

HANDBOOK ADMINISTRATION (No 47) INSTRUMENT 2017**Powers exercised**

- A. The Financial Conduct Authority makes this instrument in the exercise of the following powers and related provisions in the Financial Services and Markets Act 2000 (“the Act”):
- (1) section 60 (Applications for Approval);
 - (2) section 137A (The FCA’s general rules);
 - (3) section 137T (General supplementary powers);
 - (4) section 139A (Power of the FCA to give guidance); and
 - (5) paragraph 20 (Services) of Schedule 3 (EEA Passport Rights).
- B. The rule-making provisions listed above are specified for the purposes of section 138G(2) (Rule-making instruments) of the Act.

Commencement

- C. This instrument comes into force on 13 September 2017 except as follows:
- (1) Part 2 of Annex H (SUP) comes into force on 12 November 2017;
 - (2) Part 1 of Annex I (DISP) comes into force on 17 November 2017;
 - (3) Part 3 of Annex H (SUP) comes into force on 4 December 2017 immediately after the amendments to SUP 13 made by the Markets and Organisational Requirements (MiFID 2) Instrument 2017 (FCA 2017/38) come into force;
 - (4) Part 2 of Annex A (Glossary of definitions), Part 2 of Annex B (SYSC), Part 1 of Annex F (COBS), Part 2 of Annex G (CASS) and Part 2 of Annex I (DISP) come into force on 3 January 2018 immediately after the following amendments come into force:
 - (a) the amendments to the Glossary made by the Glossary (MiFID 2) Instrument 2017 (FCA 2017/36);
 - (b) the amendments to SYSC and COBS made by the Markets and Organisational Requirements (MiFID 2) Instrument 2017 (FCA 2017/38); and
 - (c) the amendments to CASS and DISP made by the Conduct, Perimeter Guidance and Miscellaneous Provisions (MiFID 2) Instrument 2017 (FCA 2017/39); and
 - (5) Part 2 of Annex F (COBS) comes into force on 1 March 2018 immediately after the amendments to COBS made by the Conduct of Business Sourcebook (Pension Annuity Comparator) Instrument 2017 (FCA 2017/30) come into force.

Amendments to the Handbook

- D. The modules of the 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
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex B
Threshold Conditions (COND)	Annex C
Fees manual (FEES)	Annex D
Interim Prudential sourcebook for Investment Businesses (IPRU(INV))	Annex E
Conduct of Business sourcebook (COBS)	Annex F
Client Assets sourcebook (CASS)	Annex G
Supervision manual (SUP)	Annex H
Dispute Resolution: Complaints sourcebook (DISP)	Annex I

Amendments to material outside the Handbook

- E. The Perimeter Guidance manual (PERG) is amended in accordance with Annex J to this instrument.
- F. The Reader's Guide is amended in accordance with Annex K to this instrument.

Citation

- G. This instrument may be cited as the Handbook Administration (No 47) Instrument 2017.

By order of the Board
13 September 2017

Annex A

Amendments to the Glossary of definitions

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

Part 1: Comes into force 13 September 2017

Amend the following as shown.

<i>client</i>	<p>...</p> <p>(B) in the <i>FCA Handbook</i>:</p> <p>(1) (except in <i>PROF</i>, in relation to a <i>credit-related regulated activity</i> and in relation to a <i>home finance transaction</i>) has the meaning given in <i>COBS 3.2</i>) a <i>person</i> to whom a <i>firm</i> provides, intends to provide or has provided a service in the course of carrying on a <i>regulated activity</i>, or in the case of <i>MiFID</i> or equivalent third country business, an <i>ancillary service</i>:</p> <p>...</p> <p>(c) “client” does not include:</p> <p>(i) a trust beneficiary not in (b)(v) <u>(vi)</u>;</p> <p>...</p> <p>...</p>
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Part 2: Comes into force 3 January 2018

Amend the following as shown.

<i>common platform organisational requirements</i>	<p>(1) <i>SYSC 4</i> to <i>SYSC 9</i>; and</p> <p>(2) those articles of the <i>MiFID Org Regulation</i> as applied in accordance with <i>SYSC 1 Annex 1 2.8AR(1)</i>, <i>SYSC 1 Annex 1 3.2-AR</i>, <i>SYSC 1 Annex 1 3.2-BR</i>, <i>SYSC 1 Annex 1 3.2CR</i> and <i>SYSC 1 Annex 1 3.3R</i>.</p>
<i>remuneration</i>	<p>...</p> <p>(2) (in relation to those articles of the <i>MiFID Org Regulation</i> as applied in accordance with <i>SYSC 1 Annex 1 2.8AR</i>, <i>SYSC 1 Annex 1 3.2-AR</i>, <i>SYSC 1 Annex 1 3.2-BR</i>, <i>SYSC 1 Annex 1</i></p>

3.2CR, SYSC 1 Annex 1 3.3R; SYSC 19F.1.31R; SYSC 19F.1.4R and SYSC 19F.1.5R) all forms of payments or financial or non-financial benefits provided directly or indirectly by a *firm* to *relevant ~~persons~~ persons* in the provision of one or more of *designated investment business, ancillary activities and ancillary services to clients*.

