

**FINANCIAL CONDUCT AUTHORITY AND PRUDENTIAL REGULATION  
AUTHORITY HANDBOOK DESIGNATION (GENERAL MODIFICATIONS)  
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 modifying a Relevant Instrument.
- 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.

**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) “the Authority” means the Financial Services Authority;
- (3) “the 2000 Act” means the Financial Services and Markets Act 2000;
- (4) “the 2012 Act” means the Financial Services Act 2012;
- (5) “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;
- (6) “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;
- (7) “Handbook” means the Authority’s Handbook of Rules and Guidance (and including for this purpose the Handbook Guides and Regulatory Guides published by the Authority alongside the Handbook of Rules and Guidance) in each case as published on the Authority’s Handbook website at 11h59 pm on 27 February 2013;
- (8) “Designation Instrument” means The FCA and PRA Handbook Designation Instrument 2013, made by 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 (FCA 2013/8) and by the Board of the Prudential Regulation Authority (PRA 2013/3);
- (9) “Relevant Instrument” has the meaning in section 119(6)(b) of the 2012 Act;
- (10) “FCA Relevant Instrument” means a Relevant Instrument designated by the Financial Conduct Authority under the Designation Instrument;
- (11) “PRA Relevant Instrument” means a Relevant Instrument specified by the Prudential Regulation Authority under the Designation Instrument;

(12) “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.

### **Modifications of rules etc by the Financial Conduct Authority**

- 2 The Financial Conduct Authority modifies each FCA Relevant Instrument (or part of such instrument) as specified in each Annex<sup>1</sup> to this Instrument. For the avoidance of doubt, this paragraph does not give effect to any modification shown in an Annex to this Instrument as relating to or affecting an instrument not designated by the Financial Conduct Authority.
- 3 The modification of an FCA Relevant Instrument under paragraph 2 takes effect:
  - (1) on the Commencement Date; or
  - (2) if later, on the date on which the Designation Instrument comes into effect in relation to that FCA Relevant Instrument.

### **Modifications of rules etc by the Prudential Regulation Authority**

- 4 The Prudential Regulation Authority modifies each PRA Relevant Instrument (or part of such instrument) as specified in each Annex to this Instrument. For the avoidance of doubt, this paragraph does not give effect to any modification shown in an Annex to this Instrument as relating to or affecting an instrument not designated by the Prudential Regulation Authority.
- 5 The modification of a PRA Relevant Instrument under paragraph 4 takes effect:
  - (1) on the Commencement Date; or
  - (2) if later, on the date on which the Designation Instrument comes into effect in relation to that PRA Relevant Instrument.

### **Citation**

- 6 This instrument may be cited as the FCA and PRA Handbook Designation (General Modifications) Instrument 2013.

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

28 February 2013

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

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<sup>1</sup> For convenience (and without operative effect) Schedule A lists the Annexes to this Instrument by the Module of the Handbook to which each Annex relates.

7 March 2013

## SCHEDULE A

For convenience (and without operative effect) this Schedule lists the Annexes referred to in paragraph 2 and paragraph 4 of this Instrument by the Module of the Handbook to which each Annex relates.

Handbook Module	Annex
Principles for Businesses (PRIN)	Annex 1
Senior Management Arrangements, Systems and Controls sourcebook (SYSC)	Annex 2
The Fit and Proper test for Approved Persons (FIT)	Annex 3
Financial Stability and Market Confidence sourcebook (FINMAR)	Annex 4
Training and Competence sourcebook (TC)	Annex 5
Fees manual (FEES)	Annex 6
General Prudential sourcebook (GENPRU)	Annex 7
Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)	Annex 8
Prudential sourcebook for Insurers (INSPRU)	Annex 9
Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)	Annex 10
Prudential sourcebook for UCITS Firms (UPRU)	Annex 11
Interim Prudential sourcebook for Friendly Societies (IPRU(FSOC))	Annex 12
Interim Prudential sourcebook for Insurers (IPRU(INS))	Annex 13
Interim Prudential sourcebook for Investment Businesses (IPRU(INV))	Annex 14
Conduct of Business sourcebook (COBS)	Annex 15
Insurance: Conduct of Business sourcebook (ICOBS)	Annex 16
Mortgages and Home Finance: Conduct of Business sourcebook (MCOB)	Annex 17
Banking: Conduct of Business sourcebook (BCOBS)	Annex 18
Client Assets sourcebook (CASS)	Annex 19
Market Conduct sourcebook (MAR)	Annex 20

Supervision manual (SUP)	Annex 21
Dispute Resolution: Complaints sourcebook (DISP)	Annex 22
Consumer Redress Schemes sourcebook (CONRED)	Annex 23
Compensation sourcebook (COMP)	Annex 24
Building Societies sourcebook (BSOCS)	Annex 25
Collective Investment Schemes sourcebook (COLL)	Annex 26
Credit Unions New sourcebook (CREDS)	Annex 27
Professional Firms sourcebook (PROF)	Annex 28
Regulated Covered Bonds sourcebook (RCB)	Annex 29
Listing Rules sourcebook (LR)	Annex 30
Prospectus Rules sourcebook (PR)	Annex 31
Disclosure Rules and Transparency Rules sourcebook (DTR)	Annex 32
Energy Market Participants Guide (EMPS)	Annex 33
Oil Market Participants Guide (OMPS)	Annex 34
Service Companies Guide (SERV)	Annex 35
The Building Societies Regulatory Guide (BSOG)	Annex 36
The Collective Investment Scheme Information Guide (COLLG)	Annex 37
Financial Crime: a guide for firms (FC)	Annex 38
The Perimeter Guidance Manual (PERG)	Annex 39
The Responsibilities of Providers and Distributors for the Fair Treatment of Customers Guide (RPPD)	Annex 40
The Unfair Contract Terms Regulatory Guide (UNFCOG)	Annex 41

## Annex 1

### Amendments to the Principles for Business sourcebook (PRIN)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	PRIN 1.1.2G, 1.1.5G, 1.1.6 G, 1.1.7G, 1.1.9G; PRIN 3.2.3R, 3.4.5R; PRIN Sch 2.2G
<i>FSA</i>	<i>FCA</i>	PRIN Sch 5.2G
<i>Part IV</i>	<i>Part 4A</i>	PRIN 1.1.4G
<i>regulatory objectives</i>	<i>statutory objectives</i>	PRIN 1.1.2G
Section 150	Section 138D	PRIN 3.4.4R; PRIN Schs 5.1G, 5.2G
Section 150(2)	Section 138D(3)	PRIN 3.4.4R; PRIN Sch 5.2G

Amend the following provision as follows

#### 2.1.1 R The Principles

...	
<b>11</b> Relations with regulators	A <i>firm</i> must deal with its regulators in an open and cooperative way, and must disclose <del>to the FSA</del> appropriately <u>to the <i>appropriate regulator</i></u> anything relating to the <i>firm</i> of which <del>the FSA</del> <u>that regulator</u> would reasonably expect notice.

**Annex 2**

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

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	<p>SYSC 1.2.1G, 1 Annex 1, row 1.11G(1);</p> <p>SYSC 2.1.6G(3), 2.1.6G(7), 2.1.6G(12)(2), 2.1.6G(13);</p> <p>SYSC 3.1.3G, 3.1.10G;</p> <p>SYSC 4.1.8G(3), 4.1.9R, 4.2.4G, 4.2.5G, 4.4.6G(3), 4.4.6G(12)(2), 4.4.6G(13);</p> <p>SYSC 5.1.5AG;</p> <p>SYSC 6.1.2R;</p> <p>SYSC 7.1.16AG, 7.1.16BG;</p> <p>SYSC 8.1.1R(2)(b), 8.1.8R(8) and (9), 8.1.11R, 8.1.12G; ;</p> <p>SYSC 9.1.1R, 9.1.3R and 9.1.3R(1);</p> <p>SYSC 12.1.18G, 12.1.21G, 12.1.22G;</p> <p>SYSC 13.4.1G, 13.4.2G, 13.7.9G(3), 13.8.4G, 13.8.7G(1)(c), 13.9.2G, 13.9.5G(2);</p> <p>SYSC 14.1.4G;</p> <p>SYSC 19A.1.4G, 19A.1.7G(1), 19A.2.2G(4) and (5), 19A.2.3G(1), (2) and (3), 19A.3.2G, 19A.3.6G(1), 19A.3.17G(3), 19A.3.21G, 19A.3.23G(2) and (3), 19A.3.28G, 19A.3.31G, 19A.3.34G(1), 19A.3.43G, 19A.3.50G(2), 19A.3.53G(2), 19A.3.55(1),</p>

		<p>SYSC 19A Annex 1 row 3G and row 8G</p> <p>SYSC 20.2.4G(2), 20.2.7G(2) to (3);</p> <p>SYSC 21.1.1G(3), 21.1.2G(2) and (3), 21.1.3G(2), 21.1.5G(1)</p>
<i>FSA</i>	<i>FCA</i>	<p>SYSC 3.2.6EG, 3.2.6IR(1), 3.2.6JG, 3.2.6KG;</p> <p>SYSC 6.1.1AG, 6.3.5G, 6.3.9R(1), 6.3.10G, 6.3.11G;</p> <p>SYSC 8.2.1R(1)(b), 8.2.1R(2) and (3), 8.2.4G, 8.2.5G, 8.2.6G, 8.2.7G, 8.2.9G, 8.3.3G, 8.3.6G(2), 8.3.7G, 8.3.7G(1) and (2);</p> <p>SYSC 10.2.3G</p> <p>SYSC 18.1.3G, SYSC 19A.1.8G</p> <p>SYSC Sch 5.2G</p>
<i>FSA</i>	<i>PRA</i>	<p>SYSC 3.2.5BG;</p> <p>SYSC 11.1.8G;</p> <p>SYSC 14.1.14G(1), 14.1.24G, 14.1.42G(5), 14.1.46G, 14.1.48G(7), 14.1.51G(2), 14.1.53R(1), 14.1.54G, 14.1.55G, 14.1.57G;</p> <p>SYSC 15.1.5G, 15.1.28G, 15.1.30G, 15.1.31G;</p> <p>SYSC 16.1.4G(3);</p> <p>SYSC 17.1.4G, 17.1.38G</p> <p>SYSC Sch 1.2G</p>
<i>regulatory objectives</i>	<i>statutory objectives</i>	<p>SYSC 14.1.4G;</p> <p>SYSC 17.1.4G</p>
Section 139A	Sections 137H and 137I	<p>SYSC 19A.3.55G(1);</p> <p>SYSC 19A Annex 1 row 3G;</p>
Section 150	Section 138D	<p>SYSC 1.4.2R;</p> <p>SYSC Annex 1 Part 1 row 1.12R;</p> <p>SYSC Annex 1 Part 2 row 2.19R;</p> <p>SYSC 10.2.3G(3);</p>



		SYSC Sch 5
Section 150(2)	Section 138D(3)	SYSC 1.4.2 R; SYSC Annex 1 Part 1 row 1.12R; SYSC Annex 1 Part 2 row 2.19R; SYSC Sch 5
Section 45	Section 55J	SYSC 8.2.5G
Section 151(2)	Section 138E(2)	SYSC 19A.3.55G(1)

Amend the following provisions as follows.

2.1.6 G Frequently asked questions about allocation of functions in SYSC 2.1.3R.

This table belongs to SYSC 2.1.5G.

	Question	Answer
1	...	An individual to whom a function is allocated under SYSC 2.1.3R will be performing the <i>apportionment and oversight function</i> (CF 8, see SUP 10.7.1R) and an application must be made <del>to the FSA</del> <u>under section 59 of the Act</u> for approval of the individual before the function is performed <del>under section 59 of the Act (Approval for particular arrangements)</del> . There are exceptions from this in SUP 10.1 (Approved persons – Application).
...		
7	...	Normally, yes, under SYSC 2.1.4 R, column 2. But if the <i>firm</i> is a <i>body corporate</i> and a member of a <i>group</i> , the functions may, instead of to the <i>firm's chief executive</i> , be allocated to a <i>director</i> or <i>senior manager</i> from the <i>group</i> responsible for the overall management of the <i>group</i> or of a relevant <i>group</i> division, so long as this is appropriate (see Question 3). Such individuals <del>will</del> <u>may</u> nevertheless require approval <del>by the FSA</del> <u>under section 59</u> (see Question 1). If the <i>firm</i> chooses to allocate the functions to a <i>director</i> or <i>senior manager</i> responsible for the overall management of a relevant <i>group</i> division, the <del>FSA</del> <u>appropriate regulator</u> would expect that individual to be of a seniority equivalent to or greater than a <i>chief executive</i> of the <i>firm</i> for the allocation to be appropriate. See also Question 14.

...		
14	...	The Note to SYSC 2.1.4 R provides that the <i>chief executive</i> or other executive director or <i>senior manager</i> need not be involved in such circumstances. For example, the <i>UK Corporate Governance Code</i> recommends that the board of a listed company should establish an audit committee of non-executive directors to be responsible for oversight of the audit. That aspect of the oversight function may therefore be allocated to the members of such a committee without involving the <i>chief executive</i> . Such individuals may require approval <del>by the FSA under section 59</del> in relation to that function (see Question 1).
		”

...

3.2.5A R ~~An *overseas bank* must ensure that at least two individuals effectively direct its business. [deleted]~~

3.2.5B R ~~In the case of an *overseas bank*, the *FSA* assesses whether at least two individuals effectively direct the business of the *bank* (and not just the business of its branch in the *United Kingdom*). The *FSA* also takes into account the manner in which management decisions are taken in the *United Kingdom* branch in assessing the adequacy of the *overseas bank's* systems and controls. [deleted]~~

...

4.4.6 G

Frequently asked questions about allocation of functions in SYSC 4.4.5R		
	Question	Answer
1	...	An individual to whom a function is allocated under SYSC 4.4.5R will be performing the <i>apportionment and oversight function</i> (CF 8, see SUP 10.7.1R) and an application must be made <del>to the FSA under section 59 of the Act</del> for approval of the individual before the function is performed <del>under section 59 of the Act (Approval for particular arrangements)</del> . There are exceptions from this in SUP 10.1 (Approved persons – Application).

...		
7	...	<p>Normally, yes, under SYSC 4.4.5R, column 2.</p> <p>But if the <i>firm</i> is a <i>body corporate</i> and a member of a <i>group</i>, the functions may, instead of being allocated to the <i>firm's chief executive</i>, be allocated to a <i>director</i> or <i>senior manager</i> from the <i>group</i> responsible for the overall management of the <i>group</i> or of a relevant <i>group</i> division, so long as this is appropriate (see Question 3). Such individuals <del>will</del> <u>may</u> nevertheless require approval <del>by the FSA</del> <u>under section 59</u> (see Question 1).</p> <p>...</p>
...		
14	...	<p>The Note to SYSC 4.4.5R provides that the <i>chief executive</i> or other executive director or <i>senior manager</i> need not be involved in such circumstances. For example, the <i>UK Corporate Governance Code</i> recommends that the board of a listed company should establish an audit committee of non-executive directors to be responsible for oversight of the audit. That aspect of the oversight function may therefore be allocated to the members of such a committee without involving the <i>chief executive</i>. Such individuals may require approval <del>by the FSA</del> <u>under section 59</u> in relation to that function (see Question 1).</p>

...

- 9.1.7 G The Committee of European Securities Regulators (CESR) has issued recommendations on the list of minimum records under Article 51(3) of the *MiFID implementing Directive*. This can be found at: [www.fsa.gov.uk/pubs/other/CESR\\_Minimum\\_List\\_Recommendations.pdf](http://www.fsa.gov.uk/pubs/other/CESR_Minimum_List_Recommendations.pdf).

...

...

How to interpret this section

- 14.1.6 G This section is designed to amplify *Principle 3* (Management and control) which requires that a *firm* take reasonable care to organise and control its affairs responsibly and effectively, with adequate risk management systems. This section is also designed to be complementary to *SYSC 2*, *SYSC 3* and *SYSC 13* in that it contains some additional *rules* and *guidance* on senior management arrangements and associated systems and controls for *firms* that could have a significant impact on the ~~FSA's objectives in a prudential context~~ PRA objectives.

...

#### The role of systems and controls ~~in a prudential context~~

- 14.1.10 G ~~In a prudential context, a~~ A *firm's* systems and controls should provide its senior management with an adequate means of managing the *firm*. As such, they should be designed and maintained to ensure that senior management is able to make and implement integrated business planning and risk management decisions on the basis of accurate information about the risks that the *firm* faces and the financial resources that it has.

...

#### Firms subject to risk management on a group basis

- 14.1.14 G Some *firms* organise the management of their prudential risks on a stand-alone basis. In some cases, however, the management of a *firm's* prudential risks may be entirely or largely subsumed within a whole *group* or *sub-group* basis.
- (1) The latter arrangement may still comply with the ~~FSA's prudential policy~~ PRA's policy on systems and controls if the *firm's governing body* formally delegates the functions that are to be carried out in this way to the *persons* or bodies that are to carry them out. Before doing so, however, the *firm's governing body* should have explicitly considered the arrangement and decided that it is appropriate and that it enables the *firm* to meet the ~~FSA's prudential policy~~ PRA's policy on systems and controls. The firm should notify the ~~FSA~~ PRA if the management of its prudential risks is to be carried out in this way.

...

- 14.1.15 G Any delegation of the management of prudential risks to another part of a *firm's group* does not relieve it of responsibility for complying with the ~~FSA's prudential policy~~ PRA's policy on systems and controls. A *firm* cannot absolve itself of such a responsibility by claiming that any breach of the ~~FSA's prudential policy~~ PRA's policy on systems and controls is effected by the actions of a third party *firm* to whom the *firm* has delegated tasks. The risk management arrangements are still those of the *firm*, even though personnel elsewhere in the *firm's group* are carrying out these functions on

its behalf. Thus any references in *GENPRU*, *INSPRU* or *SYSC* to what a *firm*, its personnel and its management should and should not do still apply, and do not need any adjustment to cover the situation in which risk management functions are carried out on a *group*-wide basis.

...

- 17.1.4 G Insurance risk concerns the ~~FSA in a prudential context~~ PRA because inadequate systems and controls for its management can create a threat to the *regulatory objectives* of market confidence, consumer protection and financial stability. Inadequately managed insurance risk may result in:

...

...

#### Record Keeping

- 17.1.38 G The ~~FSA's~~ PRA's high level *rules* and *guidance* for record keeping are outlined in *SYSC* 3.2.20R (Records). Additional *rules* and *guidance* ~~in relation to the prudential context~~ are set out in *SYSC* 14.1.51G to *SYSC* 14.1.64G. In complying with these *rules* and *guidance*, a *firm* should retain an appropriate record of its insurance risk management activities. This may, for example, include records of:

...

## 18.2 Practical measures

...

### Internal procedures

- 18.2.2 G (1) *Firms* are encouraged to consider adopting (and encouraged to invite their *appointed representatives* or, where applicable, their *tied agents* to consider adopting) appropriate internal procedures which will encourage workers with concerns to blow the whistle internally about matters which are relevant to the functions of the ~~FSA~~ FCA or PRA.

...

- (3) (a) *Firms* should also consider telling workers (through the *firm's* internal procedures, or by means of an information sheet available from the ~~FSA's~~ FCA's website, or by some other means) that they can blow the whistle to the ~~FSA~~ FCA, as the regulator prescribed in respect of financial services and markets matters under PIDA.

- (b) The ~~FSA~~ FCA will give priority to live concerns or matters of recent history, and will emphasise that the worker's first port of call should ordinarily be the *firm* (see Frequently Asked Questions ~~on~~ at <http://www.fsa.gov.uk/Pages/Doing/Contact/Whistle/FAQ/index.shtml> ~~at~~ [\[web address tbc\]](#)).
- (c) For the ~~FSA's~~ FCA's treatment of confidential information, see SUP 2.2.4G.

Link to fitness and propriety

- 18.2.3 G The ~~FSA~~ FCA would regard as a serious matter any evidence that a *firm* had acted to the detriment of a worker because he had made a protected disclosure (see SYSC 18.2.1G(2)) about matters which are relevant to the functions of the ~~FSA~~ FCA or PRA. Such evidence could call into question the fitness and propriety of the *firm* or relevant members of its staff, and could therefore, if relevant, affect the *firm's* continuing satisfaction of *threshold condition 5* (Suitability) or, for an *approved person*, his status as such.

...

Notifications to the ~~FSA~~ appropriate regulator

- 19A.1. G ...  
7

19A Detailed provisions on voiding and recovery (SYSC 19A.3.53AR and SYSC  
Annex 19A.3.54R)  
1

...	
	Notification to the <del>FSA</del> <u>appropriate regulator</u>
8	G
...	

- 20.2.7 G The ~~FSA~~ appropriate regulator may request a *firm* to submit the design and results of its reverse stress tests and any subsequent updates as part of its ~~ARROW~~ risk assessment.

**Annex 3**

**Amendments to the Fit and Proper test for Approved Persons sourcebook (FIT)**

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	FIT 1.2.1G, 1.2.4G, 1.2.4AG, 1.3.1G, 1.3.2G, 1.3.3G, 1.3.4G, 1.3.5G;  FIT 2.1.1G, 2.1.2G, 2.1.3G, 2.1.3G(3), 2.3.1G, 2.3.2G
<i>Part IV</i>	<i>Part 4A</i>	FIT 1.1.1G(2)
Section 63(1)	Section 63(1) or 63(1A) (as the case may be)	FIT 1.2.3G

**Annex 4**

**Amendments to the Financial Stability and Market Confidence sourcebook (FINMAR)**

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	FINMAR 2.1.1AG, 2.1.2G, 2.5.1G to 2.5.5G, 2.5.6G(1), (2) and (4), 2.5.7G, 2.6.1G to 2.6.3G
<i>FSA</i>	<i>PRA</i>	FINMAR 1.1.2G, 1.1.3G, 1.1.6G, 1.2.2G to 1.2.10G, 1.3.1G to 1.3.5G, 1.4.1G, 1.4.2G, 1.4.3G, 1.5.1G, 1.5.2G, 1.5.4G to 1.5.7G

Amend the following provision as follows.

**2.6 Procedures relating to the market maker exemption and the authorised primary dealer exemption**

[**Note:** The ~~FSA~~ FCA has powers under the *short selling regulation* to prohibit a natural or legal person from using the *market maker exemption* and the *authorised primary dealer exemption* if the ~~FSA~~ FCA considers that that person does not satisfy the conditions of the exemption that that person has notified the ~~FSA~~ FCA it intends to use.]

...



## Annex 5

### Amendments to the Training and Competence sourcebook (TC)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	TC 1.1.3G;  TC 2.1.10AG, 2.1.30G, 2.1.31R , 2.2B.2G, 2.2B.3R, 2.2B.6R, 2.2B.7R;  TC App 5.1.1G rows 2 to 5;  TC App 6.1.1 rows 4G to 8G, 10G to 21G;  TC Sch 5.2G
<i>FSA firm reference number</i>	<i>firm reference number</i>	TC 2.2B.4R;  TC App 8.1.1R;  TC Sch 2
<i>FSA individual reference number</i>	<i>individual reference number</i>	TC 2.2B.4R;  TC Sch 2
<i>regulatory objectives</i>	<i>statutory objectives</i>	TC App 6.1.1G row 4
Section 150	Section 138D	TC 1.2.1R;  TC Schs 5.1G, 5.2G, 5.4G;
Section 150(2)	Section 138D(3)	TC 1.2.1R;  TC Sch 5.2G

Amend the following provision as follows.

- 2.1.33 G The Retail Investment Adviser Competence Notification Form approved by the ~~FSA~~ FCA for notifications under TC 2.1.31R may be found at the ~~FSA's~~ FCA's website ~~www.fsa.gov.uk/Pages/Doing/Regulated/Notify/index.shtml~~ www.fca.gov.uk/Pages/Doing/Regulated/Notify/index.shtml [web

address tbc]

## Annex 6

### Amendments to the Fees manual (FEES)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	FEES 2.1.1R, 2.1.4G, 2.1.6G, 2.1.7G, 2.1.7G(1) and (3), 2.1.9G, 2.3.1R, 2.3.2R, 2.3.2BR;  FEES 3.1.3G, 3.1.6G, 3.2.1R;  FEES 3 Annex 6R Part 1; 3 Annex 9(4)R, (8)R(b), (9)R(c) and (e), (10)R, (12)G; 3 Annex 11G(2);  FEES 4.2.7BR,(5)(e), 4.2.7CG, 4.2.9G, 4.3.2G(2), 4.3.2G(2), 4.3.11G, 4.3.14G;  FEES 6.1.4G, 6.1.4AG, 6.1.8G, 6.5.13R(1) , 6.5.14R, 6.5.16R(2);  FEES TP 2 rows 2.1.6R (2)(a) and (b), 2.2.2R, 2.2.4AG;  FEES TP 4 rows 4.1, 4.1.1R, 4.1.3R;  FEES TP 5 rows 5.1.2R, 5.1.3G
<i>FSA</i>	<i>FCA</i>	FEES 1.1.1AG;  FEES 3.2.3R(2), 3.2.4G, 3.2.7R(1)(l), 3.2.7R(1)(m), 3.2.7R(1)(q), 3.2.7R(1)(r), 3.2.7R(1)(t), 3.2.7R(1)(u), 3.2.7R(1)(v), 3.2.7R(1)(w), 3.2.7R(1)(x), 3.2.7R(1)(zd), 3.2.7R(1)(zo);  FEES 3 Annex 1R Part 7(1); 3 Annex 4R Part 3; 3 Annex 7R; 3 Annex 8R(4) and (5); 3 Annex 10R(3) and (4);  FEES 4.1.4G, 4.2.5G, 4.3.4G(4), 4.3.6R(4A), 4.3.13R(a), 4.4.7D, 4.4.8D,

		<p>4.4.9D;</p> <p>FEES 4 Annex 1R Part 2A.7 (Notes on FuM), Part 2A.10.</p> <p>FEES 4 Annex 6R; 4 Annex 7R and Table 2; 4 Annex 8R and Table 2; 4 Annex 10R; 4 Annex 11R Part 1 (2)(b), Part 1A (2)(b), Part 3; 4 Annex 11R Part 4 G.15;</p> <p>FEES 5.1.1R, 5.1.1-AG, 5.1.2G, 5.1.7G, 5.2.1G, 5.2.2G, 5.2.2AG, 5.3.1G, 5.3.3G, 5.3.5G, 5.3.6R, 5.4.1R(1) and (5)(b), 5.5A.35R, 5.5A.37R, 5.7.1R, 5.8.2R(3)(b), (3)(b)(ii), 3(c)(ii) and (3)(d), 5.8.3G;</p> <p>FEES 5 Annex 1R;</p> <p>FEES 6.4.5R(2)(b)</p> <p>FEES 6 Annex 4G 2.1G, 2.2G;</p> <p>FEES 7.1.4G, 7.1.6G to 7.1.9G, 7.2.2R(7)(a) and (b), 7.2.4R(1)(b);</p> <p>FEES App 1.1.2G, 1.1.5G, 1.2.1R, 1.2.5BR(1), 1.2.6R, 1.2.8R(2), 1.2.10G, 1.2.11G, 1.2.12G, 1.2.13G, 1.3.1R, 1.3.2R, 1.3.6G, 1.3.7G;</p> <p>FEES App 1 Annex 2G, rows 2, 3, 4(1), (2), (5) and (6);</p> <p>FEES App 1 Annex 3R, rows 1R(3) and (4);</p> <p>FEES App 1 Annex 4 – Definitions of Annual Return, FSA and Model Rules;</p> <p>FEES TP 1 row 1.1.7R;</p> <p>FEES TP 6 rows 6.2.1G, 6.2.3G, 6.3.3R(2), (3) and (4), 6.3.4R, 6.3.5R(3) and (4), 6.3.7R(2), 6.3.8G</p>
FSA	PRA	<p>FEES 3.2.7(1)(o), 3.2.7R(1)(s);</p> <p>FEES 6.4.5R(2)(a);</p> <p>FEES 6 Annex 3R Class B1 Tariff base</p>

		(6), Class C1 Tariff base (6) and (7)
<i>FSA Register</i>	<i>Financial Services Register</i>	FEES 4 Annex 5R – Notes
<i>Part IV permission</i>	<i>Part 4A permission</i>	FEES 1.1.1G, 1.1.2R(5)(a);  FEES 3.1.6G, 3.1.7G, 3.1.8G, 3.2.2G, 3.2.3R(3), 3.2.7R(1)(a), 3.2.7R(1)(p) and (p)(4);  FEES 3 Annex 1R Part 4, Part 6 (1);  FEES 4.3.14G;  FEES 4 Annex 1R Part 1 – Note for authorised professional firms;  FEES TP 6 rows 6.2.1G, 6.3.1G

Amend the following provisions as follows.

Recovery of Fees

- 2.1.10 G ~~Paragraph 17(2) of Schedule 1 and section 99(3)~~ Paragraph 23(7) of Schedule 1ZA or paragraph 31(6) of Schedule 1ZB (as the case may be) to the Act prohibit...
- 2.1.11 G Whilst ~~paragraph 17(2) of Schedule 1~~ paragraph 23(7) of Schedule 1ZA or paragraph 31(6) of Schedule 1ZB (as the case may be) to the Act ...
- ...
- 2.2.3 G ~~Paragraph 17(4) and paragraph 19B of Schedule 1 to and section 99(5)~~ Paragraphs 23(8) and 27 of Schedule 1ZA and paragraphs 31(7) and 35 of Schedule 1ZB of the Act permit the ~~FSA FCA and PRA~~ FCA and PRA respectively to recover fees (including fees relating to *payment services*, the issuance of *electronic money* and, where relevant, *FOS levies* and *CFEB levies*), and section 213(6) permits the *FSCS* to recover shares of the *FSCS* levy payable, as a debt owed to the ~~FSA and FSCS~~ FCA, PRA and FSCS respectively, and the ~~FSA and the FSCS~~ FCA, PRA and FSCS, as relevant, will consider taking action for recovery (including interest) through the civil courts.
- 2.2.4 G In addition, the ~~FSA~~ appropriate regulator may be entitled to take regulatory action in relation to the non-payment of fees, *FOS levies* and *CFEB levies*. The ~~FSA~~ appropriate regulator may also take regulatory action in relation to the non-payment of a share of the *FSCS* levy, after reference of the matter to

the *FSA appropriate regulator* by the *FSCS*. What action (if any) that is taken by the *FSA appropriate regulator* will be decided upon in the light of the particular circumstances of the case.

...

- 3.2.5 G (1) The appropriate authorisation or registration fee is an integral part of an application for, or an application for a variation of, a ~~*Part IV permission*~~ *Part 4A permission* or authorisation, registration or variation under the *Payment Services Regulations* or the *Electronic Money Regulations*. Any application received by the *FSA appropriate regulator* without the accompanying appropriate fee, in full and without deduction (see *FEES* 3.2.1R), will not be treated as an application made, incomplete or otherwise, in accordance with ~~section 51(3)(a)~~ *section 55U(4)*, or section 44 55H or 55I (as the case may be), of the *Act* or regulation 5(3) or 12(3) of the *Payment Services Regulations* or regulation 5 or 12 of the *Electronic Money Regulations*. Where this is the case, the *FSA appropriate regulator* will contact the applicant to point out that the application cannot be progressed until the appropriate fee has been received. In the event that the appropriate authorisation fee, in full and without deduction, is not forthcoming, the application will be returned to the applicant and no application will have been made.
- (2) With the exception of *persons* seeking to become a *designated professional body*, all applications, notifications, requests for vetting or admission approval will be treated as incomplete until the relevant fee is fully paid and the *FSA appropriate regulator* will not consider an application, notification, request for vetting or admission approval until the relevant fee is fully paid. *Persons* seeking to become a *designated professional body* have 30 days after the designation order is made to pay the relevant fee.

...

### 3 Annex 9 Special Project Fees for Restructuring

...		
(9) R		...
	(a)	Determine the number of hours, or part of an hour, taken by the <i>FSA appropriate regulator</i> , or, if applicable, both the <i>FCA</i> and <i>PRA</i> in relation to regulatory work

		conducted as a consequence of the activities referred to in (2) or (6).
...	...	...

4.2.7 G ...

(2) calculating the amount for each of those tariffs which is the higher of:

- (a) the minimum fee (but not the minimum fee under Part 1A of FEES 4 Annex 2R) specified for the tariff (where this applies); and
- (b) the result of applying the tariff to the projected valuation, for its first year (as provided to the ~~FSA~~ in the course of the firm's application), of the business to which the tariff relates;

...

**6 Annex G Guidance on the calculation of tariff bases**  
**4**

...		Calculation of annual eligible income for firms in sub-class D1 who carry out discretionary fund management and are in <del>FSA</del> <u>FCA</u> fee block A7
1.2	G	...
1.3	G	Calculation of annual eligible income for firms in sub-class D1 and who carry out activities within <del>FSA</del> <u>FCA</u> fee block A9

...

**Transitional Provisions**

...

TP 3 R

...		
3.2.3	R	A <i>firm</i> is in run-off for these purposes if it has ceased to effect new <i>contracts of insurance</i> , its <i>permission</i>

		for <i>effecting contracts of insurance</i> has been cancelled, its exclusive remaining business is administering its remaining insurance liabilities and, if it is required to supply one, it has supplied a run-off plan to the FSA under SUP App 2.8.1R.
...		



**Annex 7**

**Amendments to the General Prudential sourcebook (GENPRU)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	<p>GENPRU 1.2.13G, 1.2.16G, 1.2.19G, 1.2.40G, 1.2.55G, 1.2.73AG, 1.2.73B, 1.3.11G, 1.3.35G, 1.3.35A;</p> <p>GENPRU 2.1.6G, 2.1.10G, 2.1.11R, 2.1.12G, 2.1.20R(2), 2.1.21G, 2.1.22G, 2.2.8G, 2.2.19R, 2.2.20G, 2.2.61BR to 2.2.61GG, 2.2.67AG, 2.2.68G, 2.2.69DG, 2.2.69FG, 2.2.70R(2)(b), 2.2.70AG, 2.2.71R, 2.2.73G, 2.2.74R, 2.2.74AG, 2.2.79AR(3), 2.2.79GR, 2.2.79HG, 2.2.79IR, 2.2.83BR, 2.2.96G, 2.2.115AR, 2.2.115CG, 2.2.117CG, 2.2.135R, 2.2.136G, 2.2.164G, 2.2.171R(1), 2.2.174R, 2.2.179G(1), 2.2.187R(3), 2.2.197G, 2.2.220R, 2.2.243R;</p> <p>GENPRU 2 Annex 7R(1)(C);</p> <p>GENPRU 3.1.3G(9), 3.1.15G, 3.1.16G, 3.1.18G to 3.1.20G, 3.1.23G, 3.1.24G, 3.1.28R, 3.1.33G, 3.1.34R, 3.1.35R, 3.1.39R, 3.2.6G;</p> <p>GENPRU 3 Annex 1R paras 6.5, 6.9, 6.10;</p> <p>GENPRU 3 Annex 3G;</p> <p>GENPRU TP 2.5R, TP 8.16G, TP 8B.5R;</p> <p>GENPRU Sch 2;</p> <p>GENPRU Sch 6</p>
<i>FSA</i>	<i>FCA</i>	GENPRU 2.1.58G

<i>FSA</i>	<i>PRA</i>	<p>GENPRU 1.3.7G, 1.3.56G, 1.5.4G, 1.5.13R(1), 1.5.19R, 1.5.20G;</p> <p>GENPRU 2.1.31G(2), 2.1.32G, 2.1.61G, 2.2.83FR, 2.2.83HG;</p> <p>GENPRU 2 Annex 8;</p> <p>GENPRU TP 4.6R and TP 11.7R</p>
<i>Part IV permission</i>	<i>Part 4A permission</i>	<p>GENPRU 2.1.12G, 2.2.69FG(1), 2.2.69FG(3), 2.2.93R, 2.2.94R, 2.2.107R(3), 2.2.117CG(2);</p> <p>GENPRU 2 Annex 6 Part 2 (2)(a)</p> <p>GENPRU 3.1.22G, 3.1.23G, 3.1.28R(1)(c), 3.1.30R, 3.2.7G, 3.2.8R, 3.2.9R;</p> <p>GENPRU 3 Annex 1R para 5.7(4)(a)</p>
Part X	Part 9A	GENPRU 1.5.5D, 1.5.6G
Section 148	Sections 138A	<p>GENPRU 1.3.56G;</p> <p>GENPRU 2.1.21G, 2.1.22G, 2.2.8G, 2.2.79BG, 2.2.267G;</p> <p>GENPRU 2 Annex 1R, 2 Annex 7R(1)(C), 2 Annex 8;</p> <p>GENPRU Sch 6</p>
Section 150	Section 138D	GENPRU 1.4.1R
Section 150(2)	Section 138D(3)	GENPRU 1.4.1R
Section 45	Section 55J	GENPRU 2.2.69FG(1), 2.2.69FG(3), 2.2.117CG(2)

Amend the following provisions as follows.

- 1.2.15 G This section also has *rules* requiring a *firm* to identify and assess risks to its being able to meet its liabilities as they fall due, how it intends to deal with those risks, and the amount and nature of financial resources that the *firm* considers necessary. *GENPRU* 1.2.60 R provides that a *firm* should document that assessment. The ~~FSA~~ *appropriate regulator* will review that assessment as part of its own assessment of the adequacy of a *firm's* capital under its *supervisory review and evaluation process (SREP)*. When forming

a view of any *individual capital guidance* to be given to the *firm*, the ~~FSA~~ *appropriate regulator* will also review the *regulator's* ~~ARROW~~ risk assessment and any other issues arising from day-to-day supervision.

...

2.1.27 G ... The *resilience capital requirement* is ~~an FSA~~ a *PRA* minimum requirement for *long-term insurance business* for *regulatory basis only life firms* that is additional to the *EU* minimum requirement for *long-term insurance business*.

...

2.2.275 G ...  
(2) For *firms* which are *realistic basis life firms* compliance with *GENPRU 2.2.271R(3)* would usually be achieved if the *capital instrument* provides that no amounts will be payable under it unless the *firm's capital resources* exceed its *capital resources requirement*. However, such *firms* should ensure that the terms of the *capital instrument* refer to ~~FSA~~ *capital resources requirements* in force from time to time...

...

3.1.29 R ...  
**Capital adequacy requirements: use of ~~Part IV~~ permission Part 4A permission to apply Annex I of the Financial Groups Directive**

...

## Sch 5 G Right of action for damages

1. The table below sets out the rules in *GENPRU* contravention of which by an *authorised person* may be actionable under section ~~450~~ 138D of the *Act* (Actions for damages) by a person who suffers loss as a result of the contravention.

2. If a "Yes" appears in the column headed "For private person", the rule may be actionable by a private person under section ~~450~~ 138D (or, in certain circumstances, his fiduciary or representative; see article 6(2) and (3)(c) of the Financial Services and Markets Act 2000 (Rights of Action) Regulations 2001 (SI 2001/2256)). A "Yes" in the column headed "Removed" indicates that the ~~FSA~~

FCA has removed the right of action under section ~~150(2)~~ 138D(3) of the Act. If so, a reference to the rule in which it is removed is also given.

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

Chapter/Appendix	Section/Annex	Right of action under section <del>150</del> <u>138D</u>		
		For private person	Removed	For other person
All rules in <i>GENPRU</i>		No	Yes - GENPRU 1.4.1 R	No

GENPRU 3 Ann 3G: CLASSIFICATION OF GROUPS (GENPRU 3.1.3G)	form (ref)
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Part 1: General Information

A Name of Group:

B Name of FSA FCA/PRA supervisor:

C Name of entity at head of the group:

D Type of entity at head of the group:  D1 EU regulated entity country of authorisation

(select one of D1, D2, D3, and D4)

(a) Credit institution

(b) Investment firm

(c) Insurance firm

(tick one)

D2 EU non-regulated entity country of location

D3 Non-EU regulated entity country of authorisation

D4 Non-EU non-regulated entity country of location

E Year-end for group consolidation purposes

Part 2: Threshold Information

F1	Is at least one of the entities in the group within the insurance sector and at least one in the banking/investment sector?	<input type="checkbox"/>	Yes	<input type="checkbox"/>	No(go to part 3)
F2	For D2 & D4 groups only: enter the ratio of the balance sheet total of the financial sectors in the group to the balance sheet total of the group as a whole. Enter percentage in box*.	<input type="text"/> %			
F3	What is the smallest financial sector?	<input type="checkbox"/>	Insurance	<input type="checkbox"/>	Banking/Investing
F4	Ratio of balance sheet total of smallest financial sector to the balance sheet total of the financial sector entities in the group. Enter percentage in the box*.	<input type="text"/> %			
F5	Ratio of the solvency requirement of the smallest financial sector to the solvency requirements of the total financial sector entities in the group. Enter percentage in box*.	<input type="text"/> %			
F6	What is the balance sheet total of the smallest financial sector in the group (identified in F3)*?	<input type="text"/> (€m)			

\* see guidance notes on a recommended method of calculation

Part 3: Conclusion on reason for becoming a financial conglomerate

**G** Select ONE of the following based on the answers in section 1 & 2.

If answer to F1 is NO or if none of the following are met then select type Z:

If the group is category D1 or D3 and the average of F4 and F5 is greater than 10% then select type i.

If the group is category D1 or D3 and the average of F4 and F5 is less than 10% but F6 is greater than €6bn then select ii.

If the group is category D2 or D4 and the answer to F2 is greater than 40% AND the average of F4 and F5 is greater than 10% then select type iii.

If the group is category D2 or D4 and the answer to F2 is greater than 40% AND the average of F4 and F5 is less than 10% but F6 is greater than €6bn then select type iv.

