is a *depository*:
- (a) details of all breaches of *COLL* or *FUND*, which came to the *depository's* attention or which were reported to the *depository* by the *authorised fund manager*, during the previous *month*;
 - (b) details of any changes to the reported details of an existing breach, whether reported under ■ SUP 16.6.8R(1A) or otherwise;
 - (c) details of all breaches that were reported, whether reported under ■ SUP 16.6.8R(1A) or otherwise, and that have been closed during the previous *month*; and
 - (d) whether the *authorised fund manager* has, in the opinion of the *depository*, adequate controls over:
 - (i) the *issue* and *cancellation* of *units* as detailed in ■ COLL 6.2 (Dealing); and
 - (ii) valuation and *pricing* as detailed in ■ COLL 6.3 (Valuation and pricing).

- (1B) The oversight report from the *depository* to the *FCA* must include:
- (a) details of each *authorised fund manager* visited during the previous quarter; and
 - (b) for each area reviewed:
 - (i) the findings and conclusions of the *depository*;
 - (ii) its recommendations; and
 - (iii) the *authorised fund manager's* response and comments, where available.

(2) [deleted]

(2A) [deleted]

(3) [deleted]

16.6.9 **G** [deleted]

16.6.10 **G**

- (1) A *depository* should report a breach only once under ■ SUP 16.6.8R(1A)(a) and once under ■ SUP 16.6.8R(1A)(c). When both reports are made in the same *month*, only a single entry in the form is required. Under ■ SUP 16.6.8R(1A)(b) a *depository* should report changes to the reported details of existing breaches.
- (2) A separate line should be entered on the form for each *rule* breached. For example, a breach of the investment limits in ■ COLL 5.2.11R that results in incorrect *pricing* of the *scheme* contrary to ■ COLL 6.3.3R should be recorded as two entries, with the same reference.
- (3) Under ■ SUP 16.6.8R(1A)(c) a *depository* should report all breaches that have been closed during the previous month. A breach can be closed in a number of ways. For example:
 - (a) A breach that does not involve changes to systems and controls may be considered closed when, in the opinion of the *depository*, the *authorised fund manager* has taken all necessary action to rectify the breach.
 - (b) A breach that requires changes to systems and controls that cannot be implemented promptly, may nevertheless be considered closed when, in the opinion of the *depository*, the *authorised fund manager* has implemented an effective temporary control to resolve the issue, taking into account the interests of *Unitholders*.
- (4) A *depository* should not consider a breach closed until any applicable compensation has been paid to the *scheme* and/or to *Unitholders*.

16.6.11 **R**

- (1) A *depository* must submit its breach report under ■ SUP 16.6.8R(1A) using the form REP011 in ■ SUP 16 Annex 12AR.
- (2) A *depository* must submit its oversight report under ■ SUP 16.6.8R(1B) using the form REP012 in ■ SUP 16 Annex 12AR.
- (3) A *depository* must submit the forms in ■ SUP 16 ■ Annex 12AR:
 - (a) online through the appropriate systems accessible from the *FCA's* website; or
 - (b) if the appropriate systems are unavailable, via email to fundsupervision@fca.org.uk.