[Note: article 2(5) of the *MiFID Org Regulation*]

Annex B

Amendments to the Senior Management Arrangements, Systems and Controls sourcebook (SYSC)

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

Part 1: Comes into force 13 September 2017

3 Systems and Controls

...

3.2 Areas covered by systems and controls

...

Systems and controls in relation to compliance, financial crime and money laundering

...

3.2.6D G A *firm* may also have separate obligations to comply with relevant legal requirements, including the Terrorism Act 2000, the Proceeds of Crime Act 2002 and the *Money Laundering Regulations*. SYSC 3.2.6R to SYSC 3.2.6JG are not relevant for the purposes of regulation ~~42(3)~~ 76(6) or ~~45(2)~~ 86(2) of the *Money Laundering Regulations*, section 330(8) of the Proceeds of Crime Act 2002 or section 21A(6) of the Terrorism Act 2000.

...

4 General organisational requirements

...

4.3A CRR firms

Management body

...

4.3A.7 R For the purposes of SYSC 4.3A.5R and SYSC 4.3A.6R:

...

(2) the following shall count as a single directorship:

...

(b) executive or non-executive directorships held within:

- (i) *firms* that are members of the same institutional protection scheme provided that the conditions set out in article 113(7) of the EU CRR are fulfilled; or

...

...

6 Compliance, internal audit and financial crime

...

6.3 Financial crime

...

- 6.3.4 G A *firm* may also have separate obligations to comply with relevant legal requirements, including the Terrorism Act 2000, the Proceeds of Crime Act 2002 and the *Money Laundering Regulations*. SYSC 6.1.1R and SYSC 6.3.1R to SYSC 6.3.10G are not relevant for the purposes of regulation ~~42(3)~~ 76(6) or ~~45(2)~~ 86(2) of the *Money Laundering Regulations*, section 330(8) of the Proceeds of Crime Act 2002 or section 21A(6) of the Terrorism Act 2000.

...

Part 2: Comes into force 3 January 2018

1 Annex Detailed application of SYSC

1

...

Part 2		Application of the common platform requirements	
...			
2.8A	R	(1)	Subject to (2) and (3), in SYSC 1 Annex 1 2.8R, articles 1(2), 21 to 25, 30-32 and 72 of the <i>MiFID Org Regulation</i> (including any relevant definitions in <i>MiFID</i> , <i>MiFIR</i> and the <i>MiFID Org Regulation</i>) <u>apply as if they were rules or guidance in accordance with Part 3 (Tables summarising the application of the common platform requirements to different types of firm) to a firm's carrying on of the business set out in SYSC 1 Annex 1 2.8R other than which is not MiFID business or a structured deposits regulated activity</u> activities as if they were rules or guidance in accordance with Part 3 (Tables summarising the application of the common platform requirements to

			different types of firm).
		(1A)	Subject to (2) and (3), articles 33 to 35 of the <i>MiFID Org Regulation</i> of the <i>MiFID Org Regulation</i> (including any relevant definitions in <i>MiFID</i> , <i>MiFIR</i> and the <i>MiFID Org Regulation</i>) apply as if they were <i>rules</i> or <i>guidance</i> in accordance with Part 3 (Tables summarising the application of the common platform requirements to different types of firm) to a <i>firm's</i> carrying on of the business set out in <i>SYSC 10.1.1R</i> which is not <i>MiFID business</i> or a <i>structured deposits regulated activity</i> .
		...	
2.8B	G		The purpose of <i>SYSC 1 Annex 1 2.8R</i> and <i>SYSC 1 Annex 1 2.8AR</i> is that the <i>common platform organisational requirements</i> and the <i>common platform requirements on conflicts of interest</i> also apply when carrying on any of the activities listed in <i>SYSC 1 Annex 1 2.8R</i> or <i>SYSC 10.1.1R</i> respectively even where they do not involve <i>investment services and/or activities</i> and, where relevant, <i>ancillary services</i> (unless provided otherwise within a specific rule).
2.8C	G		<i>SYSC 1 Annex 1 2.8AR(3)</i> has the effect that, where the requirement in the <i>MiFID Org Regulation</i> that is a <i>common platform organisational requirement</i> or a <i>common platform requirement on conflicts of interest</i> includes a reference or cross reference to another part of the <i>MiFID Org Regulation</i> , that reference or cross reference is given the same meaning as for the purposes of <i>SYSC 1 Annex 1 2.8AR</i> .
...			