Z	
---	--

Not a conglomerate.

i	
---	--

Conglomerate headed by a regulated institution with significant cross sector activities. [article 3(2)]

ii	
----	--

Possible conglomerate headed by a regulated institution with presumed significant cross sector activities. [article 3(3)]

iii	
-----	--

Conglomerate headed by non-regulated entity with significant cross sector activities. [article 3(1) & 3(2)]

iv	
----	--

Possible conglomerate headed by non-regulated entity with presumed significant cross-sector activities. [article 3(1) & 3(3)]

Part 4: Other relevant information

H1	Who do you think are the relevant competent authorities for your group (i.e. supervisors in EEA States in which the group has significant regulated activity? See article 2 (17)(a) for definition of relevant competent authorities.	
H2	Who do you think should be the likely coordinator for the group (i.e. EEA supervisor of the group's most important regulated activity in the EU)? See article 10(1) and 10(2).	
H3	Do you consider that balance sheet value and solvency requirements were an appropriate criterion to determine whether a group is financial and whether cross sector activities exist? If not, do you consider there are other parameters (as referred to in article 3(5)) that would be more appropriate?	
H4	Do you have any other relevant comments? (use continuation sheet if necessary)	



Annex 8

**Amendments to the Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	<p>BIPRU 1.1.9G, 1.1.10G(2), 1.1.10(2)(b) and (c), 1.1.10 G(4), 1.2.5G, 1.2.19R(2), 1.2.30R, 1.3.6G, 1.3.10G to 1.3.12G, 1.3.19G, 1.3.21G;</p> <p>BIPRU 2.1.5G, 2.1.24R, 2.1.25G, 2.1.25G(12), 2.2.2G(1), 2.2.4G, 2.2.4G(2), 2.2.8G to 2.2.15G, 2.2.16G, 2.2.19AG, 2.2.19BG, 2.2.20G to 2.2.23EG, 2.2.24G, 2.2.27G(5), 2.2.29G(1), 2.2.33G, 2.2.41R, 2.2.44G, 2.2.47G, 2.2.49G, 2.2.63G, 2.2.65G, 2.2.72G, 2.2.74G, 2.2.76G, 2.3.7R(3), 2.3.11G;</p> <p>BIPRU 3.2.15G, 3.2.17G, 3.2.27AR(1), 3.2.28G, 3.2.29AG(2), 3.2.30G(2)(a), 3.2.33G, 3.2.35R(5), 3.3.1R to 3.3.8R, 3.4.2R, 3.4.16G, 3.4.34R, 3.4.37R, 3.4.50R, 3.4.62G, 3.4.105G, 3.4.112R, 3.4.116R, 3.5.2G, 3.6.2R, 3.6.3G;</p> <p>BIPRU 3 Annex 1G;</p> <p>BIPRU 4.1.13G, 4.1.14G(1), 4.1.20G, 4.1.25R to 4.1.27G, 4.2.4G(2)(e), 4.2.8G; 4.2.12G to 4.2.15G, 4.2.20R(2), 4.2.25G, 4.2.28G, 4.2.33G(2) to (5), 4.2.34G(1) and (3), 4.2.35G(4), (5) and (7), 4.3.18R, 4.3.20R, 4.3.21R, 4.3.29R, 4.3.34G(4), 4.3.39AG, 4.3.51R(2), (5) and (8), 4.3.53G(4), 4.3.60G(4), 4.3.68G, 4.3.70R, 4.3.83R, 4.3.85R, 4.3.87G, 4.3.90R, 4.3.91G, 4.3.92R, 4.3.94R, 4.3.109R, 4.3.131R, 4.4.12R,</p>

		<p>4.4.29G, 4.4.69G, 4.5.11G(2), 4.6.4G(2), (3) and (5), 4.6.8G(2), 4.6.9R, 4.6.11R(3)(b), 4.6.28R(2), 4.6.33R(2), 4.6.35G, 4.6.38R(2), 4.6.44R(2)(e) and (f), 4.6.46G, 4.7.5R, 4.7.27R(2) and (7), 4.8.21R(2), 4.10.8G(2), 4.10.17G, 4.10.44R;</p> <p>BIPRU 5.2.9R, 5.2.10R 5.4.5R(5), 5.4.16R, 5.4.55G, 5.6.13G, 5.6.15G, 5.6.19R(1), 5.6.22R, 5.6.23G, 5.6.26G to 5.6.28G, 5.7.8R, 5.7.9R(3), 5.7.12R(2);</p> <p>BIPRU 6.2.4G, 6.2.6G, 6.2.8G, 6.2.9R(2), 6.2.10G, 6.2.13G, 6.3.16G(2), 6.4.1AG, 6.4.18G, 6.5.3G, 6.5.5R, 6.5.5BG, 6.5.14G, 6.5.21R(3);</p> <p>BIPRU 7.1.11G, 7.1.14R(1), 7.1.16E(1)(b), 7.2.48BR, 7.2.48IG(1) and (2), 7.2.48JG, 7.2.51G, 7.4.23R(1) and (2), 7.4.31R(4), 7.5.4R(2)(a), 7.9.1G, 7.9.2G, 7.9.4G to 7.9.6G, 7.9.8G to 7.9.11G, 7.9.13G, 7.9.15G to 7.9.18G, 7.9.22G, 7.9.26G, 7.10.2G, 7.10.3G, 7.10.5G, 7.10.7G to 7.10.12G, 7.10.14G to 7.10.17, 7.10.23G, 7.10.25G, 7.10.29G, 7.10.30AR, 7.10.37R(2), 7.10.39BR, 7.10.45G(2), 7.10.54G, 7.10.55SG, 7.10.55TR, 7.10.55XR, 7.10.55ZR(2), 7.10.55ZAR, 7.10.55ZBG, 7.10.68G(2), 7.10.76G, 7.10.77G, 7.10.81G, 7.10.93G, 7.10.95G, 7.10.101G, 7.10.102G, 7.10.104R, 7.10.105G(3), 7.10.106G(2), 7.10.110G, 7.10.112AG, 7.10.120G, 7.10.122G, 7.10.128G to 7.10.130R, 7.10.132G, 7.10.134G, 7.10.147G, 7.10.148R, 7.11.60R;</p> <p>BIPRU 8.2.7G, 8.3.1R(2), 8.3.24G, 8.5.9R, 8.5.11G, 8.5.11G(2) and (3), 8.5.12G to 8.5.14G, 8.6.1BR, 8.6.1CR, 8.6.1DR(1), 8.6.1ER(2), 8.6.1FR, 8.6.9R, 8.6.20R, 8.7.5G, 8.7.11R, 8.7.16R, 8.7.34R, 8.7.37R(2);</p> <p>BIPRU 8 Annex 1R, 8 Annex 6R part 1 and 2;</p> <p>BIPRU 9.1.5G, 9.1.8G, 9.1.8AG(1), 9.3.8R, 9.3.9G, 9.3.12G, 9.3.13G, 9.3.21G, 9.3.22G, 9.4.12R, 9.4.13G, 9.4.16G, 9.4.17G, 9.5.1R(7), 9.5.1CG, 9.5.1DG, 9.5.1FG,</p>
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		<p>9.6.3G(2), 9.6.4G, 9.12.20R(6), 9.12.24G, 9.12.28G, 9.13.18G, 9.15.11R, 9.15.13R, 9.15.16CG, 9.15.16DG, 9.15.16EG, 9.15.17G, 9.15.18G;</p> <p>BIPRU 10.2.9R, 10.2.19R, 10.2.22R(3), 10.3.7G, 10.6.33G, 10.6.37G, 10.8A.4G, 10.8A.5R(1), 10.8A.6G, 10.8A.9G, 10.8A.12R, 10.9A.4R(3), 10.9A.8R(2) and (4), 10.9A.12R, 10.12.3R, 10.12.6R;</p> <p>BIPRU 11.2.6G, 11.2.7G, 11.5.19G, 11.5.20R – note, 11.5.21G;</p> <p>BIPRU 12.2.7G, 12.2.9G, 12.2.10G, 12.2.12G, 12.2.14G, 12.2.14G(3), 12.2.16G to 12.2.19G, 12.3.2G, 12.3.4AG(3), 12.3.7G, 12.3.9G, 12.3.14G, 12.3.20G, 12.3.28G, 12.4.3G, 12.4.6G, 12.4.9R, 12.4.16G, 12.5.4R(4), 12.5.5G, 12.5.7G, 12.5.18G, 12.5.22G, 12.5.24G, 12.5.25G, 12.5.31R, 12.5.32G, 12.5.35G, 12.5.39G, 12.5.41R, 12.5.58G, 12.5.62R, 12.5.65G, 12.5.68G, 12.6.1G, 12.6.2R(2), 12.6.3G, 12.6.5G, 12.6.12G, 12.6.13R(2), 12.6.14G, 12.6.21R(4), 12.6.22G, 12.7.4R, 12.7.6R(1), 12.7.6A, 12.7.10G, 12.7.12G, 12.8.2G to 12.8.23G, 12.8.25G to 12.8.30G, 12.9.1G to 12.9.17G, 12.9.19G to 12.9.23G, 12.9.25R, 12.9.26G, 12.9.27G;</p> <p>BIPRU 13.2.2R, 13.2.5G, 13.6.9G, 13.6.15G, 13.6.16G, 13.6.18G to 13.6.21G, 13.6.32G, 13.6.39G, 13.6.54R, 13.6.68G, 13.7.6R(2);</p> <p>BIPRU TP 2 rows 2.11AG, 2.20R;</p> <p>BIPRU TP 15 row 15.5G;</p> <p>TP 21 rows 21.2R, 21.3G;</p> <p>BIPRU TP 22 rows 22.3R, 22.4R(1), 22.7R, 22.8R(1) and (2);</p> <p>BIPRU TP 25 rows 25.3R(4), 25.4R, 25.4R(1), 25.7R, 25.8R;</p> <p>BIPRU TP 33 rows 33.1R(2), 33.5G, 33.9R, 33.10R(1);</p> <p>BIPRU Sch 2G - ref. to BIPRU 7.10.129 R</p>
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		and BIPRU 8.6.1CR;  BIPRU Sch 5G(2);  BIPRU Sch 6G
<i>FSA</i>	<i>FCA</i>	BIPRU 8.4.4G, 8.4.4G(2), 8.4.5G, 8.4.8G, 8.4.18R(2), (5) and (6), 8.4.19G;  BIPRU 12.1.4R(3);  TP 16 rows 16.5G, 16.8R and 16.9R
<i>FSA</i>	<i>PRA</i>	BIPRU 9.15.11R, 9.15.13R, 9.15.16CG, 9.15.16DG, 9.15.16EG, 9.15.17G(1) and (2), 9.15.18G;  BIPRU 10.3.8A.G(2);  BIPRU TP rows 30, 30.2R(1) and (2), 30.5G(2)
<i>Part IV</i>	<i>Part 4A</i>	BIPRU 1.1.10G(2) and (4);  BIPRU 1.1.22R - heading and text;  BIPRU 2.2.15G, 2.2.23CG;  BIPRU 7.8.34R, 7.8.36G;  BIPRU 8.5.6R(2);  BIPRU 12.9.21G;
<i>PRA</i>	<i>position risk adjustment</i>	BIPRU 7.2.16R, 7.2.17G, 7.2.43R, 7.2.44R, 7.2.46G, 7.2.48AR, 7.2.48DR, 7.2.48FR, 7.2.48ER, 7.2.48GR, 7.2.48LR(3), 7.2.56G, 7.2.57R, 7.2.59R(1), 7.3.29R, 7.3.30R, 7.6.31R, 7.3.33R, 7.3.34R, 7.6.5R, 7.6.7R, 7.6.8R, 7.6.18R, 7.6.20(1) to 7.6.22R, 7.6.27R, 7.6.30R, 7.6.36G(1) and (2)
Section 148	Section 138A	BIPRU 1.3.11G;  BIPRU 7.9.2G, 7.9.17G, 7.9.18G;  BIPRU 8.4.5G, 8.5.12G;  BIPRU 9.3.12G, 9.4.16G, 9.5.1CG, 9.15.16DG;  BIPRU 10.6.33G, 10.6.37G;

		<p>BIPRU 12.2.7G, 12.8.2G, 12.8.4G, 12.8.5G, 12.8.7G, 12.8.10G, 12.8.11G, 12.8.16G, 12.8.22G, 12.8.30G;</p> <p>BIPRU TP 2 row 2.11AG;</p> <p>BIPRU Sch 6G</p>
Section 150	Section 138D	<p>BIPRU 1.4.1R;</p> <p>BIPRU Schs 5G(1) and (2), 5G table</p>
Section 150(2)	Section 138D(3)	<p>BIPRU 1.4.1R;</p> <p>BIPRU Sch 5G(2)</p>
Section 45	Section 55J	<p>BIPRU 2.2.15G, 2.2.23CG;</p> <p>BIPRU 7.2.48IG, 7.10.55ZBG;</p> <p>BIPRU 9.3.9G, 9.3.21G, 9.4.13G, 9.5.1FG, 9.15.17G;</p> <p>BIPRU 12.9.9G, 12.9.21G</p>
www.fsahandbook.info	[web address tbc]	<p>BIPRU 1 Annex 1D, 1 Annex 2D, 1 Annex 3D</p>

Amend the following provisions as follows.

- 3.3.9 G The table mapping the credit assessments of *eligible ECAIs* to *credit quality steps* is published on the *FSA appropriate regulator's* website and amended from time to time in line with additions to and deletions from the list of *eligible ECAIs*. The table includes mappings made by a *competent authority* of another *EEA State* which are subsequently recognised by the *FSA appropriate regulator* without carrying out its own determination process under Regulation 22(5) of the *Capital Requirements Regulations 2006*.  
 [Note: For the most recent version of the table, refer to:  
[www.fsa.gov.uk/pubs/international/ecais\\_standardised.pdf](http://www.fsa.gov.uk/pubs/international/ecais_standardised.pdf) [web address tbc] for the *FCA* and  
[www.fsa.gov.uk/pubs/international/ecais\\_standardised.pdf](http://www.fsa.gov.uk/pubs/international/ecais_standardised.pdf) [web address tbc] for the *PRA*]

...

- 7.6.6 R

The appropriate ~~PRA~~ position risk adjustment

...

7.10.103 R ...

Backtesting: obligation to notify the ~~FSA~~ appropriate regulator

...

8.7.15 G ...

Notifying the ~~FSA~~ appropriate regulator of the choice of consolidation technique

...

9.11.2 R ...

[Note: For mapping of the *credit quality step* to the credit assessments of *eligible ECAIs*, refer to: [www.fsa.gov.uk/pubs/international/ccais\\_securitisation.pdf](http://www.fsa.gov.uk/pubs/international/ccais_securitisation.pdf) [web address tbc] for the *FCA* and [web address tbc] for the *PRA*

...

9.12.11 R ...

[Note: For mapping of the *credit quality step* to the credit assessments of *eligible ECAIs*, refer to: [www.fsa.gov.uk/pubs/international/ccais\\_securitisation.pdf](http://www.fsa.gov.uk/pubs/international/ccais_securitisation.pdf) [web address tbc] for the *FCA* and [web address tbc] for the *PRA*

...

11.5.20 R [**Note:** ... Feedback on CP10/27 and final rules' and is available at [web address tbc]

...

12.9.2 G In assessing the adequacy of an *ILAS BIPRU firm's* liquidity resources, the *FSA appropriate regulator* draws on more than just a review of the submitted *ILAA*, or in the case of a *simplified ILAS BIPRU firm*, the submitted *ILSA*. Use is made of wider supervisory knowledge of a *firm* and of wider market developments and practices. When forming a view of the *individual liquidity guidance* to be given to an *ILAS BIPRU firm*, the *FSA appropriate regulator* will also consider the regulator's firm firm's ARROW risk assessment and any other issues arising from day-to-day supervision.

...

12.9.25 R Notification to the *FSA appropriate regulator* under *BIPRU 12.9.13R(1)* and submission to the *FSA appropriate regulator* under *BIPRU 12.9.17R* must be made to the following *FSA appropriate regulator* email address: data\_collection@fsa.gov.uk data\_collection@fca.org.uk.

...

**TP 22 Solo consolidation**

...		
	<b>Notice to the <u>FSA appropriate regulator</u></b>	
22.4	R	...
..		

**TP 33 Intra-group exposures: Transitional provisions for core UK group and large exposures**

..		
	<b>Notice to the <u>FSA appropriate regulator</u></b>	
33.9	R	...
...		

**Sch 5 G Right of action for damages**

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

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

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

Chapter/Appendix	Section/Annex	Right of action under section <del>150</del> <u>138D</u>		
		For private person	Removed	For other person
All rules in <i>BIPRU</i>		No	Yes - BIPRU 1.4.1 R	No



**Annex 9**

**Amendments to the Prudential sourcebook for Insurers (INSPRU)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	INSPRU 1.5.12G, 1.5.26G;  INSPRU 7.1.5G, 7.1.6G, 7.1.7G, 7.1.8G, 7.1.11G, 7.1.12G, 7.1.13G, 7.1.42R, 7.1.44G, 7.1.49R, 7.1.50G, 7.1.51G, 7.1.52G, 7.1.53G, 7.1.53G(1), 7.1.91G, 7.1.93G to 7.1.99G;  INSPRU 8.2.23R, 8.2.24R, 8.2.25R, 8.2.28R, 8.2.29G;  INSPRU TP 1.7R rows 1 and 3;  INSPRU TP 3.7R rows 1 and 3;  INSPRU Sch 2.3;  INSPRU Sch 6G
<i>FSA</i>	<i>PRA</i>	INSPRU 1.1.49G(2), 1.1.72AG, 1.1.92BG, 1.2.5G, 1.2.17G, 1.2.25AG, 1.2.28AG, 1.3.28G, 1.3.31G, 1.3.51G, 1.3.172G, 1.3.173G, 1.3.178G, 1.6.3G, 1.6.10G, 1.6.13G, 1.6.14G, 1.6.15G, 1.6.16G, 1.6.17G, 1.6.18G;  INSPRU 2.1.23R, 2.1.29R, 2.1.30R, 2.2.7G;  INSPRU 4.1.6G, 4.1.7G, 4.1.10G, 4.1.11G, 4.1.14G, 4.1.51G;  INSPRU 5.1.6G, 5.1.10G(1), 5.1.16G, 5.1.17G, 5.1.23G;  INSPRU 6.1.16G, 6.1.19G, 6.1.22G, 6.1.24G, 6.1.26R, 6.1.29R(2), 6.1.34AG,

		6.1.43BR, 6.1.43CR, 6.1.43DR(1), 6.1.43ER(2), 6.1.43FR;  INSPRU 7.1.74G;  INSPRU 8.3.2G, 8.3.6G, 8.5.2G(2)
<i>Part IV permission</i>	<i>Part 4A permission</i>	INSPRU 1.1.56R(1), 1.1.60R(1), 1.4.38R, 1.6.3G;  INSPRU 6.1.15R(2);  INSPRU 7.1.98G
Section 148	Sections 138A and 138B	INSPRU 1.6.13G;  INSPRU 7.1.93G, 7.1.99G;  INSPRU Sch 6G
Section 148(4)	Section 138A(4)	INSPRU 1.1.92BG, 1.2.28AG
Section 150	Section 138D	INSPRU 9.1.1R
Section 150(2)	Section 138D(3)	INSPRU 9.1.1R
Section 45	Section 55J	INSPRU 7.1.98G

Amend the following provisions as follows.

1.5.17 G (3) ~~It is FSA policy~~ It is the policy of the appropriate regulator, in compliance with *EU* directives on insurance, not to grant or vary *permission* if that would allow a newly established *firm*, or an existing *firm* engaging solely in *general insurance business* or solely in *long-term insurance business*, to engage in both *general insurance business* and *long-term insurance business*. This does not apply where a *firm's permission* to carry on *long-term insurance business* is or is to be restricted to *reinsurance*. It also does not apply where a *firm's permission* to carry on *general insurance business* is or is to be restricted to *effecting or carrying out accident or sickness contracts of insurance* (see article 18(2) of the *Consolidated Life Directive*).

...

7.1.42 R ...

**ICA submitted to FSA appropriate regulator: confidence level**

...

7.1.49 R ...

**Documenting ICAs submitted to the ~~FSA~~ appropriate regulator**

...

7.1.91 G ...

**~~FSA~~ Appropriate regulator assessment process - all firms**

7.1.91 G In assessing the adequacy of a *firm's capital resources*, the ~~FSA~~ appropriate regulator draws on more than just a review of the submitted *ICA*. Use is made of wider supervisory knowledge of a *firm* and of wider market developments and practices. When forming a view of any *individual capital guidance* to be given to a *firm*, the review of the *firm's ICA* along with the regulator's ~~ARROW~~ risk assessment and any other issues arising from day-to-day supervision will be considered.

7.1.92 G The ~~FSA~~ appropriate regulator will take a risk-based and proportionate approach to the review of a *firm's ICA*, focusing on the *firm's* approach to dealing with the key risks it faces. Any *individual capital guidance* given will reflect the judgements reached through the regulator's ~~ARROW~~ review process as well as the review of the *firm's ICA*.

**Annex 10**

**Amendments to the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries (MIPRU)**

In this Annex, in the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	MIPRU 2.1.2G; MIPRU 3.1.4G; MIPRU 4.2.13G, 4.3.9R, 4.4.3G, 4.4.5R(1)(b); MIPRU 5.2.1AG; MIPRU Sch 5.2G; MIPRU Sch 6.1G
<i>FSA</i>	<i>FCA</i>	MIPRU 2.2.5G; MIPRU 4.1.18G; MIPRU 5.2.6G
<i>FSA Register</i>	<i>Financial Services Register</i>	MIPRU 2.2.5G; MIPRU 5.2.3E(1)(a)(i) and(2)(a), 5.2.6G
<i>Part IV</i>	<i>Part 4A</i>	MIPRU 1.1.1G; MIPRU 2.1.1R; MIPRU 3.1.1R, 3.2.2G, 3.2.4R(5); MIPRU 4.1.1R, 4.1.2G, 4.1.6R, 4.1.8R(2), 4.1.18G, 4.2.7R, 4.2D.1R, 4.4.8R(1)(b); MIPRU 5.1.1R
Section 148	Sections 138A and 138B	MIPRU Sch 6.1G
Section 150	Section 138D	MIPRU 1.2.1R

		MIPRU Schs 5.1G, 5.2G, 5G table
Section 150(2)	Section 138D(3)	MIPRU 1.2.1R; MIPRU Sch 5.2G

## EXAMPLE OF A SUBORDINATED LOAN AGREEMENT FOR A FIRM WHICH IS MORTGAGE LENDER OR ADMINISTRATOR (OR BOTH) (SEE MIPRU 4.4)

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### NOTES FOR COMPLETION OF THIS DOCUMENT

- (1) This is an example of a subordinated loan agreement which would meet the conditions in MIPRU 4.4.7R for inclusion as part of the capital resources of a mortgage lender or a mortgage administrator (see MIPRU 4.4.9G). A subordinated loan to a mortgage lender or a mortgage administrator must have an original maturity of at least five years or, where it has no fixed term, be subject to five years' notice of repayment.
- (2) In paragraph 2, you should insert the Effective Date of the Loan, that is, the date on which the Lender will make the advance, if this differs from the date of the Agreement.
- (3) Words in brackets marked with a double asterisk \*\* are for use where the Borrower is a partnership.

#### Governing Law

Number of crosses	Governing Law
+	Scottish
++	Scottish or Northern Irish
+++	English or Northern Irish
++++	Northern Irish
+++++	English

Example: Words marked ++\*\* will be for use where the Borrower is a partnership and the Agreement is governed by either Scottish or Northern Irish law.

- (4) Words in round brackets in paragraph 10 are only required where either the Lender or Borrower (or both) is not incorporated in any part of the United Kingdom.

This document is provided as an example and is not intended to have continuing effect.

THIS SUBORDINATED LOAN AGREEMENT IS MADE  
ON 20

BETWEEN:-

- (1) [ ] of  
[ ]  
(the "Lender" which term includes its permitted successors and assigns); and
- (2) [ ] of  
[ ]  
(the "Borrower" which term includes its permitted successors and assigns); [and  
[ ] of  
[ ],  
[ ] of  
[ ] and  
[ ] of  
[ ]  
the individual partners of the Borrower as such partners and as individuals +\*\*].

IT IS AGREED AS FOLLOWS:-

## 1. DEFINITIONS

In this agreement:-

"Effective Date" means the date on which this Agreement is to take effect being the date of the Agreement unless otherwise stated in paragraph 2;

"Excluded Liabilities" means Liabilities which are expressed to be and, in the opinion of the Insolvency Officer of the Borrower, do rank junior to the Subordinated Liabilities in any Insolvency of the Borrower;

"Capital Resources" has the meaning given it in the Financial Rules;

"Capital Resources Requirement" has the meaning given it in the Financial Rules;

"Financial Rules" means the rules in MIPRU 4 (Capital resources) of the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries;

"Insolvency" means and includes liquidation, winding up, bankruptcy, sequestration, administration or dissolution (whichever term may apply to the Borrower) or the equivalent in any other jurisdiction to which the Borrower may be subject;

"Insolvency Officer" means and includes any person duly appointed to administer and distribute assets of the Borrower in the course of the Borrower's Insolvency;

This document is provided as an example and is not intended to have continuing effect.

“Liabilities” means all present and future sums, liabilities and obligations payable or owing by the Borrower [or any Partner \*\*] (whether actual or contingent, jointly or severally or otherwise howsoever);

“Loan” means the indebtedness of the Borrower to the Lender referred to in paragraph 2 as that indebtedness may be reduced from time to time by any repayment or prepayment permitted under this Agreement;

[“Partner” means an individual partner of the Borrower\*\*];

“Rules” means the rules of the ~~FSA~~ FCA or PRA (delete as appropriate) from time to time in force;

“Senior Liabilities” means all Liabilities except the Subordinated Liabilities and Excluded Liabilities;

“Subordinated Liabilities” means all Liabilities to the Lender in respect of the Loan and all interest payable thereon.

## 2. LOAN

The Borrower hereby acknowledges its indebtedness to the Lender in the sum of [ ] as an unsecured loan upon and subject to the terms and conditions of this Agreement.

[Note: This paragraph may be adapted to reflect the actual basis on which the unsecured Loan arises and, if applicable, how it is to be drawn down. You should specify clearly the Effective Date of the Loan if it will differ from the date of the Agreement.]

## 3. INTEREST

Subject to the provisions of paragraphs 4 and 5, until repayment of the Loan in full the Borrower will [the Borrower and the partners hereby bind and oblige themselves jointly and severally to +\*\*] pay to the Lender interest on the Loan or on any part or parts of it for the time being remaining due under this Agreement such interest to be calculated and to be payable as provided below.

[Enter details of interest calculations and manner and time of payments]

## 4. REPAYMENT OF THE LOAN

- (1) The provisions of this paragraph are subject to the provisions of paragraph 5.
- (2) Except where the Borrower has obtained the ~~FSA's~~ FCA or PRA (delete as appropriate) prior written consent and that consent has not been withdrawn, no repayment or prepayment of the Loan shall be made, in whole or in part, earlier than a date:
  - (a) not less than five years from the date on which the Loan was first made; or



This document is provided as an example and is not intended to have continuing effect.

- (b) not less than five years from the date on which the Borrower gave notice in writing to the Lender and the ~~FSA~~ FCA or PRA (delete as appropriate).
- (3) If default is made for a period of 7 days or more in the payment of any principal due in respect of the Loan or for a period of 14 days or more in the payment of any interest due in respect of the Loan the Lender may, in order to enforce payment, at its discretion and after taking such preliminary steps as may be necessary and after notifying the ~~FSA~~ FCA or PRA (delete as appropriate), institute proceedings for the Insolvency of the Borrower [or the Insolvency of all or any Partners\*\*]. If an order is made or an effective resolution is passed for the winding up of the Borrower, the Loan shall become repayable.
- (4) The Lender may at its discretion, subject to the provisions which follow, institute proceedings for the Insolvency of the Borrower [or the Insolvency of all or any Partners\*\*] to enforce any obligation, condition or provision binding on the Borrower [or on all or any Partners\*\*+] under this Agreement (other than any obligation for the payment of principal moneys or interest in respect of the Loan) provided that the borrower [or any Partner\*\*] shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. The Lender may only institute such proceedings to enforce the obligations referred to above if (i) the default is not remedied to the satisfaction of the Lender within 60 days after notice of such default is not remedied to the satisfaction of the Lender within 60 days after notice of such default has been given to the Borrower by the Lender (with a copy to the ~~FSA~~ FCA or PRA (delete as appropriate)) requiring the default to be remedied and (ii) the Lender has taken all preliminary steps required to be taken by it prior to the institution of such proceedings.
- (5) No remedy against the Borrower [or any Partner\*\*] other than as specifically provided by this paragraph shall be available to the Lender whether for the recovery of amounts owing under this Agreement or in respect of any breach by the Borrower [or any Partners\*\*] of any of its obligations under this Agreement.

## 5. SUBORDINATION

- (1) Notwithstanding the provisions of paragraph 4, the rights of the Lender in respect of the Subordinated Liabilities are subordinated to the Senior Liabilities and accordingly payment of any amount whether principal (by way of repayment or prepayment), interest or otherwise, of the Subordinated Liabilities is conditional upon:-
  - (a) (if an order has not been made or an effective resolution passed for the Insolvency of the Borrower) the Borrower being in compliance with its Capital Resources Requirement prevailing at the time of payment by the Borrower; and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that repayment under paragraph 4(2) above is permitted and the Borrower could make such payment and still be in compliance with its Capital

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Resources Requirement immediately thereafter; and

- (b) (if an order has been made or an effective resolution has been passed for the Insolvency of the Borrower [or if the Borrower shall be dissolved\*\*]) the Borrower being solvent at the time of payment by the Borrower; and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that the Borrower could make such payment and still be solvent immediately thereafter. For the purposes of this sub-paragraph, the Borrower shall be solvent if it is able to pay its debts in full and in determining whether the Borrower is solvent for the purposes of this sub-paragraph there shall be disregarded obligations which are not payable or capable of being established or determined in the Insolvency of the Borrower.
- (2)
  - (a) No payment of the Subordinated Liabilities (other than in respect of interest) shall be made at any time under sub-paragraph (1) above unless the Borrower has obtained the ~~FSA's~~ FCA's or PRA's (delete as appropriate) prior written consent to such payment and that consent has not been withdrawn.
  - (b) The Borrower shall give or ensure that there are given to the ~~FSA~~ FCA or PRA (delete as appropriate) such information and auditor's certificate in relation to the proposed payment as the ~~FSA~~ FCA or PRA (delete as appropriate) may require.
- (3) Payments of interest at a rate not exceeding the rate provided in paragraph 3 may be made to the extent permitted by sub-paragraph (1) above without prior notification to the ~~FSA~~ FCA or PRA (delete as appropriate).
- (4) For the purposes of sub-paragraph (1)(b) above a report given at any relevant time as to the solvency of the Borrower by its Insolvency Officer, in form and substance acceptable to the ~~FSA~~ FCA or PRA (delete as appropriate), shall in the absence of proven error be treated and accepted by the ~~FSA~~ FCA or PRA (delete as appropriate), the Lender and the Borrower as correct and sufficient evidence of the Borrower's solvency.
- (5) If the Lender shall receive from the Borrower [or any Partner\*\*] payment of any sum in respect of the Subordinated Liabilities where repayment is prohibited under paragraph 4(2) or when any of the terms and conditions referred to in sub-paragraphs (1) or (2) above is not satisfied the payment of such sum shall be void for all purposes and [any such sum shall be received by the Lender upon trust to return the same to the Borrower+++] [the Lender shall at any time thereafter be bound to return such sum to the Borrower, or, as the case may be, its Insolvency Officer+] (and any sum so returned shall then be treated for the purposes of the Borrower's obligations under this Agreement as if it had not been paid by the Borrower and its original payment shall be deemed not to have discharged any of the obligations of the Borrower). A request to the Lender for return of any sum under the foregoing provisions of this sub-paragraph (5) shall be in writing and shall be made by or on behalf of the Borrower or, as the case may be, its Insolvency Officer.

This document is provided as an example and is not intended to have continuing effect.

## 6. UNDERTAKINGS OF BORROWER

From and after the date of this Agreement (or the Effective Date if earlier), the Borrower will not [and no Partner will\*\*] without the prior written consent of the ~~FSA~~ FCA or PRA (delete as appropriate):-

- (1) secure all or any part of the Subordinated Liabilities;
- (2) redeem, purchase or otherwise acquire any of the Subordinated Liabilities;
- (3) amend any document evidencing or providing for the Subordinated Liabilities;
- (4) repay any of the Subordinated Liabilities otherwise than in accordance with the terms of this Agreement;
- (5) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part of them to the Senior Liabilities might be terminated, impaired or adversely affected.

## 7. DOCUMENTATION

This Agreement forms the entire agreement as to the Subordinated Liabilities. If there are any other terms relating to the Subordinated Liabilities existing at the date of this Agreement and not comprised in it such terms shall be of no further force and effect. No variation of or amendment to this Agreement shall be of any effect unless it is in writing signed by all the parties. Any amendment to this Agreement made or purported to be made without the consent of the ~~FSA~~ FCA or PRA (delete as appropriate) shall be void. For the avoidance of doubt, nothing in this paragraph requires the ~~FSA~~ FCA or PRA (delete as appropriate) to be a party to this agreement.

## 8. UNDERTAKINGS OF LENDER

The Lender will not without the prior written consent of the ~~FSA~~ FCA or PRA (delete as appropriate):-

- (1) assign or purport to assign to any person the whole or any part of the Subordinated Liabilities;
- (2) purport to retain or set-off at any time any amount payable by it to the Borrower [or any Partner\*\*] against any amount of the Subordinated Liabilities except to the extent that payment of such amount of the Subordinated Liabilities would be permitted at such time by this Agreement, and the Lender shall immediately pay an amount equal to any retention or set-off in breach of this provision to the Borrower and such retention or set-off shall be deemed not to have occurred;
- (3) amend or waive the terms of any document evidencing or providing for the Subordinated Liabilities;
- (4) attempt to obtain repayment of any of the Subordinated Liabilities otherwise than in accordance with the terms of this Agreement;

This document is provided as an example and is not intended to have continuing effect.

- (5) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part of them to the Senior Liabilities might be terminated, impaired or adversely affected;
- (6) take or enforce any security, guarantee or indemnity from any person for all or any part of the Subordinated Liabilities, and the Lender shall, upon obtaining security, guarantee or indemnity in breach of this undertaking, hold the same [on trust for +++] [as agent of and for the benefit of ++] the Borrower.

[Note: Before giving its consent to a transaction falling under paragraph 8(6), the ~~FSA~~ FCA or PRA (delete as appropriate) will need to be satisfied that the provider of security has waived his rights of subrogation against the Borrower until all Senior Liabilities of the Borrower have been paid in full.]

9. This Agreement shall subsist in full force and effect notwithstanding any change which may take place from time to time in the constitution or title of the Borrower by the retirement of the present partners or [either] [any] of them or the assumption of new Partners or by a change of name it being provided that:-
  - (a) a retired Partner shall continue to be liable for the payment of all sums due under this Agreement and implementation of all other obligation contained in it until such time as the Lender and the remaining Partner[s] shall agree in writing to release a retired Partner from such obligations and the ~~FSA~~ FCA or PRA (delete as appropriate) has given its written consent to the release; and
  - (b) in the event of a new partner being assumed as a Partner of the Borrower the other partners shall procure that the said assumed Partner shall become bound to the Lender as a party to this Agreement and shall execute such addendum to it as the Lender and the ~~FSA~~ FCA or PRA (delete as appropriate) may consider necessary.

The obligations and undertakings of the Borrower under this Agreement shall bind the Borrower and the Partners jointly and severally. ~~\*\*+~~]

## 10. LAW [AND JURISDICTION]

- (1) This Agreement is governed by [English law +++++] [the law of Scotland +] [the law of Northern Ireland +++++] and, for the benefit of the ~~FSA~~ FCA or PRA (delete as appropriate) solely, each of the Borrower and the Lender irrevocably submits to the jurisdiction of the [English Courts +++++] [Court of Session, Scotland +] [Northern Irish Courts +++++] (and, to the extent that it does not have a place of business within this jurisdiction, appoints [name and address of agent for service] as agent for receipt of service of process in such courts). Such jurisdiction shall be non-exclusive except to the extent that such non-exclusivity prejudices the submission to such jurisdiction.
- (2) Although not a party to the agreement, the ~~FSA~~ FCA or PRA (delete as appropriate) may in its own right enforce a term of the agreement to the extent that it purports to confer upon the ~~FSA~~ FCA or PRA (delete as appropriate) a benefit.

This document is provided as an example and is not intended to have continuing effect.

IN WITNESS whereof the parties hereto have duly executed this Agreement as a Deed the day and year first above written.

(EXECUTED AS A DEED and DELIVERED by  
(the Lender  
(and signed by:

Director

Director/Secretary

or

(SIGNED and DELIVERED as a DEED  
by the individual partners of the Lender  
(as such partners and as individuals  
(in the presence of:

or

SIGNED and DELIVERED as a DEED by  
the Lender (if an individual)  
in the presence of:

This document is provided as an example and is not intended to have continuing effect.

(EXECUTED AS A DEED and DELIVERED by  
(the Borrower  
(and signed by:

Director

Director/Secretary

or

(SIGNED and DELIVERED as a DEED  
(by the individual partners or the Borrower  
(as such partners and as individuals  
(in the presence of:

or

SIGNED and DELIVERED as a DEED by  
the Borrower (if an individual)  
in the presence of:

This document is provided as an example and is not intended to have continuing effect.

Dated this                      day of                      20

BETWEEN

the Lender

and

the Borrower

---

**SUBORDINATED  
LOAN AGREEMENT**

---

## EXAMPLE OF A SUBORDINATED LOAN AGREEMENT FOR A FIRM WHICH IS AN INSURANCE OR A MORTGAGE INTERMEDIARY (OR BOTH) BUT NOT A MORTGAGE LENDER OR ADMINISTRATOR (SEE MIPRU 4.4)

### NOTES FOR COMPLETION OF THIS DOCUMENT

- (1) This is an example of a subordinated loan agreement which would meet the conditions in MIPRU 4.4.7R for inclusion as part of the capital resources of an insurance intermediary or a mortgage intermediary. A subordinated loan to an insurance intermediary or a mortgage intermediary must have an original maturity of at least two years or, where it has no fixed term, be subject to two years' notice of repayment.
- (2) In paragraph 2, you should insert the Effective Date of the Loan, that is, the date on which the Lender will make the advance, if this differs from the date of the Agreement.
- (3) Words in brackets marked with a double asterisk \*\* are for use where the Borrower is a partnership.

#### Governing Law

Number of crosses	Governing Law
+	Scottish
++	Scottish or Northern Irish
+++	English or Northern Irish
++++	Northern Irish
+++++	English

Example: Words marked ++\*\* will be for use where the Borrower is a partnership and the Agreement is governed by either Scottish or Northern Irish law.

- (4) Words in round brackets in paragraph 10 are only required where either the Lender or Borrower (or both) is not incorporated in any part of the United Kingdom.



This document is provided as an example and is not intended to have continuing effect.

THIS SUBORDINATED LOAN AGREEMENT IS MADE  
ON 20

BETWEEN:-

- (1) [ ] of  
[ ]  
(the "Lender" which term includes its permitted successors and assigns); and
- (2) [ ] of  
[ ]  
(the "Borrower" which term includes its permitted successors and assigns); [and  
[ ] of  
[ ],  
[ ] of  
[ ] and  
[ ] of  
[ ]  
the individual partners of the Borrower as such partners and as individuals +\*\*].

IT IS AGREED AS FOLLOWS:-

## 1. DEFINITIONS

In this agreement:-

"Effective Date" means the date on which this Agreement is to take effect being the date of the Agreement unless otherwise stated in paragraph 2;

"Excluded Liabilities" means Liabilities which are expressed to be and, in the opinion of the Insolvency Officer of the Borrower, do rank junior to the Subordinated Liabilities in any Insolvency of the Borrower;

"Capital Resources" has the meaning given it in the Financial Rules;

"Capital Resources Requirement" has the meaning given it in the Financial Rules;

"Financial Rules" means the rules in MIPRU 4 (Capital resources) of the Prudential sourcebook for Mortgage and Home Finance Firms, and Insurance Intermediaries;

"Insolvency" means and includes liquidation, winding up, bankruptcy, sequestration, administration or dissolution (whichever term may apply to the Borrower) or the equivalent in any other jurisdiction to which the Borrower may be subject;

"Insolvency Officer" means and includes any person duly appointed to administer and distribute assets of the Borrower in the course of the Borrower's Insolvency;

This document is provided as an example and is not intended to have continuing effect.

“Liabilities” means all present and future sums, liabilities and obligations payable or owing by the Borrower [or any Partner \*\*] (whether actual or contingent, jointly or severally or otherwise howsoever);

“Loan” means the indebtedness of the Borrower to the Lender referred to in paragraph 2 as that indebtedness may be reduced from time to time by any repayment or prepayment permitted under this Agreement;

[“Partner” means an individual partner of the Borrower\*\*];

“Rules” means the rules of the ~~FSA~~ FCA or PRA (delete as appropriate) from time to time in force;

“Senior Liabilities” means all Liabilities except the Subordinated Liabilities and Excluded Liabilities;

“Subordinated Liabilities” means all Liabilities to the Lender in respect of the Loan and all interest payable thereon.

## 2. LOAN

The Borrower hereby acknowledges its indebtedness to the Lender in the sum of [ ] as an unsecured loan upon and subject to the terms and conditions of this Agreement.

[Note: This paragraph may be adapted to reflect the actual basis on which the unsecured Loan arises and, if applicable, how it is to be drawn down. You should specify clearly the Effective Date of the Loan if it will differ from the date of the Agreement.]

## 3. INTEREST

Subject to the provisions of paragraphs 4 and 5, until repayment of the Loan in full the Borrower will [the Borrower and the partners hereby bind and oblige themselves jointly and severally to +\*\*] pay to the Lender interest on the Loan or on any part or parts of it for the time being remaining due under this Agreement such interest to be calculated and to be payable as provided below.

[Enter details of interest calculations and manner and time of payments]

## 4. REPAYMENT OF THE LOAN

- (1) The provisions of this paragraph are subject to the provisions of paragraph 5.
- (2) Except where the Borrower has obtained the ~~FSA’s~~ FCA or PRA (delete as appropriate) prior written consent and that consent has not been withdrawn, no repayment or prepayment of the Loan shall be made, in whole or in part, earlier than a date:
  - (a) not less than two years from the date on which the Loan was first made; or

- (b) not less than two years from the date on which the Borrower gave notice in writing to the Lender and the ~~FSA~~ FCA or PRA (delete as appropriate).
- (3) If default is made for a period of 7 days or more in the payment of any principal due in respect of the Loan or for a period of 14 days or more in the payment of any interest due in respect of the Loan the Lender may, in order to enforce payment, at its discretion and after taking such preliminary steps as may be necessary and after notifying the ~~FSA~~ FCA or PRA (delete as appropriate), institute proceedings for the Insolvency of the Borrower [or the Insolvency of all or any Partners\*\*]. If an order is made or an effective resolution is passed for the winding up of the Borrower, the Loan shall become repayable.
- (4) The Lender may at its discretion, subject to the provisions which follow, institute proceedings for the Insolvency of the Borrower [or the Insolvency of all or any Partners\*\*] to enforce any obligation, condition or provision binding on the Borrower [or on all or any Partners\*\*+] under this Agreement (other than any obligation for the payment of principal moneys or interest in respect of the Loan) provided that the borrower [or any Partner\*\*] shall not by virtue of the institution of any such proceedings be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it. The Lender may only institute such proceedings to enforce the obligations referred to above if (i) the default is not remedied to the satisfaction of the Lender within 60 days after notice of such default is not remedied to the satisfaction of the Lender within 60 days after notice of such default has been given to the Borrower by the Lender (with a copy to the ~~FSA~~ FCA or PRA (delete as appropriate)) requiring the default to be remedied and (ii) the Lender has taken all preliminary steps required to be taken by it prior to the institution of such proceedings.
- (5) No remedy against the Borrower [or any Partner\*\*] other than as specifically provided by this paragraph shall be available to the Lender whether for the recovery of amounts owing under this Agreement or in respect of any breach by the Borrower [or any Partners\*\*] of any of its obligations under this Agreement.

## 5. SUBORDINATION

- (1) Notwithstanding the provisions of paragraph 4, the rights of the Lender in respect of the Subordinated Liabilities are subordinated to the Senior Liabilities and accordingly payment of any amount whether principal (by way of repayment or prepayment), interest or otherwise, of the Subordinated Liabilities is conditional upon:-
  - (a) (if an order has not been made or an effective resolution passed for the Insolvency of the Borrower) the Borrower being in compliance with its Capital Resources Requirement prevailing at the time of payment by the Borrower; and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that repayment under paragraph 4(2) above is permitted and the Borrower could make such

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payment and still be in compliance with its Capital Resources Requirement immediately thereafter; and

- (b) (if an order has been made or an effective resolution has been passed for the Insolvency of the Borrower [or if the Borrower shall be dissolved\*\*]) the Borrower being solvent at the time of payment by the Borrower; and accordingly no such amount which would otherwise fall due for payment shall be payable except to the extent that the Borrower could make such payment and still be solvent immediately thereafter. For the purposes of this sub-paragraph, the Borrower shall be solvent if it is able to pay its debts in full and in determining whether the Borrower is solvent for the purposes of this sub-paragraph there shall be disregarded obligations which are not payable or capable of being established or determined in the Insolvency of the Borrower.
- (2)
  - (a) No payment of the Subordinated Liabilities (other than in respect of interest) shall be made at any time under sub-paragraph (1) above unless the Borrower has obtained the FSA's FCA's or PRA's (delete as appropriate) prior written consent to such payment and that consent has not been withdrawn.
  - (b) The Borrower shall give or ensure that there are given to the FSA FCA or PRA (delete as appropriate) such information and auditor's certificate in relation to the proposed payment as the FSA FCA or PRA (delete as appropriate) may require.
- (3) Payments of interest at a rate not exceeding the rate provided in paragraph 3 may be made to the extent permitted by sub-paragraph (1) above without prior notification to the FSA FCA or PRA (delete as appropriate).
- (4) For the purposes of sub-paragraph (1)(b) above a report given at any relevant time as to the solvency of the Borrower by its Insolvency Officer, in form and substance acceptable to the FSA FCA or PRA (delete as appropriate), shall in the absence of proven error be treated and accepted by the FSA FCA or PRA (delete as appropriate), the Lender and the Borrower as correct and sufficient evidence of the Borrower's solvency.
- (5) If the Lender shall receive from the Borrower [or any Partner\*\*] payment of any sum in respect of the Subordinated Liabilities where repayment is prohibited under paragraph 4(2) or when any of the terms and conditions referred to in sub-paragraphs (1) or (2) above is not satisfied the payment of such sum shall be void for all purposes and [any such sum shall be received by the Lender upon trust to return the same to the Borrower+++] [the Lender shall at any time thereafter be bound to return such sum to the Borrower, or, as the case may be, its Insolvency Officer+] (and any sum so returned shall then be treated for the purposes of the Borrower's obligations under this Agreement as if it had not been paid by the Borrower and its original payment shall be deemed not to have discharged any of the obligations of the Borrower). A request to the Lender for return of any sum under the foregoing provisions of this sub-paragraph (5) shall be in writing and shall be made by or on behalf of the Borrower or, as the case may be, its Insolvency Officer.

This document is provided as an example and is not intended to have continuing effect.

## 6. UNDERTAKINGS OF BORROWER

From and after the date of this Agreement (or the Effective Date if earlier), the Borrower will not [and no Partner will\*\*] without the prior written consent of the ~~FSA~~ FCA or PRA (delete as appropriate):-

- (1) secure all or any part of the Subordinated Liabilities;
- (2) redeem, purchase or otherwise acquire any of the Subordinated Liabilities;
- (3) amend any document evidencing or providing for the Subordinated Liabilities;
- (4) repay any of the Subordinated Liabilities otherwise than in accordance with the terms of this Agreement;
- (5) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part of them to the Senior Liabilities might be terminated, impaired or adversely affected.

## 7. DOCUMENTATION

This Agreement forms the entire agreement as to the Subordinated Liabilities. If there are any other terms relating to the Subordinated Liabilities existing at the date of this Agreement and not comprised in it such terms shall be of no further force and effect. No variation of or amendment to this Agreement shall be of any effect unless it is in writing signed by all the parties. Any amendment to this Agreement made or purported to be made without the consent of the ~~FSA~~ FCA or PRA (delete as appropriate) shall be void. For the avoidance of doubt, nothing in this paragraph requires the ~~FSA~~ FCA or PRA (delete as appropriate) to be a party to this agreement.

## 8. UNDERTAKINGS OF LENDER

The Lender will not without the prior written consent of the ~~FSA~~ FCA or PRA (delete as appropriate):-

- (1) assign or purport to assign to any person the whole or any part of the Subordinated Liabilities;
- (2) purport to retain or set-off at any time any amount payable by it to the Borrower [or any Partner\*\*] against any amount of the Subordinated Liabilities except to the extent that payment of such amount of the Subordinated Liabilities would be permitted at such time by this Agreement, and the Lender shall immediately pay an amount equal to any retention or set-off in breach of this provision to the Borrower and such retention or set-off shall be deemed not to have occurred;
- (3) amend or waive the terms of any document evidencing or providing for the Subordinated Liabilities;
- (4) attempt to obtain repayment of any of the Subordinated Liabilities otherwise than in accordance with the terms of this Agreement;

This document is provided as an example and is not intended to have continuing effect.

- (5) take or omit to take any action whereby the subordination of the Subordinated Liabilities or any part of them to the Senior Liabilities might be terminated, impaired or adversely affected;
- (6) take or enforce any security, guarantee or indemnity from any person for all or any part of the Subordinated Liabilities, and the Lender shall, upon obtaining security, guarantee or indemnity in breach of this undertaking, hold the same [on trust for +++] [as agent of and for the benefit of ++] the Borrower.

[Note: Before giving its consent to a transaction falling under paragraph 8(6), the ~~FSA~~ FCA or PRA (delete as appropriate) will need to be satisfied that the provider of security has waived his rights of subrogation against the Borrower until all Senior Liabilities of the Borrower have been paid in full.]

9. This Agreement shall subsist in full force and effect notwithstanding any change which may take place from time to time in the constitution or title of the Borrower by the retirement of the present partners or [either] [any] of them or the assumption of new Partners or by a change of name it being provided that:-
  - (a) a retired Partner shall continue to be liable for the payment of all sums due under this Agreement and implementation of all other obligation contained in it until such time as the Lender and the remaining Partner[s] shall agree in writing to release a retired Partner from such obligations and the ~~FSA~~ FCA or PRA (delete as appropriate) has given its written consent to the release; and
  - (b) in the event of a new partner being assumed as a Partner of the Borrower the other partners shall procure that the said assumed Partner shall become bound to the Lender as a party to this Agreement and shall execute such addendum to it as the Lender and the ~~FSA~~ FCA or PRA (delete as appropriate) may consider necessary.

The obligations and undertakings of the Borrower under this Agreement shall bind the Borrower and the Partners jointly and severally. ~~\*\*+~~]

## 10. LAW [AND JURISDICTION]

- (1) This Agreement is governed by [English law +++++] [the law of Scotland +] [the law of Northern Ireland +++++] and, for the benefit of the ~~FSA~~ FCA or PRA (delete as appropriate) solely, each of the Borrower and the Lender irrevocably submits to the jurisdiction of the [English Courts +++++] [Court of Session, Scotland +] [Northern Irish Courts +++++] (and, to the extent that it does not have a place of business within this jurisdiction, appoints [name and address of agent for service] as agent for receipt of service of process in such courts). Such jurisdiction shall be non-exclusive except to the extent that such non-exclusivity prejudices the submission to such jurisdiction.
- (2) Although not a party to the agreement, the ~~FSA~~ FCA or PRA (delete as appropriate) may in its own right enforce a term of the agreement to the extent that it purports to confer upon the ~~FSA~~ FCA or PRA (delete as appropriate) a benefit.

This document is provided as an example and is not intended to have continuing effect.

IN WITNESS whereof the parties hereto have duly executed this Agreement as a Deed the day and year first above written.

(EXECUTED AS A DEED and DELIVERED by  
(the Lender  
(and signed by:

Director

Director/Secretary

or

(SIGNED and DELIVERED as a DEED  
by the individual partners of the Lender  
(as such partners and as individuals  
(in the presence of:

or

SIGNED and DELIVERED as a DEED by  
the Lender (if an individual)  
in the presence of:

This document is provided as an example and is not intended to have continuing effect.

