
Dec 2017 CP 17/40 Individual accountability: Transitioning FCA firms and individuals to the SM&CR

1: Do you have any comments on our proposed transitional arrangements?

No comment as we support the proposed transitional arrangements as these take in to consideration a proportionate approach and flexibility to accommodate different business models. We support the automatic grandfathering process for Core Firms of individuals already performing a corresponding role to the Senior Management Function and continue to perform this role as this will ease the administrative burden on firms to reapply. We recommend that for firms who are required to submit K forms (enhanced firms and core firms where an individual have a CF2 – non-executive Director performing the role of the Chair) - be given sufficient time for submission and approval before the new regime commences to allow firms to ensure their Senior Managers have all been successfully transitioned across.

Q2: Do you have any comments on our proposed mapping of functions for Core and Limited Scope firms?

No comment, as we agree with the conversion proposed of the existing function to the corresponding function to the Senior Management function for Core firms.

Q3: Do you have any comments on our approach to conversion for Core and Limited Scope firms?

No comment as we support the conversion approach only applies to the controlled functions and corresponding Senior Management Functions. All other controlled functions will become part of the Certification Regime.

Q4: Do you agree with our approach to new and in-flight applications by Core and Limited Scope firms?

Yes, we agree with the approach to new and in-flight applications process submitted near to SM&CR commencement.

Q5: Do you agree with our approach to Core and Limited Scope applicant firms?

Yes, we agree with the approach described in 4.21 as this will assist firms to identify the relevant forms to submit during the transitional period.

Q6: Do you have any comments on our proposed mapping of functions for Enhanced firms?

We have no comments on the mapping functions as they cover a broad scope of responsibilities that relate to senior managers functions for enhanced firms.

Q7: Do you have any comments on our approach to conversion for Enhanced firms?

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Date of response 21/02/2018

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We request that sufficient time is allowed to submit the relevant documents in time for the commencement period as these firms will need to file additional information i.e. SoR's for each named person in the K Form.

Q8: Do you agree with our approach to new and in-flight applications by Enhanced firms?

Yes, we support this approach as this also gives certainty to firms of ensuring the in-flight applications have been taken into consideration by including the details onto the K form.

Q9: Do you agree with our approach to Enhanced applicant firms?

No comments on this approach.

Q10: Do you have any comments on our proposed changes to forms?

No comments on the proposed changes to the forms as we do not foresee any issues in completing the necessary information.

Q11: Do you have any feedback on our proposed amendments to the Fitness & Propriety questions?

No further comments on the additional amendments to include 3 questions related to civil proceeding and disclosures around participating in arbitrage proceeding to the Fitness & Propriety questions.

Q12: Do you have any comments on our proposal to extend the use of REP008 to all SM&CR firms?

No comment as we support the notification of conduct rule breaches be extended to all SM&CR firms to ensure the FCA is aware of the misconduct and how the firm has taken steps to address this.

Q13: Do you have any comments on our proposal to require a nil return to be submitted where no Conduct Rules breaches have occurred, and to apply the late returns fee to late or non-submitters of REP008?

No comment as this is a consistent process with filing any other returns to the FCA.

Q14: Do you have any comments on our proposed consequential amendments?

No comments.

Q15: Do you agree with our proposal to implement the new Conduct Rules prescribed responsibility for firm's subject to the Banking Regime ahead of the Commencement of the extended SM&CR?

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Not applicable to our member firms as none of them are subject to the Banking Regime.

Q16: Do you have any comments on our proposal to apply the late returns fee to late or non-submitters of REP008?

No comment as this is a consistent process with late filings with any other returns to the FCA.

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