Part 3	Tables summarising the application of the common platform requirements to different types of firm	
...		
Common platform firm		
3.2	G	For a <i>common platform firm</i> (other than a <i>dormant account fund operator</i> not subject to <i>MiFID</i>):
		...
	(2)	articles 1(2), 21 to 25, 30 to 32 35 and 72 of the <i>MiFID Org Regulation</i> are directly applicable to the <i>firm</i> .

...		
3.2-A	R	For a <i>common platform firm</i> (other than a <i>dormant account fund operator</i> not subject to <i>MiFID</i>), articles 1(2), 21 to 25, 30- 32 to 35 and 72 of the <i>MiFID Org Regulation</i> apply to the <i>firm's</i> business other than <i>MiFID business</i> or <i>structured deposits regulated activities</i> as if the <i>MiFID Org Regulation</i> applied to the <i>firm</i> as rules in accordance with SYSC 1 Annex 1 2.8R and SYSC 1 Annex 1 2.8AR.
3.2-B	R	For a common platform firm that is a dormant account fund operator and is not subject to MiFID:
		...
		(2) articles 1(2), 21 to 25, 30 to 32 35 and 72 of the <i>MiFID Org Regulation</i> apply as if the <i>MiFID Org Regulation</i> applies to the <i>firm</i> as rules in accordance with SYSC 1 Annex 1 2.8R and SYSC 1 Annex 1 2.8AR.
Other firms		
3.3 2 E	R	SYSC 1 Annex 1 3.3R does not apply to the following:
		(1) <i>insurers</i> ;
		(2) <i>managing agents</i> ;
		(3) <i>the Society</i> ;
		(4) <i>full-scope UK AIFMs of unauthorised AIFs</i> ;
		(5) <i>MiFID optional exemption firms</i> ; and
		(6) <i>third country firms</i> .
3.3	R	For all other <i>firms</i> :
		(1) ...
		(2) articles 1(2), 21 to 25, 30 to 32 35 and 72 of the <i>MiFID Org Regulation</i> do not apply.
...		

Table A: Application of the common platform requirements in SYSC 4 to SYSC 10

...

Provision SYSC 10	Column A Application to a common platform firm other than to a UCITS investment firm	COLUMN A+ Application to a UCITS management company	COLUMN A++ Application to a full-scope UK AIFM of an authorised AIF	COLUMN B Application to all other firms apart from insurers, managing agents, the Society, full-scope UK AIFMs of unauthorised AIFs, MiFID optional exemption firms and third country firms
...				
SYSC 10.1.12G	Not applicable <u>Guidance</u>	Guidance	Guidance	Guidance
...				

...

10 Conflicts of interest

10.1 Application

...

Application to a MiFID optional exemption firm and to a third-country firm

- 10.1.-1 G For a *MiFID optional exemption firm* and a *third country firm*;
- (1) the *rules* and *guidance* in this chapter apply to them as if they were *rules* or as *guidance* in accordance with SYSC 1 Annex 1 3.2CR(1);
and
- (2) ~~those articles of the *MiFID Org Regulation* in SYSC 1 Annex 1 2.8AR and 3.2CR apply to them as if they were *rules* or as *guidance* in accordance with SYSC 1 Annex 1 3.2CR(2).~~

...

- 10.1.4A G Other *firms* (except *common platform firms* and *UCITS management companies*) should take account of the *rule* on the types of conflicts (see SYSC 10.1.4R) in accordance with ~~SYSC 1 Annex 1 3.2BR, SYSC 1 Annex~~

~~1.3.2CR~~ and SYSC 1 Annex 1 3.3R.

...

Annex C

Amendments to the Threshold Conditions (COND)

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

2 **The threshold conditions**

...

2.4 **Appropriate resources**

...

Paragraph 3C of Schedule 6 to the Act

...

2.4.4 G ...

- (2) Relevant matters to which the *FCA* may have regard when assessing whether a *firm* will satisfy, and continue to satisfy, the *threshold condition* may include but are not limited to:

...

- (e) whether the *firm* has conducted enquiries into the financial services sector in which it intends to conduct business that are sufficient to satisfy itself that:

...

- (ii) ~~*Client money*~~ client money, *deposits, custody assets* and *policyholders' rights* will not be placed at risk if the business fails; and

...

...

...

2.7 **Business model**

...

Paragraph 3E to Schedule 6 of the Act

...