(EXECUTED AS A DEED and DELIVERED by  
(the Borrower  
(and signed by:

Director

Director/Secretary

or

(SIGNED and DELIVERED as a DEED  
(by the individual partners or the Borrower  
(as such partners and as individuals  
(in the presence of:

or

SIGNED and DELIVERED as a DEED by  
the Borrower (if an individual)  
in the presence of:



This document is provided as an example and is not intended to have continuing effect.

Dated this                      day of                      20

BETWEEN

the Lender

and

the Borrower

---

**SUBORDINATED  
LOAN AGREEMENT**

---

**Annex 11**

**Amendments to the Prudential sourcebook for UCITS Firms (UPRU)**

In this Annex, in the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	UPRU 2.2.1R Part II, 2 (note), 3 (note), 10 (note);  UPRU Sch 5.1G(1);  UPRU Sch 6.1G(1) to (2)
Section 148	Sections 138A and 138B	UPRU Sch 6.1G(1)
Section 150	Section 138D	UPRU Sch 5.1G
Section 150(2)	Section 138D(3)	UPRU Sch 5.1G

**Annex 12**

**Amendments to the Interim Prudential sourcebook for Friendly Societies IPRU(FSOC)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority</i>	<i>Prudential Regulation Authority</i>	IPRU(FSOC) 5.1(2)(b)
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	Guidance paragraph 3 [see black-line amendments at the bottom of the annex]  IPRU(FSOC) 3.1(6)(b), 3.1(7);  IPRU(FSOC) Appendix 10 FSC1 [return form];  IPRU(FSOC) Appendix 10 FSC2 [return form];  IPRU(FSOC) Appendix 10 FSC3 [return form];  IPRU(FSOC) Appendix 10 FSC4 [certificate or statement];  IPRU(FSOC) Annex 3 Part I (30), Part I (31)(b)
<i>FSA</i>	<i>FCA</i>	IPRU(FSOC) 7.1 [public file]
<i>FSA</i>	<i>PRA</i>	IPRU(FSOC) 3.1(6);  IPRU(FSOC) 4.2(7);  IPRU(FSOC) 5.1(2)(b), 5.1(5), 5.2(2)(b), 5.2(3), 5.2(4), 5.2(5), 5.2(5)(b), 5.2(10), 5.3(1);  IPRU(FSOC) Appendix 4, 4A(1), Appendix 4 B27(a);  IPRU(FSOC) Annex 1, 1(1)-(2);

		<p>IPRU(FSOC) Annex 2 (3), (9);</p> <p>IPRU(FSOC) Annex 3 Part I(1), (2) and (3), Part I (3)(b), Part I(5), Part I(5)(c)-(e), Part I (6)-(7), Part I(10), Part I (11)(d)-(e), Part I(12), Part I(18)(b), Part I(23)-(24), Part I(28), Part I(32), Part I (34)-(35), Part I(37), Part I(39), Part I (39)(b), Part I(40);</p> <p>IPRU(FSOC) Annex 3 Part II (3), C2(a);</p> <p>IPRU(FSOC) Annex 4(4), (6), (9), (11.4), (11.6)(3), (12.7);</p> <p>IPRU(FSOC) Annex 5(4)-(5)</p>
<i>FSA</i>	<i>FCA and PRA</i>	IPRU(FSOC) Annex 7(4)
Section 148	Sections 138A	<p>IPRU (FSOC) 4.7(3);</p> <p>IPRU (FSOC) 5.18(2);</p> <p>IPRU(FSOC) Annex 4(4A), Annex 4(9); Annex 4 11.4(1);IPRU(FSOC) Annex 5(4);</p> <p>IPRU(FSOC) FSC1 Form 9</p>

Amend the following provisions as follows.

## INTERIM PRUDENTIAL SOURCEBOOK FOR FRIENDLY SOCIETIES

### GUIDANCE: THE PURPOSE OF THE PRUDENTIAL RULES FOR FRIENDLY SOCIETIES AND AN OVERALL DESCRIPTION

1. The prudential rules for a *friendly society* are to be seen in the context of the Principles for Businesses. These are high level obligations applying to all authorised persons and are set out in the High Level Standards part of the ~~Handbook~~ Handbook (PRIN).

...

5.1(2)

...

and one of those copies must be signed as required by rule 5.12. The copies must be sent to Insurance Returns, The Financial Services Authority, PO Box 35747, London E14 5WP ~~Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA~~ Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of

England, Threadneedle Street, London, EC2R 8AH (and must not be addressed to the friendly society's normal supervisory contact).

...

7. Chapter 3 focuses on systems and controls. *Friendly societies* should also refer to the provisions on senior management arrangements, systems and controls in the High Level Standards part of the ~~Handbook~~ Handbook (SYSC) and to Annex 3 of *IPRU(FSOC)*.

...

11. As part of the continuing supervision of a *friendly society*, the rules in Chapter 5 require the *friendly society* to prepare certain accounts and statements in accordance with the rules and deposit them with the *FSA appropriate regulator*.

...

15. ~~FSA guidance~~ Guidance is set out in the Annexes and *friendly societies* may also wish to refer to the guidance in *IPRU(INS)*, *GENPRU* and *INSPRU*.

...

## **Chapter 8: TRANSITIONAL PROVISIONS**

### **Guidance**

GEN (the part of the ~~FSA Handbook~~ Handbook in High Level Standards which has the title General Provisions) contains some technical transitional provisions that apply throughout the ~~Handbook~~ Handbook and which are designed to ensure a smooth transition at commencement of the *Act*. These include transitional provisions relevant to record keeping and notification rules.

*SUP* contains transitional provisions which carry forward written concessions relating to pre-commencement provisions.

...

### **Attachment to Annex 5 PROFORMA APPLICATION**

...

#### **Request for dispensation from actuarial investigation**

The \_\_\_\_\_ (insert name of friendly society) \_\_\_\_\_ hereby requests dispensation from the requirement to cause an actuarial investigation to be carried out as at under rule 5.2 of the *FSA Interim Prudential Sourcebook for Friendly Societies* for one or more of the following reasons -

...

**FCS1 Return** – Long Term Insurance Business: Annual Investigation

...	<p>Three copies of this Return (including the original signed copy) must be submitted as soon as possible after 31 December and not later than the following 30 June to:-</p> <p>The Financial Services Authority 25 The North Colonnade Canary Wharf London E14 5HS <del>Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA</del> Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of England, Threadneedle Street, London, EC2R 8AH</p>
-----	---

**FCS2 Return** – Periodic Investigation: Long Term and General Insurance Business

...	<p>Three copies of this Return (including the original signed copy) must be submitted as soon as possible after 31 December and not later than 30 June:-</p> <p>The Financial Services Authority 25 The North Colonnade Canary Wharf London E14 5HS <del>Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA</del> Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of England, Threadneedle Street, London, EC2R 8AH</p>
-----	--

**FCS3 Return** – General Insurance Business: Periodic Investigation

...

Three copies of this Return (including the original signed copy) must be submitted as soon as possible after 31 December and not later than 30 June:-

The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London E14 5HS ~~Prudential Regulation Authority, 20 Moorgate, London, EC2R 6DA~~ Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of England, Threadneedle Street, London, EC2R 8AH

CERTIFICATE OF STATEMENT      FORM FSC4

*The form should be sent to*  
***The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS Regulatory Data Group, Statistics and Regulatory Data Division (HO5 A-B), Bank of England, Threadneedle Street, London, EC2R 8AH***

**Annex 13**

**Amendments to the Interim Prudential sourcebook for Insurers (IPRU(INS))**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	IPRU(INS) 9.72; IPRU(INS) 11.1; IPRU(INS) 12.7;
<i>FSA</i>	<i>FCA</i>	IPRU(INS) 3.3(3)(a)
<i>FSA</i>	<i>PRA</i>	IPRU(INS) 9.3, 9.6, 9.36B, 9.36C, 9.37, 9.42, 9.42A, 9.44, 9.46, 9.48, 9.50, 9.59, 9.60, 9.61;  IPRU(INS) 12.6;  IPRU(INS) Appendix 9.1(3); Instructions for completion of Form 3 (paras 11 and 35);  IPRU(INS) Appendix 9.10 Asset related capital requirement  IPRU(INS) Instructions for completion of Form 16 (para 1);  IPRU(INS) Instructions for completion of Form 19 (para 10);  IPRU(INS) Appendix 9.7 Instruction for completion of Form 91;  IPRU(INS) Appendix 9.7 Instruction for completion of Form 92;  IPRU(INS) Appendix 9.7 Instruction for completion of Form 93;  IPRU(INS) Appendix 9.7 Instruction for completion of Form 94;



		IPRU(INS) Appendix 9.10 ECR1
<p><i>FSA general insurance business reporting category</i></p>	<p><i>PRA general insurance business reporting category</i></p>	<p>IPRU(INS) Annexes 11.3 Part I, Part II;</p> <p>IPRU(INS) 12.9;</p> <p>IPRU(INS) Appendix 9.2 2A, 9.2 19, 9.2 22(2), 9.22(3), 9.2 24(1), 9.2 24(1)(b), 9.2 24(2)(b) &amp; (c), 9.2 30;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 20A paras 1 to 5;</p> <p>IPRU(INS) Appendix 9.2 General insurance business : Technical account (excluding equalisation provisions) - Form 20;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (accident year accounting): Analysis of premiums - Form 21;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (accident year accounting) : Analysis of claims, expenses and technical provisions – Form 22;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (accident year accounting): Analysis of net claims and premiums - Form 23;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (underwriting year accounting): Analysis of premiums, claims and expenses - Form 24;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (underwriting year accounting): Analysis of technical provisions - Form 25;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (accident</p>

		<p>year accounting): Analysis of net claims and premiums by risk category for treaty reinsurance - Form 26;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 26 para 11;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (accident year accounting): Analysis of gross claims and premiums by risk category for treaty reinsurance - Form 27;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of form 27 (para 11);</p> <p>IPRU(INS) Appendix 9.2 General insurance business (underwriting year accounting): Analysis of premiums, claims and expenses by risk category for treaty reinsurance - Form 28;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 28 para 6;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (underwriting year accounting): Analysis of technical provisions by risk category for treaty reinsurance - Form 29;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 29 para 8;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (accident year accounting): Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance - Form 31;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 31 para 11;</p>
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		<p>IPRU(INS) Appendix 9.2 General insurance business (accident year accounting): Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance - Form 32;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 32 para 9;</p> <p>IPRU(INS) Appendix 9.2 General insurance business (underwriting year accounting): Analysis of gross claims and premiums by risk category for direct insurance and facultative reinsurance - Form 34;</p> <p>IPRU(INS) Appendix 9.2 Instructions for completion of Form 34 para 10</p>
<i>Part IV permission</i>	<i>Part 4A permission</i>	<p>IPRU(INS) 9.42AR(2)</p> <p>IPRU(INS) Appendix 9.1 instructions for completion of forms 11-12 (para 5);</p> <p>IPRU(INS) Appendix 9.1 instructions for completion of Form 15 (para 4(c))</p>
Section 150(1)	Section 138D(2)	IPRU(INS) 11.4

Amend the following provisions as follows.

3.2

...

~~1 Regulations under section 142 of the Act may also apply to restrict a parent undertaking of an insurer from doing anything to lessen the effectiveness of the Asset Identification Rules.~~

9.2 ...

(4) ...

- (c) references to a numbered ~~FSA~~ PRA general insurance business reporting category are references to the ~~FSA-PRA~~ general insurance business reporting category so numbered in Annex 11.3.

...

...

9.6

...

(2) ...

- (b) one printed copy of the document and one copy of it in an electronic form which may be readily used or translated by the ~~FSA~~ PRA sent by email to ~~insurancereturns@fsa.gov.uk~~ InsuranceData@bankofengland.co.uk. The title of the email must be: <firm name> ~~FSA~~ PRA returns <dd/mm/yyyy>.

...

The printed copies must be sent to ~~Financial Services Authority, PO Box 35747, London E14 5WP~~ Regulatory Data Group, Statistics and Regulatory Division (HO5 A-B), Bank of England, Threadneedle Street, London, EC2R 8AH (and must not be addressed to the *insurer's* normal supervisory contact).

...

**~~FSA~~ Regulatory ~~PRA~~ general insurance business reporting categories falling below de minimis criteria**

...

11.1

...

Term or phrase	Definition
.....	
<i>balancing category</i>	an <del>FSA</del> <u>PRA</u> general insurance business reporting category to which any of the category numbers 409 or 709 has been
<i>category number</i>	the category number for the <del>FSA return</del> <u>PRA</u> general insurance business reporting <del>categories</del> <u>category</u> listed in column 1 of <b>Annex 11.3</b>
<i>combined category</i>	an <del>FSA</del> <u>PRA</u> general insurance business reporting category to which any of the category numbers 001, 002, 003, 110, 120, 180, 220, 260, 270, 280, 330, 340, 500 or 600 has been allocated in column 1 of <b>Annex 11.3</b>

<i>exemption category</i>	an <i>FSA PRA</i> general insurance business reporting category to which the category numbers 114(p) or 710(p) have been allocated in column 1 of <b>Annex 11.3</b>
<i>FSA PRA</i> general insurance business reporting categories category.	...
<i>financial year in question</i>	the <i>financial year</i> which last ended before the date on which accounts and statements (as specified in the <i>Accounts and Statements Rules</i> ) of the <i>insurer</i> relating to that <i>financial year</i> are required to be deposited with the <i>FSA PRA</i> pursuant to rule 9.6, and the preceding financial year and previous financial years are construed accordingly
<i>miscellaneous category</i>	an <i>FSA PRA</i> general insurance business reporting category to which the category numbers 400 or 700 have been allocated in column 1 of <b>Annex 11.3</b>
<i>Required category</i>	in relation to a Form in the <i>return</i> , a category of <i>general insurance business</i> set out in column 2 of the Table in Paragraph 2B of <b>Appendix 9.2</b> that – (a) is, or is included in, an <i>FSA PRA</i> general insurance business reporting category for which the Table in Paragraph 2A of <b>Appendix 9.2</b> contains a tick in the row for that <i>FSA PRA</i> general insurance business reporting category and in the column for that Form; and ...
<i>risk category</i>	any <i>FSA PRA</i> general insurance business reporting category that is not a <i>combined category</i> , or <i>balancing category</i> or <i>exemption category</i>

Annex  
11.3:

**Descriptions of *FSA PRA* General Insurance Business Reporting Categories**

PART I ...

*FSA PRA* general insurance business reporting category

...

PART II

~~FSA~~ PRA general insurance business reporting category

~~Definitions of FSA general insurance business reporting categories 343 (Energy) and 262 (Consequential loss) in IPRU(INS) Annex 11.3 Part I~~

12.10

...

**Instructions for completion of Forms 11 and 12**

8. Where the financial year began between 1 January 2004 and 31 December 2004 (inclusive), the previous financial year's figures would normally be those sent to the FSA under rule 9.6(1B) and may be unaudited.

**Form 20A**

Category number	<del>FSA return</del> <u>PRA</u> general insurance business reporting category		Gross premium written in this financial year	Provision for undiscounted gross claims outstanding at the end of this financial year	Provision for gross unearned premium at the end of this financial year
-----------------	--	--	--	---	--

**Annex 14**

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

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority</i>	<i>Financial Conduct Authority</i>	<p>IPRU(INV) Annex D 3.1 Schedule 2 – Interpretations “the FSA”;</p> <p>IPRU(INV) Annex D 3.2 Form of deed of termination – Between - (3);</p> <p>IPRU(INV) Annex D 3.2 Form of deed of termination – The common seal of;</p> <p>IPRU(INV) Annex D 3.3 Form of deed of variation – Between - (3);</p> <p>IPRU(INV) Annex D 3.3 Form of deed of variation – The common seal of;</p> <p>IPRU(INV) Annex D 3.4 Form of guarantor undertaking – 1<sup>st</sup> paragraph;</p> <p>IPRU(INV) Annex D 3.6 Form of approved bank bond - 3;</p> <p>IPRU(INV) Power of Attorney;</p> <p>IPRU(INV) Annex D 3.7 Approved form of undertaking – (2);</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement - Definitions “FSA”;</p> <p>IPRU(INV) Annex D 5.2 Prescribed qualifying undertaking – (2);</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement, Schedule 2 1(1) <i>the FSA</i>;</p>

		<p>IPRU(INV) Annex D 9.3 Form of deed of termination – Between - (3);</p> <p>IPRU(INV) Annex D 9.3 Form of deed of termination – The common seal of;</p> <p>IPRU(INV) Annex D 9.4 Form of deed of variation - Between - 3;</p> <p>IPRU(INV) Annex D 9.5 Form of guarantor undertaking – 1<sup>st</sup> paragraph</p>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	<p>IPRU(INV) 1.1.3, 1.1.5, 1.1.6, 1.2.7R(3)(i) to (ii), 1.2.7R(3)(b);</p> <p>IPRU(INV) 4.2.3G, 4.4.2D, 4.4.3D, 4.4.4D, 4.4.5D, 4.4.5D(c);</p> <p>IPRU(INV) Appendix 1 Interpretation - <i>prescribed subordinated loan agreement, qualifying capital instrument</i>;</p> <p>IPRU(INV) 8.1.19R(3);</p> <p>IPRU(INV) 13.1.18R(3), 13.5.5AR(5);</p> <p>IPRU(INV) Annex D Power of attorney</p>
<i>FSA</i>	<i>FCA</i>	<p>IPRU(INV) 2.1.2R(4), 2.1.6G, 2.2.2G(2), 2.3.2G, 2.4.2R(2)(a), 2.4.3R;</p> <p>IPRU(INV) 3-2R, 3-5R, 3-41(9)R(f), 3-41(9)G, 3-62(2)R(b), 3-62(3)R, 3-62(7)G, 3-63(2)R(a), 3-63(4)R, 3-63(9)G, 3-73(2)R(j), 3-73(3)R(a) to (b), 3-73(4)G, 3-73(5)R, 3-75(11)R(d), 3-79(2)G, 3-80(6A)E(1)(b), 3-80(7)R, 3-80(10)G, 3-152(1)G, 3-169AG, 3-169B(1)G, 3-170(5)R, 3-170(5A)E(b), 3-173A(1)R(b), 3-173AR(8), 3-176(5)R, 3-300(1)R(b), 3-300(4)G;</p> <p>IPRU(INV) Appendix 1 Glossary of Terms - <i>annual accounting reference date, approved bank bond (a),(c)(ii), approved person, approved treasury arrangement, financial reporting statement</i>;</p> <p>IPRU(INV) Appendix 43(2);</p> <p>IPRU(INV) Appendix 56(1) to (2),(4) to (7), (9) and (9)(e);</p>



		<p>IPRU(INV) Appendix 62(15);</p> <p>IPRU(INV) 5.1.1(1)(a) table -note 2, 5.2.5(4)R, 5.2.5(5)G, 5.2.5(6)R(a) to (b), 5.2.6(3)R(a), table 5.2.2(1) note, note 1, 6A(a), 8, table 5.2.3(5)(e) note para 3;</p> <p>IPRU(INV) Appendix 1 Interpretation – <i>board, statutory rules, qualifying capital item</i>;</p> <p>IPRU(INV) 9.3.7G, 9.5.3R(1), 9.5.4R(a), 9.5.5R(4), 9.6.3R;</p> <p>IPRU(INV) 13.1.22G(1) to (2), 13.1.28R, 13.1.29G, 13.1A.12R, 13.1A.16R(1), 13.5.2R(2) calculation of relevant expenditure, 13.5.3AG, 13.5.4AR exempt CAD firm table (15) <i>subordinated loans</i>, 13.10.2BG and (1), 13.12.2AR, 13.12.2DG, Table 13.12.3(1) Part II(15), Table 13.12.3(2) Part II(15), 13.12.4AR(4);</p> <p>IPRU(INV) 14.1.2R(1), 14.1.4R(4) to (5) and (7), 14.1.5R, 14.1.5R(1), 14.1.6G(5), 14.2.4G(1) and (3), 14.2.5R, 14.2.6G(1), 14.4.4G(1), 14.5.2R(1) and (3);</p> <p>IPRU(INV) Annex A 2.4G;</p> <p>IPRU(INV) Annex D 3.1- A. front page - whereas;</p> <p>IPRU(INV) Annex D 3.1 - Schedule 2 – Interpretations “<i>the FSA</i>”, (2);</p> <p>IPRU(INV) Annex D 3.1 - The Loan or Facility – 2.(3) ;</p> <p>IPRU(INV) Annex D 3.1 - Repayment 4(3), 4(3)(a)(i), 4(3)(a)(ii)(bb), 4(3)(b), 4(3)(b)(ii), 4(4), 4(6)(c);</p> <p>IPRU(INV) Annex D 3.1 – Subordination - 5.(4);</p> <p>IPRU(INV) Annex D 3.1 – Representations and undertakings of Borrower - 6;</p> <p>IPRU(INV) Annex D 3.1 – Representations and undertakings of Lender – 7;</p>
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		<p>IPRU(INV) Annex D 3.1 – Borrower being a partnership – 8(a)(i), 8(a)(ii);</p> <p>IPRU(INV) Annex D 3.1 – The FSA and indemnity – 10;</p> <p>IPRU(INV) Annex D 3.1 – Amendments – 13;</p> <p>IPRU(INV) Annex D 3.1 – Notices to the FSA – 14;</p> <p>IPRU(INV) Annex D 3.1 – Jurisdiction – 16;</p> <p>IPRU(INV) Annex D 3.1 – Rights of the FSA – 17;</p> <p>IPRU(INV) Annex D 3.2 Form of deed of termination – Between - (3);</p> <p>IPRU(INV) Annex D 3.2 Form of deed of termination – Whereas;</p> <p>IPRU(INV) Annex D 3.3 Form of deed of variation – Between - (3);</p> <p>IPRU(INV) Annex D 3.3 Form of deed of variation – Whereas;</p> <p>IPRU(INV) Annex D 3.3 Form of deed of variation – It is agreed that – 1;</p> <p>IPRU(INV) Annex D 3.4 Form of guarantor undertaking – 1<sup>st</sup> paragraph;</p> <p>IPRU(INV) Annex D 3.4 Form of guarantor undertaking – Whereas – (A);</p> <p>IPRU(INV) Annex D 3.4 Form of guarantor undertaking – It is hereby agreed – 1;</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement– A. General Introduction– 2;</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement – Preparation of the Agreement – 4(b)</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement – Dates – 7;</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on</p>
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		<p>completion of the agreement – Interest – 13;</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement – Repayment – 16, 17b(a), 17(b)(b), 17(b)(c);</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement – Additional terms – 18;</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement – Representations and undertakings – 22;</p> <p>IPRU(INV) Annex D 3.5 Guidance notes on completion of the agreement – Deeds of Variation/Deeds of termination – 26;</p> <p>IPRU(INV) Annex D 3.6 Form of approved bank bond – 3, 3(i), 3(iii), 5(i) to (ii), 7(ii);</p> <p>IPRU(INV) Power of Attorney;</p> <p>IPRU(INV) Annex D 3.7 Approved form of undertaking – (2);</p> <p>IPRU(INV) Annex D 3.7 Approved form of undertaking – Now it is hereby agreed and declared as follows – 1. Definitions - final paragraph, 2, 3, 5, 6(1)(d), 8(a) to (b), 9(a) to (b), 10, 11(1), 11(2)(a) to (b), 11(3), 12, 13, 14, 15(b), 16, 17;</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Whereas (A);</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Definitions “FSA”, “Interim Prudential Sourcebook”;</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Early repayment – 4(a);</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Repayment of the loan – 5(b);</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Subordination – 7;</p>
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		<p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Regulatory consent – 9;</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Rights of the FSA – 15;</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Notes for prescribed subordinated loan agreement;</p> <p>IPRU(INV) Annex D 5.1 Prescribed subordinated loan agreement – Number of copies of agreements – 6;</p> <p>IPRU(INV) Annex D 5.2 Prescribed qualifying undertaking – (2);</p> <p>IPRU(INV) Annex D 5.2 Prescribed qualifying undertaking – Whereas (A)-(C);</p> <p>IPRU(INV) Annex D 5.2 Prescribed qualifying undertaking – 1. “<i>Interim Prudential Sourcebook</i>”; “<i>the Rules</i>”</p> <p>IPRU(INV) Annex D 5.2 Prescribed qualifying undertaking – 2(a)-(b), 4, 5(d), 7(a)-(b), 8(a)-(b), 9, 10(b)-(c), 10(b)(i)-(ii), 11, 12, 13, 14, 14(3)</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement - Whereas;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – notes to paragraph 9 – 1;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Schedule 2 Interpretation 1(1) “<i>the FSA</i>”, 1(2);</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – the Loan or Facility – 2(3);</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Repayment – 3(a) to (c), 4(3) (a) to (c), 4(4), 4(6)(c), 5(4);</p>
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		<p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Representations and undertakings of borrower – 6;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Representations and undertakings of lenders – 7;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Borrower being a partner – 8(a)(i) to (ii);</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – The FSA and indemnity – 10;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Amendments – 13;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Notices to the FSA - 14;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Jurisdiction – 16;</p> <p>IPRU(INV) Annex D 9.1 Approved form of long-term subordinated loan agreement – Rights of the FSA – 17;</p> <p>IPRU(INV) Annex D 9.3 Form of deed of termination - Between – (3);</p> <p>IPRU(INV) Annex D 9.3 Form of deed of termination – Whereas;</p> <p>IPRU(INV) Annex D 9.4 Form of deed of variation - Between - 3;</p> <p>IPRU(INV) Annex D 9.4 Form of deed of variation - Whereas;</p> <p>IPRU(INV) Annex D 9.4 Form of deed of variation – It is agreed that – 1;</p> <p>IPRU(INV) Annex D 9.4 Form of deed of variation – the common seal of;</p>
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		<p>IPRU(INV) Annex D 9.5 Form of guarantor undertaking – 1<sup>st</sup> paragraph;</p> <p>IPRU(INV) Annex D 9.5 Form of guarantor undertaking – Whereas (A);</p> <p>IPRU(INV) Annex D 9.5 Form of guarantor undertaking – It is hereby agreed – 1;</p> <p>IPRU(INV) Annex D 9.8 Guidance notes para 2, 4(b), 7, 13, 16,17(b) to (c), 20, 25, 30;</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – introductory paragraph, (1), (5);</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 1. Definitions “<i>Financial Resource Requirement</i>”, “<i>Rules</i>”;</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 4. Repayment of the loan – (2), (3), (4);</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 5. Subordination – (2)(a) to (b), (3), (4);</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 6. Undertakings of borrower;</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 7. Documentation;</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 8. Undertakings of lender – 1<sup>st</sup> paragraph, (6);</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – 9(a) to (b);</p> <p>IPRU(INV) Annex D13.1 form of subordinated loan agreement for personal investment firms – Law [and Jurisdiction] – 10(1) to (2)</p>
FSA	PRA	IPRU(INV) 8.1.8G, 8.1.13G(1) to (2), 8.1.23G, 8.1.24R;

		IPRU(INV) 14.1.2R(2)
<i>FSA Handbook</i>	<i>Handbook</i>	IPRU(INV) Annex D 3.1 Approved Form of Subordinated Loan Agreement Schedule 2 Interpretation “ <i>financial rules</i> ”;  IPRU(INV) Annex D 3.6 Form of approved bank bond (3)(iii);  IPRU(INV) Annex D 3.7 Approved form & undertaking - 1. Definitions “ <i>the financial rules</i> ”;  IPRU(INV) Annex D 9.1 - Schedule 2 Interpretations “ <i>financial rules</i> ”
<i>Part IV</i>	<i>Part 4A</i>	IPRU(INV) Annex A 2.2R

Amend the following provisions as follows.

3-80(6) R *Instruments for which no PRA percentage risk addition has been specified*

*A firm must calculate the PRR for any on or off balance sheet position in a marketable investment for which no PRA percentage risk addition is specified under the PRR rules as an appropriate percentage of the current mark to market value of any position or notional position underlying the contract and must notify the ~~FSA~~-FCA of the terms of the instrument and the proposed PRR treatment.*

...

3-176(2) R ...

Type of security purchased or borrowed	CRR
...	...  The appropriate requirements from 1 <i>plus</i> the market value of the <i>securities</i> or <i>physical commodities</i> multiplied by the appropriate <u>PRA percentage risk addition</u> .

...

**Appendix 1 Glossary of Terms for IPRU(INV) 3**

<i>financial rules</i>	means the financial rules in Chapter 3 of the <i>FSA's FCA's</i> Interim Prudential Sourcebook for Investment Businesses ( <i>IPRU(INV)3</i> );
<i><u>PRA percentage risk addition</u></i>	means <del>percentage risk addition</del> , i.e. a percentage to be applied to the value of positions in investments held by the firm to determine its <i>PRR</i> ;
<i>regulated banking institution</i>	means any banking institution which has paid up share capital and reserves of over £5,000,000 as shown by its latest published audited accounts, and which is authorised <del>by the FSA</del> under the <i>Act</i> or supervised by the central bank or other regulatory authority of a member state of the <i>OECD</i> in which the bank is incorporated;

## Appendix 1 Interpretation

### Glossary of terms for Chapter 5

<i>recognised third country investment firm</i>	<p>means an <i>investment firm</i> which is authorised in a country other than a <i>member state</i> and which is subject to and complies with prudential rules equivalent to the requirements of the <i>Capital Adequacy Directive</i>.</p> <p><b>Note:</b> A <i>recognised third country investment firm</i> is not necessarily a <i>firm</i> for the purposes of the <i>rules</i>.</p> <p><b>Note:</b> A list of the non-EEA regulators which are approved by <del>FSA</del> <i>the FCA or PRA</i> for the purposes of recognising <i>recognised third country investment firms</i> under the <i>Capital Adequacy Directive</i> is available on request from the <del>FSA</del> <i>FCA</i>.</p>
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**Appendix 47 Table 2**

Specific risk ~~PRA~~s *percentage risk additions*

Issuer	<i>Residual maturity</i>	<del>PRA</del> <i>Percentage risk addition</i>
...		

...

**Additional Guidance on the ~~FSA~~'s FCA's Assessment of ACMPs**

**PREAMBLE**

This document is intended as a guide to those areas of Credit Management Policies which the ~~FSA~~ FCA will address when considering their adequacy.

**A DEFINITION OF CREDIT AND THE MEASUREMENT OF CREDIT RISK**

The ~~FSA~~ FCA expects that *firms* have a clear definition of what is considered to be “credit risk” (by whatever name it is known) within the *firm*.

The ~~FSA~~ FCA expects *firms* to consider in depth the measurement of the extent of Credit Risk which is incurred vis a vis any given counterparty. *Firms* should be aware that the extent of credit risk incurred will not necessarily be the same as the nominal value of contracts entered into (“value at risk” concept).

The ~~FSA~~ FCA will expect that *firms* measure and monitor the extent of Credit Risk incurred vis a vis any given counterparty by reference to a system of limits showing the maximum Credit Risk which the *firm* considers it prudent to incur vis a vis that counterparty having regard for the financial strength of the counterparty.

The ~~FSA~~ FCA expects there to be adequate procedures within the *firm* for the recognition of where credit risk may be incurred, for the approval of incurring such risk, and, once incurred, for the monitoring of that risk to ensure the satisfactory recovery of all amounts owed to the *firm* by a counterparty.

**THE DECISION TO GRANT CREDIT**

...

Financial information on proposed counterparty.

In order to ascertain the financial strengths and weaknesses of a proposed counterparty the ~~FSA~~ FCA expects *firms* to revert to financial information, some examples of which are given below.

...

## **THE MONITORING OF CREDIT EXPOSURES**

Once a proposal to grant credit has been approved the ~~FSA~~ FCA will expect that there are adequate procedures in place to ensure the proper monitoring of all credit exposures entered into.

The ~~FSA~~ FCA expects the monitoring function to be separate from and managed independently of those profit centres which may benefit from the incurring of credit risk.

...

The ~~FSA~~ FCA will consider the methods by which this information is communicated e.g. memorandum, manual lists, credit procedures manuals etc.

## **COMPUTER SYSTEMS**

Where use is made of computer systems the ~~FSA~~ FCA will consider the various methods by which the integrity of databases is ensured. These could include

...

Where information is transferred between computer systems e.g. for reporting purposes or to PC based systems the ~~FSA~~ FCA will consider any reconciliations which are performed.

## **REPORTING**

The ~~FSA~~ FCA expects there to be an adequate reporting system for the monitoring of credit exposure. Many *firms* make use of a series of reports, analysing their credit exposure based on a number of different criteria. Examples of the kinds of reports which may be found useful by *firms* are given below.

...

The ~~FSA~~ FCA will give consideration to the frequency of production of reports used in monitoring credit risk.

## **CREDIT RISK MANAGEMENT/CONTROL**

The ~~FSA~~ FCA will expect to be given details of the action taken where monitoring shows that any aspect of credit exposure is not in line with previously agreed parameters.

For example where exposure is in excess of approved limits the ~~FSA~~ FCA will expect to be informed about what action is taken, where payments are not received, how this is followed up. If counterparty's financial standing deteriorates, what action is taken to attempt to mitigate possible credit loss?

## **DOCUMENTATION**

The ~~FSA~~ FCA expects *firms* to have adequate procedures in place to be certain that all transactions which require documentation are documented and that this occurs within an acceptable time frame, and that any transactions which fail to be documented are identified and reported to Senior Management for appropriate action to be taken.

The ~~FSA~~ FCA expects any staff responsible for documentation to be separate from front office/profit centres and have an independent reporting structure. This will ensure that the commercial wish to trade and do business does not cloud the negotiation of effective and binding legal documentation.

...

## **ONGOING REVIEW OF CREDIT RISK**

The ~~FSA~~ FCA expects firms to have in place adequate procedures for the annual (or more frequent) review of credit risk.

...

The ~~FSA~~ FCA will expect a *firm* to be able to explain what action may be taken as the result of review e.g. reduction of credit limit, calling for further collateral etc. Where the review indicates cause for concern.

## **DOCUMENTATION OF CREDIT POLICIES AND PROCEDURES AND CUSTOMER FILES**

The ~~FSA~~ FCA will expect *firms* to consider the manner in which their Credit Policies are documented. Areas for comment could include:

...

## **Appendix 62: Netting**

...

### **CROSS-PRODUCT NETTING**

#### ***Introduction***

The ~~FSA~~ FCA will consider granting rule waivers in order to permit firms to take account of cross-product netting in the calculation of their Counterparty Risk Requirement (CRR) in instances where the ~~FSA~~ FCA regards it appropriate.

The current drafting of the ~~FSA~~'s FCA's Financial Rules for securities and futures firms allows "similar" types of transactions to be netted (where those transactions are covered by a valid netting agreement, with a supporting legal opinion). In practice, similar has been defined as all transactions which fall within a particular CRR Rule treatment. Thus, currently, for the calculation of CRR in relation to exposures to a counterparty which are covered by valid

netting arrangements, a firm would be required to assess, for example, a net exposure for all derivative transactions with that counterparty and a separate net exposure for all repo type transactions with that counterparty.

The ~~FSA~~ FCA will consider granting waivers in accordance with SUP 8, though in general it will expect the following conditions to be met:

1. For the types of transaction which the firm is seeking to net, the firm must have the capability to monitor, and must in practice manage, the resultant exposures on a net basis.
2. All transactions which the firm is seeking to net must be covered by valid netting agreements and supported by legal opinions, in accordance with the requirements of the ~~FSA's~~ FCA's Financial Rules; and
3. Where underlying netting agreements are linked by a master netting agreement, the legal opinion must address the enforceability of the netting arrangements in their entirety;

One factor that the ~~FSA~~ FCA will consider in assessing whether a particular applicant meets these requirements is whether the firm has had the use of its ACMP sanctioned for the purposes of calculating CRR.

Note: Forms 3.1 and 9.1 in Annex D both contain the same Schedule 2, for the parts listed below, thus the below amendments apply to both.

## Schedule 2

### C. Standard Terms

...

#### The Loan or Facility

- 2 (1) ...
- (3) The Lender and the Borrower undertake to provide the ~~FSA~~FCA, immediately upon request, with details in writing of all principal and interest in respect of the Loan or each Advance outstanding for the time being and all payments of any amount made in the period specified by the ~~FSA~~ FCA in the request.

#### Subordination

5 ...

- (4) For the purposes of sub-paragraph (1)(b) above, a report given at any relevant time as to the solvency of the Borrower by its Insolvency Officer, in form and substance acceptable to the ~~FSA~~ FCA, shall in the absence of proven error be treated and accepted by the ~~FSA~~ FCA, the Lender and the Borrower as correct and sufficient evidence of the Borrower's solvency or Insolvency.

...

### Representations and undertakings of Borrower

6 From and after the date of this Agreement (or the Effective Date if earlier), the Borrower shall not without the prior written consent of the ~~FSA~~ FCA

...

- (f) arrange or permit any contract of suretyship (or similar agreement) relating to its liabilities under this Agreement to be entered into, and other than as disclosed in writing to the ~~FSA~~ FCA, the Borrower represents that it has not done so before the date of this Agreement (or the Effective Date if earlier).

### Representations and undertakings of Lender

7 From and after the date of this Agreement (or the Effective Date if earlier), the Lender shall not without the prior written consent of the ~~FSA~~ FCA –

...

- (f) take or enforce any security, guarantee or indemnity from any person for all or any part of the Subordinated Liabilities, and the Lender shall, upon obtaining or enforcing any security, guarantee or indemnity notwithstanding this undertaking, hold the same (and any proceeds thereof) on trust for the Borrower, and other than as disclosed in writing to the ~~FSA~~ FCA the Lender represents that it has not done so before the date of this Agreement (or the Effective Date if earlier).

### Borrower being a partnership

8 Where the Borrower is a partnership –

- (a) this Agreement shall subsist in full force and effect notwithstanding any change which may take place from time to time in the constitution or title of the Borrower by the retirement of the present Partners or any of them or the assumption of new Partners or by a change of name PROVIDED THAT –
  - (i) a retired Partner shall continue to be liable for the payment of all sums due under this Agreement and implementation of all other obligations in this Agreement until the Lender and the remaining Partner(s) shall agree in writing to release a retired Partner from those obligations and the ~~FSA~~ FCA has agreed in writing to the release; and
  - (ii) in the event of a new Partner being assumed as a partner of the Borrower the other Partners shall procure that said assumed Partner shall become bound to the Lender as a party to this Agreement and shall execute such addendum hereto as the Lender and the ~~FSA~~ FCA may consider necessary;

...

### **The ~~FSA~~ FCA and indemnity**

- 10 The ~~FSA~~ FCA shall not, by virtue of having rights under this Agreement, be taken to be a trustee for, or have any obligations to, any person to whom some or all of the Senior Liabilities are owed. Each of the Lender and Borrower shall on demand indemnify the ~~FSA~~ FCA against all claims, losses, costs, expenses and other liabilities made against or incurred by the ~~FSA~~ FCA as a consequence of it having rights, or taking action under this Agreement.

...

### **Amendments**

- 13 Any amendments to this Agreement must be made by the prescribed Deed of Variation and any amendments made or purported to be made without the consent of the ~~FSA~~ FCA shall be void. For the avoidance of doubt, nothing in this paragraph requires the ~~FSA~~ FCA to be a party to this Agreement.

### **Notices to the ~~FSA~~ FCA**

- 14 A notice given to the ~~FSA~~ FCA under this Agreement shall have no effect, and time shall not start to run in connection with that notice, until the ~~FSA~~ FCA has given to the sender written confirmation of its receipt.

...

### **Jurisdiction**

- 16 For the benefit of the ~~FSA~~ FCA solely, each of the Borrower and the Lender irrevocably submits to the jurisdiction of the English Courts and, to the extent that it does not have a place of business within the jurisdiction, appoints the process agent specified in the Variable Terms as agent for receipt of service of process in such courts. Such jurisdiction shall be non-exclusive except to the extent that non-exclusivity prejudices the submission to the jurisdiction.

### **Rights of the ~~FSA~~ FCA**

- 17 Although not a party to the Agreement, the ~~FSA~~ FCA may in its own right enforce a term of the Agreement to the extent that it purports to confer upon the ~~FSA~~ FCA a benefit.

14.1.2 R A *firm* is not subject to *consolidated supervision* under the rules in this Chapter where any of the following conditions are fulfilled:

- (1) the *firm* is included in the supervision on a consolidated basis of the group of which it is a member by a *competent authority* other than the ~~FSA~~ FCA;  
or

- (2) the *firm* is a member of a *UK consolidation group* already included in the supervision on a consolidated basis of the group of which it is a member by the ~~FSA~~FCA or PRA under *BIPRU 8*.

### 3.1 Approved Form of Subordinated Loan Agreement

...

**WHEREAS** the Borrower wishes to use the Loan, or each Advance under the Facility (as those expressions are defined in the Standard Terms) as an eligible capital substitute in accordance with the ~~FSA's~~ FCA's rule [*IPRU(INV)* 3-63] and has fully disclosed to the ~~FSA~~ FCA the circumstances giving rise to the Loan or Facility and the effective subordination of the Loan and each Advance.

#### Schedule 2

#### C. Standard Terms

#### Interpretation

1 (1) ...

“**Financial Rules**” means the rules in *IPRU(INV)* Chapter 3 in the ~~FSA~~ *handbook*;

...

“**the ~~FSA~~ FCA**” means The Financial ~~Services~~ Conduct Authority Limited whose registered office is at 25 The North Colonnade, Canary Wharf, London, E14 5HS; and

(2) Any reference to any rules of the ~~FSA~~ FCA is a reference to them as in force from time to time.

...

#### Repayment

4 ...

(3) (a) Unless the ~~FSA~~ FCA otherwise permits, no repayment or prepayment of the Loan or any Advance may be made, in whole or in part, until five Business Days have elapsed from the ~~FSA~~ FCA confirming in writing to the Borrower receipt of the Borrower's written notice of his intention to do so, except that –

(i) where, immediately after repayment or prepayment, the Borrower's Financial Resources would be less than or equal to 120% of its Financial Resources Requirement, the prior written

approval of the ~~FSA~~ FCA shall be obtained before any repayment or prepayment;

- (ii) any notice under this sub-paragraph or the terms referred to in subparagraph (2) above shall be ineffective if -
  - (aa) the Insolvency of the Borrower commences before the date on which such notice expires; or
  - (bb) the ~~FSA~~-FCA notifies the Borrower orally or in writing of its refusal to consent to such repayment or prepayment by the time such notice period expires.

(b) Payments of interest at a rate not exceeding the rate provided for in paragraph 3 may be made without notice to or consent of the ~~FSA~~ FCA, except that where -

- (i) immediately after payment, the Borrower's Financial Resources would be less than or equal to 120% of its Financial Resources Requirement; or

4 (3) (b) (ii) before payment, the Insolvency of the Borrower commences, no such payment may be made without the prior written approval of the ~~FSA~~-FCA.

(4) If in respect of the Loan or any Advance default is made for a period of –

...

- (b) 14 days or more in the payment of any interest due, the Lender may, at its discretion and after taking such preliminary steps or actions as may be necessary, enforce payment by instituting proceedings for the Insolvency of the Borrower after giving seven Business Day's prior written notice to the ~~FSA~~ FCA of its intention to do so.

...

(6) The Lender may only institute proceedings for the Insolvency of the Borrower to enforce the obligations referred to in (5) above if –

...

- (c) the Lender has given seven Business Days' prior written notice to the ~~FSA~~ FCA of its intention to institute such proceedings.

### 3.2 Form of deed of termination

...

BETWEEN



...

**(3) The Financial Services Conduct Authority Limited** (~~registered in England number 1920623~~) whose registered office is at 25 The North Colonnade, Canary Wharf, London, E14 5HS (“~~the FSA~~ FCA”).

### 3.3 Form of deed of variation

...

BETWEEN

...

**(3) The Financial Services Conduct Authority Limited** (~~registered in England number 1920623~~) whose registered office is at 25 The North Colonnade, Canary Wharf, London, E14 5HS (“~~the FSA~~ FCA”).

### 3.5 Guidance Notes on Completion of Agreements

...

#### D SIGNATURE PAGE

Arrangements for execution post ~~FSA~~ FCA approval

### PRESCRIBED SUBORDINATED LOAN AGREEMENT

...

15. Rights of the ~~FSA~~ FCA

...

#### 9.1 Approved Form of Long-Term Subordinated Loan Agreement

##### Interpretation

1 (1) ...

“**Financial Rules**” means the rules in IPRU(INV) Chapter 9 in the ~~FSA~~ *handbook*;

...

“~~the FSA FCA~~” means The Financial ~~Services~~ Conduct Authority Limited whose registered office is at 25 The North Colonnade, Canary Wharf, London, E14 5HS; and

(2) Any reference to any rules of the ~~FSA FCA~~ is a reference to them as in force from time to time.

...

## Repayment

4

- ...
- (3) (a) Except where the ~~FSA FCA~~ otherwise permits, no repayment or prepayment of the Loan or any Advance may be made, in whole or in part, before the relevant repayment date provided for in paragraph 9 of the Variable Terms.
- (b) At the request of the Borrower, the ~~FSA FCA~~ may permit the early repayment or prepayment of the Loan or any Advance, in whole or in part, only where, immediately after such repayment or prepayment, the Borrower's Financial Resources would be greater than 100% of its Financial Resources Requirement.
- (c) Payments of interest at a rate not exceeding the rate provided for in paragraph 3 may be made without notice to or consent of the ~~FSA FCA~~, except that ~~where -~~
- (i) immediately after payment, the Borrower's Financial Resources would less than or equal to 120% of its Financial Resources Requirement; or
- (ii) before payment, the Insolvency of the Borrower commences, no such payment may be made without the prior written consent of the ~~FSA FCA~~.
- (4) If in respect of the Loan or any Advance default is made for a period of –
- (a) seven days or more in the payment of any principal due, or
- (b) 14 days or more in the payment of any interest due,
- 4 (4) The Lender may, at its discretion and after taking such preliminary steps or actions as may be necessary, enforce payment by instituting proceedings for the Insolvency of the Borrower after giving seven Business Day's prior written notice to the ~~FSA FCA~~ of its intention to do so.

- (5) Subject to (6) below, the Lender may at its discretion, subject as provided in this Agreement, institute proceedings for the Insolvency of the Borrower to enforce any obligation, condition or provision binding on the Borrower under this Agreement (other than any obligation for the payment of principal moneys or interest in respect of the Loan or any Advance) PROVIDED THAT the Borrower shall not by virtue of the institution of any such proceedings for the Insolvency of the Borrower be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.
- (6) The Lender may only institute proceedings for the Insolvency of the Borrower to enforce the obligations referred to in (5) above if -
- (a) a default under those obligations is not remedied to the satisfaction of the Lender within 60 days after notice of such default has been given to the Borrower by the Lender requiring such default to be remedied;
  - (b) the Lender has taken all preliminary steps or actions required to be taken by it prior to the institution of such proceedings; and
  - (c) the Lender has given seven Business Days' prior written notice to the ~~FSA~~ FCA of its intention to institute such proceedings.
- (7) No remedy against the Borrower other than as specifically provided by paragraph 4 shall be available to the Lender whether for the recovery of amounts owing under this Agreement or in respect of any breach by the Borrower of any of its obligations under this Agreement.

### 9.3 FORM OF DEED OF TERMINATION

...

BETWEEN

...

**(3) The Financial Services Conduct Authority Limited** (~~registered in England number 1920623~~) whose registered office is at 25 The North Colonnade, Canary Wharf, London, E14 5HS ("~~the FSA~~ FCA").

