

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, R 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, ; SUP 11.4.9G, SUP 11.5.8G to SUP 11.5.10G, SUP 11.6.2R, SUP 11.6.3R, ; 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 FSA <u>appropriate regulator</u> under Part XII of the Act (Notices of acquisitions of control over UK authorised persons) (<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 [FCA/PRA] 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 [FCA/PRA] G The *rules* in SUP 11.4 to SUP 11.6 are aimed at ensuring that the ~~FSA receives information it needs to assist the FSA with~~ 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 [FCA/PRA] 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 [FCA/PRA] 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 [FCA/PRA] 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.

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11.3 Requirements on controllers or proposed controllers under the Act

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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) [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 *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. [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

Handbook Provision	Made, designated or not in force after legal cutover	Relevant regulator
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

Column 1	Column 2	Column 3
Provisions of the 2000 Act under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
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 (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
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 (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
Provisions of other enactments under which the Authority made rules	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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

Column 1	Column 2	Column 3
Provisions of the 2000 Act under which the Authority issued codes	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority issued statements	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of other enactments under which the Authority issued statements	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority directed, required or specified:	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of other enactments under which the Authority directed, required or specified	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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

SCHEDULE A

Part 8

Column 1	Column 2	Column 3
Provisions of the 2000 Act under which the Authority made complaints schemes	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of the 2000 Act under which the Authority gave guidance	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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
Provisions of other enactments under which the Authority gave guidance	Corresponding provisions: Financial Conduct Authority	Corresponding provisions: Prudential Regulation Authority
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