2.7.12 G The *FCA's* assessment of a *firm's* satisfaction of ~~this~~ the *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*.

Annex D

Amendments to the Fees manual (FEES)

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

13 **Illegal money lending levy**

...

13.2 **The IML levy**

...

Calculation of the IML levy

...

13.2.4 R The amount payable by a *firm* with respect to a particular activity group is calculated as follows:

...

(2) for a *firm* in activity group CC2:

...

(b) over £250,000 consumer credit income: £10 + ~~the~~ £0.202 per £ thousand or part £ thousand of consumer credit income; and

...

...

13 Annex **Illegal money lending (IML) levy for 2017/18**

1R

...	...	
Full authorisation (fee-block CC2):	Up to £250,000 consumer credit income:	£10
	Over £250,000 consumer credit income:	£10 + <u>£0.202</u> per £1,000

Annex E

**Amendments to the Interim Prudential sourcebook for Investment Businesses
(IPRU(INV))**

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

5 Financial resources

...

5.9 Liquid Capital Requirement for firms whose permitted business includes establishing, operating or winding up a personal pension scheme

5.9.1

R

...	
Calculation of Capital Surcharge	
$CS = (\sqrt{P}) \times K2 \times ICR$	
Where	
...	
ICR	means the Initial Capital Requirement calculated as above.
	...
	Securities <u>Securities</u> admitted to trading on a regulated venue
	...
	Units in Regulated collective investment schemes <u>regulated collective investment schemes</u>
...	...

Annex F

Amendments to the Conduct of Business sourcebook (COBS)

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

Part 1: Comes into force 3 January 2018

10A **Appropriateness (for non-advised services) (MiFID provisions)**

...

10A.7 Record keeping and retention periods for appropriateness records

...

~~10A.7.2~~ G A *firm* should refer to SYSC 9 for its obligations in relation to record
10A.7.3 keeping. This requires records kept for the purposes of this chapter to be
retained for a period of at least five years.

...

Part 2: Comes into force 1 March 2018

19 **Pensions supplementary provisions**

...

19.9 **Pension annuity comparison information**

Definitions

19.9.1 R In this section:

(1) ...

...

(7) “section 9(2B) rights” has the same meaning as in regulation 2(1) of
the Occupational Pension Schemes (Schemes that were Contracted-
out) (No.2) Regulations 2015.

...

Content of pension annuity comparator information

...

19.9.5 G A *firm* should consider COBS ~~19.9.11R~~ 19.9.12R in cases where it is not clear whether a *retail client* is entitled to a pension-related benefit.

...

Annex G

Amendments to the Client Assets sourcebook (CASS)

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

Part 1: Comes into force 13 September 2017

8 Mandates

8.1 Application

...

8.1.2A R The *mandate rules* do not apply to a *firm*:

- (1) in relation to *client money* that the *firm* is holding in accordance with CASS 5 or CASS 7 (including *client money* that the *firm* has allowed another *person* to hold or control in accordance with ~~CASS 7.2.5R~~ 7.14.2R) or CASS 11; or

...

Part 2: Comes into force 3 January 2018

6 Custody rules

...

6.4 Use of safe custody assets

...

6.4.1D G Examples of remedial measures in ~~CASS 6.4.1.CR(2)~~ 6.4.1CR(3) can be found in CASS 6.6.54R.

...

Annex H

Amendments to the Supervision manual (SUP)

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

Part 1: Comes into force 13 September 2017

12 **Appointed representatives**

...

12 Annex **Appointed representative or tied agent – change details**
4R

...

Yes No

13B Will the appointed representative undertake structured- deposit
related regulated activities? † §

Do you wish to change this? If “Yes” please provide details below.

...

...

Part 2: Comes into force 12 November 2017

10C **Form A: Application to perform senior management functions**
Annex 2D

Long Form A – UK Relevant Authorised Persons and Third Country Relevant
Authorised Persons only

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 2D

PRA Rulebook Reference: Senior Managers Regime - Applications and
Notifications

~~7 March 2017~~ 12 November 2017

...

Application to perform senior management functions

...

3.02 For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a Senior Management Function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function	<input type="checkbox"/>	
SMF 2	Chief Finance function	<input type="checkbox"/>	
SMF 3	Executive Director	<input type="checkbox"/>	
SMF 4	Chief Risk function	<input type="checkbox"/>	
SMF 5	Head of Internal Audit	<input type="checkbox"/>	
SMF 6	Head of Key Business Area	<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>	
SMF 8	Credit Union SMF	<input type="checkbox"/>	
SMF 9	Chairman	<input type="checkbox"/>	
SMF10	Chair of the Risk Committee	<input type="checkbox"/>	
SMF11	Chair of the Audit Committee	<input type="checkbox"/>	
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>	
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>	
SMF14	Senior Independent Director	<input type="checkbox"/>	
SMF16	Compliance Oversight	<input type="checkbox"/>	
SMF17	Money Laundering Reporting	<input type="checkbox"/>	
SMF18	Other overall responsibility function	<input type="checkbox"/>	
SMF19	Head of Overseas Branch	<input type="checkbox"/>	
SMF22	Other local responsibility function	<input type="checkbox"/>	
<u>SMF24</u>	<u>Chief Operations function</u>	<input type="checkbox"/>	

...