### 9.4 FORM OF DEED OF VARIATION

...

BETWEEN

...

**(3) The Financial Services Conduct Authority Limited** (~~registered in England number 1920623~~) whose registered office is at 25 The North Colonnade, Canary Wharf, London, E14 5HS (~~“the FSA FCA”~~).

**Annex 15**

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

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	COBS 20.1.2R(2)(a), 20.2.47R(1)(a), 20.2.47R (2) to (3), 20.2.53 R(1) to (2);  COBS 21.2.8R, 21.2.9G, 21.3.2G(2), 21.3.5R(1)
<i>FSA</i>	<i>FCA</i>	COBS 1 Annex 1 Part 3, paras 4.2G, 6.2G, 6.5G, 7.3G, 7.4G, 8.1G(2), 9.1A 9.1.C;  COBS 2.3.9G, 2.3.11AG;  COBS 3.5.2AR;  COBS 4.1.9 G(3)  COBS 5.2.2R(4), 5.1.11G, 5 Annex 1R(4);  COBS 6.3.3G, 6.3.9G;  COBS 11.2.9G, 11.6.6G, 11.6.7G, 11.6.8G, 11.6.9G, 11.6.17G, 11.8.9G(2), 11.8.10R(2);  COBS 12.2.11G, 12.2.12G, 12.2.13G, 12.4.6R(1)(d), 12.4.14G,  COBS 14.2.1R(8), 14.2.10G(2);  COBS 18.11.2 R(3);  COBS 20.2.1DG, 20.2.28AG(2), 20.2.41AR, 20.2.41BG(1)(a) and (3), 20.2.43G, 20.2.44G, 20.2.45R(1), (2)(a), (f) and (h)(iii), 20.2.52G(3), 20.2.55G, 20.2.57G(2), 20.5.2G(2),

		20.5.4G(1) to (2), 20.5.5R(3) to (4), 20.5.6G(3) and (4), 20.5.7G(1) to (2);  COBS TP 2, rows 2.18G, 2.19G;  COBS Sch 5.2G;
<i>FSA Register</i>	<i>Financial Services Register</i>	COBS 5.2.2R(4), 5 Annex 1R(4);  COBS 7.2.1R(1)(b)
Section 150	Section 138D	COBS 4.2.6R;  COBS Schs 5.1G, 5.2G, 5.4G
<a href="http://www.fsa.gov.uk">www.fsa.gov.uk</a>	[tbc]	COBS 6.3.9G;

Amend the following provision as follows.

2.3.1 R ...

[~~Note: The Committee of European Securities Regulators (CESR)~~  
European Securities and Markets Authority has issued recommendations  
on inducements under MiFID]

...

4.2.3 G ~~Section 397 of the Act creates a criminal offence relating to certain misleading statements and practices. Part 7 (Offences relating to Financial Services) of the Financial Services Act 2012 creates criminal offences relating to certain misleading statements and practices.~~

4.2.4 G A firm should ensure that a financial promotion:

...

(4) that names the ~~FSA~~ FCA, PRA or both as its regulator and refers to matters not regulated by ~~the FSA~~ either the FCA, PRA or both makes clear that those matters are not regulated by the ~~FSA~~ FCA, PRA or either;

4.9.7 R If a financial promotion relates to a life policy with an overseas long-term insurer but does not name the overseas long-term insurer by giving its full name or its business name:

(1) it must include the following prominent statement: “This financial promotion relates to an insurance company, which does not, and is not authorised to, carry on in any part of the United Kingdom the

class of insurance business to which this promotion relates. This means that the management and solvency of the company are not supervised by the ~~Financial Services Authority~~ Financial Conduct Authority or the Prudential Regulation Authority. Holders of policies issued by the company will not have the right to complain to the Financial Ombudsman Service if they have a complaint against the company and will not be protected by the Financial Services Compensation Scheme if the company should become unable to meet its liabilities to them”; and

- (2) if it also refers to other *investments*, it must make this clear.

...

11.2.1 R ...

[**Note:** The Committee of European Securities Regulators (CESR) has issued a Question and Answer paper on best execution under *MiFID*. This paper also incorporates the European Commission's response to CESR's questions regarding the scope of the best execution obligations under *MiFID*. The paper can be found at:  
<http://www.cesr.eu/index.php?docid=4606>  
[http://www.esma.europa.eu/system/files/07\\_320.pdf](http://www.esma.europa.eu/system/files/07_320.pdf)

...

11.6.17 G In assessing the adequacy of prior and periodic disclosures made by an *investment manager* under this section, the ~~FSA~~ FCA will have regard to the extent to which the *investment manager* adopts disclosure standards developed by industry associations such as the ~~Investment Management Association, the National Association of Pension Funds and the London Investment Banking Association~~ Association for Financial Markets in Europe.

...

13.2.2 R A *key features document* and a *key features illustration* must also:

...

- (4) (if it is a *key features document* or a *key features illustration* which does not form an integral part of the *key features document*) include the following statement in a prominent position:

"The ~~Financial Services Authority~~ Financial Conduct Authority is the an independent financial services regulator. It requires us, [provider name], to give you this important information to help you to decide whether our [product name] is right for you. You should read this document carefully so that you understand what you are

buying, and then keep it safe for future reference".

13 Annex  
2

...

R	
1.8	In the case of a <i>stakeholder pension scheme</i> in circumstances where a <i>generic key features illustration</i> is permitted under <i>COBS 13.4.2R</i> , the specimen benefits table, contained within the "Stakeholder pension decision tree" factsheet available on <del>www.moneyadvice.org.uk</del> <a href="http://www.moneyadviceservice.org.uk">www.moneyadviceservice.org.uk</a> and headed "Pension Table...How much should I save towards a pension?" which sets out initial monthly pension amounts, may be used instead of a <i>standardised deterministic projection</i> but only if it is accompanied by an explanation of the caveats and assumptions behind the table.



6 Annex 1G Services and costs disclosure document described in COBS 6.3.7G(1)

*Firms* should omit the notes and square brackets which appear in the following specimen.



about our services and costs [Note 1]



[Note 2]

[Note 3]  
[123 Any Street  
Some Town  
ST21 7QB]

---

**1. The ~~FSA-FCA~~ Financial Conduct Authority (FSA-FCA)**

---

The ~~FSA-FCA~~ is ~~the~~ an independent watchdog that regulates financial services. This document is designed by the ~~FSA-FCA~~ to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

---

**2. Which service will we provide you with? [Note 4] [Note 5]**

---

- Independent advice – We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market. [Note 6]
- Restricted advice – We will advise and make a recommendation for you after we have assessed your needs, but we only offer advice on limited types of products, or products from one company or a limited number of companies. [Note 7].
- No advice – You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

---

**3. What will you have to pay us for our services? [Note 8]**

---

[You will pay for our services on the basis of [insert charging arrangements [Note 9]]. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.[Note 10]]

[non-advised services [Note 11 -13]]

[Advised services [Note 14]]

**The cost of our services** [ Note 15-17]

**Your payment options** [Note 18]

[Settling your adviser charge through a single payment [Free text Note 19]]

[Settling your adviser charge by instalments [Free text Note 20]]

[Paying by instalments through your recommended product [Free text Note 21]]

[Paying through other arrangements [Free text Note 22]]

[Keeping up with your payments [Free text Note 23]]

[Payment for ongoing services [Free text Note 24]]

[Other benefits we may receive [Note 25]]

---

#### **4. Who regulates us?** [Note 26]

---

[ABC Financial Services] [123 Any Street, Some Town, ST21 7QB] [Note 27] [Note 28] is authorised and regulated by [ ] [Note 29] ~~the Financial Services Authority~~. Our ~~FSA Register~~ Financial Services Register number is [ ]. [Note 29]  
Our permitted business is [ ]. [Note 30]

[or] [Note 31]

[Name of *appointed representative* or *tied agent*] [Note 2] is [an appointed representative or a tied agent] of [name of *firm*] [address of *firm*] [Note 27] [Note 28] which is authorised and regulated by [ ] [Note 29] ~~the Financial Services Authority~~. [Name of *firm's*] ~~FSA Register~~ Financial Services Register number is [ ]. [Name of *firm's*] permitted business is [ ] [Note 30] [Name of *appointed representative* or *tied agent*] is regulated in [an EEA state or the United Kingdom]. [Note 29]

You can check this on the ~~FSA Register~~ Financial Services Register by visiting the ~~FSA's~~ FCA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) [web address tbc] or by contacting the ~~FSA~~ FCA on [0845 606 4234 0800 111 6768]. [Note 29]

---

#### **5. Loans and ownership** [Note 31]

---

[[XXX plc] owns [YY]% of our share capital.]

[[XXX plc] provides us with loan finance of [YY] per year.]

[[XXX] (or we) have [YY]% of the voting rights in [ZZZ].] [Note 32][Note 33][Note 34][Note 35]

---

#### **6. What to do if you have a complaint** [Note 26]

---

If you wish to register a complaint, please contact us:

**...in writing** Write to [ABC Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB].

**... by phone** Telephone [0121 100 1234]. [Note 36]

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [Note 37]

---

**7. Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 26]  
[Note 38] [Note 39]**

---

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Most types of investment business are covered up to a maximum of £50,000.

Further information about compensation scheme arrangements is available from the FSCS.

The following notes do not form part of the *services and costs disclosure document*.

**Note 1 – permission to use the keyfacts logo:** the *FSA-FCA* has developed a common keyfacts logo to be used on significant pieces of information directed to *clients*. The keyfacts logo and the text “about our services and costs” may only be used and positioned as shown in the *services and costs disclosure document* (see *COBS 6.3.4R*). The logo may be re-sized and re-coloured. It may only be used if it is reasonably prominent and its proportions are not distorted. A specimen of the keyfacts logo can be obtained from the *FSA-FCA* website [http://www.fsa.gov.uk/pubs/other/keyfacts\\_logo](http://www.fsa.gov.uk/pubs/other/keyfacts_logo) [web address tbc].

**Note 2 –** insert the *firm’s* or *appointed representative’s* or *tiered agent’s* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo or logos may be included. If an individual who is employed or engaged by an *appointed representative* or *tiered agent* provides the information, the individual should not put his or her own name on the *services and costs disclosure document*.

**Note 3 –** insert the address of the head office and/or if appropriate the principal place of business from which the *firm*, *appointed representative* or *tiered agent* expects to conduct business (this can include a *branch*) with *clients*. (An *appointed representative* or *tiered agent* should include its own name and address rather than those of the *authorised firm*.)

**Section 2: Which service will we provide you with?**

**Note 4 –** the *firm* should select, for example by ticking, the box(es) which are appropriate for the service that it expects to provide to the *client*. This needs to be done only in relation to the service the *firm* is offering to a particular *client*. More than one box can be selected if more than one service is being offered to a particular *client*. If more than one box is selected, the *firm* should clearly explain the different nature of the services by adding text to this section, such that the explanation of the services the *firm* offers under this section is fair, clear and not misleading. Do not remove boxes that are not selected.

The *firm* should tick the first box in section 2 if it will be providing *independent advice*.

The *firm* should tick the second box in section 2 if it will be providing *restricted advice*, including *basic advice* (on *stakeholder products*).

The *firm* should tick the third box in section 2 if it will not be providing advice.

**Note 5 –** if the *services and costs disclosure document* is provided by an *appointed representative*

or *tied agent*, the service described should be that offered by the *appointed representative* or *tied agent*.

**Note 6** – if the *firm* selects this box and the *firm* does not consider all *retail investment products*, the *firm* should include an explanation of the types of products it does consider, in a way that meets the *fair, clear and not misleading rule*. For example, if a *firm* only considers ethical and socially responsible investments, this should be explained here.

**Note 7** – if the *firm* selects this box, it will be offering:

- (a) products from a limited number of companies; or
- (b) products of a single company or single group of companies; or
- (c) its own products (e.g. where the *firm* is a *product provider* offering only its own products, or is part of a *product provider* offering only the products sold under that part’s trading name); or
- (d) *basic advice* on *stakeholder products*; or
- (e) limited types of products; or
- (f) limited types of products from a single company or from a limited number of companies.

The *firm* should replace the preceding text with the relevant text as set out below. If the *firm* does not select this box, then no amendments should be made to the preceding text.

(a)	“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We [can] <b>[Note a]</b> only offer products from a limited number of companies. You may ask us for a list of the companies whose products we offer.” <b>[Note b]</b> .
(b)	“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We [can] <b>[Note a]</b> only offer products from [name of provider].” or if the provider has only one product the <i>firm</i> should amend the text to the singular, for example “We [can] <b>[Note a]</b> only offer a pension from [name of provider].”
(c)	“Restricted advice – We only offer our own products. We will advise and make a recommendation for you after we have assessed your needs. You may ask us for a list of the products we offer advice on.” <b>[Note e]</b>
(d)	“Restricted advice – We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances, but we will not conduct a full assessment of your needs or offer advice on whether a non-stakeholder product may be more suitable.” <b>[Note c]:</b> “We [can] <b>[Note a]</b> offer products from a single stakeholder product provider.”; or “We [can] <b>[Note a]</b> offer products from a limited number of stakeholder product providers You may ask us for a list of the companies whose products we offer.” <b>[Note b]</b> ; or “We only offer our own stakeholder products.”
(e)	“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We only offer advice on limited types of

	products. You may ask us for a list of the products we offer.” [Note b]
(f)	“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We offer advice on limited types of products (which we offer from [a single company] [from a limited number of companies] [Note d]). You may ask us for a list of the companies and products we offer advice on.” [Note b]

[Note a] – insert “can” if the *firm’s* range of products is determined by any contractual obligation.

[Note b] – the list of products will be the range of *retail investment products* that is appropriate having regard to the services that the *firm* is providing, or may provide, to the *client*. For services provided in relation to non-investment insurance contracts, this is the list required by *ICOB*S 4.1.6R(2).

[Note c] – the *firm* should insert one of the three statements, whichever is relevant.

[Note d] – the *firm* should select this option if it does not only offer its own products. The *firm* should insert one of the two statements, whichever is relevant.

[Note e] – the *firm* should only select this option if it only offers its own products.

#### Section 4: What will you have to pay us for our services?

**Note 8** – in this section, the *firm* should outline how it intends to charge its *clients* for the services provided. If the *firm* is not intending to provide a *personal recommendation* it should refer to the notes under “Non-advised services” below. If the *firm* is intending to provide a *personal recommendation*, it should refer to the notes under “Advised services”. If the *firm* is providing both a *personal recommendation* and “non-advised” services, the *firm* should set out the charging arrangements for the non-advised and advised services separately, and make clear which charging arrangements apply to which service using appropriate sub-headings.

**Note 9** – a *firm* should disclose all of the charging arrangements it offers its *clients*, from the alternatives of *adviser charge, fee, commission* or a combination.

**Note 10** – if applicable, a *firm* should disclose to the *client* the possibility that other costs including taxes (for example VAT), related to transactions in connection with the *packaged product* and that are not paid via the *firm* or imposed by it, may arise for the *client*.

#### Notes for non-advised services

**Note 11** – any reference in this section to “*commission*” means *commission* and *commission equivalent*.

**Note 12** – a *firm* that is not proposing to give *personal recommendations* on *packaged products* can amend this section accordingly. The *firm* need not provide information regarding payment options but should provide at this section at least a statement explaining that the *client* will be told how much the *firm* will be paid before the *firm* carries out any business for the *client* and honour that undertaking. For example, “We will tell you how we get paid and the amount before we carry out any business for you.” If a *firm* chooses to provide the *client* with the total price in this section and any part of that price is to be paid in or represents an amount of foreign currency, the *firm* should provide an indication of the currency and the applicable currency conversion rates and costs.

**Note 13** – in order to comply with *COBS* 2.3.1R as qualified by 2.3.2R, *firms* receiving non-monetary benefits may wish to disclose those benefits in summary form here, under the heading “**Other benefits we may receive**”. If a *firm* does so, it should provide the undertaking described in *COBS* 2.3.2R(1) (to provide further details on request) in writing, in this section and honour that undertaking. However, it is not the purpose of this section to provide significant or extensive explanation of non-monetary benefits such that it distracts from the wider purpose of the document.

*For example*

“We sell a range of products from a variety of firms; some of these firms provide us with annual training, which allows us to offer you a better service. This year we expect to receive in total [XX] hours worth of training from XYZ, ABC and DEF firms, predominantly from ABC. Some of the cost of this training may be passed to you as part of the total charges you pay should you choose a product provided by XYZ, ABC or DEF. Further information regarding these arrangements is available on request.”

### **Notes for advised services**

**Note 14** – *firms* proposing to provide a *personal recommendation on packaged products* should use the following notes to provide information to the *client* on the *firm*’s charging structure and the *client*’s payment options.

**Note 15** – a *firm* should include here its charging structure, outlining as closely as possible the services that it offers and the charge for each service. The *firm* should ensure that this is presented in clear and plain language and, as far as practicable, uses cash terms.

**Note 16** – the charging structure should be expressed in pounds sterling or, where relevant, another appropriate currency. Where a *firm*’s charging structure is in non-cash terms, examples in cash terms should be used to illustrate how the charging structure will be applied in practice. Where a *firm* uses hourly rates in its charging structure, it should state whether the rates are actual or indicative and provide an approximate indication of the number of hours a particular service may take. If a *firm* chooses to provide the *client* with the total *adviser charge* in this section and any part of that *adviser charge* is to be paid in or represents an amount of foreign currency, the *firm* should provide an indication of the currency and the applicable currency conversion rates and costs.

*For example*

Our charging structure

Service	Initial charge	Ongoing charge for twice yearly reviews
Review of your pension arrangements (pre-retirement)	Charged at £100 per hour (exc. VAT) - approx. 4-6 hours	
Advice on what to do with your pension fund (at retirement)	Charged at £130 per hour (exc. VAT) - approx. 2-3 hours	
Where to put your savings (for those with up to £25,000 to invest)	3% of your investment, if you go ahead with our recommendations	Service available on request for 0.5% of your investment per year

**Note 17** – where a *firm* provides an ongoing service, it should disclose the ongoing service that will be offered and that there will be an *adviser charge* for that service. The *firm* can also include in this section additional information the *client* would receive before the provision of the *personal recommendation* or related services.

*For example*

“There will be an additional charge for any ongoing work, such as periodic or ongoing reviews, we carry out on your behalf. We will confirm the rate, frequency and length of this ongoing service before beginning any ongoing service.”

**Note 18** – a *firm* must use the headings (i) “Your payment options” and (ii) the following sub-headings as applicable: “Settling your adviser charge in a single payment” and/or “Settling your adviser charge by instalments”. A *firm* should outline the payment options offered to *clients* and any restrictions on these payment options. In addition, a *firm* should provide an explanation relating to each option offered in clear and plain language.

**Note 19** – **Additional text to be included under the heading “Settling your adviser charge in a single payment”**

The text for describing how the *client* can settle the *adviser charge* through a single payment is not prescribed, but should be clear and in plain language. This could commence with an explanation of

the arrangements relating to the single payment of the *adviser charge*, including any specific provision as to the circumstances when an *adviser charge* will be payable (including where relevant, payment of any “non-contingent” *adviser charge* (i.e. where the *client* will be charged even if they do not purchase a product)), the type of payments accepted by the *firm* and the timing for the payment of the *adviser charge*. For example:

“Whether you buy a product or not, you will pay us an adviser charge for our advice and services, which will become payable on completion of our work.”

“You will be required to settle the payment of your adviser charge on completion of our work in [insert number of days] days. We accept cheque or card payments. We do/do not accept payment by cash. You will be provided with a receipt upon payment.”

**Note 20 – Additional text to be included under the heading “Settling your adviser charge by instalments”**

This text should be included where a *firm* is offering payment of its *adviser charge* by instalments and no ongoing service is provided. *Firms* should make it clear that the option to pay by instalment does not relate to an ongoing service. A *firm* which offers the payment of an *adviser charge* over a period of time for ongoing services should use the text in **Note 24** below.

A *firm* should note that the option for *clients* to pay their *adviser charge* by instalments is only permitted where regular premium products are recommended (see COBS 6.1.A.21R). If a *firm* offers the option to pay the *adviser charge* by instalments, the *firm* must use the headings (i) “Settling your adviser charge by instalments” and (ii) the following sub-headings as applicable: “Paying by instalments through your recommended product” and/or “Paying by other arrangements”.

The text for describing the option to pay for the *adviser charge* by instalments is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of the *adviser charge* over time.

**Note 21 – Additional text to be included under the heading “Paying by instalments through your recommended product”**

A *firm* which offers the *client* the option to have the *adviser charge* facilitated through a *retail investment product* should include this heading. The text for describing a *client’s* option to pay by instalment through the recommended *retail investment product* is not prescribed, but should be clear and in plain language. This could commence with an explanation of the arrangements including any specific provision as to the circumstances when this option is permitted/not permitted and the frequency and period over which this arrangement will operate. A *firm* could consider the use of graphical representations to ensure that the *client* understands what they are paying for, how much they are required to pay and how frequently.

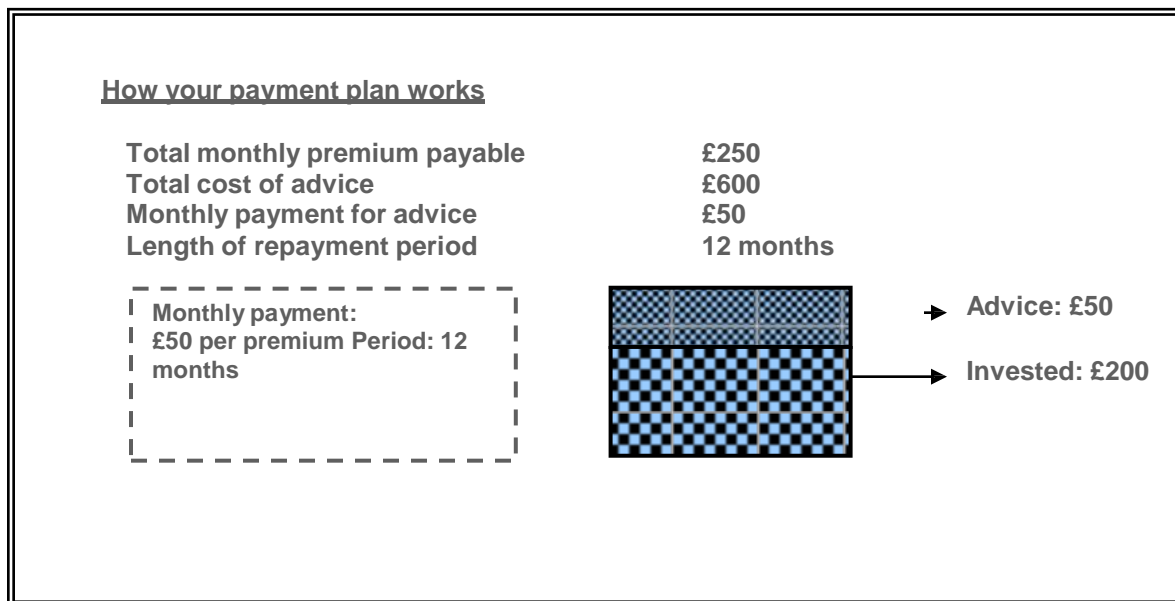
*For example*

“If you buy a financial product, you can choose to have your adviser charge deducted from the product through instalments. Although you pay nothing to us up front, that does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your



product. These deductions will pay towards settling the adviser charge. These deductions could reduce the amount left for investment.”

and



with the following text:

“You have chosen to pay for the advice you have received today through instalments. These instalments will be deducted from the premium you pay each month and allocated towards settling the adviser charge. For example, the total cost of advice is £600. You have been recommended a regular premium product of which £250 will be paid each month. £50 will be taken from this amount to pay off your adviser charge over 12 months. The remaining £200 will be invested during this time. At the end of this period the adviser charge would have been settled in full. From month 13 the full £250 will be invested.”

**Note 22 – Additional text to be included under the heading “Paying through other arrangements”**

Where a *firm* is offering the option to pay its *adviser charge* by instalments through arrangements other than facilitating payment through the recommended *retail investment product*, it must use the heading “Paying through other arrangements”. The text for describing the *client’s* option to pay through other arrangements is not prescribed, but should be in clear and plain language. This could commence with an explanation of the option to pay through other arrangements and how this could work in practice.

**Note 23 – Keeping up with your payments**

This text is not prescribed, but a *firm* must include the heading “Keeping up with your payments” if

it is offering the *client* the option to pay by instalments. In this section the *firm* should outline the implications for the *client* if they fail to keep up with their payments before the *adviser charge* has been paid, including if its recommended product is cancelled before the *adviser charge* is paid.

#### **Note 24 – Payment for ongoing services**

If a *firm* provides an ongoing service to the *client* for which there is an *adviser charge* payable over a period of time, the *firm* must include the heading “Payment for ongoing services”. The text for describing how the *client* pays for ongoing service is not prescribed but should be in clear and plain language and should also include the nature of the service to be provided.

##### *For example*

“We have a range of ongoing services we can provide to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances. The frequency of the charge will depend on the service you choose and is usually made by direct debit on the 1<sup>st</sup> of every month. Ask you adviser for more details.”

“We offer an ongoing service where we review your account every 3 months and inform you of new recommendations or changes that may be relevant to your circumstances. This service is provided at a charge of [insert charge here] per month and can be either deducted from your investment or paid by direct debit. This service can be cancelled at any time. Please ask your adviser for more details.”

**Note 25** – in order to comply with *COBS* 2.3.1R as qualified by 2.3.2R, a *firm* receiving a benefit, in relation to the facilitation of the payment of an *adviser charge* may wish to disclose those benefits in summary form here, under the heading “**Other benefits we may receive**”. If a *firm* does so, it should provide the undertaking described in *COBS* 2.3.2R(1) (to provide further details on request) in writing, in this section and honour that undertaking.

##### *For example*

“ABC firm provides us with a specialised software CD-ROM and accompanying [XX] hours worth of training per annum. We use this software in processing your details when you apply for an investment product and wish to facilitate the payment of the adviser charge through deductions from your investment. Some of the cost of this software may be passed on to you as part of the total charges you pay ABC firm. Further information regarding this arrangement is available on request.”

#### **Section 5: Who regulates us?**

**Note 26** – the *firm* may omit this section for services relating to *packaged products* if the *firm* has, on first contact with the *client*, provided the *client* with its *client* agreement which contains that information. If this section is omitted, the other sections of the *services and costs disclosure document* should be renumbered accordingly.

**Note 27** – if the *firm*’s address on the *FSA Register* *Financial Services Register* differs

from that given on the *services and costs disclosure document* under Note 3, the address on the ~~FSA Register~~ *Financial Services Register* should be given in this section. If the address is the same as that given under Note 3 it should be repeated in this section.

**Note 28** – where the *authorised firm* trades under a different name from that under which it is *authorised*, it should include the name under which it is *authorised* and listed in the ~~FSA Register~~ *Financial Services Register*. It may also include its trading name(s) if it wishes.

**Note 29** – ~~an incoming EEA firm will need to modify this section if it chooses to use the services and costs disclosure document (see GEN 4 Annex 1R(2)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section. A UK domestic firm (or an overseas firm) will need to use the appropriate wording to describe its regulator(s) as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An appointed representative will also need to use the appropriate wording for appointed representatives as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An EEA incoming firm will also need to modify this section if it chooses to use the services and costs disclosure document (see GEN 4 Annex 1R(2) or (3), or GEN 4 Annex 1AR (3) or (4)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section.~~

**Note 30** – insert a short, plain language description of the business for which the *firm* has a *permission* which relates to the service it is providing.

**Note 31** – where the information is provided by an *appointed representative* or *tied agent*, the *appointed representative* or *tied agent* should use this text instead. The *appointed representative* or *tied agent* should give details of the *authorised firm(s)* that is its *principal(s)* for each type of service that it is providing to a particular *client*.

## Section 6: Loans and ownership

**Note 32** – omit this section where there are no relevant loan or ownership arrangements under the following notes. If this section is omitted the other sections of the *services and costs disclosure document* should be renumbered accordingly. Where the information is provided by an *appointed representative* or *tied agent*, it should cover loans made to or by that *appointed representative* or *tied agent*, or holdings in or held by that *appointed representative* or *tied agent*, as appropriate.

**Note 33** – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of the *firm* which is held by a provider or *operator* of a *packaged product* or by the parent of the provider or *operator*.

**Note 34** – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of a provider or *operator* of a *packaged product* which is held by the *firm*.

**Note 35** – insert, in the *firm's* own words, a short description of any *credit* provided to

the *firm* by a *product provider* (other than *commission* due to the *firm* in accordance with an indemnity claw-back arrangement) or by any *undertaking* in the *immediate group* of the *product provider* where the amount of the *credit* exceeds 10 per cent of the share and loan capital of the *firm*.

### **Section 7: What to do if you have a complaint**

**Note 36** – if different to the address in Note 3, give the address and telephone number which is to be used by *clients* wishing to complain.

**Note 37** – if the *firm* is carrying on an activity from an establishment which is outside the *United*

*Kingdom* it should make clear that the *Financial Ombudsman Service* will not be available. The *firm* may refer to any similar complaints scheme that may be applicable.

### **Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?**

**Note 38** – when an *incoming EEA firm* provides the *services and costs disclosure document*, it should modify this section as appropriate.

**Note 39** – when a *firm* which is not a *participant firm* provides the *services and costs disclosure document*, it should answer this question „No“ and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained.

6 Annex 2 Combined initial disclosure document described in COBS 6.3,  
ICOBS 4.5, MCOB 4.4.1R(1) and MCOB 4.10.2R(1)



about our services and costs

1]



[Note 2]

[Note 3]

[123 Any Street  
Some Town  
ST21 7QB]

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1 ~~The Financial Services Authority~~ Financial Conduct Authority (FSA-FCA)

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The ~~FSA-FCA~~ is ~~the~~ an independent watchdog that regulates financial services. This document is designed by the ~~FSA-FCA~~ to be given to consumers considering buying certain financial products. You need to read this important document. It explains the service you are being offered and how you will pay for it.

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2 Whose products do we offer? [Note 4][Note 6]

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### Investment

Please refer to section 3 of this document

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### Insurance

- We offer products from a range of insurers [for] [list the types of *non-investment insurance contracts*].
  
- We [can] [Note 7] only offer products from a limited number of insurers [for] [list the types of *non-investment insurance contracts*].  
Ask us for a list of the insurers we offer insurance from. [Note 15]
  
- We [can] [Note 7] only offer [a] product[s] from [a single insurer] [name of single *insurance undertaking*] [for] [list the types of *non-investment insurance contracts*].

**[Note 10] [Note 11(1)] [Note 16]**

[or] **[Note 11(2)]**

We only offer our own products for [list the types of *non-investment insurance contracts*].

**Home Finance Products [Note 13]**

**[Compliance with Islamic law [Note 18]**

Our services are regularly checked by [name(s) of scholar(s)] to ensure compliance with Islamic law. Ask us if you want further information about the role of our scholar(s).]

**[1] [Lifetime] [Mortgages] [Equity Release Products] [and home reversion schemes] [Note 13]**

We offer [lifetime] [mortgages] [home reversion plans] [equity release products] from the whole market.

We [can] **[Note 7]** only offer [lifetime] [mortgages] [home reversion plans] [equity release products] from a limited number of [lenders / companies].

Ask us for a list of the [lenders / companies] we offer [lifetime] [mortgages] [home reversion plans] [equity release products] from. **[Note 14]**

We [can] **[Note 7]** only offer [a limited range of the] [a] [lifetime] [mortgage] [s] [home reversion plan] [s] [equity release products] from [a single lender / company] [name of single lender / company]. **[Note 11(1) and (3)][Note 16]**

[or]

We only offer our own [lifetime] [mortgages] [home reversions plan] [equity release products]. **[Note 11(2)]**

We do not offer [lifetime mortgages] [home reversion plans]. **[Note 12]**

**[2] [Islamic Home Purchase Plans] [Note 19] [Note 13]**

- We offer Islamic home purchase plans from the whole market.
- We [can] [Note 7] only offer Islamic home purchase plans from a limited number of providers.  
Ask us for a list of the providers we offer Islamic home purchase plans from. [Note 14]
- We [can] [Note 7] only offer [a limited range of the] [a] Islamic home purchase plan [s] from [a single provider] [name of single provider]. [Note 11(1) and (3)][Note 16]  
[or]  
We only offer our own Islamic home purchase plans. [Note 11(2)]

---

**3 Which service will we provide you with? [Note 4][Note 6]**

---

**Investment**

- Independent advice – We will advise and make a recommendation for you after we have assessed your needs. Our recommendation will be based on a comprehensive and fair analysis of the market. [Note A]
- Restricted advice – We will advise and make a recommendation for you after we have assessed your needs, but we only offer advice on limited types of products, or products from one company or a limited number of companies. [Note B]
- No advice - You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

**Insurance**

- We will advise and make a recommendation for you after we have assessed your needs [for] [list the types of *non-investment insurance contracts*].

- You will not receive advice or a recommendation from us [for] [list the types of *non-investment insurance contracts*]. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

**[Home Finance Products] [Note 13]**

**[1] [Mortgages] [Equity Release Products] [Note 13]**

- We will advise and make a recommendation for you on [lifetime mortgages] [home reversions] [equity release products] after we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of [lifetime mortgages] [home reversions] [equity release products] that we will provide details on. You will then need to make your own choice about how to proceed.

**[2] [Islamic Home Purchase Plans] [Note 13]**

- We will advise and make a recommendation for you after we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

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**4 What will you have to pay us for our services? [Note 20A]**

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**Investment**

[You will pay for our services on the basis of [insert charging arrangements **[Note 20B]**]. We will discuss your payment options with you and answer any questions you have. We will not charge you until we have agreed with you how we are to be paid.[**Note 20C**]

[non-advised services **[Note 21 -23 ]**]

[Advised services **[Note 24]**]



**The cost of our services [Note 25-27]**

**Your payment options [Note 28A]**

**[Settling your adviser charge through a single payment [Free text Note 28B]]**

**[Settling your adviser charge by instalments [Free text Note 28C]]**

**[Paying by instalments through your recommended product [Free text Note 28D]]**

**[Paying through other arrangements [Free text Note 28E]]**

**[Keeping up with your payments [Free text Note 29]]**

**[Payment for ongoing services [Free text Note 30]]**

**[Other benefits we may receive [Note 31]]**

**Insurance [Note 32]**

A fee [of £ [ ] ] [for] [list the types of services provided for *non-investment insurance contracts*].

No fee [for] [list the types of services provided for *non-investment insurance contracts*].

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

**[Home Finance Products] [Note 13]**

**[1] [Mortgages] [Equity Release Products] [Note 13]**

No fee. [We will be paid by commission from the [lender/company that buys your home].] **[Note 33]**

A fee of £[ ] payable at the outset and £[ ] payable when you apply for a [lifetime] [mortgage] [home reversion plan] [equity release product]. [We will also be paid commission from the [lender/company that buys your home.]]. **[Note 33] [Note 34]**

You will receive a *key facts illustration* when considering a particular [lifetime] [mortgage] [home reversion plan] [equity release product], which will tell you about any fees relating to it. **[Note 13]**

**Refund of fees [Note 32] [Note 13]**

If we charge you a fee, and your [lifetime] [mortgage] [home reversion plan] does not go ahead, you will receive: **[Note 35]**

- A full refund [if the [lender/company] rejects your application]. **[Note 36]**
- A refund of £ [ ] [if your application falls through]. **[Note 36] [Note 37] [Note 38]**
- No refund [if you decide not to proceed]. **[Note 36]**

**[2] [Islamic Home Purchase Plans] [Note 13]**

- No fee. [We will be paid by commission from the provider.] **[Note 33]**
- A fee of £[ ] payable at the outset and £[ ] payable when you apply for an Islamic home purchase plan. [We will also be paid commission from the provider]. **[Note 18]**

**Refund of fees [Note 35]**

If we charge you a fee, and your Islamic home purchase plan does not go ahead, you will receive: **[Note 32]**

- A full refund [if the provider] rejects your application]. **[Note 36]**
- A refund of £ [ ] [if your application falls through]. **[Note 36] [Note 37] [Note 38]**
- No refund [if you decide not to proceed]. **[Note 36]**

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**5 Who regulates us? [Note 39]**

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[ABC Financial Services] [123 Any Street, Some Town, ST21 7QB] **[Note 40] [Note 41]** is authorised and regulated by [ ] **[Note 42]** ~~the Financial Services Authority.~~ Our ~~FSA Register~~ Financial Services Register number is [ ]. **[Note 42]**

Our permitted business is [ ]. **[Note 43]**

[or] **[Note 44]**

[Name of *appointed representative or tied agent*] **[Note 2]** is [an appointed representative or a tied agent] of [name of *firm*] [address of *firm*] **[Note 40] [Note 41]**

which is authorised and regulated by [ ] **[Note 42]** ~~the Financial Services Authority~~. [Name of *firm*'s] ~~FSA Register~~ Financial Services Register number is [ ].

[Name of *firm*'s] permitted business is [ ] **[Note 43]** [Name of *appointed representative or tied agent*] is regulated in [an EEA state or the United Kingdom] **[Note 42]**

You can check this on the ~~FSA Register~~ Financial Services Register by visiting the ~~FSA's~~ FCA's website [www.fsa.gov.uk/register/home.do](http://www.fsa.gov.uk/register/home.do) or by contacting the ~~FSA~~ FCA on [0845 606 1234 0800 111 6768]. **[Note 42]**

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## 6 Loans and ownership **[Note 45]**

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[ [XXX plc] owns [YY]% of our share capital]

[[XXX plc] provides us with loan finance of £[YY] per year.]

[[XXX] (or we) have [YY]% of the voting rights in [ZZZ].] **[Note 45][Note 46]**  
**[Note 47][Note 48][Note 49][Note 50]**

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## 7 What to do if you have a complaint **[Note 39]**

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If you wish to register a complaint, please contact us:

**...in writing** Write to [ABC Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB].

**... by phone** Telephone [0121 100 1234]. **[Note 51]**

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. **[Note 52] [Note 53] [Note 54]**

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## 8 Are we covered by the Financial Services Compensation Scheme (FSCS)? **[Note 39] [Note 55] [Note 56]**

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We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

### **Investment**

Most types of investment business are covered up to a maximum limit of £50,000.

### **Insurance**

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

[or] [Note 57] [Note 58]

For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

**[Mortgages] [and] [and Home Purchase Plans] [Equity Release Products] [Note 13]**

[Mortgage], [and] [Home purchase] [and] [Equity release] advising and arranging is covered up to a maximum limit of £50,000.

Further information about compensation scheme arrangements is available from the FSCS.

**[Note 59] Message from the ~~Financial Services Authority~~ Financial Conduct Authority**

**Think carefully about this information before deciding whether you want to go ahead.**

**If you are at all unsure about which equity release product is right for you, you should ask your adviser to make a recommendation.**

**[Note 60] Think carefully about the product and services you need. [We can only offer services in relation to Islamic home purchase plans and cannot provide advice on standard mortgages.] [If you want [information][ or ][advice] on standard mortgages, please ask.]**

The following notes do not form part of the *combined initial disclosure document*.

**Note 1 – permission to use the keyfacts logo:** the ~~Financial Services Authority~~ Financial Conduct Authority has developed a common keyfacts logo to be used on significant pieces of information directed to *clients*. The keyfacts logo and the text ‘about our services and costs’ may only

be used and positioned as shown in the *combined initial disclosure document* (see COBS 6.3.4R). The logo may be re-sized and re-coloured. It may only be used if it is reasonably prominent and its proportions are not distorted. A specimen of the keyfacts logo can be obtained from the *FSA FCA* website [http://www.fsa.gov.uk/pubs/other/keyfacts\\_logo](http://www.fsa.gov.uk/pubs/other/keyfacts_logo) [web address tbc]

**Note 2** – insert the *firm's*, *appointed representative's* or *tied agent's* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo or logos may be included. If an individual who is employed or engaged by an *appointed representative* or *tied agent* provides the information, the individual should not put his or her own name on the *combined initial disclosure document*.

**Note 3** – insert the head office and/or if appropriate the principal place of business from which the *firm*, *appointed representative* or *tied agent* expects to conduct business (this can include a *branch*) with *clients*. (An *appointed representative* or *tied agent* should not include the name and address of the *authorised firm* instead of its own.)

## **Section 2: Whose products do we offer? And Section 3: Which services will we provide you with?**

**Note 4** – a *firm* should describe the services that it expects to provide to the particular *client*. For services in relation to:

- *investments* – the *firm* should select, for example by ticking, the box(es) which are appropriate for the service that it expects to provide to the *client*. This needs to be done only in relation to the service the *firm* is offering to a particular *client*. More than one box can be selected if more than one service is being offered to a particular *client*. If more than one box is selected, the *firm* should clearly explain the different nature of the services by adding text to this section, such that the explanation of the services the *firm* offers under this section is fair, clear and not misleading. Do not remove boxes that are not selected.

The *firm* should tick the first box in section 2 if it will be providing *independent advice*.

The *firm* should tick the second box in section 2 if it will be providing *restricted advice*, including *basic advice* (on *stakeholder products*).

- the *firm* should tick the third box in section 2 if it will not be providing advice
- *non-investment insurance contracts* – the *firm* should select more than one box if the scope of the service or the type of service it provides varies by type of contract (e.g. if it deals with a single *insurance undertaking* for motor insurance and a range of *insurance undertakings* for household insurance). If more than one box is selected, the *firm* should specify which box relates to which type of *non-investment insurance contract*, by adding text to the *combined initial disclosure document*. *Firms* should not omit the boxes not selected.
- *equity release transactions* – the *firm* should select a maximum of two boxes within this section. *Firms* should not omit the boxes not selected.

**Note 6** – if the *combined initial disclosure document* is provided by an *appointed representative* or *tied agent*, the service described should be that offered by the *appointed representative* or *tied agent*.

**Note 7** – insert “can” if the *firm*’s range of products is determined by any contractual obligation. This does not apply where a *product provider, insurer, lender, home purchase provider or home reversion provider* is selling its own products.

**Note A** – if the *firm* selects this box and the *firm* does not consider all *retail investment products*, the *firm* should include an explanation of the types of products it does consider, in a way that meets the *fair, clear and not misleading rule*. For example, if a *firm* only considers ethical and socially responsible investments, this should be explained here.

**Note B**– if the *firm* selects this box, it will be offering:

- a) products from a limited number of companies; or
- b) products of a single company or single group of companies; or
- c) its own products (e.g. where the *firm* is a *product provider* offering only its own products, or is part of a *product provider* offering only the products sold under that part’s trading name); or
- d) *basic advice on stakeholder products*; or
- e) limited types of products; or
- f) limited types of products from a single company or from a limited number of companies.

The *firm* should replace the preceding text with the relevant text as set out below. If the *firm* does not select this box, then no amendments should be made to the preceding text.

(a)	“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We [can] [ <b>Note a</b> ] only offer products from a limited number of companies. You may ask us for a list of the companies whose products we offer.” [ <b>Note b</b> ].
(b)	“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We [can] [ <b>Note a</b> ] only offer products from [name of provider].”  or if the provider has only one product the <i>firm</i> should amend the text to the singular, for example “We [can] [ <b>Note a</b> ] only offer a pension from [name of provider].”
(c)	“Restricted advice – We only offer our own products. We will advise and make a recommendation for you after we have assessed your needs.” You may ask us for a list of the products we offer advice on.” [ <b>Note e</b> ]
(d)	“Restricted advice – We will provide basic advice on a limited range of stakeholder products and in order to do this we will ask some questions about your income, savings and other circumstances, but we will not conduct a full assessment of your needs or offer advice on whether a non-stakeholder

	<p>product may be more suitable.”</p> <p><b>[Note c]:</b></p> <p>“We [can] <b>[Note a]</b> offer products from a single stakeholder product provider.”; or</p> <p>“We [can] <b>[Note a]</b> offer products from a limited number of stakeholder product providers You may ask us for a list of the companies whose products we offer.” <b>[Note b]</b>; or</p> <p>“We only offer our own stakeholder products.”</p>
(e)	<p>“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We only offer advice on limited types of products. You may ask us for a list of the products we offer.” <b>[Note b]</b></p>
(f)	<p>“Restricted advice – We will advise and make a recommendation for you after we have assessed your needs. We offer advice on limited types of products (which we offer from [a single company] [from a limited number of companies] <b>[Note d]</b>). You may ask us for a list of the companies and products we offer advice on.” <b>[Note b]</b></p>

[Note a] – insert “can” if the *firm*’s range of products is determined by any contractual obligation.

[Note b] – the list of products will be the range of *retail investment products* that is appropriate having regard to the services that the firm is providing, or may provide, to the *client*. For services provided in relation to non-investment insurance contracts, this is the list required by *ICOBS* 4.1.6R(2).

[Note c] – the *firm* should insert one of the three statements, whichever is relevant.

[Note d] – the *firm* should select this option if it does not only offer its own products. The firm should insert one of the two statements, whichever is relevant.

[Note e] – the *firm* should only select this option if it only offers its own products.

**Note 10** – if the *insurance intermediary* or *insurer* deals with a different *insurance undertaking* for different types of *non-investment insurance contracts*, it should identify all the *insurance undertakings* and specify the type of contract to which they relate on the *combined initial disclosure document*. This only needs to be done in relation to the service it is offering a particular *client*. For example, “we can only offer products from ABC Insurance for motor insurance and ABC Insurance for household insurance”.

**Note 11** – if the *firm* selects this box, it will be offering the products of one provider for a particular product type. It should therefore follow the format specified in (1) below except when offering its own products, in which case it should follow (2) instead. In the case of *non-investment insurance contracts*, where the *firm* is providing a service in relation to different types of insurance, this box covers the situation where it is offering a particular type of insurance from a single *insurance undertaking*.

- (1) Insert the name of the provider, namely the *product provider* for *packaged products*, the *insurance undertaking(s)* for *non-investment insurance contracts*, the

*lender* for *regulated mortgage contracts* and *regulated lifetime mortgage contracts* and the *home reversion provider* for *home reversion plans*. For example: “We can only offer products from [name of *product provider*]”. For *non-investment insurance contracts* the type of insurance offered should also be included. For example: “We only offer ABC’s household insurance and ABC’s motor insurance.” If the provider has only one product, the *firm* should amend the text to the singular – for example: “We can only offer a mortgage from [name of *lender*]”. If the *firm* does not offer all of the *home finance transactions* generally available from that provider, it should insert the words “a limited range of” as shown in the specimen.

- (2) If the *firm* is a *product provider* offering only its own products, or is part of a *product provider* offering only the products sold under that part’s trading name, it should use this alternative text.
- (3) If the *firm* offers *home reversion plans* from only one *reversion provider*, and *lifetime mortgages* from only one *lender*, which is different from the *reversion provider*, then the *firm* should identify the *lender* and the *reversion provider* and specify the type of *equity release transaction* to which they relate. For example, “We can only offer lifetime mortgages from ABC Mortgages Ltd and home reversion plans from ABC Reversions Ltd.”

**Note 12** – if the *firm* does not give *personal recommendations* advise or give personalised information on both types of *equity release transactions*, then it should indicate to the *client* the sector that the *firm* does not cover. However, if the *firm*’s scope of service does not include *equity release transactions*, the last box (“We do not offer [lifetime mortgages] [home reversion plans]”), should be omitted.

**Note 13** – in describing the services and products provided, *firms* should omit the text in brackets that do not apply and ensure that they describe accurately their activities with respect of the services and products that they offer, as follows:

- (1) Headings and sub-headings:
  - a. If the *firm* offers both *regulated mortgage contracts* and *home purchase plans*, it should include the heading “Home Finance Products” in the *combined initial disclosure document* and describe the *regulated mortgage contracts* and *home purchase plans* that it offers under two separate sub-headings. The sub-headings (“Mortgages” and “Home Purchase Plans”) should be numbered accordingly. If the *firm* only offers one of these two products, then the heading “Home Finance Products” should be omitted and the heading will read “Mortgages” or “Home Purchase Plans”, as appropriate.
  - b. If the *firm* offers *equity release transactions*, then the heading “Home Finance Products” should be omitted and the heading will read “Equity Release



Products” (even if the *firm* offers *equity release transactions* from only one sector).

(2) Describing the products:

- a. If a *firm* gives *personal recommendations* or gives personalised information on lifetime mortgages, it should change “mortgage” to “lifetime mortgage”
- b. If a *firm* gives *personal recommendations* or gives personalised information on home reversion plans, it should use the text in brackets relating to home reversion plans.
- c. If the *firm* gives *personal recommendations* or gives personalised information on products from both equity release market sectors, then it should use the term ‘equity release products’ when referring to them collectively.

- (3) Describing the provider: If a *firm* gives *personal recommendations* or gives personalised information on *home purchase plans* or *home reversion plans*, it should change “mortgage” to “product” and “lender” to “company” or “provider”, as appropriate.

**Note 14** – for services provided in relation to *home finance transactions*, this sentence is required only where a *firm* selects this service option. It may also be omitted if a *firm* chooses to list all of the *lenders*, *home purchase providers* and *home reversion providers* it offers *home finance transactions* from in the previous line, so long as the *firm* offers all of the products generally available from each.

**Note 15** – this sentence is required only where a *firm* selects this service option. For services provided in relation to *packaged products*, the list of products will be the range of *packaged products* that is appropriate having regard to the services that the *firm* is providing, or may provide, to the *client*. For services provided in relation to *non-investment insurance contracts*, this is the list required by *ICOBS* 4.1.6R(2).

**Note 16** – if the *firm* does not select this box, it should alter the wording to say “a single group of companies” for *packaged products*, “a single insurer” for *non-investment insurance contracts*, “a single lender” for *regulated mortgage contracts* or *lifetime mortgages* and “a single company” (or “a single provider”) for *home purchase plans* and *home reversion plans*. For example: “We only offer the products from a single group of companies” should replace the text in the specimen *combined initial disclosure document*.

## Section 2: Subsection on “Compliance with Islamic law” or other beliefs

**Note 18** – This subsection is optional unless the *firm* holds itself, its *regulated mortgage contract* or *home purchase plan* products or services out as compliant with Islamic law in

the *combined initial disclosure document*. If a *firm* includes this section it should describe it as Section 2 and renumber subsequent sections accordingly.

A *firm* that wishes to hold itself, its *regulated mortgage contract* or *home purchase plan* products or services out as compliant with religious or philosophical beliefs other than Islamic law in the *combined initial disclosure document* may also use the subsection in accordance with this note and modify the wording in the section to the extent appropriate.

**Note 19** – A *firm* that carries on *home purchase activities* may omit the word “Islamic” from “Islamic home purchase plan(s)” if one or more *home purchase plans* within its scope of service is not held out as compliant with Islamic law. If “Islamic” is omitted, it should be omitted consistently throughout the document. However, a *firm* may omit the word “Islamic” in sections 5 and 8 without having to omit it throughout the document. A *firm* that wishes to hold itself, its products or services out as compliant with religious or philosophical belief other than Islamic law in the *combined disclosure document* may make appropriate amendments to references to “Islamic” and “Islamic law”.

#### **Section 4: What will you have to pay us for our services?**

**Note 20A** – in this section, the *firm* should outline how it intends to charge its *clients* for the services provided. If the *firm* is not intending to provide a *personal recommendation* it should refer to the notes under ‘Non-advised services’ below. If the *firm* is intending to provide a *personal recommendation*, it should refer to the notes under ‘Advised services’. If the *firm* is providing both a *personal recommendation* and ‘non-advised’ services, the *firm* should set out the charging arrangements for the non-advised and advised services separately, and make clear which charging arrangements apply to which service using appropriate sub-headings.

**Note 20B** – a *firm* should disclose all of the charging arrangements it offers its *clients*, from the alternatives of *adviser charge*, *fee*, *commission* or a combination.

**Note 20C** – if applicable, a *firm* should disclose to the *client* the possibility that other costs including taxes (for example VAT), related to transactions in connection with the *packaged product* and that are not paid via the *firm* or imposed by it, may arise for the *client*.

#### **Notes for non-advised services**

**Note 21** – any reference in this section to “*commission*” means *commission* and *commission equivalent*.

**Note 22** – a *firm* that is not proposing to give *personal recommendations* on *packaged products* can amend this section accordingly. The *firm* need not provide information regarding payment options but should provide at this section at least a statement explaining that the *client* will be told how much the *firm* will be paid before the *firm* carries out any business for the *client* and honour that undertaking. For example, “We will tell you how we get paid and the amount before we carry out any business for you.” If a *firm* chooses to

provide the *client* with the total price in this section and any part of that price is to be paid in or represents an amount of foreign currency, the *firm* should provide an indication of the currency and the applicable currency conversion rates and costs.

**Note 23** – in order to comply with *COBS* 2.3.1R as qualified by 2.3.2R, *firms* receiving non-monetary benefits may wish to disclose those benefits in summary form here, under the heading “**Other benefits we may receive**”. If a *firm* does so, it should provide the undertaking described in *COBS* 2.3.2R(1) (to provide further details on request) in writing, in this section and honour that undertaking. However, it is not the purpose of this section to provide significant or extensive explanation of non-monetary benefits such that it distracts from the wider purpose of the document.

*For example*

“We sell a range of products from a variety of firms; some of these firms provide us with annual training, which allows us to offer you a better service. This year we expect to receive in total [XX] hours worth of training from XYZ, ABC and DEF firms, predominantly from ABC. Some of the cost of this training may be passed to you as part of the total charges you pay should you choose a product provided by XYZ, ABC or DEF. Further information regarding these arrangements is available on request.”

#### **Notes for advised services**

**Note 24** – *firms* proposing to provide a *personal recommendation* on *packaged products* should use the following notes to provide information to the *client* on the *firm's* charging structure and the *client's* payment options.

**Note 25** – a *firm* should include here its charging structure, outlining as closely as possible the services that it offers and the charge for each service. The *firm* should ensure that this is presented in clear and plain language and, as far as practicable, uses cash terms.

**Note 26** – the charging structure should be expressed in pounds sterling or, where relevant, another appropriate currency. Where a *firm's* charging structure is in non-cash terms, examples in cash terms should be used to illustrate how the charging structure will be applied in practice. Where a *firm* uses hourly rates in its charging structure, it should state whether the rates are actual or indicative and provide an approximate indication of the number of hours a particular service may take. If a *firm* chooses to provide the *client* with the total *adviser charge* in this section and any part of that *adviser charge* is to be paid in or represents an amount of foreign currency, the *firm* should provide an indication of the currency and the applicable currency conversion rates and costs.

*For example*

**Our charging structure**

Service	Initial charge	Ongoing charge for twice yearly reviews
Review of your pension arrangements (pre-retirement)	Charged at £100 per hour (exc. VAT) - approx. 4-6 hours	
Advice on what to do with your pension fund (at retirement)	Charged at £130 per hour (exc. VAT) - approx. 2-3 hours	
Where to put your savings (for those with up to £25,000 to invest)	3% of your investment, if you go ahead with our recommendations	Service available on request for 0.5% of your investment per year

**Note 27** – where a *firm* provides an ongoing service it should disclose the ongoing service that will be offered and that there will be an *adviser charge* for that service. The *firm* can also include in this section additional information the *client* would receive before the provision of the *personal recommendation* or related services.

*For example*

“There will be an additional charge for any ongoing work, such as periodic or ongoing reviews, we carry out on your behalf. We will confirm the rate, frequency and length of this ongoing service before beginning any ongoing service.”

**Note 28A** – a *firm* must use the headings (i) “Your payment options” and (ii) the following sub-headings as applicable: “Settling your adviser charge in a single payment” and/or “Settling your adviser charge by instalments”. A *firm* should outline the payment options offered to *clients* and any restrictions on these payment options. In addition, a *firm* should provide an explanation relating to each option offered in clear and plain language.

**Note 28B** – Additional text to be included under the heading “Settling your adviser charge in a single payment”

The text for describing how the *client* can settle the *adviser charge* through a single payment is not prescribed, but should be clear and in plain language. This could commence with an explanation of the arrangements relating to the single payment of the *adviser charge*, including any specific provision as to the circumstances when an *adviser charge* will be payable (including where relevant, payment of any “non-contingent” *adviser charge* (i.e. where the *client* will be charged even if they do not purchase a product)), the type of payments accepted by the *firm* and the timing for the payment of the *adviser charge*. For example:

“Whether you buy a product or not, you will pay us an adviser charge for our advice and services, which will become payable on completion of our work.”

“You will be required to settle the payment of your adviser charge on completion of our work in [insert number of days] days. We accept cheque or card payments. We do/do not accept payment by cash. You will be provided with a receipt upon payment.”

**Note 28C – Additional text to be included under the heading “Settling your adviser charge by instalments”**

This text should be included where a *firm* is offering payment of its *adviser charge* by instalments and no ongoing service is provided. *Firms* should make it clear that the option to pay by instalment does not relate to an ongoing service. A *firm* which offers the payment of an *adviser charge* over a period of time for ongoing services should use the text in **Note 30** below.

A *firm* should note that the option for *clients* to pay their *adviser charge* by instalments is only permitted where regular premium products are recommended (see *COBS* 6.1A.22R). If a *firm* offers the option to pay the *adviser charge* by instalments, the *firm* must use the headings (i) “Settling your adviser charge by instalments” and (ii) the following sub-headings as applicable: “Paying by instalments through your recommended product” and/or “Paying by other arrangements”.

The text for describing the option to pay for the *adviser charge* by instalments is not prescribed, but should be clear and in plain language. This should commence with an explanation of the arrangements relating to the payment of the *adviser charge* over time.

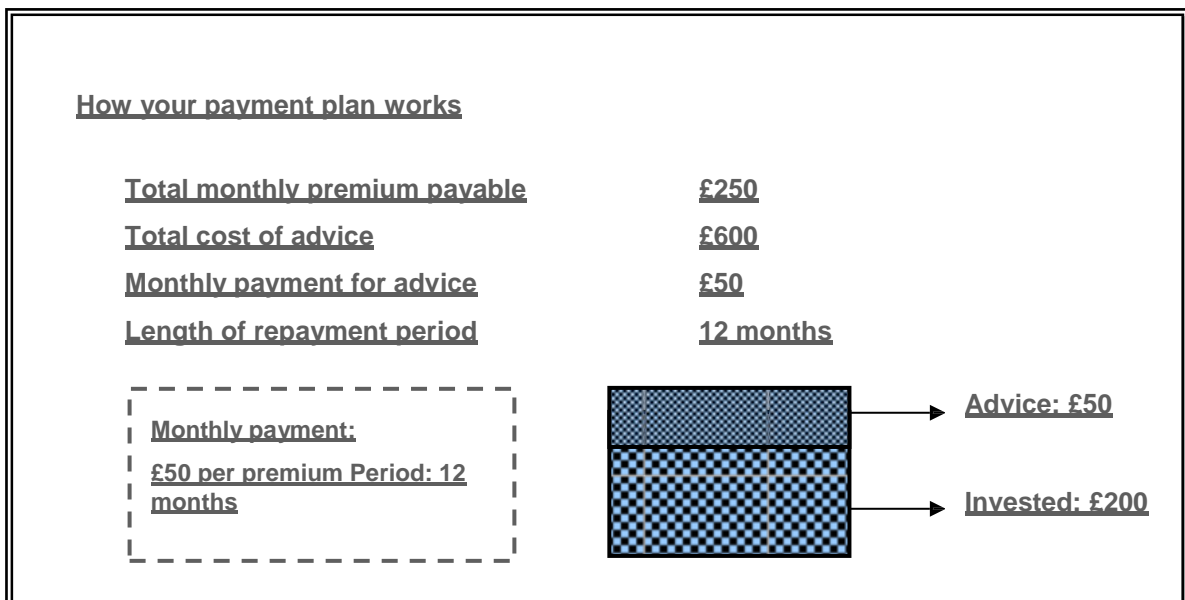
**Note 28D – Additional text to be included under the heading “Paying by instalments through your recommended product”**

A *firm* which offers the *client* the option to have the *adviser charge* facilitated through a *retail investment product* should include this heading. The text for describing a *client’s* option to pay by instalment through the recommended *retail investment product* is not prescribed, but should be clear and in plain language. This could commence with an explanation of the arrangements including any specific provision as to the circumstances when this option is permitted/not permitted and the frequency and period over which this arrangement will operate. A *firm* could consider the use of graphical representations to ensure that the *client* understands what they are paying for, how much they are required to pay and how frequently.

*For example*

“If you buy a financial product, you can choose to have your adviser charge deducted from the product through instalments. Although you pay nothing to us up front, that does not mean that our service is free. You still pay us indirectly through deductions from the amount you pay into your product. These deductions will pay towards settling the adviser charge. These deductions could reduce the amount left for investment.”

*and*



With the following text:

“You have chosen to pay for the advice you have received today through instalments. These instalments will be deducted from the premium you pay each month and allocated towards settling the adviser charge. For example, the total cost of advice is £600. You have been recommended a regular premium product of which £250 will be paid each month. £50 will be taken from this amount to pay off your adviser charge over 12 months. The remaining £200 will be invested during this time. At the end of this period the adviser charge would have been settled in full. From month 13 the full £250 will be invested.”

**Note 28E – Additional text to be included under the heading “Paying through other arrangements”**

Where a *firm* is offering the option to pay its *adviser charge* by instalments through arrangements other than facilitating payment through the recommended *retail investment product*, it must use the heading “Paying through other arrangements”. The text for describing the *client’s* option to pay through other arrangements is not prescribed, but should be in clear and plain language. This could commence with an explanation of the option to pay

through other arrangements and how this could work in practice.

### **Note 29 – Keeping up with your payments**

This text is not prescribed but a *firm* must include the heading “Keeping up with your payments” if it is offering the *client* the option to pay by instalments. In this section the *firm* should outline the implications for the *client* if they fail to keep up with their payments before the *adviser charge* has been paid, including if its recommended product is cancelled before the *adviser charge* is paid.

### **Note 30 – Payment for ongoing services**

If a *firm* provides an ongoing service to the *client* for which there is an *adviser charge* payable over a period of time, the *firm* must include the heading “Payment for ongoing services”. The text for describing how the *client* pays for ongoing service is not prescribed but should be in clear and plain language and should also include the nature of the service to be provided.

*For example*

“We have a range of ongoing services we can provide to ensure that your personal recommendation is reviewed frequently and remains relevant to your changing circumstances. The frequency of the charge will depend on the service you choose and is usually made by direct debit on the 1<sup>st</sup> of every month. Ask your adviser for more details.”

“We offer an ongoing service where we review your account every 3 months and inform you of new recommendations or changes that may be relevant to your circumstances. This service is provided at a charge of [insert charge here] per month and can be either deducted from your investment or paid by direct debit. This service can be cancelled at any time. Please ask your adviser for more details.”

**Note 31** – in order to comply with COBS 2.3.1R as qualified by 2.3.2R, a *firm* receiving a benefit, in relation to the facilitation of the payment of an *adviser charge* may wish to disclose those benefits in summary form here, under the heading “**Other benefits we may receive**”. If a *firm* does so, it should provide the undertaking described in COBS 2.3.2R(1) (to provide further details on request) in writing, in this section and honour that undertaking.

*For example*

“ABC firm provides us with a specialised software CD-ROM and accompanying [XX] hours worth of training per annum. We use this software in processing your details when you apply for an investment product and wish to facilitate the payment of the adviser charge through deductions from your investment. Some of the cost of this software may be passed on to you as part of the total charges you pay ABC firm. Further information regarding this arrangement is available on request.”

**Note 32** – if the *customer* will be charged a *fee* for *insurance mediation activities* in connection with *non-investment insurance contracts*, insert a plain language description of what each *fee* is for and when each *fee* is payable. This should include any *fees* for *advising on* or *arranging a non-investment insurance contract* and any *fees* over the life of the contract, for example, for mid-term adjustments. If a *firm* does not charge a *fee* the text in the first box should be abbreviated to ‘A fee’. If the *firm* is offering more than one type of service in connection with *non-investment insurance contracts*, the *firm* may aggregate the *fees* over all the services provided, and (if that is the case) identify the services for which there is no *fee*.

**Note 33** – if the *firm* receives commission instead of, or in addition to, *fees* from the *client* for services relating to *home finance transactions*, it should insert a plain language explanation of this (see specimen for a plain language example). If the *firm* will pay over to the *client* any commission the *firm* receives, it may refer to that fact here.

**Note 34** – insert a plain language description of when any *fees* are payable for services relating to *home finance transactions*. This description could include, for example, a cash amount, a percentage of the loan or reversion amount or the amount per hour, as appropriate. However, where a cash amount is not disclosed, one or more examples of the cash amount should be included. If a *firm* offers more than one pricing option in relation to *equity release transactions*, it should specify the pricing policy for each of them. For example, “A fee of £[XX] payable at the outset and £[YY] when you apply for a lifetime mortgage and £[ZZ] when you apply for a home reversion plan”. If a *firm* does not charge a *fee*, the text for the second box should be abbreviated to ‘A fee’.

**Note 35** – a *firm* may omit this part of the *combined initial disclosure document* on ‘Refund of fees’ if the *firm* has indicated that there will be “No fee” for services in relation to *home finance transactions* or that any *fee* will be payable only if the product completes.

**Note 36** – *firms* may select as many boxes as appropriate.

**Note 37** – insert a short, plain language description of the circumstances in which the *fee* for services in relation to *home finance transactions* is refundable or not refundable as described. If the refund policy is different depending on the *equity release transaction* in question, the *firm* should specify the refund policy for each of them. For example, “A refund of £[XX] if your lifetime mortgage application falls through and a refund of £[YY] if your home reversion plan application falls through.”

**Note 38** – a *firm* may delete this line if it does not offer a partial refund for services in relation to *home finance transactions* in any circumstances.

## **Section 5: Who regulates us?**



**Note 39** – the *firm* may omit this section for services relating to *packaged products* if the *firm* has, on first contact with the *client*, provided the *client* with its *client agreement* which contains that information. This section may be omitted for services relating to *non-investment insurance contracts* if the information covered by this section is not required by *ICOBS* or is required by *ICOBS* but is provided to the *customer* by some other means. This section may be omitted for services relating to *home finance transactions* in accordance with *MCOB* 4.4.1R(3). If this section is omitted, the other sections of the *combined initial disclosure document* should be renumbered accordingly.

**Note 40** – if the *firm*'s address on the *FSA Financial Services Register* differs from that given on the *combined initial disclosure document*, the address on the *FSA Financial Services Register* should be given in this section.

**Note 41** – where the *authorised firm* trades under a different name from that under which it is *authorised*, it should include the name under which it is *authorised* and listed in the *Financial Services FSA Register*. It may also include its trading name(s) if it wishes.

**Note 42** – A UK domestic firm (or an overseas firm) will need to use the appropriate wording to describe its regulator(s) as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An appointed representative will also need to use the appropriate wording for appointed representatives as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An EEA incoming firm will also need to modify this section if it chooses to use the services and costs disclosure document (see GEN 4 Annex 1R(2) or (3), or GEN 4 Annex 1AR (3) or (4)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section. an incoming EEA firm will need to modify this section if it chooses to use this combined initial disclosure document (see GEN 4 Annex 1R(2)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section.

**Note 43** – insert a short, plain language description of the business for which the *firm* has a *permission* which relates to the service it is providing.

**Note 44** – where the information is provided by an *appointed representative* or *tied agent*, the *appointed representative* or *tied agent* should use this text instead. The *appointed representative* or *tied agent* should give details of the *authorised firm(s)* that is its *principal(s)* for each type of service that it is providing to a particular *client*.

## **Section 6: Loans and ownership**

**Note 45** – omit this section where there are no relevant loan or ownership arrangements under the following notes or if the *firm* is an *insurer* selling its own *non-investment insurance contracts*. If this section is omitted the other sections of the *combined initial disclosure document* should be renumbered accordingly. If the *firm* is not providing services in relation to *packaged products*, the heading of this section should be changed to 'Ownership'. Where the information is provided by an *appointed representative* or *tied agent*, it should cover loans made to or by that *appointed representative* or *tied agent* or holdings in, or held by, that *appointed representative* or *tied agent* as appropriate.

**Notes 46, 47 and 48** apply only to a *firm* making a *personal recommendation, dealing in, or arranging* in relation to *packaged products*.

**Note 46** – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of the *firm* which is held by a provider or *operator* of a *packaged product* or by the parent of the provider or *operator*.

**Note 47** – insert, in the *firm's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of a provider or *operator* of a *packaged product* which is held by the *firm*.

**Note 48** – insert, in the *firm's* own words, a short description of any *credit* provided to the *firm* by a *product provider* (other than *commission* due to the *firm* in accordance with an indemnity claw-back arrangement) or by any *undertaking* in the *immediate group* of the *product provider* where the amount of the *credit* exceeds 10 per cent of the share and loan capital of the *firm*.

**Notes 49 and 50** apply to an *insurance intermediary* providing services in relation to *non-investment insurance contracts*.

**Note 49** – insert, in the *insurance intermediary's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of the *insurance intermediary* which is held by an *insurance undertaking* or by the parent of an *insurance undertaking*.

**Note 50** – insert, in the *insurance intermediary's* own words, a short description of any direct or indirect holding of more than 10 per cent in the capital or voting power of an *insurance undertaking* which is held by the *insurance intermediary*.

## **Section 7: What to do if you have a complaint**

**Note 51** – if different to the address in Note 3, give the address and telephone number which is to be used by *clients* wishing to complain.

**Note 52** – this text may be omitted for *non-investment insurance contracts* if the *insurance intermediary* or *insurer* is aware that a *commercial customer* would not be an *eligible complainant*.

**Note 53** – if the *combined initial disclosure document* is provided by an *authorised professional firm* which is exclusively carrying on *non-mainstream regulated activities*, the *authorised professional firm* should delete this sentence and refer to the alternative complaints handling arrangements.

**Note 54** – if the *firm* is carrying on an activity from an establishment which is outside the *United Kingdom* it should make clear that the *Financial Ombudsman Service* will not be

available. The *firm* may refer to any similar complaints scheme that may be applicable.

### **Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?**

**Note 55** – when an *incoming EEA firm* provides the *combined initial disclosure document*, it should modify this section as appropriate.

**Note 56**- when a *firm* which is not a *participant firm* provides the *combined initial disclosure document*, it should answer this question ‘No’ and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained.

**Note 57** – where the *insurance intermediary* or *insurer* provides a service in relation to a compulsory class of insurance, such as *employers’ liability insurance*, it should use this alternative text.

**Note 58** – where the *insurance intermediary* or *insurer* provides a service in relation to a contract which covers both a compulsory class of insurance and a class of insurance which is not compulsory, it should indicate the level of compensation that applies to each class.

### **Home finance products warning**

**Note 59** – this warning box should be added when the *firm* sells *lifetime mortgages* or home reversion plans or both.

**Note 60** – a *firm* should only include this paragraph if the services to which the *combined initial disclosure document* relates include *home purchase activities*. If the *firm* does not carry on *regulated mortgage activities*, it should include the second sentence and delete the third. If the *firm* carries on *regulated mortgage activities* as well as *home purchase activities* it should omit the second sentence and include the third.

**Annex 16**

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

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	<p>ICOBS 1 Annex 1 Part 1 para 3.1R(4)</p> <p>ICOBS 1 Annex 1 Part 4 paras 3.3G, 7.2G, 7.5G, 8.4G, 8.6G;</p> <p>ICOBS 2.1.4G, 2.4.1G;</p> <p>ICOBS 3 Annex 1 Q7;</p> <p>ICOBS 3 Annex 2R(4);</p> <p>ICOBS 7.2.4G;</p> <p>ICOBS 8.4.4R(1)(b), (1)(c) and (3)(b), 8.4.5G(2) and (3), 8.4.6R(1), 8.4.6AR, 8.4.7R(1)(a)(i), 8.4.10G(1), 8.4.11R(1), (1)(a), (2)(d) and (e);</p> <p>ICOBS 8 Annex 1 Part 2 paras 2.1R, 2.1AR, 2.1BR(1);</p> <p>ICOBS 3 Annex 2(4) (FCA registration number);</p> <p>ICOBS TP 1 8BR(1);</p> <p>ICOBS Sch 5.2G;</p>
<i>FSA firm reference number</i>	<i>firm reference number</i>	ICOBS 8.4.6R(1)(d), 8.4.7R(2)(d)
<i>FSA Register</i>	<i>Financial Services Register</i>	<p>ICOBS 3.2.2R(4);</p> <p>ICOBS 3 Annex 2(4);</p> <p>ICOBS 4.1.2R(2)</p>

Section 150	Section 138D	ICOBS 8.2.9R; ICOBS Schs 5.1G, 5.2G, 5.4G
Section 150(2)	Section 138D(3)	ICOBS Sch 5.2G

Amend the following provisions as follows.

8.4.5 G ...

**~~FSA~~ FCA notification requirements**

...

8.4.10 G ...

- (3) In order to assist *firms* with their obligations under these *rules* the ~~FSA~~ FCA has agreed to publish on its website at [http://www.fsa.gov.uk/Pages/consumerinformation/product\\_news/insurance/employers\\_liability/index.shtml](http://www.fsa.gov.uk/Pages/consumerinformation/product_news/insurance/employers_liability/index.shtml) [tbc] a list of *persons* providing tracing office facilities which have published the *directors'* certificate and independent assurance report referred to in ICOBS 8.4.9R(7).

**ICOBS 8 Annex 1 – Employers' Liability Register**

**EMPLOYERS' LIABILITY REGISTER (effective date:[ ])**

FRN (Firm Reference Number)	Name of Insurer						
Policy Number	Policy inception date	Policy end date	Name of Original Insurer				
Policyholder name							
Employer's Name 1.1	Postcode	Address Line 1	Address Line 2	Town/City	County	ERN(s) (HMRC Employer reference number(s))	CHRN (Companies House reference number)
Employer's Name 1.2	Postcode	Address Line 1	Address Line 2	Town/City	County		
Employer's Name 1.3	Postcode	Address Line 1	Address Line 2	Town/City	County		
...							
Policy Number 2	Policy inception date	Policy end date					
Employer Name 2.1	Postcode	Address Line 1	Address Line 2	Town/City	County	ERN(s) (HMRC Employer reference number(s))	CHRN (Companies House reference number)
...							

NOTES

1. The register must be completed by all insurers and managing agents managing the insurance business of *syndicates* of Lloyd's members that are carrying out contracts of insurance that provided commercial lines employers' liability cover to employers carrying on, or who carried on, business in, and in relation to their employees' course of employment in, the *UK*.

2. All *policies* under which *UK* commercial lines employers' liability cover has been provided to employers which commenced or were renewed or for which claims were made on or after 1 April 2011 must be included.
3. The register must include all employers covered by a *policy*, for example, all employers in a group where the *policy* is taken out in the name of one entity in the group.
4. The FRN number is that given to the insurer by the ~~FSA~~ *FCA*. The FRN is not required to be included in the form if a *firm* uses a qualifying tracing office to make available its register in accordance with *ICOBS* 8.4.7R(1)(a)(ii).
5. The register must include all names by which an employer was known between the *policy* inception date and the *policy* end date must be listed including the name registered with Companies House where applicable and trading names. Trading names, if different from the registered name, should be appended to the registered name.
6. The employer's address is the latest address for that employer. Where the employer is registered with Companies House, the employer's address is the latest address registered with Companies House.
7. The ERN is the employers' reference number provided by Her Majesty's Revenue and Customs for that employer. If the employer has more than one ERN then all ERNs must be included in the register, if it is practicable to do so. Otherwise, the *firm* must include the ERN that applies to the largest number of employees.
8. The CHRN is the employers' reference number provided, where relevant, by the Registrar of Companies. The CHRN may be included by utilising a facility which searches data obtained or downloaded from Companies House.




## ICOBS 4 Annex 1G: Initial disclosure document


This annex belongs to *ICOBS* 4.5.1G.

A *firm* should omit the notes and square brackets in the following *initial disclosure document*, but must not include the keyfacts logo unless it uses the *initial disclosure document* in full and in accordance with its notes. Subject to this, a *firm* may use its own house style and brand.

---



**keyfacts**® **about our insurance services** [Note 1]



**XYZ** Financial Services [Note 3]

[123 Any Street  
Some Town  
ST21 7QB]

[Note 2]

---

### 1 ~~The Financial Services Authority~~ Financial Conduct Authority (FSA-FCA)

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The ~~FSA-FCA~~ is ~~the~~ an independent watchdog that regulates financial services. Use this information to decide if our services are right for you.

### 2 **Whose products do we offer?** [Note 4]

---

- We offer products from a range of insurers [for ...].
- We [can] [Note 5] only offer products from a limited number of insurers [for ...].  
Ask us for a list of insurers we offer insurance from. [Note 6]
- We [can] [Note 5] only offer [a] product[s] from [a single insurer] [name of single *insurance undertaking*] [for ...]. [Note 7]

[or] [Note 8]

We only offer products from a single insurer.

[or] [Note 9]

We only offer our own products for [list the types of *policies*].

---

### 3 Which service will we provide you with? [Note 10] [Note 11]

---

- We will advise and make a recommendation for you after we have assessed your needs [for] [list the types of *policies*].
- You will not receive advice or a recommendation from us [for] [list the types of *policies*]. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

---

### 4 What will you have to pay us for our services? [Note 12]

---

- A fee [of £ [ ] ] [for] [list the types of insurance services provided].
- No fee [for] [list the types of insurance services provided].

You will receive a quotation which will tell you about any other fees relating to any particular insurance policy.

---

### 5 Who regulates us? [Note 13]

---

[Registered name and address as shown on *FSA Register Financial Services Register* (trading name(s) may also be stated)] is authorised and regulated by [ ] [Note 14]. Our *FSA Register Financial Services Register* number is [ ]. [Note 14]

Our permitted business is [short, plain language description of relevant *permitted* business].

[or] [Note 15]

[Name of *appointed representative*] [Note 2] is an appointed representative of [registered name and address of *principal* as shown on *FSA Register Financial Services Register*] which is authorised and regulated by [ ] [Note 14]. [Name of *principal*]'s *FSA Register Financial Services Register* number is [ ].

[Name of *principal*]'s permitted business is [short, plain language description of relevant business].

You can check this on the *FSA's Financial Services Register* by visiting the *FSA's FCA's* website [www.fsa.gov.uk/register/home.do](http://www.fsa.gov.uk/register/home.do) or by contacting the *FSA FCA* on 0845 606 1234 0800 111 6768.

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## 6 Ownership [Note 16]

---

[Short description of any direct or indirect holding representing more than 10% of the voting rights or capital in the *firm* held by an *insurance undertaking* (other than a *reinsurance undertaking*) or its *parent undertaking*, e.g. “B&C Insurer owns 20% of our share capital.”]

[Short description of any direct or indirect holding by the *firm* representing more than 10% of the voting rights or capital in a given *insurance undertaking* (other than a *reinsurance undertaking*), e.g. “We have 20% of the voting rights in Royal Edinburgh.”]

---

## 7 What to do if you have a complaint [Note 17]

---

If you wish to register a complaint, please contact us:

**...in writing** Write to [XYZ Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB].

**... by phone** Telephone [0121 100 1234]

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [Note 18] [Note 19]

---

## 8 Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 13] [Note 20]

---

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Insurance advising and arranging is covered for 90% of the claim, without any upper limit.

[or] [Note 21]

For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS.

The following notes do not form part of the *initial disclosure document*.

**Note 1** – For requirements on using the keyfacts logo, see *GEN 5.1* and *GEN 5 Annex 1G*.

**Note 2** – Insert the *firm's* or *appointed representative's* name (either the name under which it is *authorised* or the name under which it trades). If an individual who is employed or engaged by an *appointed representative* provides the information, the individual should not put his or her own name on the *initial disclosure document*. A corporate logo or logos may be included.

**Note 3** – Insert the head office or if more appropriate the principal place of business from which the *firm* or *appointed representative* expects to conduct business with *customers*. An *appointed representative* should state its own name and address.

### **Section 2: Whose products do we offer?**

**Note 4** – Select, for example by ticking, the box(es) which are appropriate for the service that it expects to provide to the *customer*. More than one box can be selected if the scope of the service provided to a particular *customer* varies by type of contract, for example, if a *firm* deals with a single *insurance undertaking* for motor insurance and a range of *insurance undertakings* for household insurance. If more than one box is selected, specify which relates to which type of *policy*, by adding text to the *initial disclosure document*. This needs to be done only in relation to the service offered to a particular *customer*. Do not remove boxes that are not selected.

**Note 5** – Insert “can” if the range of *policies* is determined by any contractual obligation. This does not apply to an *insurer* selling its own products.

**Note 6** – This sentence is required only if this service option is selected.

**Note 7** – If the *firm* deals with a different *insurance undertaking* for different types of *policy*, identify all the *insurance undertakings* and specify the types of contract to which they relate. This needs to be done only in relation to the service offered to a particular *customer*. For example, "we can only offer products from ABC Insurance for motor insurance and XYZ Insurance for household insurance".

**Note 8** – If this box is not selected, use this alternative text.

**Note 9** – An *insurer* offering only its own *policies*, or part of an *insurer* offering only *policies* sold under that part's trading name, should use this alternative text.

### **Section 3: Which service will we provide you with?**

**Note 10** – This section may be omitted if the *customer* receives this information as part of a demands and needs statement. Renumber remaining sections.

**Note 11** – Select, for example by ticking, the box which is appropriate for the service expected to be provided to the *customer*. Both boxes can be selected if different services are offered in relation to different types of *policy*. If more than one box is selected, specify which box relates to which type of *policy*. Do not remove an unselected box.

### **Section 4: What will you have to pay us for our services?**

**Note 12** – If the *customer* will be charged a *fee* for *insurance mediation activities*, insert a plain language description of what each *fee* is for and when each *fee* is payable. This should include any *fees* over the life of the contract, for example, for mid-term adjustments. If a *firm* does not charge a *fee* the first box should be abbreviated to 'A fee'. If more than one type of service is offered, *fees* may be aggregated over all the services provided and the services for which there is no *fee* identified.

### **Section 5: Who regulates us?**

**Note 13** – This section may be omitted if the information is provided by other means.  
Renumber remaining sections.

**Note 14** – ~~Modify this section for incoming EEA firms (see GEN 4 Ann 1R(2)).~~ A UK domestic firm (or an overseas firm) will need to use the appropriate wording to describe its regulator(s) as set out in GEN 4 Annex 1R (firms that are not PRA-authorized persons) or GEN 4 Annex 1AR (PRA-authorized persons). An appointed representative will also need to use the appropriate wording for appointed representatives as set out in GEN 4 Annex 1R (firms that are not PRA-authorized persons) or GEN 4 Annex 1AR (PRA-authorized persons). An EEA incoming firm will also need to modify this section if it chooses to use this initial disclosure document (see GEN 4 Annex 1R(2) or (3), or GEN 4 Annex 1AR (3) or (4)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section.

**Note 15** – An appointed representative should use this text instead. It should give the details of its principal for each type of policy that it is offering to a particular customer.

### **Section 6: Ownership**

**Note 16** – Omit this section (and renumber remaining sections) if there are no relevant ownership arrangements under the following notes or the firm is an insurer selling its own policies. In an initial disclosure document provided by an appointed representative, cover holdings in or held by that appointed representative, as appropriate.

### **Section 7: What to do if you have a complaint**

**Note 17** – If different to the address in note 5, give the address and telephone number which is to be used by customers wishing to complain.

**Note 18** – This text may be omitted for a customer who would not be an eligible complainant.

**Note 19** – An authorised professional firm which is exclusively carrying on non-mainstream regulated activities should delete this sentence and refer to the alternative complaints handling arrangements.

### **Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?**

**Note 20** – An incoming EEA firm should modify this section as appropriate. A firm which is not a participant firm must answer this question 'No' and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained.

**Note 21** – Use this alternative text if providing a service in relation to a compulsory class of insurance, such as employer's liability insurance. If providing a service in relation to a contract which covers both a compulsory class of insurance and a class of insurance which is not compulsory, indicate the level of compensation that applies to each class.

**Annex 17**

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

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA Register</i>	<i>Financial Services Register</i>	MCOB 2.7A.2R(4);  MCOB 4.4A.18R(4);  MCOB 6.5.6R(4)(b)(ii), 6 Annex 1 row 1.1R(4)
<i>FSA</i>	<i>FCA</i>	MCOB 1.2.5G(2), 1.6.1G, 1.6.2G, 1.6.4R(1)(a), 1.6.5G(2) to (3);  MCOB 2.2.1G, 2.2.8BG(4), 2.6A.4G(1), 2.6A.10G, 2.6A.14G, 2.6A.18G, 2.8.2R, 2.8.4G(1);  MCOB 3.5.3G, 3.6.2G(3), 3.6.4E(1)(k), 3.6.14G(1), 3.6.24G(1), 3.8A.4E(1)(k), 3.8A.7G, 3.8B.6E(1)(k), 3.8B.10G, 3.9.4G(2);  MCOB 4.1.8G, 4.4.3G(2), 4.4A.18R(4), 4.5.1G(2), 4.8.2G(2), 4.10.11R(2), 4.11.7G(3);  MCOB 5.1.10G, 5.6.106R, 5.9.1R(1A)(ea), 5.9.3R(2)(a), 5.9.5G;  MCOB 6.4.2G, 6.4.4R(4)(a), 6.9.8R(1), 6 Annex 1 row 1.1(5);  MCOB 7.6.16R(1) and (2), 7.6.23G;  MCOB 9.4.106R(1), 9.4.145R(10)(a), 9.5.4R(5)(a), 9.8.7.R;  MCOB 10.4.3G(2) and (3), MCOB 10 Annex 1G;

		<p>MCOB 11.2.1G, 11.3.5(2);</p> <p>MCOB 12.1.5G, 12.2.1G, 12.7.1G;</p> <p>MCOB 13.1.5G, 13.3.4CG, 13.3.4DG, 13.3.6G, 13.3.8G;</p> <p>MCOB Sch 5.1G</p>
<i>Financial Services Authority</i>	<i>Financial Conduct Authority</i>	<p>MCOB 6.4.4R(4)(a),</p> <p>MCOB 7.6.16R;</p> <p>MCOB 9.5.4R(5)(a), 9.8.7R;</p>
Section 145(3)	Section 137R(3)	MCOB 5.1.8G
Section 150	Section 138D	<p>MCOB 2.2.1G;</p> <p>MCOB Schs 5.1G and 5.2G</p>
Section 150(2)	Section 138D(3)	MCOB Sch 5.1G

Amend the following provisions as follows.

**Referring to the ~~FSA~~ FCA**

3.8A.7 G ...

...

**Referring to the ~~FSA~~ FCA**

3.8B.10 G ...

...

3.12.5 G ~~The FSA website~~ <http://www.fsa.gov.uk> [Web address tbc] contains a wide range of information including pages of specific relevance to *customers*. *Firms* may, if they wish, include a reference or hyperlink to the ~~FSA's~~ FCA's site; this will not, however, replace any requirements of the *financial promotion rules*.

...

- 4.11.1 R (1) A *regulated sale and rent back firm*, on first making contact with a potential *SRB agreement seller* for whom it might reasonably be expected to carry on *any regulated sale and rent back activity*, must make the following disclosures to him, both orally and in writing:
- (a) the service the *firm* is offering the customer, making it clear whether the firm will be acting as a *SRB agreement provider*, a *SRB adviser* or a *SRB arranger* and the particular *regulated sale and rent back activities* for which the *firm* has a ~~*Part IV permission*~~ *Part 4A permission*;

...

~~FSA~~ FCA consumer factsheet on sale and rent back

- 4.11.2 R (1) As soon as the *customer* expresses an interest in becoming a *SRB agreement seller*, a *regulated sale and rent back firm* must provide him with the ~~*FSA consumer factsheet*~~ Money Advice consumer factsheet on sale and rent back in a *durable medium* which may be accessed through [www.fsa.gov.uk](http://www.fsa.gov.uk) [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk)
- (2) The *firm* on providing the ~~*FSA*~~ Money Advice Service consumer factsheet in (1) to the *customer* must give him an oral explanation of it, so as to ensure that the *customer* fully understands its contents.

...

- 6.5.6 R If a *firm* makes an offer to a *consumer* with a view to *entering into a regulated mortgage contract* which is a *distant contract*, it must provide the *consumer* with the following information with the *offer document*:

...

- (4) If not provided previously:

...

- (b) ...
- (iii) confirmation that the *customer* can check the ~~*FSA register*~~ Financial Services Register on the ~~*FSA's*~~ FCA's website [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) [ web address tbc] or by contacting the ~~*FSA*~~ FCA on 0845 606 1234 0800 111 6768.

...



6.9.3 R ...

- (3) The written pre-offer document must be accompanied by the FSA Money Advice Service consumer factsheet on sale and rent back (even if the *firm* has already provided this) which the *firm* must provide to the *customer* in a *durable medium* and which may be accessed through ~~www.fsa.gov.uk~~ [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)
- (4) On providing the FSA Money Advice Service consumer factsheet to the *SRB agreement seller*, the *firm* must give him an oral explanation of what it contains, so as to ensure that he understands its contents, unless the *firm* has already done so.

## Annex 1R: Initial disclosure document

This Annex belongs to *MCOB 4.4.1R(1)* and *MCOB 4.10.2R*.

Firms must omit the notes and square brackets that appear in the following IDD. The IDD must contain the 'key facts' logo, headings and text in the order shown and in accordance with the Notes. [Note 1]



about our [mortgage/Islamic  
home purchase plan]  
services [Note 1A] [Note 2]



Financial Services

[Note 5]  
[123 Any Street  
Some Town  
ST21 7QB]

[Note 3] [Note 4]

---

### 1. The ~~Financial Services Authority~~ Financial Conduct Authority (FSA) (FCA)

The ~~FSA~~ FCA is the an independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

---

### 1A. Compliance with Islamic law [Note 5A]

Our services are regularly checked by [names(s) of scholar(s)] to ensure compliance with Islamic law. Ask us if you want further information about the role of our scholar(s).]

---

### 2. Whose [mortgages/Islamic home purchase plans] do we offer? [Note 6] [Note 7]

- We offer [mortgages/Islamic home purchase plans] from the whole market.
- We [can] [Note 8] only offer [mortgages/Islamic home purchase plans] from a limited number of [lenders/providers].
- Ask us for a list of [lenders/providers] we offer [mortgage/Islamic home purchase plans] from . [Note 9]
- We [can] [Note 8] only offer [a limited range of the] [a] [mortgage[s]/Islamic home purchase plan[s]] from [a single lender/provider] [name of single lender/provider]. [Note 10]
- [or]  
We only offer our own [mortgages/Islamic home purchase plans]. [Note 11]

---

**3. Which service will we provide you with? [Note 6]**

---

- We will advise and make a recommendation for you after we have assessed your needs.
- You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of products that we will provide details on. You will then need to make your own choice about how to proceed.

---

**4. What will you have to pay us for this service? [Note 6]**

---

- No fee. [We will be paid by commission from the lender/provider.][Note 12]
- A fee [of £ [] payable at the outset and £ [] payable when you apply for a/an mortgage/Islamic home purchase plan]. [We will also be paid commission from the lender/provider.] [Note 12] [Note 13]

You will receive a key facts illustration when considering a particular mortgage which will tell you about any fees relating to it. [Note 13A]

**5. Refund of fees [Note 14] [Note 15]**

If we charge you a fee, and your [mortgage/Islamic home purchase plan] does not go ahead, you will receive:

- A full refund [if the lender/provider rejects your application]. [Note 16]
- A refund of £ [] [if the purchase falls through]. [Note 16] [Note 17]
- No refund [if you decide not to take out a [mortgage/Islamic home purchase plan]]. [Note 16]

---

**6. Who regulates us? [Note 18]**

---

[XYZ Financial Services] [123 Any Street, Some Town, ST21 7QB] [Note 19] [Note 19A] is authorised [Note 20] and regulated by [ ] [Note 20] ~~the Financial Services Authority~~. Our ~~FSA Register~~ Financial Services Register number is [ ].

Our permitted business is [ ]. [Note 21]

[or] [Note 19B]

[Name of *appointed representative*] [Notes 3 and 4] is an appointed representative of [name of *firm*] [address of *firm*] [Note 19] [Note 19A] which is authorised and regulated by [ ] [Note 20] ~~the Financial Services Authority~~. [Name of *firm's*] ~~FSA Register~~ Financial Services Register number is [ ].

[Name of *firm's*] permitted business is [ ] [Note 21]

You can check this on the ~~FSA's Register~~ Financial Services Register by visiting the FSA's FCA's website [www.fsa.gov.uk/register/home.do](http://www.fsa.gov.uk/register/home.do) or by contacting the ~~FSA~~ FCA on ~~0845 606 1234~~ 0800 111 6768.

---

**7. What to do if you have a complaint [Note 18]**

---

If you wish to register a complaint, please contact us:

...in writing      Write to [XYZ Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB]. [Note 22]

... by phone      Telephone [0121 100 1234]. [Note 22]

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [Note 22A]

---

**8. Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 18] [Note 23] [Note 24]**

---

We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

[Mortgage/Home purchase plan] advising and arranging is covered up to a maximum limit of £50,000.

Further information about compensation scheme arrangements is available from the FSCS.

**Think carefully about the product and services you need. [We can only offer services in relation to Islamic home purchase plans and cannot provide advice on standard mortgages.] [If you want [information] [or ] [advice] standard mortgages, please ask.]**  
[Note 25]

The following notes do not form part of the IDD.

## Section 1

**Note 1** – subject to this, a *firm* may use its own house style and brand.

**Note 1A** –insert the appropriate description using the words in square brackets based on the *firm's* scope of service. A *firm's* scope of service cannot combine *regulated mortgage activities* and *home purchase activities* in the same IDD. A *firm* that carries on *home purchase activities* may omit the word "Islamic" from "Islamic home purchase plan(s)" provided that it does so consistently throughout the document. However, a *firm* may omit the word "Islamic" in sections 6 and 8 without having to omit it throughout the document. A *firm* that wishes to hold itself, its products or services out as compliant with religious or philosophical beliefs other than Islamic law in the IDD may make appropriate amendments to references to 'Islamic' and 'Islamic law'

**Note 2** – the ~~Financial Services Authority~~ Financial Conduct Authority has developed a common 'keyfacts' logo to be used on significant pieces of information directed to *customers*. The 'keyfacts' logo and the text "about our [mortgage/Islamic home purchase plan] services" must be used and positioned as shown in the IDD. The logo may be re-sized, but it must be reasonably prominent and its proportions must not be distorted. When reproducing the logo, *firms* may use colour providing this does not diminish the prominence of the logo.