Short Form A – UK Relevant Authorised Persons and Third Country Relevant Authorised Persons only

Application to perform senior management functions

FCA Handbook Reference: SUP 10C Annex 2D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

~~7 March 2017~~ 12 November 2017

...

Application to perform senior management functions

...

3.02 For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed. If the *senior management functions* are to be performed for more than one *firm*, please go to question **3.04**

Function	Description of a Senior Management Function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function	<input type="checkbox"/>	
SMF 2	Chief Finance function	<input type="checkbox"/>	
SMF 3	Executive Director	<input type="checkbox"/>	
SMF 4	Chief Risk function	<input type="checkbox"/>	
SMF 5	Head of Internal Audit	<input type="checkbox"/>	
SMF 6	Head of Key Business Area	<input type="checkbox"/>	
SMF 7	Group Entity Senior Manager	<input type="checkbox"/>	
SMF 8	Credit Union SMF	<input type="checkbox"/>	
SMF 9	Chairman	<input type="checkbox"/>	
SMF10	Chair of the Risk Committee	<input type="checkbox"/>	
SMF11	Chair of the Audit Committee	<input type="checkbox"/>	
SMF12	Chair of the Remuneration Committee	<input type="checkbox"/>	
SMF13	Chair of the Nomination Committee	<input type="checkbox"/>	
SMF14	Senior Independent Director	<input type="checkbox"/>	

SMF16	Compliance Oversight	<input type="checkbox"/>	
SMF17	Money Laundering Reporting	<input type="checkbox"/>	
SMF18	Other overall responsibility function	<input type="checkbox"/>	
SMF19	Head of Overseas Branch	<input type="checkbox"/>	
SMF22	Other local responsibility function	<input type="checkbox"/>	
<u>SMF24</u>	<u>Chief Operations function</u>	<input type="checkbox"/>	

...

10C Annex 3D Form E: Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

...

Form E

Internal transfer of an approved person (for firms and individuals subject to the senior management regime)

FCA Handbook Reference: SUP 10C Annex 3D

PRA Rulebook Reference: Senior Managers Regime - Applications and Notifications

~~7 March 2017~~ 12 November 2017

...

4.02 For applications from a single *firm*, please tick the boxes that correspond to the *senior management functions* to be performed.

If the *senior management functions* are to be performed for more than one *firm*, please go to question 4.04

Function	Description of a Senior Manager function	Tick (if applicable)	Effective Date
SMF 1	Chief Executive function		
SMF 2	Chief Finance function		
SMF 3	Executive Director		
SMF 4	Chief Risk function		
SMF 5	Head of Internal Audit		

SMF 6	Head of Key Business Area		
SMF 7	Group Entity Senior Manager		
SMF 8	Credit Union SMF (small Credit Unions only)		
SMF 9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Other overall responsibility function		
SMF19	Head of Overseas Branch		
SMF 21	EEA Branch Senior Manager function		
SMF22	Other local responsibility function		
<u>SMF24</u>	<u>Chief Operations function</u>		

...

10C Statement of responsibilities

Annex 5D

[*Editor's note:* The below changes pertain to the UK RAPs Statement of Responsibilities form]

Senior Management Regime: Statement of Responsibilities

This form applies to UK relevant authorised persons. It does not apply to incoming EEA relevant authorised persons, third country relevant authorised persons, or appointed representatives of any relevant authorised person.

...

~~7 March 2016~~ 12 November 2017

...

- 3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

SMF	Description	Tick SMF applied for or held	Effective Date
SMF1	Chief Executive function		
SMF2	Chief Finance function		
SMF3	Executive Director		
SMF4	Chief Risk function		
SMF5	Head of Internal Audit		
SMF6	Head of Key Business Area		
SMF7	Group Entity Senior Manager		
SMF8	Credit Union SMF (small Credit Unions only)		
SMF9	Chairman		
SMF10	Chair of the Risk Committee		
SMF11	Chair of the Audit Committee		
SMF12	Chair of the Remuneration Committee		
SMF13	Chair of the Nominations Committee		
SMF14	Senior Independent Director		
SMF16	Compliance Oversight		
SMF17	Money Laundering Reporting		
SMF18	Other Overall Responsibility function		
<u>SMF24</u>	<u>Chief Operations function</u>		

...

- 3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which

are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

Ref	Prescribed Responsibility (Applicable to all firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
a	Responsibility for the <i>firm's</i> performance of its obligations under the senior management regime	Yes / No	Yes / No
b	Responsibility for the firm's performance of its obligations under the employee certification regime	Yes / No	Yes / No
c	Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map	Yes / No	Yes / No
d	Overall responsibility for the firm's policies and procedures for countering the risk that the firm might be used to further financial crime	Yes / No	Yes / No
e	Responsibility for the allocation of all prescribed responsibilities	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
f	Responsibility for: (a) leading the development of; and (b) monitoring the effective implementation of; policies and procedures for the induction, training and professional development of all members of the <i>firm's governing body</i> .	Yes / No	Yes / No
g	Responsibility for monitoring the effective implementation of policies and procedures for the induction, training and professional development of all persons performing <i>designated senior management functions</i> on behalf of the <i>firm</i> other than members of the <i>governing body</i> .	Yes / No	Yes / No
h	Responsibility for overseeing the adoption of the <i>firm's</i> culture in the day-to-day management of the <i>firm</i> .	Yes / No	Yes / No
i	Responsibility for leading the development of the <i>firm's</i> culture by the governing body as a whole.	Yes / No	Yes / No
j	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of: the internal audit function in accordance with SYSC	Yes / No	Yes / No

Ref	Prescribed Responsibility (Applicable to all firms except small firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
	6.2 (Internal Audit)		
k	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the compliance function in accordance with SYSC 6.1(Compliance)	Yes / No	Yes / No
l	Responsibility for: (a) safeguarding the independence of; and (b) oversight of the performance of; the risk function in accordance with SYSC 7.1.21R and SYSC 7.1.22R (Risk control)	Yes / No	Yes / No
m	Responsibility for overseeing the development of, and implementation of the firm's remuneration policies and practices in accordance with SYSC 19D (Remuneration Code)	Yes / No	Yes / No
n	Responsibility for the independence, autonomy and effectiveness of the firm's policies and procedures on whistleblowing, including the procedures for protection of staff who raise concerns from detrimental treatment	Yes / No	Yes / No
o	Management of the allocation and maintenance of capital, funding and liquidity	Yes / No	Yes / No
p	The firm's treasury management functions	Yes / No	Yes / No
q	The production and integrity of the firm's financial information and its regulatory reporting in respect of its regulated activities	Yes / No	Yes / No
r	The firm's recovery plan and resolution pack and overseeing the internal processes regarding their governance	Yes / No	Yes / No
s	Responsibility for managing the firm's internal stress-tests and ensuring the accuracy and timeliness of information provided to the PRA and other regulatory bodies for the purposes of stress-testing	Yes / No	Yes / No
t	Responsibility for the development and maintenance of the firm's business model by the governing body	Yes / No	Yes / No
u	Responsibility for the firm's performance of its obligations under <i>Fitness and Propriety</i> (in the PRA Rulebook) in respect of its notified non-executive directors	Yes / No	Yes / No
<u>u-a</u>	<u>Responsibility for the firm's performance of its obligations under the Outsourcing part of the PRA Rulebook</u>	<u>Yes / No</u>	<u>Yes / No</u>

...

Senior Management Regime: Statement of Responsibilities (Third Country Relevant Authorised Persons only)

This form applies to third country relevant authorised persons. It does not apply to UK relevant authorised persons, EEA relevant authorised persons, or appointed representatives of any relevant authorised person.

...

~~7 March 2016~~ 12 November 2017

...

- 3.1.2 List all *senior management functions* which the *approved person* is to perform and the effective date the *person* commenced or will commence the performance of the functions.

SMF	Description	Tick SMF applied for or held	Effective Date
SMF2	Chief Finance function	<input type="checkbox"/>	
SMF3	Executive Director	<input type="checkbox"/>	
SMF4	Chief Risk function	<input type="checkbox"/>	
SMF5	Head of Internal Audit	<input type="checkbox"/>	
SMF7	Group Entity Senior Manager	<input type="checkbox"/>	
SMF16	Compliance Oversight	<input type="checkbox"/>	
SMF17	Money Laundering Reporting	<input type="checkbox"/>	
SMF19	Head of Overseas Branch	<input type="checkbox"/>	
SMF22	Other local responsibility function	<input type="checkbox"/>	
<u>SMF24</u>	<u>Chief Operations function</u>	<input type="checkbox"/>	

...

- 3.2.1 Please indicate below which of the responsibilities listed are/will be allocated to this individual, if any.