**Note 3** – insert the *firm's* or *appointed representative's* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo or logos may be included.

**Note 4** – if the IDD is provided by an *appointed representative*, insert the name of the *appointed representative*. (If an individual who is employed or engaged by an *appointed representative* provides the information, the individual should not put his or her own name on the IDD.)

**Note 5** – insert the head office or if more appropriate the principal place of business from which the *firm* or *appointed representative* expects to conduct business with *customers*. (An *appointed representative* must not include the name and address of the *authorised firm* instead of its own.)

### Section 1A: Compliance with Islamic law

Note 5A – Section 1A is optional unless the *firm* holds itself, its products or services out as compliant with Islamic law in the IDD. If a *firm* includes Section 1A then it must describe the section on the IDD as section 2 and renumber subsequent sections accordingly.

A *firm* that wishes to hold itself, its products or services out as compliant with religious or philosophical beliefs other than Islamic law in the IDD may also use Section 1A in accordance with this note and modify the wording in the section to the extent appropriate.

## Section 2: Whose [mortgages/Islamic home purchase plans] do we offer?

**Note 6** – *firms* must select, for example by ticking, one box which is appropriate for the service which it expects to provide to the *customer*.

**Note 7** - if the IDD is provided by an *appointed representative*, the service described must be that offered by the *appointed representative*, in accordance with MCOB 4.3.10R.

**Note 8** – insert “can” if the *firm*’s range of *regulated mortgage contracts or home purchase plans* is determined by any contractual obligation.

**Note 9** – this sentence is required only where a firm selects this service option. It may also be omitted if a *firm* chooses to list all of the lenders or providers it offers *home finance transactions* from instead of the text "a limited number of [lenders/providers]", in the previous line, so long as the *firm* offers all of the mortgages or *home purchase plans* generally available from each lender or provider.

**Note 10** – if the *firm* selects this box, it must insert the name of the lender or provider. If the *firm* does not select this box, it must insert the words "a single lender/provider" instead. If the *firm* does not offer all of the mortgages or *home purchase plans* generally available from that lender or provider, it must insert the words "a limited range of", as shown. If the lender or provider only has one relevant product, the *firm* should amend the text to "We can only offer a [mortgage/home purchase plan] from [name of single lender/provider]."

**Note 11** – if the *firm* is a provider or lender offering only its own *home finance transactions*, or is part of a provider or lender offering only the *home finance transactions* sold under that part's trading name, it may use this alternative text.

## Section 4: What will you have to pay us for this service?

**Note 12** – if the *firm* receives commission instead of, or in addition to, *fees* from the *customer*, it must insert a plain language explanation of this case (see specimen for a plain language example). If the *firm* will pay over to the *customer* any commission the *firm* receives, it may refer to the fact here.

**Note 13** – insert a plain language description of when any *fees* are payable. This description could include, for example, a cash amount, a percentage of the loan amount or the amount per hour, as appropriate. However, where a cash amount is not disclosed, one or more examples of the cash amount must be included. If the *firm* offers more than one pricing option, it may illustrate each with a separate box. If a *firm* does not charge a *fee*, the text for the second box should be abbreviated to 'A fee'.

**Note 13A** – A *firm* must not include this paragraph if the services to which the IDD relates are *home purchase activities*.

## Section 5: Refund of fees

**Note 14** – if, in section 4, it has been indicated that there will be 'No fee' or that any *fee* will be payable only if the transaction completes, section 5 may be omitted altogether, and the following sections re-numbered accordingly.

**Note 15** – firms must select as many boxes as are appropriate.

**Note 16** – insert a short, plain language description of the circumstances in which the *fee* is refundable or not refundable as described.

**Note 17** – the *firm* may delete this line if it does not offer a partial refund in any circumstances

## Section 6: Who regulates us?

**Note 18** – A *firm* may choose not to include these sections if it provides the *customer* with the information required by them in some other *durable medium* before the *customer* makes an application for a *home finance transaction*. If this section is omitted, the other sections of the IDD must be renumbered accordingly.

**Note 19** – where the *authorised firm* trades under a different name from that under which it is *authorised*, it must include the name under which it is *authorised* and listed on the *FSA* register. It may also include its trading name if it wishes.

**Note 19A** – if the *firm's* address on the ~~*FSA Register*~~ *Financial Services Register* differs from that given on the IDD under **Note 5**, the address on the ~~*FSA Register*~~ *Financial Services Register* must be given in this section. If the address is the same as that given under **Note 5**, it should be repeated in this section.

**Note 19B** – where the information is provided by an *appointed representative*, the *appointed representative* must use this text instead.

**Note 20** – ~~An incoming EEA firm will need to modify this section if it chooses to use this IDD (see GEN 4 Ann 1R(2)).~~ A UK domestic firm (or an overseas firm) will need to use the appropriate wording to describe its regulator(s) as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An appointed representative will also need to use the appropriate wording for appointed representatives as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An EEA incoming firm will also need to modify this section if it chooses to use this initial disclosure document (see GEN 4 Annex 1R(2) or (3), or GEN 4 Annex 1AR (3) or (4)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section.

**Note 21** – insert a plain language description of the business for which the *firm* has *permission* in relation to either *regulated mortgage contracts* or *home purchase plans*, as relevant to the scope of service described.

## Section 7: What to do if you have a complaint

**Note 22** - if different to the address in **Note 5**, give the address and telephone number which is to be used by *customers* wishing to complain.

**Note 22A** – if the IDD is provided by an *authorised professional firm* which is exclusively carrying on *non-mainstream regulated activities*, the *authorised professional firm* should delete this sentence and refer to the alternative complaints handling arrangements.

**Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?**

**Note 23** – when an *incoming EEA firm* provides the IDD, it must modify this section as appropriate.

**Note 24** - when a *firm* which is not a *participant firm* provides the IDD, it must answer this question 'No' and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained.

**Note 25** – a *firm* must only include this paragraph if the services to which the IDD relates are *home purchase activities*. If the *firm* does not carry on *regulated mortgage activities*, it must include the second sentence and delete the third. If the *firm* carries on *regulated mortgage activities* as well as *home purchase activities* it must omit the second sentence and include the third.



## MCOB 5 Annex 1R

The mortgage illustration: table of contents, prescribed text and prescribed section headings and subheadings.

1. This annex belongs to *MCOB 5.6.2R*.

2. The underlined text indicates instructions that must not be included in the *illustrations* provided to *customers*.



about this mortgage

**Personalised illustration for:** insert *customer's* name – see *MCOB 5.6.15R (1)*

**Date produced:** insert date – see *MCOB 5.6.15R (2)*

**Insert details of how long the *illustration* is valid for, and if appropriate when the mortgage needs to commence by** – see *MCOB 5.6.15R (3)*

This is not a legally binding mortgage offer and it does not oblige [name of *mortgage lender*] to provide you with the mortgage described in this illustration.

### 1. About this illustration

We are required by the ~~Financial Services Authority~~ Financial Conduct Authority (FSA/FCA) – the independent watchdog that regulates, financial services – to provide you with this illustration.

All firms selling mortgages are required to give you illustrations like this one, that contain similar information presented in the same way.

Ensure that you obtain other illustrations if you want to compare this mortgage with mortgages from other lenders.

### 2. Which service are we providing you with?

	We recommend, having assessed your needs, that you take out this mortgage.
	We are not recommending a particular mortgage for you. However, based on your answers to some questions, we are giving you information about this mortgage so that you can make your own choice.

### 3. What have you told us

See *MCOB 5.6.18R* to *MCOB 5.6.24G*

### 4. Description of this mortgage

See *MCOB 5.6.25R* to *MCOB 5.6.30G*

For *foreign currency mortgages* see also *MCOB 5.6.127R* to *MCOB 5.6.128R*

For *shared appreciation mortgages* see also *MCOB 5.6.129R* to *MCOB 5.6.131R*

### 5. Overall cost of this mortgage

See <i>MCOB</i> 5.6.31R to <i>MCOB</i> 5.6.38R	
See <i>MCOB</i> 5.6.34R to <i>MCOB</i> 5.6.36G	
The total amount you must pay back, including the amount borrowed is	£[insert details]
This means you pay back	£[insert details] for every £1 borrowed
The overall cost for comparison is	[insert details] % APR
See <i>MCOB</i> 5.6.37R	
For <i>shared appreciation mortgages</i> see <i>MCOB</i> 5.6.129R(2)	

<b>6. What you will need to pay each [insert frequency of payments from <i>MCOB</i> 5.6.40R e.g. monthly]</b>	<b>[insert frequency of payments from <i>MCOB</i> 5.6.40R e.g. monthly] payments</b>
See <i>MCOB</i> 5.6.41R to <i>MCOB</i> 5.6.51R	Insert amounts(s)
For multi-part mortgages see <i>MCOB</i> 5.6.45R	
For mortgages without a term or a regulator payment plan (e.g. secured bridging loans or <i>mortgage credit cards</i> ) see <i>MCOB</i> 5.6.134R to <i>MCOB</i> 5.6.138G	

This box is required only where all or part of the mortgage is an <i>interest-only mortgage</i> . It must be deleted for <i>repayment mortgages</i> .	Insert amounts(s)
<b>Cost of repaying the capital</b>	
See <i>MCOB</i> 5.6.52R to <i>MCOB</i> 5.6.53G	
This section is required only for multi-part mortgages where there is a future change in the interest rate(s) charges. It must be numbered as a subset (e.g. 6a) to follow the preceding section.	<b>[insert frequency of payments from <i>MCOB</i> 5.6.40R e.g. monthly] payments</b>
<b>6a. What will you need to pay in future</b>	
See <i>MCOB</i> 5.6.55R to <i>MCOB</i> 5.6.57G	Insert amounts(s)

This section is required only for deferred interest rate mortgages. It must be numbered as a subset (e.g. 6b) to follow the preceding section.				
<b>[...]. Effect of deferring interest on the amount you owe</b>				
This table shows the effect of the deferred interest being added to the amount you owe. <u>Where the interest rate is variable</u> : The amounts shown in the table could be considerably different if the interest rate changes.				
See <i>MCOB</i> 5.6.132R				
Year	Interest deferred	Amount of deferred interest that is added to the mortgage	Remaining debt before deferred interest is added	Remaining debt with deferred interest added
<b>7. Are you comfortable with the risks?</b>				

See *MCOB 5.6.59R* to *MCOB 5.6.65R*

For mortgages without a term or a regular payment plan (e.g. secured bridging loans or *mortgage credit cards*) see *MCOB 5.6.140R* to *MCOB 5.6.145R*

8. What fees must you pay?	Fee amount
<b>Fees payable to</b> [insert name of <i>mortgage lender</i> ]  See <i>MCOB 5.6.66</i> to <i>MCOB 5.6.71G</i>	Insert amount of each fee
<b>Other Fees</b>  See <i>MCOB 5.6.66</i> to <i>MCOB 5.6.71G</i>	Insert amount of each fee

9. Insurance	[insert frequency of payments for premium quoted payments]
<b>Insurance you must take out through</b> [insert name of <i>mortgage lender</i> or <i>mortgage intermediary</i> ]  See <i>MCOB 5.6.73R</i> to <i>MCOB 5.6.76G</i>	Insert amounts(s) if appropriate
<b>Insurance you must take out as a condition of this mortgage but that you do not have to take out through</b> [insert name of <i>mortgage lender</i> or <i>mortgage intermediary</i> ]  See <i>MCOB 5.6.77R</i> to <i>MCOB 5.6.83G</i>	Insert amounts(s) if appropriate
This box is required only where quotations for optional insurance are provided in the <i>illustration</i>  <b>Optional Insurance</b>  See <i>MCOB 5.6.80R</i> to <i>MCOB 5.6.83G</i>	Insert amounts(s)

10. What happens if you do not want this mortgage any more?
<b>Early repayment charges</b>  See <i>MCOB 5.6.84R</i> to <i>MCOB 5.6.89R</i>  <b>What happens if you move house?</b>  See <i>MCOB 5.6.84R</i> (2)

11. What happens if you want to make overpayments?
See <i>MCOB 5.6.90R</i> to <i>MCOB 5.6.91G</i>

12. Additional features
See <i>MCOB 5.6.92R</i> to <i>MCOB 5.6.112G</i>

13. Using a mortgage intermediary
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[This section is required only when the *illustration* is provided to a *customer* by, or on behalf of, a *mortgage intermediary*. If the *illustration* is provided by a *mortgage lender*, this section must be removed and Section 14 must be renumbered Section 13]

See *MCOB 5.6.113R* to *MCOB 5.6.116G*

**[...]. Where can you get more information about mortgages?**

The Money Advice Service publishes useful guides on choosing a mortgage. These are available free through its website: [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk), or by calling 0300 500 5000. The website also provides Comparative Tables to help you shop around.

**Contact details**

See *MCOB 5.6.122R* to *MCOB 5.6.123G*

**Your home may be repossessed if you do not keep up repayments on your mortgage – see *MCOB 5.6.124R* to *MCOB 5.6.125G***

For *foreign currency mortgages* add the following risk warning (see *MCOB 5.6.128R*):

**Changes in the exchange rate may increase the sterling equivalent of your debt**

Last updated: ~~06 July 2010~~ April 2013

## MCOB 8 Annex 1R: Initial Disclosure Document

Firms must omit the notes and square brackets that appear in the following IDD. The IDD must contain the 'key facts' logo, headings and text in the order shown and in accordance with the Notes. [Note 1]



[Note 6]  
[123 Any Street  
Some Town  
ST21 7QB]

[Note 4] [Note 5]

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### 1. ~~The Financial Services Authority~~ Financial Conduct Authority (FSA FCA)

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The ~~FSA~~ FCA is ~~the~~ an independent watchdog that regulates financial services. It requires us to give you this document. Use this information to decide if our services are right for you.

---

### 2. Whose products do we offer? [Note 3] [Note 7] [Note 8]

---

We offer [lifetime mortgages] [home reversion plans] [equity release products] from the whole market.

We [can] [Note 9] only offer [lifetime mortgages] [home reversion plans] [equity release products] from a limited number of companies.

Ask us for a list of the companies we offer products from. [Note 10]

We [can] [Note 9] only offer [a limited range of ] [lifetime mortgages] [home reversion plans] [equity release products] from [a single lender/company] [name of single company]. [Note 11] [Note 11A]

[or]  
We only offer our own [lifetime mortgages] [home reversion plans] [equity release products]. [Note 12]

We do not offer [lifetime mortgages] [home reversion plans]. [Note 8A]

---

**3. Which service will we provide you with? [Note 3] [Note 7]**

---

We will advise and make a recommendation for you on [lifetime mortgages] [home reversion plans] [equity release products] after we have assessed your needs.

You will not receive advice or a recommendation from us. We may ask some questions to narrow down the selection of [lifetime mortgages] [home reversion plans] [equity release products] that we will provide details on. You will then need to make your own choice about how to proceed.

---

**4. What will you have to pay us for this service? [Note 3] [Note 7]**

---

No fee. [We will be paid by commission from the company that [lends you money] [buys your home].] **[Note 13]**

A fee [of £ [] payable at the outset and £ [] payable when you apply for a/an [lifetime mortgage] [home reversion plan][equity release product]]. [We will also be paid commission from the company that [lends you money] [buys your home].] **[Note 13] [Note 14]**

You will receive a key facts illustration when considering a particular equity release product, which will tell you about any fees relating to it.

**5. Refund of fees [Note 15] [Note 16]**

If we charge you a fee, and your equity release sale does not go ahead, you will receive:

A full refund [if the lender rejects your application]. **[Note 17]**

A refund of £ [] [if the purchase falls through]. **[Note 17] [Note 18]**

No refund [if you decide not to proceed]. **[Note 17]**

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**6. Who regulates us? [Note 19]**

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[XYZ Financial Services] [123 Any Street, Some Town, ST21 7QB] **[Note 20] [Note 20A]** is authorised **[Note 21]** and regulated by [ ] **[Note 21]** ~~the Financial Services Authority.~~ Our ~~FSA Register~~ Financial Services Register number is [ ].

Our permitted business is [ ]. **[Note 22]**

[or] **[Note 20B]**

[Name of *appointed representative*] **[Notes 4 and 5]** is an appointed representative of [name of *firm*] [address of *firm*] **[Note 20] [Note 20A]** which is authorised and regulated by [ ] **[Note 21]** ~~the Financial Services Authority.~~ [Name of *firm's*] ~~FSA Register~~ Financial Services Register number is [ ].

[Name of *firm's*] permitted business is [ ] [Note 22]

You can check this on the ~~FSA's Register~~ Financial Services Register by visiting the ~~FSA's FCA's~~ website ~~www.fsa.gov.uk/register~~ [website address tbc] or by contacting the ~~FSA FCA~~ on ~~0845 606 1234~~ 0800 111 6768.

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## 7. What to do if you have a complaint [Note 19]

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If you wish to register a complaint, please contact us:

...in writing      Write to [XYZ Financial Services], [Complaints Department, 123 Any Street, Some Town, ST21 7QB]. [Note 23]

... by phone      Telephone [0121 100 1234]. [Note 23]

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. [Note 23A]

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## 8. Are we covered by the Financial Services Compensation Scheme (FSCS)? [Note 19] [Note 24] [Note 25]

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We are covered by the FSCS. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim.

Equity release advising and arranging is covered up to a maximum limit of £50,000.

Further information about compensation scheme arrangements is available from the FSCS.

**Message from the ~~Financial Services Authority~~ Financial Conduct Authority**

**Think carefully about this information before deciding whether you want to go ahead.**

**If you are at all unsure about which equity release transaction is right for you, you should ask your adviser to make a recommendation.**

**The following notes do not form part of the IDD.**

**Note 1** – subject to this, a *firm* may use its own house style and brand.

**Note 2** – the ~~Financial Services Authority~~ Financial Conduct Authority has developed a common 'key facts' logo to be used on significant pieces of information directed to *customers*. The 'key facts' logo and the text "about our equity release services" must be used and positioned as shown in the IDD. The logo may be re-sized, but it must be reasonably prominent and its proportions must not be distorted. When reproducing the logo, *firms* may use colour providing this does not diminish the prominence of the logo. Further requirements regarding the use of the keyfacts logo are set out in *GEN* 5.1 and *GEN* 5 Annex 1G.

**Note 3** – *firms* must insert the text in square brackets relating to *lifetime mortgages* if their scope of services includes *lifetime mortgages*; the text in square brackets relating to home reversion plans if their scope of service includes *home reversion plans*; and the text in square brackets relating to equity release products if their scope of service includes products from both market sectors. The texts in square brackets are mutually exclusive. This means that *firms* should use only one of the square bracketed texts and must omit those not used.

**Note 4** – insert the *firm* or *appointed representative's* name (either the name under which it is *authorised* or the name under which it trades). A corporate logo, or logos, may be included.

**Note 5** – if the IDD is provided by an *appointed representative*, insert the name of the *appointed representative*. (If an individual who is employed or engaged by an *appointed representative* provides the information, the individual should not put his or her own name on the IDD.)

**Note 6** – insert the head office or if more appropriate the principal place of business from which the *firm* or *appointed representative* expects to conduct business with *customers*. (An *appointed representative* must not include the name and address of the *authorised firm* instead of its own.)

**Section 2: Whose mortgages do we offer?**

**Note 7** – *firms* must describe their scope of service by selecting and ticking, the box or boxes that describe the products and services that the firm expects to provide to the *customer*. *Firms* must not delete the boxes not selected (but see Note 8A). In the text associated with boxes that are not ticked:

- a. in Section 2 a *firm* must delete references to 'home reversions' and 'lifetime mortgages' but leave references to 'equity release products'. This is so that a *customer* can see other possible options, even if not available from the *firm* issuing the IDD, and
- b. in Section 3, a *firm* must use the words in square brackets that reflect the products it is offering in Section 2. If the *firm* advises or gives personalised



information on products from both equity release market sectors, it must use the term 'equity release products'.

**Note 8** - if the IDD is provided by an *appointed representative*, the service described must be that offered by the *appointed representative*, in accordance with MCOB 4.3.10R.

**Note 8A** – if the *firm's* scope of service does not include both types of *equity release transactions*, it must use this box to indicate to the *customer* the sector that it does not cover.

**Note 9** – insert “can” if the *firm's* range of *equity release transactions* is determined by any contractual obligation.

**Note 10** – this sentence is required only where a *firm* selects this service option. It may also be omitted if a *firm* chooses to list all of the lenders it offers mortgages from instead of the text "a limited number of companies", in the previous line, so long as the *firm* offers all of the products generally available from each company.

**Note 11** – if the *firm* selects this box, it must insert the name of the company. If the *firm* does not select this box, it must insert the words "a single company" instead. If the *firm* does not offer all of the mortgages generally available from that company, it must insert the words "a limited range of", as shown. If the company only has one product, the *firm* should amend the text to "We can only offer a product from [name of company]."

**Note 11A** – if the *firm* offers *home reversion plans* from only one *reversion provider*, and *lifetime mortgages* from only one *lender*, which is different from the *reversion provider*, then the *firm* should identify the *lender* and the *reversion provider* and specify the *equity release transaction* to which they relate. For example, "We can only offer lifetime mortgages from ABC Mortgages Ltd and home reversion plans from XYZ Reversions Ltd."

**Note 12** – if the *firm* offers only its own products, or is part of a *firm* offering only the products sold under that part's trading name, it may use this alternative text.

#### **Section 4: What will you have to pay us for this service?**

**Note 13** – if the *firm* receives commission instead of, or in addition to, *fees* from the *customer*, it must insert a plain language explanation of this case (see specimen for a plain language example). If the *firm* will pay over to the *customer* any commission the *firm* receives, it may refer to the fact here.

**Note 14** – insert a plain language description of when any *fees* are payable. This description could include, for example, a cash amount, a percentage of the loan amount or the amount per hour, as appropriate. However, where a cash amount is not disclosed, one or more examples of the cash amount must be included. If the *firm* offers more than one pricing option, it should specify the pricing policy for each product. For example, "A fee of £100 payable at the outset and £120 when you apply

for a lifetime mortgage and £80 when you apply for a home reversion plan." If a *firm* does not charge a *fee*, the text for the second box should be abbreviated to 'A fee'.

### Section 5: Refund of fees

**Note 15** – if, in section 4, it has been indicated that there will be 'No fee' or that any *fee* will be payable only if the mortgage completes, section 5 may be omitted altogether, and the following sections re-numbered accordingly.

**Note 16** – *firms* must select as many boxes as are appropriate.

**Note 17** – insert a plain language description of the circumstances in which the *fee* is refundable or not refundable as described. If the refund policy is different depending on the *equity release transaction* in question, the *firm* should specify the refund policy for each of them. For example, "A refund of £100 if your lifetime mortgage application falls through and a refund of £120 if your home reversion plan application falls through."

**Note 18** – the *firm* may delete this line if it does not offer a partial refund in any circumstances

### Section 6: Who regulates us?

**Note 19** – these sections may be omitted in accordance with *MCOB* 4.4.1R(3). If this section is omitted, the other sections of the IDD must be renumbered accordingly.

**Note 20** – where the *authorised firm* trades under a different name from that under which it is *authorised*, it must include the name under which it is *authorised* and listed on the ~~FSA register~~ Financial Services register. It may also include its trading name if it wishes.

**Note 20A** – if the *firm's* address on the ~~FSA register~~ Financial Services register differs from that given on the IDD under **Note 6**, the address on the ~~FSA register~~ Financial Services register must be given in this section. If the address is the same as that given under **Note 6**, it should be repeated in this section.

**Note 20B** – where the information is provided by an *appointed representative*, the *appointed representative* must use this text instead. The *appointed representative* must give details of the authorised *firm(s)* that is its *principal(s)* for each type of service that it is providing to a particular *customer*.

**Note 21** – ~~An incoming EEA firm will need to modify this section if it chooses to use this IDD (see GEN 4 Ann 1R(2)). A UK domestic firm (or an overseas firm) will need to use the appropriate wording to describe its regulator(s) as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An appointed representative will also need to use the appropriate wording for appointed representatives as set out in GEN 4 Annex 1R (firms that are not PRA-authorised persons) or GEN 4 Annex 1AR (PRA-authorised persons). An EEA incoming firm will also need to modify this section if it chooses to use this initial disclosure document (see GEN 4 Annex 1R(2) or (3), or GEN 4 Annex 1AR (3) or (4)). A tied agent that is regulated in an EEA State other than the United Kingdom will similarly need to modify this section.~~

**Note 22** – insert a short, plain language description of the business for which the *firm* has *permission* in relation to *equity release transactions*.

### **Section 7: What to do if you have a complaint**

**Note 23** - if different to the address in **Note 6**, give the address and telephone number which is to be used by *customers* wishing to complain.

**Note 23A** – if the IDD is provided by an *authorised professional firm* which is exclusively carrying on *non-mainstream regulated activities*, the *authorised professional firm* should delete this sentence and refer to the alternative complaints handling arrangements. It should also omit the information required under Note 3.

### **Section 8: Are we covered by the Financial Services Compensation Scheme (FSCS)?**

**Note 24** – when an *incoming EEA firm* provides the IDD, it must modify this section as appropriate.

**Note 25** - when a *firm* which is not a *participant firm* provides the IDD, it must answer this question 'No' and should state the amount of cover provided (if any) and from whom further information about the compensation arrangements may be obtained. It should also omit the information required under Note 3.

Last updated: ~~06 November 2006~~  
April 2013

## MCOB 9 Annex 1R

**The illustration: table of contents, prescribed text and prescribed section headings and subheadings (R).**

1. This annex belongs to *MCOB 9.4.2R*.

2. The underlined text indicates instructions that must not be included in the *illustrations* provided to *customers*.



about this lifetime mortgage

**Personalised information on a lifetime mortgage for:** insert *customer's* name – see *MCOB 9.4.17R* (1)

**Date produced:** insert date – see *MCOB 9.4.17R* (2)

Insert details of how long the *illustration* is valid for, and if appropriate when the mortgage needs to commence by – see *MCOB 9.4.17R* (3)

This is not a legally binding mortgage offer and it does not oblige [name of *mortgage lender*] to provide you with the mortgage described in this illustration.

### 1. About this information

We are required by the ~~Financial Services Authority~~ Financial Conduct Authority (FSA FCA) – the independent watchdog that regulates, financial services – to provide you with this illustration.

All firms selling lifetime mortgages are required to give you illustrations like this one, that contain similar information presented in the same way.

Ask for other illustrations if you want to compare this lifetime mortgage with lifetime mortgages from other lenders.

The Money Advice Service provides useful information on lifetime mortgages and other ways of releasing equity from your home in a booklet called 'Raising money from your home'. You can get this free through the Money Advice Service website [www.moneyadvice.service.org.uk](http://www.moneyadvice.service.org.uk) or by calling 0300 500 5000.

### 2. Which service are we providing you with?

We recommend, having assessed your needs, that you take out this lifetime mortgage.

We are not recommending a particular lifetime mortgage for you. However, based on your answers to some questions, we are giving you information about this lifetime mortgage so that you can make your own choice, or find out about other ways in which you may be able to release equity from your home.

### 3. What is a lifetime mortgage?

Important information from the ~~Financial Services Authority~~ Financial Conduct Authority:

- A lifetime mortgage is a special type of loan which is usually designed to run for the rest of your life, and which means that you borrow money that is secured on your home to give you a

lump sum/or a regular income. The amount you owe to the lender is usually paid back from the proceeds of the sale of your home after death. If you are borrowing with someone else this would be after the death of the last borrower. Any money left over would be paid to your beneficiaries.

- If you buy a new home, you may be able to transfer your lifetime mortgage to your new home, or you may be able to get a new lifetime mortgage. Otherwise you will usually have to repay the amount you owe to the lender from the money you get from the sale of your home. Any money left over belongs to you.
- If you move into sheltered accommodation or long term care you will usually have to repay the amount you owe to the lender from the money you get from the sale of your home. Again any money left over belongs to you. If you are borrowing jointly with someone else and one of you needs to move into long-term care, you don't usually have to sell your home until the last borrower either dies or moves into long-term care or another property.
- If you decide that you simply don't want the lifetime mortgage any more, you can repay the amount you owe to the lender at any time, but the lender may make an early repayment charge if you do. Section 13 of this illustration will tell you if any early repayment charges apply to this mortgage.
- Some lifetime mortgages are linked to an investment – this means you borrow a lump sum which is invested (for example in an annuity) to give you a regular income. If this happens the full details of the investment will be shown in a separate document and it is important to read both documents together.

#### 4. What have you told us

See *MCOB 9.4.21R - MCOB 9.4.23G*

#### 5. Overall cost of this mortgage

See *MCOB 9.4.24R - MCOB 9.4.30G*

For foreign currency mortgages see *MCOB 9.4.128R – MCOB 9.4.129R*

For *shared appreciation mortgages* see *MCOB 9.4.130R – MCOB 9.4.132R*

#### 6. Benefits

See *MCOB 9.4.31R(1)*

£X

#### Your net income:

This box only required where the *regulated lifetime mortgage contract* is linked to an *investment* and the payments due on the *regulated lifetime mortgage contract* are deducted from the income from the *investment* – see *MCOB 9.4.31R(2)*.

#### Other benefits and incentives

See *MCOB 9.4.31R(3)*

#### 7. Risks – important things you must consider

#### 8. What will you owe and when

[insert frequency of

(A) details of mortgage payments – this section is only required where the <i>customer</i> is required to make payments to the <i>mortgage lender</i> in respect of all or part of the interest payable See <i>MCOB</i> 9.4.36G	payments- see <i>MCOB</i> 9.4.37R]
See <i>MCOB</i> 9.4.37R to <i>MCOB</i> 9.4.46R	£
This section is required only for multi-part mortgages where there is a future change in the interest rate(s) charged. <b>What you will owe in future</b>	[insert frequency of payments – see <i>MCOB</i> 9.4.37R]
See <i>MCOB</i> 9.4.47R to <i>MCOB</i> 9.4.48R	Insert amounts(s)

### 8. What will you owe and when

(B) projection of roll-up of interest – this section is only required where the *customer* is not required to make payments to the *mortgage lender* in respect of all or part of the interest payable - see *MCOB* 9.4.49G

See *MCOB* 6.4.50R

"This shows how the amount(s) paid to you and the interest and any fees that we charge mount up over [insert number of years] years. It has been calculated using the current interest rate of [insert interest rate]. Interest is added to the amount you owe [insert frequency of roll-up of interest – e.g. monthly] Remember that the mortgage could run for a longer or shorter time than [insert number of years] years, and if it runs for longer the amount you owe will carry on increasing."

Year	Balance at start of year	Amount paid to you during the year £	Interest charged at x%	Fees charged during the year	What you owe at end of year £
See <i>MCOB</i> 9.4.51R(1)	See <i>MCOB</i> 9.4.51R (2)	See <i>MCOB</i> 9.4.51R(3).	See <i>MCOB</i> 9.4.51R(4).	See <i>MCOB</i> 9.4.51R(5).	See <i>MCOB</i> 9.4.51R(6)

### 9. Total borrowing [for further advances only – if used subsequent section will be renumbered]

See *MCOB* 9.5.8R ~~9.5.8R~~ 9.8.5R

### 9. Will the interest rate change?

See *MCOB* 9.4.53R - *MCOB* 9.4.61G

### 10. How the value of your home could change

See *MCOB* 9.4.62R - *MCOB* 9.4.64R

For *shared appreciation mortgages* see *MCOB* 9.4.130R(2)

### 11. What fees must you pay?

**Fees payable to [insert name of mortgage lender]**

See *MCOB* 9.4.65R to *MCOB* 9.6.71R

**Other fees**

See *MCOB* 9.4.65R to *MCOB* 9.6.71R

#### Fee amount

Insert amount of each fee

Insert amount of each fee

### 12. Insurance

[insert frequency of payments for premium quoted payments]

Insurance you must take out through [insert name of mortgage lender or mortgage intermediary]

£

See <i>MCOB 9.4.72R</i> to <i>MCOB 9.4.75R</i> and <i>MCOB 9.4.81R</i>	
<b>Insurance you must take out as a condition of this lifetime mortgage but that you do not have to take out through [insert name of mortgage lender or mortgage intermediary]</b> See <i>MCOB 9.4.76R</i> to <i>MCOB 9.4.78G</i> <i>MCOB 9.4.81R</i>	£
<b>Optional Insurance</b> This box is only required where quotations for optional insurance are provided in the <i>illustration</i> . See <i>MCOB 9.4.79R</i> to <i>MCOB 9.4.80R</i> and <i>MCOB 9.4.81R</i>	£

<b>13. What happens if you do not want this mortgage any more?</b>	
<b>Early repayment charges</b> See <i>MCOB 9.4.38R</i> to <i>MCOB 9.4.90R</i>	
For <i>shared appreciation mortgages</i> see <i>MCOB 9.4.130R(3)</i>	
<b>Circumstances in which early repayment charges do not apply</b> See <i>MCOB 9.4.38R(2)</i>	

<b>14. Additional features</b>	
See <i>MCOB 9.4.91R</i> to <i>MCOB 9.4.110R</i>	

<b>15. Overall cost of this mortgage</b>	
See <i>MCOB 9.4.111R</i> to <i>MCOB 9.4.112G</i>	
See <i>MCOB 9.4.113R</i>	
The total amount you would pay back over the example term of [insert number of years] including the amount borrowed is:	£[insert details]
The overall cost for comparison:	[insert details]% APR
See <i>MCOB 9.4.116R</i>	
For <i>shared appreciation mortgages</i> see <i>MCOB 9.4.130R(4)</i>	

<b>16. Using a mortgage intermediary</b>	
This section is required only when the illustration is provided to a customer by a mortgage intermediary. If the illustration is provided by a mortgage lender, this section must be removed.	
See <i>MCOB 9.4.119R</i> to <i>MCOB 9.4.125G</i>	



**Contact details**

See *MCOB 9.4.126R* to *MCOB 9.4.127G*

## MCOB 9 Annex 2R

The illustration: table of contents, prescribed text and prescribed section headings and sub-headings.

1. This annex forms part of *MCOB 9.4.2R*.
2. Text in square brackets indicates instructions that must not be included in the *illustrations* provided to *customers*.

	about this home reversion plan
<p><b>Personalised information on a home reversion plan for</b> [insert <i>customer's</i> n <i>MCOB 9.4.17R(1))</i>]</p> <p><b>Date produced:</b> [insert date (see <i>MCOB 9.4.17R(2))</i>]</p> <p>[Insert details of how long the <i>illustration</i> is valid for, and, if appropriate, needs to commence by (see <i>MCOB 9.4.17R(3)</i>)]</p> <p style="text-align: right;"> Alpha Beta Properties</p>	

This is not a legally binding offer of a home reversion plan and it does not oblige [insert name of the *reversion provider*] to provide you with the home reversion plan described in this illustration.

### 1. About this information

We are required by the ~~Financial Services Authority~~ Financial Conduct Authority (FSA FCA) - the independent watchdog that regulates financial services - to provide you with this illustration.

All firms selling home reversion plans are required to give you illustrations like this one, containing similar information presented in the same way.

Ask for other illustrations if you want to compare this home reversion plan with other products designed to release equity from your home.

The Money Advice Service provides useful information on ways of releasing equity from your home in a booklet called 'Raising money from your home'. You can get this free through the Money Advice Service website [www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk) or by calling 0300 500 5000.



## 2. Which service are we providing you with?

We recommend, having assessed your needs, that you take out this home reversion plan.

We are not recommending a particular home reversion plan for you. However, based on your answers to some questions, we are giving you information about this home reversion plan so that you can make your own choice or find out about other ways in which you may be able to release equity from your home.

## 3. What is a home reversion plan?

### How home reversions work

- A home reversion is an arrangement designed to run for the rest of your life or until the occurrence of certain events. You sell all or part of your home to give you a lump sum and/or an income. **You no longer own your home** (or the part of it that you have sold) but you have the right to live there, for the rest of your life or until the occurrence of certain events, [insert capacity in which the *customer* will occupy the premises, e.g. “as the tenant of the firm or person who bought it”]. We call this person or firm “the reversion provider”. At the end of the plan (this is explained below), the property is put up for sale by the provider. If you sold only part of your home, the value of the part you did not sell is paid to you or your estate.
- The amount you receive for your property, or the portion of it that you sell, will normally be less than its market value. This will reflect factors such as your age, the value of your property and how much property prices are expected to change in the future.
- You may be required to pay rent. This is usually a token sum but it may be more.

### Income Plans

- Some home reversions give you an income instead of, or as well as, a lump sum. If an income option is available, your adviser will tell you how it would work and how much you would receive and for how long.

### When does a home reversion plan end?

- This depends on the terms of the plan but will usually include death or where you (or, in the case of a joint plan, the survivor) move out permanently, for example into long-term residential care. The property will be put up for sale by the provider and the value of any part you do not sell to the provider will be paid to you or your estate. See also “Cancelling a home reversion”, below.

### **Moving home**

- Not all home reversion plans can be transferred to a new property, if you should want to move home in the future. Section 5 will tell you if this plan cannot be transferred. You may incur costs with such a transfer, such as fees for a solicitor or surveyor. If you think you may want to move home in the future, check to see if the plan can be transferred before taking out the plan.

### **Cancelling a home reversion plan**

- A home reversion plan is designed to run for the rest of your life or until the occurrence of certain events. However, if you decide that you no longer want the plan, it may be possible to buy back the property but this is likely to be at the full market rate at the time and may cost you more than you received for it under the reversion plan. Section 11 will tell you if you can buy back your property.

#### **4. What you have told us**

See *MCOB 9.4.136R – MCOB 9.4.138G*

#### **5. Description of this home reversion plan**

See *MCOB 9.4.139R – MCOB 9.4.141G*

#### **6. Benefits**

See *MCOB 9.4.142R – MCOB 9.4.144G*

**£X**

#### **7. Risks -important things that you must consider**

See *MCOB 9.4.145R – MCOB 9.4.147R*

<b>8. What you will have to pay and when</b>	[insert frequency of payments – see <i>MCOB 9.4.148R</i> ]
See <i>MCOB 9.4.148R – MCOB 9.4.151R</i>	<b>£X</b>

<b>9. What fees must you pay?</b>	<b>Fee amount</b>
See <i>MCOB 9.4.152R – MCOB 9.4.158R</i>	[insert amount of each fee]

<b>10. Insurance</b>	[insert frequency of payments for premium quoted payments]
See <i>MCOB 9.4.159R– MCOB 9.4.166G</i>	<b>£X</b>

<b>11. What happens if you do not want this home reversion plan any more?</b>
See <i>MCOB 9.4.167R</i>

<b>12. Using a home reversion intermediary</b>
This section is required only when the <i>illustration</i> is provided to a <i>customer</i> by a <i>reversion intermediary</i> . If the <i>illustration</i> is provided by a <i>reversion provider</i> , this section must be removed.
See <i>MCOB 9.4.168R – MCOB 9.4.174G</i>

**Contact details**

See *MCOB 9.4.175R* and *MCOB 9.4.176G*

## Annex 18

### Amendments to the Banking: Conduct of Business sourcebook (BCOBS)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>FSA</i>	<i>FCA</i>	BCOBS 3.2.2R(4); BCOBS 3 Annex 1R(4); BCOBS 4.1.4AG(2)(b); BCOBS Sch 5.2
<i>FSA Register</i>	<i>Financial Services Register</i>	BCOBS 3.2.2R(4); BCOBS 3 Annex 1R(4)
Section 150	Section 138D	BCOBS Schs 5.1, 5.2
Section 150(2)	Section 138D(3)	BCOBS Sch 5.2

Amend the following provisions as follows.

2.2.4 G ~~Sections 397 (Misleading statements and practices) of the Act creates a criminal offence relating to certain misleading statements and practices.~~ Part 7 (Offences relating to Financial Services) of the Financial Services Act 2012 creates criminal offences relating to certain misleading statements and practices

...

2.3.4 G If a communication or a *financial promotion* names the ~~FSA~~ FCA, PRA or both as the regulator of a *firm* and refers to matters not regulated by ~~the FSA~~ the FCA, PRA or both, the *firm* should ensure that the communication or *financial promotion* makes clear that those matters are not regulated by the ~~FSA~~ FCA, PRA or both.

**Annex 19**

**Amendments to the Client Assets sourcebook (CASS)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	<p>CASS 1.2.5R(2);</p> <p>CASS 1A.2.5R(2)(a) and (c), 1A.2.9R, 1A.2.11G, 1A.2.12R(1) and (2), 1A.2.13G, 1A.3.1AR(3), 1A.3.1CR(2)(c);</p> <p>CASS 5.5.6G, 5.5.37G, 5.5.61R, 5.5.76R, 5.5.77R, 5.6.5R(4), 5.6.6R(1);</p> <p>CASS 6.5.5R, 6.5.13R, 6.5.14G, 6.5.15G;</p> <p>CASS 7.4.9CG, 7.4.15R, 7.4.35R, 7.6.6G(3), 7.6.8R, 7.6.11G, CASS 7.6.16R, 7.6.17G, 7.6.18G, 7.6.19G, 7 Annex 1G,</p> <p>CASS 7A.2.2R(4), 7A.2.3R(1), 7A.3.19R;</p> <p>CASS 10.1.7R, 10.1.16R</p> <p>CASS Sch 5.1G</p>
Section 139(1)	Section 137B(1)	<p>CASS 5.3.1G;</p> <p>CASS 7.7.1G</p>
Section 150	Section 138D	CASS Schs 5.1G(1) to (2) and 5.2G
Section 150(2)	Section 138D(3)	CASS Sch 5.1G(2)
Section 48	Section 55P(1)(b) or (c) (as the case may be)	<p>CASS 5.6.5R(2);</p> <p>CASS 7A.2.2R</p>

Amend the following provisions as follows.

5.5.60 R ...

**Notifications to the ~~FSA~~ FCA: failure of a bank, broker or settlement agent**

...

7.4.32 G United States (US) legislation restricts the ability of non-US firms to trade on behalf of US customers on non-US futures and options exchanges. The relevant US regulator (the *CFTC*) operates an exemption system for *firms* authorised by the ~~FSA~~ FCA under the *Act*. The ~~FSA~~ FCA or the *PRA* sponsors the application from a *firm* for exemption from Part 30 of the General Regulations under the US Commodity Exchange Act in line with this system.

...

7A.3.18 R ...

**Notification to the ~~FSA~~ FCA: failure of a bank, intermediate broker, settlement agent or OTC counterparty**

...

**Annex 20**

**Amendments to the Market Conduct sourcebook (MAR)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	<p>MAR 1.1.2G(2), 1.1.3G, 1.1.5G(1), 1.1.5G(3), 1.1.6G, 1.1.6G(2), 1.2.5E, 1.2.6E, 1.2.8E, 1.2.12E, 1.2.16E, 1.2.22UK, 1.3.2E, 1.3.3E, 1.3.5E, 1.3.9E, 1.3.10E, 1.3.11E, 1.3.14E, 1.3.15E, 1.3.19E, 1.4.2E, 1.4.5E, 1.4.5E(1), 1.5.2E, 1.5.3G, 1.5.6E, 1.5.7E, 1.6.2E, 1.6.4E, 1.6.5E, 1.6.6E, 1.6.9E, 1.6.10E, 1.6.11E, 1.7.2E, 1.7.3E, 1.8.3E, 1.8.4E, 1.8.5E, 1.9.2E, 1.9.4E, 1.9.5E;</p> <p>MAR 1 Annex 1.1G paras 1.1.8G, 1.1.11G;</p> <p>MAR 1 Annex 1.2G para 2G;</p> <p>MAR 2.3.3R, 2.3.6G, 2.4.4R(1)(a);</p> <p>MAR 4.3.2G(2) to (3), 4.3.4G(2);</p> <p>MAR 5.3.2G, 5.6.1R(1) to (3), 5.7.12G, 5.8.3G, 5.8.4G(1) to (4), 5.9.6AG, 5.9.7R;</p> <p>MAR 6.1.2R, 6.2.1G, 6.4.1R, 6.4.2G, 6.8.1G, 6.8.2G, 6.8.8G;</p> <p>MAR 7.2.6AG, 7.2.12AG(1) to (2), 7.2.14G;</p> <p>MAR Sch 5.1G(2)</p>
Section 150	Section 138D	<p>MAR 2.2.9R;</p> <p>MAR Sch 5.1G(1) to (2)</p>
Section 150(2)	Section 138D(3)	<p>MAR 2.2.9R;</p> <p>MAR Sch 5.1G(2)</p>

Amend the following provisions as follows.

## 1.1 Application and interpretation

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

...

1.10.1 G ...

### ~~FSA~~ FCA rules

...

2.3.9 G For the purposes of article 9(2) of the *Buy-back and Stabilisation Regulation*, the ~~FSA~~ FCA is the competent authority of those markets listed as *regulated markets* at <http://www.fsa.gov.uk/register/exchanges.do> [web address tbc]. *Persons* undertaking *stabilisation* will be taken to have notified the ~~FSA~~ FCA for the purposes of article 9(2) if they email details of all their *stabilisation* transactions to [stabilisation@fsa.gov.uk](mailto:stabilisation@fsa.gov.uk) [stabilisation@fca.org.uk](mailto:stabilisation@fca.org.uk) clearly identifying the offer being *stabilised* and the contact details for the *persons* undertaking the *stabilisation*.

...

## 5.1 Application

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

...

5.3.7 G The ~~FSA~~ FCA will be minded to impose a variation on the ~~Part IV permission~~ *Part 4A Permission* of an *MTF* operator that operates a primary market in shares not *admitted to trading* on a *regulated market* in order to ensure its fulfilment of the requirements in *MAR* 5.3.1R as regards fair and orderly trading.



...

7.2.13 G The information relating to 'minimum qualifying size' referred to in Article 28 of the *MiFID Regulation* (see *MAR* 7.2.6 EU) and the results of calculations and estimates required to be published as a result of Articles 33 and 34 of the *MiFID Regulation* are available at ~~www.fsa.gov.uk~~ [web address tbc] and at ~~mifiddatabase.esma.eu~~ http://mifiddatabase.esma.europa.eu/.

7.2.14 G The *FSA* considers that a *firm* will satisfy its obligations under *MAR* 7.2.12EU if:

(1) in assessing the arrangements, the *firm* follows the guidelines published on the ~~FSA's~~ *FCA's* website at ~~www.fsa.gov.uk/pubs/international/guidelines\_tdm.pdf~~ [web address tbc]; and

...