Note: the form includes references to provisions in the FCA Handbook which are also set out in the PRA Rulebook, sometimes in slightly different wording. Where this is the case, the underlying provisions should be interpreted as equivalent in substance unless indicated otherwise. Any differences are purely presentational.

If the individual has not been allocated a prescribed responsibility, please go to section 3.3.

Ref	Prescribed Responsibility (Applicable to all firms)	Does this prescribed responsibility apply?	Is this prescribed responsibility shared?
za	Responsibility for the branch's performance of its obligations under the senior management regime	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zb	Responsibility for the branch's performance of its obligations under the employee certification regime	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zc	Responsibility for compliance with the requirements of the regulatory system about the management responsibilities map	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zd	Responsibility for management of the UK branch's risk management processes in the UK	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
ze	Responsibility for the branch's compliance with the UK regulatory system applicable to the branch	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zf	Responsibility for the escalation of correspondence from the PRA, FCA and other regulators in respect of the branch to the governing body and/or the management body of the firm or, where appropriate, of the parent undertaking or holding company of the firm's group	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zg	Local responsibility for the branch's policies and procedures for countering the risk that the branch might be used to further financial crime	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zh	Local responsibility for the branch's compliance with CASS	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zi	Responsibility for management of the branch's systems and controls in the UK	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zj	Responsibility for the allocation of all UK branch prescribed responsibilities	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zk	Responsibility for the management of the branch's liquidity or, where a liquidity waiver is in place, the submission of information to the PRA on the firm's liquidity position	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zl	Responsibility for the production and integrity of the branch's financial information and its regulatory reporting in respect of its regulated activities	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>
zm	<u>Responsibility for the firm's performance of its obligations under the Outsourcing part of the PRA Rulebook</u>	<u>Yes <input type="checkbox"/> No <input type="checkbox"/></u>	<u>Yes <input type="checkbox"/> No <input type="checkbox"/></u>

...

Part 3: Comes into force 4 December 2017

13 Exercise of passport rights by UK firms

...

13 Annex 2R **Passporting: MiFID investment services and activities passport notification and notification for the provision of arrangements to facilitate access to an MTF or OTF under MiFID ITS 4A)**

...

Notice of intention to provide arrangements to facilitate the access to an MTF or an OTF from another EEA State under the Markets in Financial Instruments Directive (MiFID)

...

1. Contact information	
Type of notification:	Provision of/ Changes to the particulars of the notification for the provision of arrangements to facilitate access to MTF /OTF
...	
Date at which the arrangements will be provided:	With immediate effect

Annex I

Amendments to the Dispute Resolution: Complaints sourcebook (DISP)

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

Part 1: Comes into force 17 November 2017

1 **Treating complainants fairly**

...

1 Annex 1R **Complaints return form**

...

NOTES ON THE COMPLETION OF THIS RETURN

...

Contextualisation

...

When providing information giving context to its *complaints* data, a *firm* should choose the metric which best reflects whether the business undertaken by the *firm* predominantly involves intermediation or the provision of products or services by the *firm* itself. When completing a group report (i.e. the complaints return covers more than one entity – see Question 1, DISP 1 Annex 1R), a group should choose the metric which best reflects whether the business for all *firms* included in the group report predominantly involves intermediation or the provision of products or services. ~~A *firm* or group should only provide information on context for either intermediation or provision, not both activities.~~ In cases where this is not possible, a *firm* may provide information on context for both intermediation and provision.

...

1 Annex 1BR Complaints publication report

...

Note 1: When providing the appropriate information on the context of complaints, a *firm* should choose the metric which best reflects whether the majority of business undertaken by the *firm* involves the provision of products or services by the *firm* itself or intermediation. ~~A *firm* should only provide information on context in respect of either provision or intermediation, not both activities.~~ In cases where this is not possible, a *firm* may provide information on context for both intermediation and provision.

Part 2: Comes into force 3 January 2018

1 Annex 2G Application of DISP 1 to type of respondent / complaint

...

Type of respondent/ complaint	DISP 1.1A Requirements for MiFID investment firms	DISP 1.2 Consumer awareness rules	DISP 1.3 Complaints handling rules	DISP 1.4 - 1.8 Complaints resolution rules etc.	DISP 1.9 Complaints record rule	DISP 1.10 Complaints reporting rules	DISP 1.10A Complaints data publication rules
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...							
<i>designated credit reference agency in relation to complaints about providing credit information</i>
<i>designated finance platform in relation to complaints about providing specified information</i>	<u>Does not apply</u>	Applies for <i>eligible complainants</i>	Applies for <i>eligible complainants</i>	Applies for <i>eligible complainants</i>	Does not apply	Does not apply	Does not apply
...