**Annex 21**

**Amendments to the Supervision manual (SUP)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority</i>	<i>Financial Conduct Authority</i>	SUP 12.7.5G
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	SUP 2.2.1G, 2.2.2G, 2.3.1G to 2.3.8G, 2.3.10G to 2.3.11G;  SUP 3.2.1G, 3.3.1G, 3.3.2R(2) and (5), 3.3.7R(2), 3.3.9G, 3.3.10R, 3.4.1G, 3.4.7R, 3.4.8G, 3.5.3R, 3.5.4G, 3.7.2G, 3.8.1G, 3.8.2R, 3.8.3G, 3.8.7G, 3.8.9G, 3.8.10G, 3.8.11R, 3.8.12R
<i>FSA</i>	<i>FCA</i>	SUP 2.1.4G, 2.1.6G, 2.1.7G, 2.1.8G, 2.1.9G, 2.4.1G to 2.4.5G;  SUP 3.2.5G, 3.10.4R, 3.10.5BG, 3.10.7R, 3.10.8R, 3.10.8AR(2), 3.10.8BG, 3.10.8CG, 3.10.8DR(2), 3.10.9CG, 3.10.13G, 3.11.1G, 3.11.3G, 3.11.4G;  SUP 9.1.1G(2), 9.1.2G, 9.1.3G, 9.1.4G, 9.2.1G to 9.2.6G, 9.3.1G, 9.3.3G, 9.3.4G, 9.4.1G, 9.4.4G, 9.5.1G to 9.5.5G, 9.5.7G;  SUP 12.1.3G, 12.1.4G, 12.1.5G, 12.2.16G(5), 12.2.16G(7), 12.3.6G, 12.4.8G, 12.4.9G(2), 12.4.10G, 12.4.11R, 12.4.12G, 12.5.3G(2), 12.5.9G, 12.6.2G, 12.6.9G, 12.7.1AR, 12.7.3G, 12.7.7R, 12.7.8R, 12.7.8AR, 12.7.10G, 12.8.1R, 12.8.1AR, 12.8.1BG, 12.8.2G, 12.8.4G, 12.8.5G, 12 Annex 2G 2. 3. (1)(a)(i);  SUP 17.1.1R(3), 17.1.2G, 17.1.3AG, 17.1.4R, 17.1.5R, 17.2.1R, 17.2.2G, 17.2.3R, 17.2.3AG, 17.2.4G, 17.2.5R,

		17.2.7R, 17.3.1EU(e), 17.3.3EU, 17.3.4G, 17.3.5G, 17.3.6G, 17.4.1EU, 17.4.3R, 17.4.4G;  SUP 21.1.1G, 21.1.2G, 21.1.3G, 21.1.4G  SUP App 2.15.7G, 2.15.15G
<i>FSA</i>	<i>PRA</i>	SUP 3.3.8G;  SUP 4.3.1G, 4.3.3G, 4.3.4G, 4.3.6G, 4.3.7G;  SUP 4.6.1G, 4.6.8G, 4.6.17G;  SUP App 2.3.2G, 2.3.3G, 2.3.6G, 2.3.7G;  SUP App 2.4.1G, 2.5.1G, 2.5.3G, 2.6.1G, 2.7.2G;  SUP App 2.11.1G, 2.13.1G, 2.13.3G, 2.13.4G, 2.14.1G
<i>FSA reference number</i>	<i>firm reference number</i>	SUP 17 Annex 1
<a href="http://www.fsa.gov.uk/Pages/doing/index.shtml">http://www.fsa.gov.uk/Pages/doing/index.shtml</a>	[web address tbc]	SUP 12 Annex 3, 4, 5
<i>Register</i>	<i>Financial Services Register</i>	SUP 12.4.5A, 12.4.9, 12.4.10G, <del>12.5.2A</del> , 12.7.7R, 12.8.5G
Section 148	Sections 138A and 138B	SUP 21.1.1G
Section 150	Section 138D	SUP 9.4.4G
Section 157	Section 139A	SUP 9.1.3G
www.fsa.gov.uk	[web address tbc]	SUP 4.3.12G, 4.4.5G;  SUP 12.7.1AR(1), 12.7.8AR(1), 12.8.1AR

Amend the following provisions as follows.

- 2.1.3 G Achieving the *regulatory objectives* involves the *FSA* informing itself of developments in *firms* and in markets. The *Act* requires the *FSA FCA* to monitor a *firm*'s compliance with requirements imposed by or under the *Act*, or by directly applicable Community regulation or decision made under *MiFID* or the *UCITS Directive* or the *auction regulation* (paragraph 6(1) of

Schedule 1). The *Act* also requires the ~~FSA~~FCA to take certain steps to cooperate with other relevant bodies and regulators (section 354A). For these purposes, the ~~FSA~~FCA needs to have access to a broad range of information about a *firm's* business.

...

3.1.11 G The *insurance market direction* in this chapter is given under section 316(1) of the Act (Direction by ~~Authority~~ a regulator) and applies to *members*.

...

3.3.7 R ...

#### **Appointment by ~~FSA~~ appropriate regulator**

...

3.4.7 R ...

#### **Request for information on qualifications by the ~~FSA~~ appropriate regulator**

...

3.8.2 R ...

#### **Cooperation with the ~~FSA~~ appropriate regulator**

...

3.8.9 G ...

#### **Communication between the ~~FSA~~ appropriate regulator, the firm and the auditor**

...

3.8.10 G (1) Auditors are subject to regulations made by the Treasury under sections 342(5) and 343(5) of the *Act* (Information given by auditor or actuary to ~~the FSA~~ a regulator). Section 343 and the regulations also apply to an auditor of an *authorised person* in his capacity as an auditor of a *person* who has *close links* with the *authorised person*. In relation to Lloyd's, an effect of the *insurance market direction* set out at SUP 3.1.13D is that sections 342(5) and 343(5) of the *Act*

(Information given by an auditor or actuary to ~~the Authority a~~  
regulator) apply also to auditors appointed to report on the *insurance*  
*business of members*.

...

- 3.10.8B G The rights and duties of auditors are set out in *SUP* 3.8 (Rights and duties of all auditors) and *SUP* 3.10 (Duties of auditors: notification and report on client assets). *SUP* 3.8.10 G also refers to the auditor's statutory duty to report certain matters to the ~~FSA~~ FCA imposed by regulations made by the Treasury under sections 342(5) and 343(5) of the *Act* (information given by auditor or actuary to ~~the FSA a~~ regulator). An auditor should bear these rights and duties in mind when carrying out *client* asset report work, including whether anything should be notified to the ~~FSA~~ FCA immediately.

...

- 9.2.4A G ...

#### **The ~~FSA's~~ FCA's response to a reasonable request**

...

- 9.2.5 G ...

#### **Information required by the ~~FSA~~ FCA**

...

...

- 9.3 **Giving individual guidance to a firm on the ~~FSA's~~ FCA's own initiative**

...

- 12.1.4 G The ~~FSA~~ FCA has produced a leaflet entitled "Becoming an appointed representative" which provides a comprehensive summary of some of the main features of the appointed representative regime. You may download a copy of this leaflet from our website at [http://www.fsa.gov.uk/pubs/other/factsheet\\_appointed.pdf](http://www.fsa.gov.uk/pubs/other/factsheet_appointed.pdf) [web address tbc].

- 12.4.10 R ...

#### **Appointment of an ~~FSA~~ FCA registered tied agent**

...

12.5.2 G ...

- (3) If the scope of appointment covers, in relation to a *contract of insurance, dealing in investments as agent, arranging, assisting in the administration and performance of a contract of insurance or advising on investments*, regulation 3(4) of the *Appointed Representatives Regulations* makes it a requirement that the contract between the *firm* and the appointed representative contains a provision providing that the appointed representative is not permitted or required to carry on such business unless he is included in the *Financial Services Register* as carrying on *insurance mediation activities*.

...

12.5.8 G ...

#### **Required contract terms for ~~FSA~~ FCA registered tied agents**

...

12.7.5 G To contact the Individuals, Mutuals and Policy Department:

...

- (3) email [iva@fsa.gov.uk](mailto:iva@fsa.gov.uk) [iva@fca.org.uk](mailto:iva@fca.org.uk)

...

12.7.6 R ...

#### **Notification of changes in information given to the ~~FSA~~ FCA**

...

12.7.9 G ...

#### **Submission in the event of failure of ~~FSA~~ FCA information technology systems**

...

SUP 17.2.3A G The *regulated markets* and *MTFs* that report *transactions* undertaken on their systems to the ~~FSA~~ FCA are listed on the ~~FSA's~~ FCA's website at: [www.fsa.gov.uk/Pages/Doing/Regulated>Returns/mtr/liffe\\_feed/index.shtml](http://www.fsa.gov.uk/Pages/Doing/Regulated>Returns/mtr/liffe_feed/index.shtml) [web address tbc]

...

- 17.3.4 G The *approved reporting mechanisms* are listed on the ~~FSA's~~ FCA's website at: <http://www.fsa.gov.uk/pages/Doing/Regulated/Returns/mtr/arms/index.shtml>  
<http://www.fca.org.uk/firms/regulate/reporting/mtr/arm>

...

- 17.3.6 G ...

**Receipt of transaction reports by the ~~FSA~~ FCA**

...

17  
Annex 1 **Minimum content of a transaction report**

...

	Field identifier	Description
EU	1. Reporting Firm Identification	A unique code to identify the <i>firm</i> which executed the <i>transaction</i> .
G		This code should be the <del>FSA</del> <i>firm</i> reference number of the firm or the Swift Bank Identifier Code (BIC).
...		

SUP 3 Annex 1R

**Auditor's client assets report Part 1 – Auditor's Opinion**

**Independent auditor's report on client assets to the ~~Financial Services Authority~~ Financial Conduct Authority in respect of [*Firm name*], ~~FSA FCA~~ firm reference number [*number*], for the period started [*dd/mm/yyyy*] and ended [*dd/mm/yyyy*]**

**Part 1: Auditor's Opinion on Client Assets**

We report in respect of [*Firm name*] ('the firm') on the matters set out below for the period started [*dd/mm/yyyy*] and ended [*dd/mm/yyyy*] ('the period').

Our report has been prepared as required by SUP 3.10.4R and is addressed to the ~~Financial Services Authority~~ Financial Conduct Authority ('the ~~FSA~~ FCA') in its capacity as regulator of financial services firms under the Financial Services and Markets Act 2000.

**Basis of opinion**

We have carried out such procedure as we considered necessary for the purposes of this report in accordance with [*specify Standard/Guidance used*] issued by the [*specify organisation name*].

This opinion relates only to the period and should not be seen as providing assurance as to any future position, as changes to systems or control procedures may alter the validity of our opinion.

**Opinion**

In our opinion:

[The firm has maintained] [Except for...the firm has maintained] [Because of...the firm did not maintain] systems adequate to enable it to comply with [the custody rules,] [the collateral rules,] [the mandate rules] [and] [the client money rules] throughout the period since [the last date at which a report was made] [the firm was authorised] [the firm became subject to SUP 3.11 and we, its auditor, became subject to SUP 3.10].\*

[The firm was] [Except for...the firm was] [Because of...the firm was not] in compliance with the [the custody rules,] [the collateral rules,] [the mandate rules] [and] [the client money rules] as at the period end date.\*

~/~

The scope of the firm's permissions did not allow it to hold [client money] [or] [custody assets].

The directors (or equivalent corporate officers) of the firm have stated that the firm did not hold [client money] [or] [custody assets] during the period. Based on review procedures performed, nothing has come to our attention that causes us to believe that the firm held [client money] [or] [custody assets] during the period.



~/~

In our opinion, [*name of nominee companies*], subsidiaries of the firm which are nominee companies during the period in whose name custody assets are registered, those nominee companies have maintained throughout the period systems for the custody, identification and control of custody assets which:

a) were adequate; and

b) included reconciliations at appropriate intervals between the records maintained (whether by the firm or the nominee company) and statements or confirmations from custodians or from the person who maintained the record of legal entitlement. \*\*

~/~

In relation to the secondary pooling event during the period, the firm has complied with the rules in [CASS 5.6] [and] [CASS 7A (client money distribution)] in relation to that pooling event.

~/~

### Other matters

The report should be read in conjunction with the Breaches Schedule that we have prepared and which is appended to it. [Our opinion expressed above does not extend to the Breaches Schedule.]

[*Signature of the partner/individual with primary responsibility within the audit firm*] [*Typed name of signing individual*]

for and on behalf of [*Name of the audit firm*]

[*registered office*]

[*Date report*]

#### Instructions for Part 1:

\* If the auditor expresses an adverse opinion (i.e. states the firm 'did not maintain...' or 'was not in compliance...') he must set out the reasons why. This can be done by reference to items in columns A to D in Part 2 of the auditor's report on client assets.

If the auditor expresses a qualified opinion (i.e. states 'that except for ..., the firm did maintain' or 'that except for ..., the firm was in compliance') he must do so by reference to items in columns A to D in Part 2 of the auditor's report on client assets.

\*\* In accordance with SUP 3.10.5R(3), the opinion relating to the nominee company is only required to be included in the case of a nominee company in whose name custody assets are registered where that company is a subsidiary of an investment management firm, personal investment firm, a UCITS firm, securities and futures firm or BIRPU investment firm.

**Auditor's client assets report Part 2 – Breaches Schedule**

**Part 2: Identified CASS Breaches that have occurred during the period**

[Firm name], FSA ~~FSA~~ FCA firm reference number [number], for the period started [dd/mm/yyyy] and ended [dd/mm/yyyy]

In accordance with SUP 3.10.9AR, Columns A to D are to be completed by and are the responsibility of the auditor. In accordance with SUP 3.11.1G, Column E should be completed by the firm. The auditor has no responsibility for the content of Column E.

Column A	Column B	Column C	Column D	Column E
Item No.	Rule Reference(s)	Identifying party	Breach Identified	Firm's Comment
1				
...				

Instructions for Part 2:

In Columns A to D of the above schedule the auditor is to set out all the breaches of CASS by the firm occurring during the period subject to the auditor's report. These must include the breaches the auditor has identified through its work (such as in the sample testing of reconciliations) and breaches identified by the firm or any other party (such as those included in the firm's breaches register). In relation to any breach identified, the auditor must provide in Column D any information that it has as respects the severity and duration of the breach identified and, where relevant, the frequency with which that breach has occurred.

The auditor must provide a 'nil' return for this part of the report where no CASS rule breach has been identified.

In Column E the firm should set out any remedial actions taken (if any) associated with the breaches cited, together with an explanation of the circumstances that gave rise to the breach in question.

## Form of Waiver: Energy Market Participant

### Power

1. This waiver is given by the ~~FSA~~ FCA under section 448 138A of the Act (Modification and waiver of rules).

### Authorised person to whom this waiver applies

2. This waiver applies to ..... (the "firm").

### Guidance Note

In addition to the provisions of this waiver, the following special application provisions in the Handbook will apply to the firm because it is an energy market participant: COBS 18.2 and SUP 3.1.2R, SUP 10.1.21R and SUP 10.1.22G.

### Term

3. (1) This waiver takes effect from the date of this notice.
- (2) However, if the firm is not then an energy market participant, this waiver takes effect only when the firm becomes one.
- (3) This waiver ends when the firm first stops being an energy market participant.

### Waiver: Capital and financial reporting requirements<sup>1</sup>

4. The ~~FSA~~ FCA directs that the parts of the Handbook mentioned in the table do not apply to the firm, if the firm satisfies both the following conditions:
  - (1) the firm's main business consists of the generation, production, storage, distribution, or transmission of energy; and
  - (2) the firm does not engage in oil market activity as a member of a recognised investment exchange or designated investment exchange which is under the rules of that exchange entitled to trade with other members.

### Table:

Part of Handbook	Waiver
IPRU(INV) 3	IPRU(INV) 3 (Financial resources for Securities and Futures Firms which are not Investment Firms) does not apply to the firm if the firm satisfies both the conditions in this clause.
<sup>1</sup> For whether this clause would be inserted in a particular case see SUP 21.1.4.	
Part of Handbook	Waiver
SUP 16.7	SUP 16.7 (Financial reports) does not apply to the firm if the firm satisfies both the conditions in this clause.

## Guidance Notes

An energy market participant to which IPRU(INV) 3 does not apply is still subject to the requirement of Principle 4 to have adequate financial resources.

The conditions in this clause are imposed under ~~s. 148(5)~~ s. 138A(6) of the Act. For guidance on the effect of conditions attached to a waiver, see SUP 8.4.1G(2).

## Modification: Transaction reports

5. The ~~FSA~~ FCA directs that the part of the Handbook mentioned in the table apply to a firm which is not a MiFID investment firm or a third country investment firm with the modifications specified in the table.

### Table:

Part of Handbook	Modification
SUP 17	SUP 17 (Transaction reports) does not apply to the firm in relation to its energy market activity.

## Interpretation

6. Unless the contrary intention appears, interpretative provisions in GEN 2 (Interpreting the Handbook) apply to this waiver in the same way they apply to the Handbook.

### Guidance Note

Defined terms in this waiver (other than the term "the firm") are italicised.

Annex 22

**Amendments to the Dispute Resolution: Complaints sourcebook (DISP)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	<p>DISP INTRO 1 Introduction;</p> <p>DISP 1.1.12R, 1.1.12R(3), 1.1.13G, 1.3.2AG(3), 1.3.8G, 1.4.2G(3), 1.6.8G, 1.10.1R, 1.10.1CR, 1.10.2AR, 1.10.2AR(3), 1.10.5R, 1.10.6R, 1.10.6AR(2), 1.10.9R, 1.10.9R(1) to (2), 1.10A.1R(1), 1.10A.4R, 1.10A.7G, 1.10A.8G(1) to (2), 1.11.5R(1) to (2), 1.11.6R, 1.11.6AR, 1.11.6DR, 1.11.6EG, 1.11.9G, 1.11.19G;</p> <p>DISP 3.3.4R5(c), 3.5.12G, 3.8.3R, 3.9.1AR(2);</p> <p>DISP 4.2.1R, 4.2.6R(1), 4.2.6R(4)(b), 4.2.6R(6)(a), 4.2.6R(10);</p> <p>DISP App 1.1.4G, 1.1.8G, 1.5.10G, 1.5.11G, 1.5.12G, 1.5.15G, 1.6.14G;</p> <p>DISP App 3.1.2G(1);</p> <p>DISP TP 1.1(24), 1.1(27), 1.1(30);</p> <p>DISP Schs 2.1G, 5.1G(2)</p>
FSA Individual Reference Number	Individual reference number	DISP 1.10.2AR(3)
Section 150	Section 138D	DISP 1.11.21R, DISP Sch 5.1G(1) to (2)
Section 150(2)	Section 138D(3)	DISP 1.11.21R; DISP Sch 5.1G(2)

Amend the following provisions as follows.

1.10A.4 R A *firm* must immediately confirm to the ~~FSA~~ FCA, in an email submitted to ~~complaintsdatasummary@fca.gov.uk~~, complaintsdatasummary@fca.org.uk that the *complaints* data summary accurately reflects the report submitted to the ~~FSA~~, FCA, that the summary has been published and where it has been published.

...

1.11.6D R The *Society* must immediately confirm to the ~~FSA~~, FCA in an email submitted to ~~complaintsdatasummary@fca.gov.uk~~ complaintsdatasummary@fca.org.uk, that the *complaints* data summary accurately reflects the report submitted to the ~~FSA~~, FCA that the summary has been published and where it has been published.

...

TP1.1		Transitional Provisions table			
(1)	(2) Material provision to which transitional provision applies	(3)	(4) Transitional provision	(5) Transitional provisions: dates in force	(6) Handbook provision: coming into force
...	....	...	...	...	...
27	...	...	[...] "Reports are to be submitted to the <del>FSA</del> <u>FCA</u> within 30 <i>business days</i> of the end of the relevant reporting periods either in hard copy form or by email, to <del>dmt.inbox@fca.gov.uk</del> .  <u>regulatory.returns@fca.org.uk</u> "	...	...

## Annex 23

### Amendments to the Consumer Redress Schemes sourcebook (CONRED)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>FSA</i>	<i>FCA</i>	CONRED 2.3.1R, 2.3.2G, 2.5.10G, 2.5.12R, 2.5.12R(1) and (2), 2.5.13G, 2.5.14R, 2.5.15R(1) and (2), 2.5.17G to 2.5.20G, 2.6.2R(note);  CONRED 2 Annex 13 rows 5.3G, 6.2G, 6.6R, 10.4R(4), 10.14G, 10.15G;  CONRED 2 Annex 15 rows 10, 13, 16, 19, 24, 27;  Schedule 3;  Schedule 5.2G;  Schedule 6.1G
<i>FSA Register</i>	<i>Financial Services Register</i>	CONRED 2 Annex 13 para 4.1R(1)
Section 150	Section 138D	CONRED Schs 5.1G, 5.2G, 5.4G
Section 150(2)	Section 138D(3)	CONRED Sch 5.2G

Amend the following provisions as follows.

2.1.2 R (1) ...

(2) A *person* in (1) must either:

- (a) perform such of the obligations as the *firm* is required to perform under this chapter; or
- (b) ensure that those obligations are performed by the *firm*;

and must notify the ~~FSA~~*FCA*, by 29 April 2013, by email to ~~ArchCruProject@fsa.gov.uk~~*ArchCruProject@fca.org.uk*, as to

whether that *person* or the *firm*, or both, will be performing those obligations.

...

## 2.3 Notifications and reports to the ~~FSA~~ FCA

...

- 2.4.9 R By 29 July 2013, a *firm* must report to the ~~FSA~~ FCA by email to ~~areherureview@fsa.gov.uk~~ archcrureview@fca.org.uk; or (if the email is encrypted) ~~areherureviewpgp@fsa.gov.uk~~ archcrureviewpgp@fca.org.uk with the following information:

...

- 2.5.11 R ...

### Taking steps by or on behalf of ~~FSA~~ FCA

...

- 2.5.16 R Part ~~XXVI~~ 26 of the *Act* (including the provisions as to final notices) applies in respect of notices given under *CONRED* 2.5.14R and *CONRED* 2.5.15R.

...

## 2.9 Consumer redress scheme: information requirements

### Requests for information by the ~~FSA~~ FCA

- 2.9.1 R In relation to any matter concerning or related to the consumer redress scheme created by this chapter, section 165 (~~FSA's~~ Regulators' power to require information: authorised persons etc) of the *Act* and any provision of Part ~~XI~~ 11 (Information Gathering and Investigations) of the *Act* which relates to that section, apply to any *firm* (or *person* in *CONRED* 2.1.2R) which is not an *authorised person* as if it were an *authorised person*.

Reporting requirement: by 9 December 2013

- 2.9.2 R By 9 December 2013, a *firm* must report to the ~~FSA~~ FCA by email to ~~areherureview@fsa.gov.uk~~ archcrureview@fca.org.uk; or (if the email is encrypted) ~~areherureviewpgp@fsa.gov.uk~~ archcrureviewpgp@fca.org.uk with the following information:



...

## 2 Annex 13 CF Arch cru funds template instructions

...

10.13	R	To submit a redress calculation request, send a completed copy of the template to the <del>FSA-FCA</del> by email to <del>archcrureview@fsa.gov.uk</del> <u>archcrureview@fca.org.uk</u> or (if the email is encrypted) <del>archcrureviewpgp@fsa.gov.uk</del> <u>archcrureviewpgp@fca.org.uk</u> .
-------	---	---

### App 1.1 Key definitions

[Note: the following definitions relevant to *CONRED* are extracted from the *Glossary*.]

<i>CF Arch cru payment scheme</i>	the requirements included in the <i>permissions</i> of Capita Financial Managers Limited, BNY Mellon Trust & Depository (UK) Limited and HSBC Bank plc at their request under <u>what was then (but is no longer)</u> section 44 of the <i>Act</i> on 31 August 2011.
...	

**2 Annex 1R**

[Firm details]  
[Date]

[Customer details]

Fund name(s): [insert fund name(s)]

Amount(s) invested: [insert amount(s) invested]

Date(s) of advice given: [insert date(s) of advice given]

**Redress determination in relation to your investment in the CF Arch cru [insert fund name]**

Dear [Insert name]

- **We will not be taking any action to review the way the CF Arch cru [insert fund name(s)] was sold to you because specific circumstances exclude you from the scheme.**
- **If you want to query our decision you have to contact the Financial Ombudsman Service (FOS) within six months.**

The Financial Services Conduct Authority (FSA FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We will not be taking any action to review the way the funds were sold to you to see if you might be entitled to compensation for the following reason(s).

*[We did not advise you to invest in the funds so your case does not fall within the scope of this scheme.] OR*

*[You were not a private customer or retail client at the time of our advice to you so you do not fall within the scope of this scheme.] OR*

*[You previously complained about our advice to you to invest in the funds. We responded to this complaint in our letter of [insert date of final response] setting out our conclusions and you accepted this response in full and final settlement.] OR*

*[You previously complained about our advice to you to invest in the funds. We responded to this complaint in our letter of [insert date of final response] setting out our conclusions. You subsequently referred this complaint to the Financial Ombudsman Service.] OR*

*[For England, Wales and Northern Ireland cases:]*

*[The consumer redress scheme does not include cases where the investment in the CF Arch cru investment or diversified fund was made before 13 December 2006 (where the case is under the law of England and Wales or Northern Ireland). Your investment in the fund was made on [insert date of investment] so in our view does not fall within the scope of the compensation scheme.] OR*

*[For Scotland Cases:]*

*[The consumer redress scheme does not include cases where the consumer should have reasonably become aware of a loss more than five years before the start date of the scheme*

*(where the case is under the law of Scotland). In our view your case does not fall within the scope of the scheme because you should have been aware of a loss on [insert date].]*

**What you can do next**

If you think we should review the way we sold the CF Arch cru *[insert fund name(s)]* to you, you have to contact the Financial Ombudsman Service (FOS) within six months of the date of this letter.

The FOS will decide whether we have applied the rules of the consumer redress scheme correctly in our decision to exclude you.

Enclosed is a leaflet explaining the role of the FOS, which you can contact at:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London E14 9SR

Tel: 0800 023 4567 or 0300 123 9 123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

**CF Arch cru payment scheme**

You may still be able to apply to the CF Arch cru payment scheme for a payment. The scheme will run until 31 December 2013 and is separate to the consumer redress scheme.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fsa.gov.uk~~ consumer.enquiries@fca.org.uk.

You should write to us directly if you have any other complaint about our services.

Yours sincerely

<signature>

<name of adviser or customer service>

**2 Annex 2R**

*[Firm details]*  
*[Date]*

*[Consumer details]*

Fund name(s): *[insert fund name(s)]*

Amount(s) invested: *[insert amount(s) invested]*

Date(s) of advice given: *[insert date(s) of advice given]*

**You have until 22 July 2013 to respond to this letter**

Dear *[Insert name]*

- **You may be entitled to compensation on the basis of how we sold you an investment in the CF Arch cru *[insert fund name(s)]***
- **If you want us to review how your investment was sold you have to complete the enclosed form and return it to us by 22 July 2013.**

The Financial Services Conduct Authority (~~FSA~~ FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We now have to ask our customers that invested in the funds whether they want us to review the way we sold the funds to them, to determine if they were mis-sold.

If our review finds you were mis-sold the funds you may be entitled to compensation. This will aim to put you in the position you would have been in had you received suitable advice and not been mis-sold the funds.

**Response required by 22 July 2013**

If you want us to review the way we sold the CF Arch cru *[insert fund name(s)]* to you please complete the enclosed form and return it to us as soon as possible, but not later than 22 July 2013.

If you do not respond by 22 July 2013 we will not take any action to review our sale of the funds to you.

**CF Arch cru payment scheme**

If we pay you compensation, we will subtract from the final amount the current value of the funds and the money that you could claim from the CF Arch cru payment scheme. You should also consider applying to this scheme which will run until 31 December 2013 and is separate from the review process we are carrying out.

**Why the ~~FSA~~ FCA identified problems with advice to invest in certain Arch cru funds**

The ~~FSA~~ FCA has said the CF Arch cru investment and diversified funds were high-risk products and should only have been recommended to investors who fully understood, and were willing and able to accept the risks.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fsa.gov.uk~~ consumer.enquiries@fca.org.uk.

If you have any queries about our review call us on <phone number>. We are available between <times and days that phones answered>.

Yours sincerely

<signature>

<name of adviser or customer service>

*[I/We]* have enclosed two copies of this letter. Please complete both copies below, returning one to *[me/us]* and keeping the other for your records.

Please tick the box below to confirm that you want us to review how we sold the CF Arch cru *[insert fund name(s)]* to you.

**I want you to review the way you sold the CF Arch cru *[insert fund name(s)]* to me to see if I am entitled to compensation.**

Signed:

Please print name:

Date:

Alternatively, call us on <phone number> or email us at <insert e-mail address> to confirm you want us to review the way we sold the funds to you.

**2 Annex 3R**



**You have to respond to this letter by 22 July 2013**

Dear *[Insert name]*

- **You may be entitled to compensation if you invested in the CF Arch cru investment or diversified funds and they were mis-sold.**
- **You have until 22 July 2013 to complete the enclosed form and return it to us, if you want us to review the way we sold the funds to you.**

The Financial Services ~~Conduct~~ Authority (FSA ~~FCA~~) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We now have to ask our customers that invested in the funds whether they want us to review the way we sold the funds to them, to determine if they were mis-sold.

If our review finds you were mis-sold the funds you may be entitled to compensation. This will aim to put you in the position you would have been in had you received suitable advice and not been mis-sold the funds.

**Response required by 22 July 2013**

If you want us to review the way we sold the CF Arch cru *[insert fund name(s)]* to you please complete the enclosed form and return it to us as soon as possible, but not later than 22 July 2013.

If you do not respond by 22 July 2013 we will not take any action to review our sale of the funds to you.

**CF Arch cru payment**

If we pay you compensation, we will subtract from the final amount the current value of the funds and the money that you could reclaim from the CF Arch cru payment scheme. You should also consider applying to this scheme which will run until 31 December 2013 and is separate from the review process we are carrying out.

**Why the FSA ~~FCA~~ identified problems with advice to invest in certain Arch cru funds**

The FSA ~~FCA~~ has said the CF Arch cru investment and diversified funds were high-risk products and should only have been recommended to investors who fully understood, and were willing and able to accept the risks.

If you want to contact the FSA ~~FCA~~ you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fsa.gov.uk~~ consumer.enquiries@fca.org.uk

If you have any queries about our review call us on <phone number>. We are available between <times and days that phones answered>.

Yours sincerely,

<signature>

<name of adviser or customer service>

*[I/We]* have enclosed two copies of this letter. Please complete both copies below, returning one to *[me/us]* and keeping the other for your records.

Please tick the box below to confirm that you want us to review how we sold the CF Arch cru *[insert fund name(s)]* to you.

**I want you to review the way you sold the CF Arch cru *[insert fund name(s)]* to me to see if I am entitled to compensation.**

Signed:

Please print name:

Date:

Alternatively, call us on <phone number> or email us at <insert e-mail address> to confirm you want us to review the way we sold the funds to you.

**2 Annex 4R**

**Final reminder: We will not take any action to review the way we sold the CF Arch cru [insert fund name(s)] if you do not respond to this letter by 22 July 2013**

Dear [Insert name]

- **You have until 22 July 2013 to complete the enclosed form and return it to us, if you want to find out if you are entitled to compensation.**
- **You may be entitled to compensation if you invested in the CF Arch cru investment or diversified funds and they were mis-sold.**

The Financial ~~Services~~ Conduct Authority (~~FSA~~ FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We now have to ask our customers that invested in the funds whether they want us to review the way we sold the funds to them, to determine if they were mis-sold.

If our review finds you were mis-sold the funds you may be entitled to compensation. This will aim to put you in the position you would have been in had you received suitable advice and not been mis-sold the funds.

**Response required by 22 July 2013**

If you want us to review the way we sold the CF Arch cru [insert fund name(s)] to you please complete the enclosed form and return it to us as soon as possible, but not later than 22 July 2013.

If you do not respond by 22 July 2013 we will not take any action to review our sale of the funds to you.

**CF Arch cru payment scheme**

If we pay you compensation, we will subtract from the final amount the current value of the funds and the money that you could claim from the CF Arch cru payment scheme. You should also consider applying to this scheme which will run until 31 December 2013 and is separate from the review process we are carrying out.

**Why the ~~FSA~~ FCA identified problems with advice to invest in certain Arch cru funds**

The ~~FSA~~ FCA has said the CF Arch cru investment and diversified funds were high-risk products and should only have been recommended to investors who fully understood, and were willing and able to accept the risks.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fsa.gov.uk~~ consumer.enquiries@fca.org.uk

If you have any queries about our review call us on <phone number>. We are available between <times and days that phones answered>.

Yours sincerely,

<signature>

<name of adviser or customer service>

*[I/We]* have enclosed two copies of this letter. Please complete both copies below, returning one to *[me/us]* and keeping the other for your records.

Please tick the box below to confirm that you want us to review how we sold the CF Arch cru *[insert fund name(s)]* to you.

**I want you to review the way you sold the CF Arch cru *[insert fund name(s)]* to me to see if I am entitled to compensation.**

Signed:

Please print name:

Date:

Alternatively, call us on <phone number> or email us at <insert e-mail address> to confirm you want us to review the way we sold the funds to you.

**2 Annex 5R**

**We will not be taking any action to review our sale of the CF Arch cru *[insert fund name(s)]* to you**

Dear *[Insert name]*

- We will not be reviewing the way we sold the CF Arch cru *[insert fund name(s)]* to you.
- You did not respond to our letters on *[insert date of initial letter and subsequent letters]* to say you wanted us to review the way we sold the funds to you and find out if you are entitled to compensation.
- We will only consider your case if you make a complaint to us or if you tell us you were not able to respond to our letters due to exceptional circumstances which caused the delay (for example if you were incapacitated by illness).

The Financial Services Conduct Authority (~~FSA~~ FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We have asked our customers that invested in the funds whether they want us to review the way we sold the funds to them, to determine if they were mis-sold.

However, we will not be reviewing the way we sold the funds to you as you did not respond to our letters to say you wanted us to, **unless there are exceptional circumstances which caused the delay (for example if you were incapacitated by illness) or unless you complain to us.**

**Exceptional circumstances**

If you were not able to respond to our letters due to exceptional circumstances, please write to us and include evidence of the circumstances.

**What you can do next**

This letter does not affect your ability to complain to us or to take legal action.

**CF Arch cru payment scheme**

You may still be able to apply to the CF Arch cru payment scheme for a payment. The scheme will run until 31 December 2013 and is separate to the review process we are carrying out.

Yours sincerely,

<signature>

<name of adviser or customer service>

**2 Annex 6R**



## Redress determination in relation to advice to invest in Arch cru funds

### **We will not be taking any action to review our sale of the CF Arch cru *[insert fund name(s)]* fund to you**

Dear *[Insert name]*

- **We will not be reviewing the way we sold the CF Arch cru *[insert fund name(s)]* to you as you contacted us after the 22 July 2013.**
- **We wrote to you on *[insert date]* stating that you had until 22 July 2013 to complete the enclosed form and return it to us, if you wanted us to review the way we sold the funds to you**
- **You contacted us after the 22 July 2013 deadline and we do not consider that the delay was due to exceptional circumstances. If you think the delay was due to exceptional circumstances, you can refer your complaint to the Financial Ombudsman Service.**
- **If you still want us to review the way we sold the funds to you, you can complain to us under our usual complaints procedure, details of which are attached.**

*(Insert summary of consumer's explanation for the delay and the reasons why the firm does not consider it to be an exceptional circumstance (see the guidance in CONRED 2.6.3(G))*

#### **What you can do next**

This letter does not affect your ability to complain to us or to take legal action.

If you think we should review the way we sold the CF Arch cru *[insert fund name(s)]* to you, you have to contact the Financial Ombudsman Service (FOS) within six months of the date of this letter.

The FOS will decide whether we have applied the rules of the scheme correctly in our decision to exclude you.

Enclosed is a leaflet explaining the role of the FOS, which you can contact at:  
Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Tel: 0800 023 4567 or 0300 123 9 123  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If you still want us to review the way we sold the funds to you, you can complain to us under our usual complaints procedure, which is attached.

#### **CF Arch cru payment scheme**

You may still be able to apply to the CF Arch cru payment scheme for a payment. The scheme will run until 31 December 2013 and is separate to the review process we are carrying out.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~  
0800 111 6768 or email ~~consumer.queries@fca.gov.uk~~ consumer.enquiries@fca.org.uk

Yours sincerely,

<signature>

<name of adviser or customer service>

**2 Annex 7R**

Dear [Insert name]

**Sale of the CF Arch cru [insert fund name(s)] to you will be reviewed**

- **We will review the way we sold the CF Arch cru [insert fund name(s)] to you to see if you are entitled to compensation.**
- **We will tell you the outcome of our review by [insert date]. You do not have to respond to this letter.**

The Financial ~~Services~~ Conduct Authority (~~FSA~~ FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We will review the way we sold the funds to you in line with the ~~FSA~~ FCA requirements.  
*[We have contracted [Name of firm] to undertake this review on our behalf.]*

If our review finds you were mis-sold the funds you may be entitled to compensation. This will aim to put you in the position you would have been in had you received suitable advice and not been mis-sold the funds.

We will tell you the outcome of our review by [insert date].

If you have any queries about our review call us on <phone number>. We are available between <times and days that phones answered>.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 4234~~ 0800 111 6768 or email ~~consumer.queries@fca.gov.uk~~  
consumer.enquiries@fca.org.uk.

Yours sincerely,

<signature>

<name of adviser or customer service>

**2 Annex 8R**

*[Firm details]*

*[Date]*

*[Consumer details]*

Fund name(s): *[insert fund name(s)]*

Amount(s) invested: *[insert amount(s) invested]*

Date(s) of advice given: *[insert date(s) of advice given]*

**Further information required to review our sale of the CF Arch cru *[insert fund name(s)]* to you**

Dear *[Insert name]*

- **You have to provide further information so we can review the way we sold the CF Arch cru *[insert fund name(s)]* to you.**
- **We wrote to you on *[insert date]* to confirm we will review our advice to you to invest in the above-named fund.**
- **Please send this information to us as soon as possible.**
- **If we do not hear from you we will not be able to review the way we sold the funds to you and see if you are entitled to compensation.**
- **Please contact us if you have difficulties providing this information.**

The Financial Services Conduct Authority (FSA FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We wrote to you on *[insert date]* to confirm we will review the way we sold the CF Arch cru *[insert fund name(s)]* to you. *[We have contracted *[Name of firm]* to undertake this review on our behalf.]*

If our review finds you were mis-sold the funds you may be entitled to compensation. This will aim to put you in the position you would have been in had you received suitable advice and not been mis-sold the funds.

**Further information required**

We now require further information so we can review the way we sold the CF Arch cru *[insert fund name(s)]* to you.

*[Please provide us with *[insert information requested]* OR Please complete the enclosed questionnaire.]*

You have to send this information to us if you want us to continue reviewing the way we sold the funds to you.

If you have any difficulties providing this information or any queries about our review call us on <phone number>. We are available between <times and days that phones answered>.

If we do not hear from you we will not take any further action to review the way we sold the funds to you.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fca.gov.uk~~ consumer.enquiries@fca.org.uk.

Yours sincerely,

<signature>

<name of adviser or customer service>

## Questionnaire

This questionnaire relates to your investment in the Arch cru [complete fund] based on the advice of [insert adviser name].

Please complete it as accurately as possible using information that reflects your circumstances as at [complete date], when you invested in the above-named fund.

### Personal details

Name

Date of birth

Employment status at time of sale (employed/self-employed/retired/not working/other)

Annual income at time of sale £

[Second investor

Name

Date of birth

Employment status at time of sale (employed/self-employed/retired/not working/other)

Annual income at time of sale]

Amount(s) invested £\_\_\_\_\_

Arch cru fund(s) invested in [investment/specialised/income/balanced/global growth/finance]

\_\_\_\_\_

### Your investment objectives at the time

Were you saving for some specific purpose? Y/N

If yes, what was this? \_\_\_\_\_

Were you investing for growth (i.e. to accumulate capital to use later) Y/N

Were you investing for income (i.e. to receive regular payments) Y/N

If you were investing for income, what level of income did you require from the investment, per month or year? £\_\_\_\_\_ per \_\_\_\_\_

Was your aim to diversify your existing portfolio? Y/N



Was your aim to change the risk profile of your existing portfolio? Y/N

Did you have some other objective for this investment? Y/N

If yes, what was this? \_\_\_\_\_

Were you prepared to accept that you might get back less than what you originally invested?  
Y/N

### **Your financial situation at the time**

Please fill in as much as you can in the boxes below.

Amounts held in:

Cash £

Existing investments in Arch cru funds £

Other investments £

What was the source of the money invested in Arch cru funds on this occasion?

Switch from \_\_\_\_\_ above.

### **Your understanding of the investment at the time**

What did you understand the risk of capital losses to be at the time you invested?

Please indicate on this line:

Low \_\_\_\_\_ High

What kind of assets did you understand that the Arch cru funds would invest in?

Tick all that apply:

Cash

Bonds

Listed UK equities

Listed overseas equities

Listed higher risk equities (e.g. emerging markets)

Property

Private (i.e. unlisted) equity

Private (i.e. unlisted) debt

Other assets

### **Your Arch cru investment**

Which fund did you invest in? \_\_\_\_\_



**2 Annex 9R**

[Firm details]  
[Date]

[Consumer details]

Fund name(s): [insert fund name(s)]

Amount(s) invested: [insert amount(s) invested]

Date(s) of advice given: [insert date(s) of advice given]

**Final reminder: Further information required from you to enable us to review our sale of the CF Arch cru [insert fund name(s)] to you**

Dear [Insert name]

- **You have to provide further information so we can review the way we sold the CF Arch cru [insert fund name(s)] to you, as we stated in our letter of [insert date].**
- **Please send us this information within 4 weeks.**
- **If we do not hear from you we will not take any further action to review the way we sold the funds to you to see if you are entitled to compensation.**
- **Please contact us if you have difficulties providing this information.**

The Financial Services Conduct Authority (FSA FCA) has identified problems with advice to invest in the CF Arch cru investment and diversified funds.

We wrote to you on [insert date] to confirm we will review the way we sold the CF Arch cru [insert fund name(s)] to you. [We have contracted [Name of firm] to undertake this review on our behalf.]

If our review finds you were mis-sold the funds you may be entitled to compensation. This will aim to put you in the position you would have been in had you received suitable advice and not been mis-sold the funds.

**Further information required**

We now require further information so we can review the way we sold the CF Arch cru [insert fund name(s)] to you.

[Please provide us with [insert information requested] OR Please complete the enclosed questionnaire.]

Please send this information to us within four weeks of the date of this letter if you want us to continue reviewing the way we sold the funds to you.

If you have any difficulties providing this information or any queries about our review call us on <phone number>. We are available between <times and days that phones answered>.

If we do not hear from you within four weeks we will not take any further action to review the way we sold the funds to you.

If you want to contact the FSA FCA you can call its Consumer Helpline on ~~0845 606 4234~~ 0800 111 6768 or email [consumer.queries@fsa.gov.uk](mailto:consumer.queries@fsa.gov.uk)  
[consumer.enquiries@fca.org.uk](mailto:consumer.enquiries@fca.org.uk).

Yours sincerely,

<signature>

<name of adviser or customer service>

**2 Annex 10R**

**Redress determination in respect of advice to invest in the Arch cru *[insert fund name(s)]***

*[Firm details]*

*[Date]*

*[Consumer details]*

Fund name(s): *[insert fund name(s)]*

Amount(s) invested: *[insert amount(s) invested]*

Date(s) of advice given: *[insert date(s) of advice given]*

**We will not take any further action to review our sale of the CF Arch cru *[insert fund name(s)]* to you**

Dear *[Insert name]*

- **We are not able to complete our review of the way we sold the funds to you as you did not provide the extra information we requested. You confirmed you wanted us to review our advice to you to invest in the above-named fund.**
- **We wrote to you on *[insert dates of initial letter and subsequent letter]* to tell you that we needed additional information from you to complete this review. We also attempted to contact you *[insert details]*.**

**What you can do next**

This letter does not affect your ability to complain to us or to take legal action.

If you are dissatisfied with this outcome you have to contact the Financial Ombudsman Service (FOS) within six months of the date of this letter.

The FOS will decide whether we have applied the rules of the consumer redress scheme correctly.

Enclosed is a leaflet explaining the role of the FOS, which you can contact at:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London E14 9SR

Tel: 0800 023 4567 or 0300 123 9 123

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If you still want us to review the way we sold the funds to you, you can complain to us under our usual complaints procedure, which is attached.

**CF Arch cru payment scheme**

You may still be able to apply to the CF Arch cru payment scheme for a payment. The scheme will run until 31 December 2013 and is separate to the review process we are carrying out.

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fsa.gov.uk~~ consumer.enquiries@fca.org.uk.

Yours sincerely,

<signature>

<name of adviser or customer service>



**2 Annex 11R**

[Consumer details]

[Firm details]

[Date]

Dear [Insert name]

**Redress determination in respect of advice to invest in the Arch cru [insert fund name(s)]**

[WHERE INFORMATION HAS BEEN SUFFICIENT TO REACH A CONCLUSION:]

- **Our review found that our advice was suitable/unsuitable.**
- **We have found that you are/are not owed compensation for our advice to you on investing in the Arch cru [insert fund name(s)].**
- **[if owed compensation] The amount you are owed is:**
- **[if owed compensation] We were required by the FSA FCA to subtract from the total the current value of the funds and the amount you could receive under the separate CF Arch cru payment scheme – you have until 31 December 2013 to apply to that scheme;**

**Why did we reach this decision?**

[Insert reason: summarise the information in the template which led to the finding]

[If advice unsuitable, but firm believes it did not cause the consumer's loss:]

Although we have decided the advice to you to invest in the Arch cru funds was unsuitable given your circumstances at the time, based on the evidence available we believe our unsuitable advice did not cause your loss. [Insert further detail of the evidence.]

[If advice unsuitable, but no compensation is payable according to calculator:]

Although we have decided the advice to you to invest in the Arch cru funds was unsuitable given your circumstances at the time, the redress calculator provided by the FSA FCA shows that you suffered no financial loss as a result. This calculation is enclosed.

[If advice unsuitable, i.e. firm is applying FSA FCA comparator in calculation, and compensation is payable as a result:]

We have applied the findings of the review to the calculator provided by the FSA FCA. It has found you are owed £\_\_\_\_\_. This calculation is enclosed.

As part of our calculation, we assessed the position that you would be in now if you had taken out an investment that correctly matched the level of risk you wanted to take with your money. In your case, we estimated that at the time we advised you, the level of risk you were prepared to take was [Insert explanation of the relevant point on the risk scale, setting out why the customer was rated in this way] and so a relevant comparator investment for your case was [insert description of relevant comparator as provided in FSA FCA template instructions].

[If advice unsuitable and firm is not applying FSA FCA comparator in calculation:]

As part of our calculation, we assessed the position that you would be in now if you had taken out an investment that correctly matched the level of risk you wanted to take with your money. In your case, we estimated that at the time we advised you, the level of risk you were prepared to take was [*Insert explanation of the relevant point on the risk scale, setting out why the customer was rated in this way*] and so a relevant comparator investment for your case was [*insert details of comparator*] because [*insert reason*].

*[Where compensation is payable]*

The ~~FSA~~ FCA has required us to subtract the current value of the funds and the amount you are eligible to receive under the separate CF Arch cru payment scheme, from the compensation payment. This was subtracted whether or not you have made a claim under the payment scheme.

You have until 31 December 2013 to apply to the payment scheme.

You should have already received letters explaining how the payment scheme works and details of how CFM calculated each investor's share of the £54m package.

**You can apply to the CF Arch cru payment scheme whether you accept or refuse our offer.**

*[Firm may include this wording if it wishes:]*

If you accept this payment, it will be in full and final settlement of all claims against [*me/us/name of firm which provided the advice*] arising out of the advice given by [*me/us/it*] to you to invest in the above-named fund.