Annex J

Amendments to the Perimeter Guidance manual (PERG)

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

3A **Guidance on the scope of the Electronic Money Regulations 2001**

...

3A.4 **Small electronic money institutions, mixed businesses, distributors, agents and exempt bodies**

Q17. What criteria must we meet to be a small electronic money institution?

The relevant conditions are set out at regulation 13 and include the following:

- your total business activities immediately before the time of registration generates an *average outstanding electronic money* that does not exceed 5 million euros;
- the monthly average, over the period of 12 months preceding the application, of the total amount of payment transactions which are not related to the issuance of *electronic money* and are executed by you or your agents in the *United Kingdom*, must not exceed 3 million euros;
- immediately before the time of registration you must hold such initial capital, if any, which is required in accordance with Part 1 of Schedule 2 to the regulations;
- you must have taken adequate measures for the purposes of safeguarding *electronic money* holders' fund as set out at regulation 20;
- you must satisfy the *FCA* that the persons responsible for the management of your *electronic money* and *payment services* are of good repute and possess appropriate knowledge and experience to issue *electronic money* and provide those *payment services* that you intend to undertake;
- none of the individuals responsible for the management or operation of your business has been convicted of offences relating to money laundering, or terrorist financing or *financial crime*;
- you must be a body corporate whose head office is in the *United Kingdom*;
- you must comply with the registration requirements of the ~~Money Laundering Regulations 2007~~ Money Laundering Regulations where they apply to you.

...

...

15 **Guidance on the scope of the Payment Services Regulations 2009**

...

15.4 Small payment institutions, agents and exempt bodies

Q26. What criteria must we meet to be a “small payment institution”?

The conditions are set out in regulation 13 and include the following:

- the average of the preceding 12 months’ total amount of payment transactions executed by you, including your agents in the UK, does not exceed 3 million euros (or an equivalent amount) per month;
- none of the individuals responsible for the management or operation of your business has been convicted of offences relating to money laundering or terrorist financing, the *Act*, the PSD regulations or financial crimes;
- if you are a partnership, an unincorporated association, or a body corporate, you must satisfy us that any persons having a qualifying holding in your business are fit and proper persons having regard to the need to ensure the sound and prudent conduct of the affairs of a small payment institution;
- you must satisfy us that your directors (if you are a body corporate), any persons responsible for the management of your business, and where relevant the persons responsible for the management of your payment services, are of good repute and possess appropriate knowledge and experience to provide payment services;
- if you are a body corporate you must satisfy us that any close links you have with another person are not likely to prevent our effective supervision of you. If it appears to us that you have any close links that are subject to the laws, regulations or administrative provisions of a territory outside of the EEA (“the foreign provisions”) you must satisfy us that neither the foreign provisions, nor any deficiency in their enforcement, would prevent our effective supervision of you;
- your head office, registered office or place of residence, as applicable, is in the UK; and
- you must comply with the registration requirements of the ~~Money Laundering Regulations 2007~~ *Money Laundering Regulations*, where they apply to you.

...

15.5 Negative scope/exclusions

...

Q36. We are a bureau de change providing cash only forex services and our clients do not have accounts with us - are these services outside the scope of the regulations?

Yes. The regulations do not apply to money exchange business consisting of cash-to-cash operations where the funds are not held on a payment account (see *PERG 15*, Annex 3, paragraph (f)). If you allow a customer to pay for foreign currency using a payment card, this does not mean that you will be providing a payment

service. The regulations will though apply to the payment transaction made using the payment card and the payment service provided to you by the merchant acquirer. In other words, the regulations apply to the merchant acquirer's services but yours remain outside the scope of authorisation or registration.

The regulations do not affect your obligations under the ~~Money Laundering Regulations 2007~~ *Money Laundering Regulations*.

...

Annex K

Amendments to the Reader's Guide

In this Annex, underlining indicates new text.

Reader's Guide: An introduction to the Handbook

...

3. Structure of the Handbook

The Handbook is divided into the following blocks. The Handbook also contains a Glossary of definitions which specifies what the legal meaning is of various phrases and wording used.

...

Business Standards

Day-to-day conduct rules that apply to firms, as specified.

...

MAR (Market Conduct sourcebook) – mainly applies to wholesale and professional markets.

PROD (Product Intervention and Product Governance sourcebook) – sets out our product governance requirements for manufacturers of financial instruments and structured deposits and distributors of financial instruments, structured deposits and financial services and applies to MiFID investment firms, CRD credit institutions, MiFID optional exemption firms and branches of third country investment firms. It also sets out the FCA's statement of policy on making temporary product intervention rules.

...