*[Where compensation is payable]*

If you want to accept this payment please sign below and indicate how you would like to receive the funds. Please also provide a daytime telephone number in case we have to contact you to finalise the payment.

We intend to make payments within 28 days of the date of this letter.

If we do not pay or contact you within 28 days of receiving your acceptance, you can contact the ~~FSA~~ FCA using the contact details below:

You are not obliged to accept this payment but if you want to you must **respond within six months of the date of this letter**, unless there are exceptional circumstances.

The review was completed by [*insert name of reviewing party*].

Enclosed is a copy of the completed review template used to assess your case.

*[In all cases:]*

**What you can do next**

If you are dissatisfied with this outcome you may refer this determination to the Financial Ombudsman Service (FOS) within six months of the date of this letter.

The FOS will decide whether we have applied the rules of the consumer redress scheme correctly in our decision to exclude you.

Enclosed is a leaflet explaining the role of the FOS, which you can contact at:  
Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR

Tel: 0800 023 4567 or 0300 123 9 123  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If you want to contact the ~~FSA~~ FCA you can call its Consumer Helpline on ~~0845 606 1234~~ 0800 111 6768 or email ~~consumer.queries@fca.gov.uk~~  
[consumer.enquiries@fca.org.uk](mailto:consumer.enquiries@fca.org.uk).

Yours sincerely,

<signature>

<name of adviser or customer service>

[I/We] have enclosed two copies of this letter. Please complete both copies below, returning one to [me/us] and keeping the other for your records.

Signed:

Please print name:

Please indicate below how you would like to receive the funds:

By cheque

By payment into (non-ISA) bank account  
Sort code: Account number:

By payment into an existing tax wrapper such as an ISA or personal pension (if you select this option, we will contact you to discuss this, as there may be tax consequences that we should discuss.)

Please write your contact telephone number here



**Annex 24**

**Amendments to the Compensation sourcebook (COMP)**

In this Annex, in the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	COMP 1.1.6G; COMP 2.2.7R, 2.2.9G; COMP 6.3.1R, 6.3.2R; COMP 14.4.2R
<i>FSA</i>	<i>FCA</i>	COMP 12.4.6R(3), 12.4.7R(3), 12.4.22R; COMP Sch 5.1G(2)
<i>FSA</i>	<i>PRA</i>	COMP 1.5.1G; COMP 3.3.4AR, 3.3.6R; COMP 6.3.1AG; COMP 16.3.7G, 16.3.9G, 16.4.7G, 16.4.8G; COMP 17.2.7R, 17.3.1R to 17.3.6R; 17.3.9R, 17.3.12R
Part IV	Part 4A	COMP TP 1.1 5R2(a), 5R2(b), 6G(b),
Part X	Part 9A	COMP 1.5.1G, 1.5.5D
Section 150	Section 138D	COMP 1.5.12R; COMP Sch 5.1G(1),(2),(5)
Section 150(2)	Section 138D(3)	COMP 1.5.12R; COMP Sch 5.1G(2)
Section 316	Section 316	COMP 1.5.1G

## Annex 25

### Amendments to the Building Societies sourcebook (BSOCS)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>PRA</i>	BSOCS 1.1.2G, 1.2.3G(2), 1.3.3G, 1.4.1G, 1.4.2G, 1.4.3G, 1.8.2G, 1.15.1G, 1.15.2G;  BSOCS 2.1.1G(1), 2.2.14G, 2.2.15G(2), 2.2.17G(1), 2.2.18G(3), 2.5.2G, 2.6.3G;  BSOCS 3.1.1G(1) to (2), 3.3.3G, 3.3.12G;  BSOCS 4.1.4G, 4.4.1G, 4.5.1G;  BSOCS 5.1.3G, 5.5.1G(2) to (3), 5.5.5G, 5.5.6G, 5.5.8G, 5.7.3G;  BSOCS 6.1.1G.

Amend the following provision as follows.

- 1.16.5 G The status of the provisions in *BSOCS* is indicated by icons containing the letters R or G. Please refer to chapter six of the Reader's Guide for further explanation about the significance of these icons. The Reader's Guide can be found at <http://fsahandbook.info/FSA/pdf/rguide.pdf> [web address tbc]

Annex 26

**Amendments to the Collective Investment Schemes sourcebook (COLL)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	COLL 2.1.5G
<i>FSA</i>	<i>FCA</i>	<p>COLL 1.1.2G, 1.2.2G(4);</p> <p>COLL 2.1.3G(2), 2.1.4D;</p> <p>COLL 3.3.2G(2);</p> <p>COLL 4.2.3R(1)(b), 4.2.3AR(1)(b), 4.2.3BR(1), 4.2.5R(2)(d), 4.2.5(11)(g)(i), 4.2.6G(2), 4.3.2G(2), 4.4.13R(1), 4.4.15G, 4.5.14R(2)(D), 4.5.15R, 4.5.16R(1), 4.6.4G, 4.6.5R(1), 4.6.7G(1), 4.6.8R(14)(2), 4.6.8R(21), 4.6.10G, 4.6.11G, 4.7.7R, 4.8.3R(1), 4 Annex 2;</p> <p>COLL 5.2.10B(1)(c)(ii), 5.2.10EG, 5.2.22AG(1), 5.2.35G, 5.6.7AG(2), 5.7.6G(2);</p> <p>COLL 6.2.12G(3), 6.3.6G(4), 6.3.6G(5)(6), 6.5.3R(5), 6.5.10R(2), 6.6.4AG, 6.6.7R, 6.6.11G, 6.6.15AR(2)(iv)(B), 6.6.16G, 6.9.2G(1), 6.9.3G(3), 6.9.4G, 6.9.5G, 6.9.6G, 6.9.8G, 6.9.11R, 6.12.2G, 6.12.3R, 6.12.7R, 6.12.8G, 6.13.4R, 6 Annex 1 para (2)(b);</p> <p>COLL 7.1.3G, 7.2.1R(2)(a), 7.2.1R(2)(b)(i), 7.2.1R(4A) and (5), 7.2.1AR(1) and (3), 7.3.1G(2) and (4), 7.3.3G(2)(3)(7) and (8), 7.3.4R, 7.3.5R, 7.3.7R(9), 7.3.8R(6), 7.3.13R(2), 7.4.1G, 7.4.2A, 7.4.3R(2)(c) and (d), 7.4.4.R(6), 7.4.5R(5), 7.5.1G, 7.5.2G, 7.6.1G, 7.7.4R(1), 7.7.6G(1)(b) and</p>



		(c), 7.7.6G(2), 7.7.10R, 7.7.21G, 7.7.22R; COLL 8.1.5G, 8.3.4R, 8.3.5R, 8.6.3R; COLL 9.1.2G, 9.3.1D, 9.3.2(1); COLL 11.2.1G, 11.3.9R, 11.3.10R, 11.4.3R(1)(a), 11.4.4G, 11.6.1G, 11.6.3R, 11.6.4R(2), 11.6.5R, 11.6.7R, 11.6.8G, 11.6.9R(1)(b), 11.6.10R, 11.6.11G, 11.6.12R, 11.6.13R; COLL 12.2.5G, 12.3.4R, 12.3.5R(1), 12.3.6R, 12.4.1R(2), 12.4.4R(3), 12.4.8R; COLL TP 1 rows 14R(2), 26D, 27G; COLL Schedule 2 paras 2.1G, 2.2G; COLL Schedule 5 para 5.1G; COLL Schedule 6 paras 6.1G, 6.2G
<i>FSA Handbook</i>	<i>FCA Handbook</i>	COLL 12.3.2G(4)
<i>FSA Register</i>	<i>Financial Services Register</i>	COLL 5.2.23R(1)(b)
<i>Handbook</i>	<i>FCA Handbook</i>	COLL 12.3.5R
<i>Part IV</i>	<i>Part 4A</i>	COLL 6.6.15AR(2)(a)(iii)
<i>regulatory objectives</i>	<i>statutory objectives</i>	COLL 1.1.2G; COLL 2.1.2G; COLL 3.1.2G; COLL 4.1.2G; COLL 5.1.2G; COLL 6.1.2G, 6.2.2G(1), 6.7.3G(1); COLL 7.1.3G; COLL 8.1.2G(1)
Section 148	Sections 138A and 138B	COLL 5.2.10EG COLL Sch 6 para 6.1G

Section 149	Section 138C	
Section 150	Section 138D	COLL Schs 5.1G and 5.2G
Section 150(2)	Section 138D(3)	COLL Sch 5.1G

Amend the following provisions as follows.

4.6.13 R A *simplified prospectus* may include the "keyfacts" logo if:

...

(2) The *document* also contains the following statement in a prominent position:

"The ~~Financial Services Authority~~ Financial Conduct Authority is ~~the~~ an independent financial services regulator. It requires us, [provider name], to give you this important information to help you to decide whether our [product name] is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference".

...

4.7.8 G ...

(2) In line with the *KII Regulation*, firms in producing their *key investor information documents* should take account of CESR's methodologies in calculating the figures for the *synthetic risk and reward indicators* and for ongoing charges to be disclosed in those documents. For ease of reference links to these guidelines are shown below, as follows:

Methodology for the calculation of the synthetic risk and reward indicator in the KII (CESR/10-673)

~~[www.esma.europa.eu/index.php?page=document\\_details&id=6961&from\\_id=28](http://www.esma.europa.eu/index.php?page=document_details&id=6961&from_id=28)~~ <http://www.esma.europa.eu/node/49058>

Methodology for the calculation of the ongoing charges figure in the KII (CESR/10-674)

~~[www.esma.europa.eu/index.php?page=document\\_details&id=6962&from\\_id=28](http://www.esma.europa.eu/index.php?page=document_details&id=6962&from_id=28)~~ <http://www.esma.europa.eu/node/49059>

...

- 4.7.9 G *Authorised fund managers* are further advised that CESR issued guidelines in relation to several other matters concerning *key investor information*. These are:

Guidelines - Selection and presentation of performance scenarios in the Key Investor Information document (KII) for structured UCITS (CESR/10-1318)

~~www.esma.europa.eu/index.php?page=document\_details&id=7333&from\_id=28~~ <http://www.esma.europa.eu/node/49173>

Guidelines - Transition from the Simplified Prospectus to the Key Investor Information document (CESR/10-1319)

~~www.esma.europa.eu/index.php?page=document\_details&id=7334&from\_id=28~~ <http://www.esma.europa.eu/node/49174>

CESR's guide to clear language and layout for the Key Investor Information document (CESR/10-1320)

~~www.esma.europa.eu/index.php?page=document\_details&id=7335&from\_id=28~~ <http://www.esma.europa.eu/node/49175>

CESR's template for the Key Investor Information document (CESR/10-1321)

~~www.esma.europa.eu/index.php?page=document\_details&id=7336&from\_id=28~~ <http://www.esma.europa.eu/content/CESR%E2%80%99s-template-Key-Investor-Information-document>

CESR's guidelines on a common definition of European money market funds, which refer to matters that should be included in the key investor information for money market funds and short-term money market funds (CESR/10-049)

~~www.esma.europa.eu/index.php?page=document\_details&id=6638&from\_id=28~~ <http://www.esma.europa.eu/content/Guidelines-Common-definition-European-money-market-funds>

...

- 5.2.2A G In addition to the parts of *CESR's UCITS eligible assets guidelines* specifically referred to in this section, the *authorised fund manager* of a *UCITS scheme* should have regard to the other parts of those guidelines when applying the *rules* in this section. *CESR's UCITS eligible assets guidelines* are available at

[http://www.fsa.gov.uk/pages/Library/Other\\_publications/EU/eu\\_docs/index](http://www.fsa.gov.uk/pages/Library/Other_publications/EU/eu_docs/index)

~~.shtml~~ [web address tbc].

...

5.2.20B G ...

- (4) When assessing whether a hedge fund index satisfies the requirements for a financial index set out in this section, *firms* should consider The Committee of European Regulators' guidelines on the classification of hedge fund indices as financial notices (CESR/07-434). Those guidelines are available at [http://www.fsa.gov.uk/pages/Library/Other\\_publications/EU/eu\\_does\\_index.shtml](http://www.fsa.gov.uk/pages/Library/Other_publications/EU/eu_does_index.shtml) [web address tbc].

...

5.3.11 G *Authorised fund managers* are advised that both CESR and its successor body, the European Securities and Markets Authority (ESMA) have issued guidelines which, in accordance with the *UCITS implementing Directive*, *authorised fund managers* should comply with in applying the *rules* in this section.

Guidelines: Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS (CESR/10-788)

~~www.esma.europa.eu/index.php?page=document\_details&id=7000&from\_id=28~~ <http://www.esma.europa.eu/content/Guidelines-Risk-Measurement-and-Calculation-Global-Exposure-and-Counterparty-Risk-UCITS>

Guidelines to competent authorities and UCITS management companies on risk measurement and the calculation of global exposure for certain types of structured UCITS (ESMA/2011/112)

~~www.esma.europa.eu/index.php?page=document\_details&id=7542&from\_id=28~~ <http://www.esma.europa.eu/content/Final-report-Guidelines-competent-authorities-and-UCITS-management-companies-risk-measureme>

...

6.6.10 R ...

**Duty to inform the ~~FSA~~ FCA**

...

6.9.10 G ...

**Notification to the ~~FSA~~ FCA in its role as registrar of ICVCs**

...

6.12.13 G *Authorised fund managers* are advised that CESR issued guidelines prior to the revision of the *UCITS Directive* in 2009 which, to the extent they remain compatible with the *rules* and other *guidance* in *COLL*, should be complied with in applying the *rules* in this section. These guidelines are available at:

Guidelines - Risk management principles for UCITS (CESR/09-178)

[http://www.esma.europa.eu/index.php?page=document\\_details&id=5620&from\\_id=28](http://www.esma.europa.eu/index.php?page=document_details&id=5620&from_id=28) <http://www.esma.europa.eu/content/Guidelines-Risk-management-principles-UCITS>

...

7.5.1 G ...

**Information to be provided to the ~~FSA~~ FCA**

...

11.6.1 G ...

**Winding up and liquidation of master UCITS: Time limit within which a master UCITS is to be wound up pursuant to ~~FSA~~ FCA direction**

...

11.6.11 G ...

**Requirements following approval by the ~~FSA~~ FCA**

...

12.3.3 G ...

**Provision of documentation to the ~~FSA~~ FCA: EEA UCITS management companies**

...

12.3.5 R ...

**Requirement to make information available to the public or the ~~FSA~~ FCA**

12.3.6 R ...

**EEA UCITS management companies: compliance with ~~FSA~~ FCA rules**

...

## Form 12

### Application for an order declaring an investment company with variable capital to be authorised

#### Name of Scheme

We need the information in this form under OEIC regulation 12 to authorise an ICVC under OEIC regulation 14.

You must keep a copy of your completed form and any supporting documents that you send us for future reference.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'ACD' refers to the Authorised Corporate Director

'COLL' refers to the Collective Investment Schemes sourcebook which is part of the FSA Handbook

'COLLG' refers to the Collective Investment Schemes Information Guide which is part of the FSA Handbook

'FSA FCA', 'we', 'us' and 'our' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'FSA Handbook' refers to the ~~FSA Handbook of Rules~~ which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'FSMA' or 'the Act' refers to the Financial Services and Markets Act 2000

'IMA' refers to the Investment Management Association

'ICVC' refers to Investment Company with Variable Capital

'OEIC Regulations' refers to The Open-Ended Investment Companies Regulations 2001

'UCITS' refers to a scheme which complies with the UCITS Directive

'UCITS Directive' refers to the European Parliament and Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

'UK' refers to the United Kingdom

'You' refers to the person signing the form on behalf of the ACD or depositary

#### Purpose of this form

We may, after considering information in this form and the supporting documents, declare an ICVC to be authorised. The authorisation order is made under OEIC regulation 14.

## **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form and sign the declaration.
- 2 If you are filling in the form by hand:
  - use black ink;
  - write clearly in BLOCK LETTERS; and
  - sign the declaration.
- 3 If you leave a question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we may have to treat the application as incomplete. This may increase the time it takes us to deal with your application.
- 4 We have left space in Section 7.2 for additional information. If there is not enough space on the form, you must continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of FSMA, the OEIC Regulations, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to the authorisation of ICVCs.
- 6 Your application should include:
  - this Form 12;
  - the draft of the proposed instrument of incorporation constituting the ICVC and a solicitor's certificate (If the draft is based on the IMA model instrument of incorporation all deviations should be highlighted, including proposed omissions);
  - the draft prospectus and a checklist indicating where the information required by COLL 4.2.5R or COLL 8.3.4R is located in the prospectus;
  - where the application is in respect of a UCITS scheme, the draft key investor information document;
  - documents to evidence any guarantee arrangement; and
  - the application fee.

Send your application to us at:

~~CIS Authorisations Team~~ **Investment Funds Team**  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**



## **Explanatory Notes**

**You should read these notes before you complete and sign the declaration to confirm the information you give in Sections 1 - 7 is correct**

### **Section 1: Details of the ICVC**

- 1.2** We need this and other information to help us decide whether the aims of the ICVC are reasonably capable of being achieved. This section should be about the investment objectives of the ICVC. In the case of an umbrella, you should describe the investment objectives of each of the proposed sub-funds.
- 1.5** You must refer to 'Types of authorised fund' at COLL 1.2.1R.
- 1.6** You should give enough detail to enable us to assess the intention and effect of the feature in question. A novel feature for the purposes of 1.6 will be any feature new to the ACD and/or which the ACD considers to be innovative, or of interest to us when we consider the application.
- 1.9** You must refer to COLLG 2.
- 1.11** You should submit the information in enough detail to enable us to assess the features of the proposed share classes. If certain share classes are only available to specific sub-funds, you should identify these.
- 1.12** In particular, you should give the following information:
- a. how the shares will be sold and to whom;
  - b. the countries in which it is proposed that the shares will be marketed;
  - c. the initial price of shares;
  - d. any minimum transaction size, both initially and subsequently, if different; and
  - e. details of any proposal to convert or amalgamate a scheme or sub-fund into/with the ICVC.

### **Section 2 and 3: Details of the ACD and depositary**

**2.1 and 3.1** Where authorised by the ~~FSA~~ FCA, the proposed ACD/depositary of the ICVC should have the necessary permission under Part ~~IV~~ 4A of FSMA to carry out the relevant regulated activities. Where the ACD is an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in association with this application. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

#### **2.4 and 3.4**

Regulation 15(8)(f) of the OEIC Regulations requires that the depositary must be independent of the ICVC, the ACD and any other director. Independence may be compromised in various ways, so it is in the interests of all concerned that any facts, relationships, arrangements or circumstances, which might at any stage be considered to bring that independence into question, are declared to us at the time of application. You may wish to refer to the guidance set out in COLL 6.9.

**2.5** See Supervision Forms, Chapter 10 Annex 4D.

**2.7** This information is required to enable us to be satisfied that the requirements of OEIC regulation 15(7) will be met.

### **Section 4: Auditor of the ICVC**

**4.4** Under the OEIC Regulations, Schedule 5, paragraph 1, no person is eligible for appointment as auditor unless they are also eligible under section 25 of the Companies Act 1989 (eligibility for appointment).

**Solicitor's certificates**

OEIC regulation 14(1)(c) requires that a copy of the ICVC's proposed instrument of incorporation to be accompanied by a certificate signed by a solicitor. The certificate should state that the instrument complies with any requirements of the regulations made under Schedule 2 to the OEIC Regulations and with any requirements of the COLL sourcebook which relate to its contents.

The certificate should be signed by an individual solicitor who holds a practising certificate granted by The Law Society, The Law Society of Scotland, or The Law Society of Northern Ireland.

**Fees**

The application fee payable is set out in our Fees Manual. You must send us your fee with the application, or, if sending separately, ensure that such fee has been received by the time we receive the application, for the application to be valid. Details of payment method used should be included in Section 7.1.

The different payment methods available are outlined on our website at:

<http://www.fsa.gov.uk/pages/Doing/Regulated/Fees/Periodic/Societies/Payment/index.shtml> [website address tbc]

# 1

## About the ICVC

We need to know information about the ICVC so we can process your application as efficiently as possible. We also need these details for our CIS Register, which is our public record of regulated collective investment schemes in the UK. You can access our CIS register at [www.fsa.gov.uk/Pages/register](http://www.fsa.gov.uk/Pages/register) [website address tbc]

### Information about the ICVC

**1.1 Explain reason for name chosen**

**1.2 You must describe the ICVC's purposes, including investment objectives (e.g. capital growth or income) [see Explanatory Notes]**

**1.3 You must outline how the ICVC's purposes in 1.2 are to be achieved. You should include investment policy and an indication of any techniques and instruments or borrowing powers that may be used**

**1.4 You must give details of any arrangement intended to result in a particular capital or income return from a holding of shares in the ICVC**

1.5

a Type of ICVC [see Explanatory Notes]

b In the case of an umbrella scheme, list the sub-funds

Sub-fund

1.6 You must give details of any feature or proposal connected with the ICVC, the management or marketing of the ICVC which is in any way new or unusual [see Explanatory Notes]

1.7

a Proposed launch date

b Length of any initial offer period

1.8 Duration of the ICVC if it is limited

1.9

a Is the issue of a UCITS attestation required on approval? [see Explanatory Notes]

Yes       No

b If the scheme is a UCITS scheme, you must confirm you have submitted a copy of the key investor information document prepared in accordance with COLL 4.7.2R with the application

Yes

1.10 Addresses of ICVC

a Head Office

Address	
Postcode	

b Principal place of business in the UK (if different from (a) above)

Address	
Postcode	

c Address where the register of shareholders is to be kept

Address	
Postcode	

1.11 You must give details of share classes that may be issued [see Explanatory Notes]

--

1.12 You must give details of the plan for the scheme covering three years or longer which, in the opinion of the ACD, will be necessary to enable the scheme to become of a viable size [see Explanatory Notes]

--

# 2

## Details of the authorised corporate director

See definition of authorised corporate director in the FSA Handbook Glossary

### 2.1

a Name of ACD [see Explanatory Notes]

b Country of incorporation

c You must confirm whether the manager's affairs are administered in the country in which it is incorporated

Yes  No

d Registered office or principal place of business in the EEA

Address	
Postcode	

2.2 ACD's FSA firm reference number

### 2.3

a Are any of the ACD's functions to be delegated?

Yes  No

b If yes, you must list which functions will be delegated and give details of proposed arrangements in each case

2.4 You must give details of any fact, arrangement, relationship or circumstance which, in the view of the ACD might compromise, at any stage, the requirement of regulation 15(8)(f) of the OEIC Regulations. This states that the depositary must be independent of the ICVC and persons appointed as directors of the ICVC [see Explanatory Notes]

2.5

a Are there any proposed directors other than the ACD?

- Yes       No – Go to 3.1

b If yes, you must give their names and ensure you have completed a controlled functions application form for each of them [see Explanatory Notes]

Surname	Forenames

2.6 Where the answer to 2.5(a) is yes, you must give the names of any person whom the proposed directors intend to keep to help them perform their functions

2.7 Where the answer to 2.5(a) is yes, you must explain why the combination of expertise and experience of the proposed directors including the ACD is appropriate for the purposes of carrying on the business of the ICVC [see Explanatory Notes]

# 3

## Details of the depositary

See definition of depositary in the FSA Handbook Glossary

3.1

a Name of the depositary [see Explanatory Notes]

b Country of incorporation

c You must confirm whether the depositary's affairs are administered in the country in which it is incorporated

Yes  No – Go to 3.4

d Address of depositary's registered office or principal place of business in the UK

Address	
Postcode	

3.2 Depositary's FSA firm reference number

3.3

a Does the depositary intend to delegate any of its functions?

Yes  No – Go to 3.4

b If yes, you must list which will be delegated and give details of the proposed arrangements in each case

3.4 You must give details of any fact, arrangement, relationship or circumstance which, in the view of the depositary, might, at any stage, compromise the requirement of regulation 15(8)(f) of the OEIC Regulations. This states that the depositary must be independent of the ICVC and persons appointed as directors of the ICVC [see Explanatory Notes]



# 4

## Details of the registrar and auditor

See definition of the registrar in the FSA Handbook Glossary

**4.1 Name of the registrar**

**4.2 Registrar's FSA firm reference number (if any)**

**4.3 Address of registrar's registered office or principal place of business in the UK**

<b>Address</b>	
<b>Postcode</b>	

**4.4 Name of the auditor**

**4.5 Auditor's FSA firm reference number (if any)**

**4.6 Address of auditor's registered office or principal place of business in the UK**

<b>Address</b>	
<b>Postcode</b>	

# 5

## Details of investment adviser(s)

See definition of investment adviser in the FSA Handbook Glossary

Where there is more than one investment adviser, you must provide the information required in 5.2 – 5.6 below for each. *You should photocopy and complete this page for each investment adviser*

**5.1 Total number of investment advisers**

**5.2 Name**

**5.3 Legal form of investment adviser (e.g. corporate body, partnership etc)**

**5.4 Address of investment adviser's registered or principal place of business in the UK (if any)**

<b>Address</b>	
<b>Postcode</b>	

**5.5 Investment adviser's FSA FCA reference (if any)**

**5.6 Main details of the agreement or arrangement between the manager and the investment adviser**

# 6

## Details of the standing independent valuer

See definition of the standing independent valuer in the FSA Handbook Glossary

This section applies to **NON-UCITS RETAIL SCHEMES** and **QUALIFIED INVESTOR SCHEMES** that will invest in property.

**6.1 Name of standing independent valuer**

--

**6.2 Address of the standing independent valuer's registered or principal place of business in the UK**

<b>Address</b>	
<b>Postcode</b>	

**6.3 You must give details of any fact, arrangement, relationship or circumstance which, in the view of the manager or trustee, might compromise the independence of the standing independent valuer**

--

# 7

## Payment and additional information

You may need to use this extra space to tell us about payment details and answer the questions

**7.1 You must give details of the payment method used, when the payment was made, who made the payment and any reference number**

**7.2 Additional information**

# 8

## Declaration

This declaration must be signed for and on behalf of both the ACD and depositary

You must tell us of any other information that is material to this application and tell us immediately of any material changes in the information provided, which occur before you receive our decision on the application.

If proposing to have directors as well as the ACD, please note the controlled functions application form will be considered an integral part of the application. So the proposed ACD should make efforts to ensure that, to the best of its knowledge, the information in any such form is correct.

Under 12(5) of the OEIC Regulations, a person commits an offence if, for the purposes of or in connection with any application under that regulation, they furnish information which they know to be false or misleading in a material particular. A person guilty of such an offence is liable:

- (a) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine or both; or
- (b) on summary conviction, to imprisonment for a term not exceeding three months or to a fine not exceeding the statutory maximum or both.

### A FOR AND ON BEHALF OF THE AUTHORISED CORPORATE DIRECTOR

I DECLARE that the information given in connection with this application is, to the best of my knowledge, complete and correct, at the time of the application, and that the contents of the proposed instrument of incorporation do not conflict with the OEIC Regulations and/or the COLL sourcebook.

Signature

Name of signatory

Position

Date

Name of person dealing with this application

Position

Address

--	--

Postcode

--	--

**Telephone number**

**Email**

**B FOR AND ON BEHALF OF THE DEPOSITARY**

**I DECLARE that the depositary intends to act in the capacity of depositary for the above named proposed ICVC**

**Signature**

**Name of signatory**

**Position**

**Date**

**Name of person dealing with this application**

**Position**

<b>Address</b>	
<b>Postcode</b>	

**Telephone number**

**Email**

## Form 242

### Joint application for an order declaring a unit trust scheme to be authorised

#### Name of Scheme



#### Important information you should read before completing this form

We need the information in this form under section 242 of FSMA to authorise a unit trust under section 243 of FSMA.

You must keep a copy of your completed form and any supporting documents that you send us for future reference.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'COLL' refers to the Collective Investment Schemes sourcebook which is part of the FSA Handbook

'COLLG' refers to the Collective Investment Schemes Information Guide which is part of the FSA Handbook

'FSA-FCA', 'we', 'us' and 'our' refers to the ~~Financial Services Authority~~ **Financial Conduct Authority**

'FSA Handbook' refers to the FSA Handbook of Rules which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook)  
[website address tbc]

'FSMA' or 'the Act' refers to the Financial Services and Markets Act 2000

'IMA' refers to the Investment Management Association

'UCITS' refers to a scheme which complies with the UCITS Directive

'UCITS Directive' refers to the European Parliament and Council Directive 2009/65/EC of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

'UK' refers to the United Kingdom

'You' refers to the person signing the form on behalf of the manager or trustee

#### Purpose of this form

We may, after considering the information in this form and supporting documents, declare a unit trust scheme to be authorised. The authorisation order is issued under section 243 of FSMA.

## Filling in the form

- 1 If you are completing the form electronically:
  - use the TAB key to move from to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form and sign the declaration.
- 2 If you are filling in the form by hand:
  - use black ink;
  - write clearly in BLOCK LETTERS; and
  - sign the declaration.
- 3 If you leave a question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we may have to treat the application as incomplete. This may increase the time it takes us to deal with your application.
- 4 We have left space in Section 7.2 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of FSMA, COLL and COLLG before completing this form. Although ~~FSA~~-FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to the authorisation of unit trusts.
- 6 Your application should include:
  - this Form 242;
  - the draft of the proposed trust deed constituting the trust and a solicitor's certificate (if the draft is based on the IMA model trust deed all deviations should be highlighted, including proposed omissions);
  - the draft prospectus and a checklist indicating where the information required by COLL 4.2.5R or COLL 8.3.4R is located in the prospectus;
  - where the application is in respect of a UCITS scheme, the draft key investor information document;
  - documents to evidence any guarantee arrangement; and
  - the application fee.

Send your application to us at:

~~CIS Authorisations Team~~ Investment Funds Team  
~~The Financial Services Authority~~ Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS



## **Explanatory Notes**

**You should read these before you complete and sign the declaration to confirm the information you give in Sections 1 - 7 is correct**

### **Section 1: Details of the scheme**

- 1.2** We need this and other information to help us decide whether the aims of the scheme are reasonably capable of being achieved. This section should be about the investment objectives of the scheme. In the case of an umbrella, you should describe the investment objectives of each of the proposed sub-funds.
- 1.5** Please refer to 'Types of authorised fund' at COLL 1.2.1R.
- 1.6** You should give enough detail to enable us to assess the intention and effect of the feature in question. A novel feature for the purposes of 1.6 will be any feature new to the manager and/or which the manager considers to be innovative or of interest to us when we consider the application.
- 1.9** ~~Please refer to COLLG.2.1.10~~ You should submit the information in enough detail to enable us to assess the features of the proposed unit classes. If certain unit classes are only available to specific sub-funds, you should identify these.
- 1.11** In particular you should give the following information:
- a.** how the units will be sold and to whom;
  - b.** the countries in which it is proposed that the units will be marketed;
  - c.** the initial price of units;
  - d.** any minimum transaction size, both initially and subsequently, if different; and
  - e.** details of any proposal to convert or amalgamate a scheme or sub-fund into/with the scheme.

### **Section 2 and 3: Details of the manager and trustee**

**2.1 and 3.1** Where authorised by the ~~FSA~~ FCA, the proposed manager/trustee of the scheme should have the necessary permission under Part ~~IV~~ 4A of FSMA to carry out the relevant regulated activities. Where the manager is an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in association with this application. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

#### **2.4 and 3.4**

Section 243(4) of FSMA requires that the manager and the trustee must be independent of each other. Independence may be compromised in various ways, so it is in the interests of all concerned that any facts, relationships, arrangements or circumstances, which might at any stage be considered to bring that independence into question, are declared to the ~~FSA~~ FCA at the time of application. You may wish to refer to the guidance set out in COLL 6.9.

### **Solicitor's certificates**

Section 243(1)(c) of FSMA requires that a copy of the trust deed be accompanied by a certificate signed by a solicitor. The certificate should state that the trust deed complies with the requirements of the rules made under section 247 of FSMA that relate to its contents.

The certificate should be signed by an individual solicitor who holds a practising certificate granted by The Law Society, The Law Society of Scotland, or The Law Society of Northern Ireland.

### **Fees**

The application fee payable is set out in our Fees Manual. You must send us your fee with the application or, if sending separately, ensure that such fee has been received by the time we receive the application, for the application to be valid. Details of payment method used should be included in Section 7.1.

The different payment methods available are outlined on our website at:

<http://www.fsa.gov.uk/pages/Doing/Regulated/Fees/Periodic/Societies/Payment/index.shtml> [website address tbc]

# 1

## Details of the scheme

We need to know information about the unit trust so we can process your application as efficiently as possible. We also need these details for our CIS Register, which is our public record of regulated collective investment schemes in the UK. You can access our CIS register at [www.fsa.gov.uk/Pages/register](http://www.fsa.gov.uk/Pages/register) [[website address tbc](#)]

### Information about the scheme

**1.1 Explain reason for name chosen**

**1.2 You must describe the purposes of the scheme, including investment objectives (e.g. capital growth or income) [see Explanatory Notes]**

**1.3 You must outline how the scheme's purposes in 1.2 are to be achieved. You should include investment policy and an indication of any techniques and instruments or borrowing powers that may be used**

**1.4 You must give details of any arrangement intended to result in a particular capital or income return from a holding of units in the scheme**

1.5

a Type of scheme [see Explanatory Notes]

b In the case of an umbrella scheme list the sub-funds

Sub-fund

1.6 You must give details of any feature or proposal connected with the scheme, the management or marketing of the scheme which is in any way new or unusual [see Explanatory Notes]

1.7

a Proposed launch date

b Length of any initial offer period

1.8 Duration of the scheme if it is limited

1.9

a Is the issue of a UCITS attestation required on approval? [see Explanatory Notes]

Yes       No- Go to 1.10

b If the scheme is a UCITS scheme, you must confirm you have submitted a copy of the key investor information document prepared in accordance with COLL 4.7.2R with the application

Yes

1.10 You must give details of unit classes that may be issued [see Explanatory Notes]

1.11 You must give details of the plan for the scheme covering three years or longer which, in the opinion of the manager, will be necessary to enable the scheme to become of a viable size [see Explanatory Notes]

# 2

## Details of the manager

See definition of manager in the FSA Handbook Glossary

### 2.1

a Name of the manager [see Explanatory Notes]

b Country of incorporation

c You must confirm whether the manager's affairs are administered in the country in which it is incorporated

Yes       No

d Registered office or principal place of business in the EEA

Address	
Postcode	

2.2 Manager's FSA firm reference number

### 2.3

a Are any of the manager's functions to be delegated?

Yes       No

b If yes, list which functions will be delegated and give details of proposed arrangements in each case

2.4 You must give details of any fact, arrangement, relationship or circumstance which, in the view of the manager might, at any stage, compromise the requirement of section 243(4) of FSMA [see Explanatory Notes]

# 3

## Details of the trustee

See definition of trustee in the FSA Handbook Glossary

### 3.1

a Name of the trustee [see Explanatory Notes]

b Country of incorporation

c You must confirm whether the trustee's affairs are administered in the country in which it is incorporated

Yes  No - Go to 3.4

d Registered or principal office address in the UK

Address	
Postcode	

3.2 Trustee's FSA firm reference number

### 3.3

a Does the trustee intend to delegate any of its functions?

Yes  No - Go to 3.4

b If yes, list which will be delegated and give details of the proposed arrangements in each case

3.4 You must give details of any fact, arrangement, relationship or circumstance which, in the view of the trustee, might, at any stage, compromise the requirement of section 243(4) of FSMA [see Explanatory Notes]

# 4

## Details of the registrar and auditor

See definition of the registrar in the FSA Handbook Glossary

**4.1 Name of the registrar**

**4.2 Registrar's FSA firm reference number (if any)**

**4.3 Address of registrar's registered office or principal place of business in the UK**

<b>Address</b>	
<b>Postcode</b>	

**4.4 Name of the auditor**

**4.5 Auditor's FSA firm reference number (if any)**

**4.6 Address of auditor's registered office or principal place of business in the UK**

<b>Address</b>	
<b>Postcode</b>	



# 5

## Details of investment adviser(s)

See definition of investment adviser in the FSA Handbook Glossary

Where there is more than one investment adviser, you must provide the information required in 5.2 – 5.6 below for each. *You should photocopy and complete this page for each investment adviser*

**5.1 Total number of investment advisers**

**5.2 Name**

**5.3 Legal form of investment adviser (e.g. corporate body, partnership etc)**

**5.4 Address of investment adviser's registered or principal place of business in the UK (if any)**

<b>Address</b>	
<b>Postcode</b>	

**5.5 Investment adviser's FSA firm reference (if any)**

**5.6 Main details of the agreement or arrangement between the manager and the investment adviser**

# 6

## Details of the standing independent valuer

See definition of the standing independent valuer in the [FSA Handbook Glossary](#)

This section applies to **NON-UCITS RETAIL SCHEMES** and **QUALIFIED INVESTOR SCHEMES** that will invest in property.

**6.1 Name of standing independent valuer**

**6.2 Address of the standing independent valuer's registered or principal place of business in the UK**

<b>Address</b>	
<b>Postcode</b>	

**6.3 You must give details of any fact, arrangement, relationship or circumstance which, in the view of the manager or trustee, might compromise the independence of the standing independent valuer**

# 7

## Payment and additional information

You may need to use this extra space to tell us about payment details and answer the questions

**7.1 You must give details of the payment method used, when the payment was made, who made the payment and any reference number**

**7.2 Additional information**

# 8

## Declaration

This declaration must be signed for and on behalf of both the manager and trustee

The joint applicants must tell us of any other information material to this application and tell us immediately of any material changes in the information provided, which occur before you receive our decision on the application.

Under section 398 of FSMA a person who knowingly or recklessly gives us information that is false or misleading in a material particular is guilty of an offence. A person guilty of such an offence is liable:

(a) on conviction on indictment, to a fine; or

(b) on summary conviction, a fine not exceeding the statutory maximum.

### A For and on behalf of the MANAGER

I DECLARE that the information given in connection with this application is, to the best of my knowledge, complete and correct, at the time of the application, and that the contents of the proposed trust deed do not conflict with FSMA and/or the COLL sourcebook.

Signature

Name of signatory

Position

Date

Name of person dealing with this application

Position

Address

Postcode

**Telephone number**

**Email**

**B FOR AND ON BEHALF OF THE TRUSTEE**

I DECLARE that the information given in connection with this application is, to the best of my knowledge, complete and correct, at the time of the application, and that the contents of the proposed trust deed do not conflict with FSMA and/or the COLL sourcebook.

**Signature**

**Name of signatory**

**Position**

**Date**

**Name of person dealing with this application**

**Position**

<b>Address</b>	
<b>Postcode</b>	

**Telephone number**

**Email**

## Form 270

### Notification by the operator of a scheme authorised in a designated country or territory that it wishes the scheme to be recognised in the UK

#### Name of scheme

#### Designated country or territory

#### Important information you should read before completing this form

We need the information in this form to recognise a scheme under section 270 of FSMA.

You must keep a copy of your completed form and any supporting documents that you send us for future reference.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to deal with your notification.**

#### Terms in this pack

In this form we use the following terms:

'**COLL**' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'**COLLG**' refers to the Collective Investment Schemes Information Guide which is part of the ~~FSA~~ Handbook

'~~FSA FCA~~', '**we**', '**us**' and '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'**FSA Handbook**' refers to the ~~FSA~~ Handbook of rules which can be accessed at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'**FSMA**' or '**the Act**' refers to the Financial Services and Markets Act 2000

'**Marketing**' for a definition see the ~~FSA~~ Handbook Glossary

'**Operator**' refers to the collective investment scheme itself if an open-ended investment company (see section 237(2) of FSMA). For any other collective investment scheme, it is any person who, under the constitution or founding arrangements of the scheme, is responsible for managing the property held for or within the scheme (~~FSA~~ Handbook Glossary)

'**UK**' refers to the United Kingdom

'**You**' refers to the person signing the form on behalf of the Operator

### **Purpose of this form**

Under section 270 of FSMA a collective investment scheme, which is not a recognised scheme by virtue of section 264 of FSMA but is managed in and authorised under the law of a designated country or territory outside the UK, may be recognised if:

- the scheme is of a class specified by the designation order; and
- the Operator of the scheme gives written notice to the ~~FSA~~ FCA that they wish the scheme to be recognised.

The information requested in this form is intended to allow the ~~FSA~~ FCA to satisfy itself that the manner in which the Operator proposes to market the scheme in the UK complies with the law in the UK.

## Filling in the form

- 1 If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts and sign the declaration
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS; and
  - sign the declaration
- 3 If you leave a question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we will have to treat the notification as incomplete. This will increase the time it takes us to deal with your notification.
- 4 We have left space in Section 2 for additional information. If there is not enough space on the form, you must continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 The Operator is advised to obtain a copy of FSMA, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to notifiers, they are not able to give any definitive ruling on the interpretation of legislation or regulations; only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to the recognition of the scheme.
- 6 Your application should include:
  - this Form 270;
  - a statement from the authority in the country or territory in which the scheme is authorised confirming that the scheme is so authorised and is of a class specified by the designation order for the purposes of section 270 of FSMA;
  - a copy of the scheme rules or instruments constituting the scheme;
  - a copy of the full prospectus or any similar document giving detail of the scheme;
  - a copy of the latest annual report and any subsequent half-yearly report;
  - a copy of any other document affecting the rights of participants in the scheme;
  - the notification fee, as set out in our Fees Manual. Details of payment methods can be found on the ~~FSA~~ FCA website at:  
<http://www.fsa.gov.uk/pages/Doing/Regulated/Fees/Periodic/Societies/Payments/index.shtml>.  
[website address tbc]  
Details of payment method used should be included in Section 2.1.

Send your application to us at:

~~CIS Authorisations Team~~ **Investment Funds Team**  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**

Any document you send us which is not in English must be accompanied by an English translation.



## About the scheme

We need to know information about the scheme so that we can process your notification as efficiently as possible. We also need these details for our ~~FSA~~ FCA CIS Register, which is our public record of regulated collective investment schemes in the UK. You can access our CIS Register at ~~www.fsa.gov.uk/Pages/register~~ [\[website address tbc\]](#)

**1.1 Legal form and class of scheme**

**1.2 You must give details of the relevant designation order for the purpose of section 270 of FSMA**

**1.3 Name and address of operator**

**1.4 Name and address of depositary, trustee or custodian**

**1.5 Name and address of the place in the UK for the service of notices or other documents and invoices for periodic fees**

**1.6 Name and address of the place in the UK where scheme facilities will be maintained**

1.7 You must specify where details of the UK scheme facilities appear in the full prospectus

1.8 You must give details of the arrangement for making units in the UK:

a Does the Operator intend to market the scheme in a manner that will involve the Operator itself carrying on a regulated activity in the UK?

Yes  No

b Name of the person that will be marketing the units (see ~~FSA~~ Handbook Glossary for definition of person)

c Is this person authorised by the ~~FSA~~ FCA?

Yes  No – Go to 1.8(e)

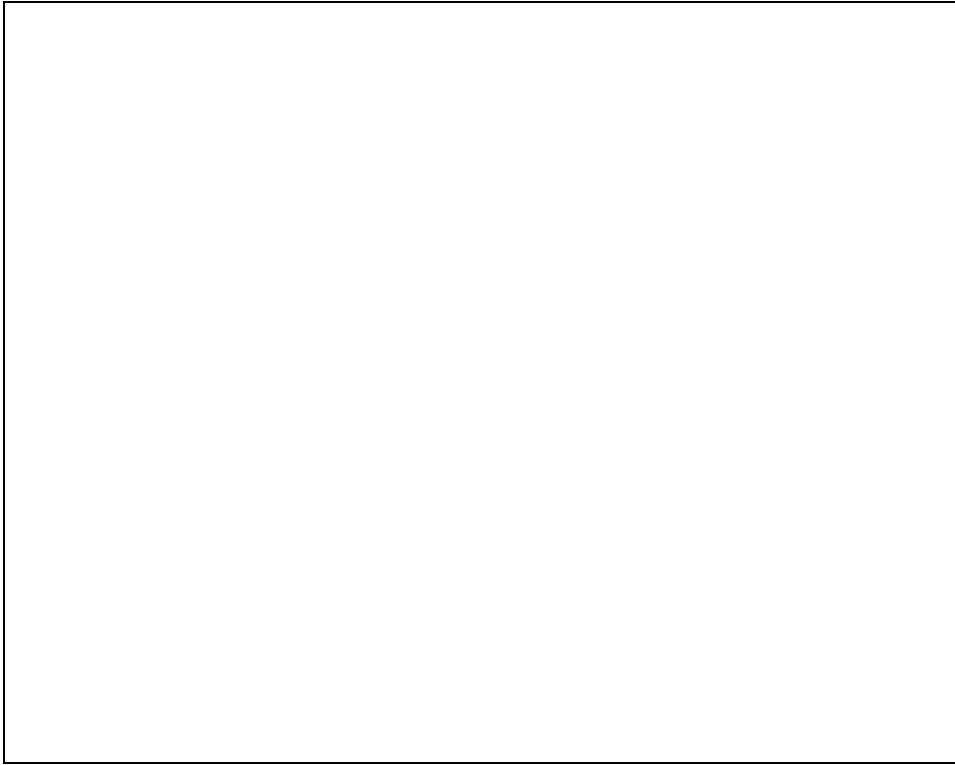
d ~~FSA~~ firm reference number of person (if applicable)

e Does this person hold the necessary Part ~~IV~~ 4A permission to market units?

Yes  No

f The proposed start date of the marketing in the UK

g How will units be sold in the UK?





# Payment and additional information

You may need to use this extra space to tell us about payment details and answer the questions

**2.1 You must give details of the payment method used, when the payment was made, who made the payment and any reference number**

**2.2 Additional information**

# Declaration

This declaration must be signed for and on behalf of the Operator

The notifier should tell us of any other information that is material to their notification and also tell us immediately of any material changes in the information provided, which occur before receiving our decision on the notification.

Under section 398 of FSMA, a person who knowingly or recklessly gives us information which is false or misleading in a material particular is guilty of an offence. A person guilty of such an offence is liable:

- (a) on conviction on indictment, to a fine; or
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

I DECLARE that the information supplied in Sections 1 and 2 is complete and correct to the best of my knowledge at the time of notification and that the documents included with this notification are true copies of the original.

Signature

Name of person signing for and on behalf of the Operator

Position

Date

Name of person in company dealing with this notification

Position

Business Address	
Country/Territory	

Telephone number

Email address

## Form 272

### Application for an order declaring an overseas collective investment scheme to be recognised in the UK

#### Name of Scheme

#### Important information you should read before completing this form

We need the information in this form to recognise a collective investment scheme in the UK under section 272 of FSMA.

You must keep a copy of your completed form and the supporting documents that you send us for future reference.

**It is important that you give accurate and complete information and disclose all relevant information. If you do not, it may take us longer to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'**COLL**' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'**COLLG**' refers to the Collective Investment Schemes Information Guide which is part of the ~~FSA~~ Handbook

'**EEA**' refers to the European Economic Area

'~~FSA FCA~~', '**we**', '**us**' and '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'**FSA Handbook**' refers to the ~~FSA~~ Handbook of rules which you can accessed at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook)  
[website address tbc]

'**FSMA**' or '**the Act**' refers to the Financial Services and Markets Act 2000

'**Marketing**' for a definition see the ~~FSA FCA~~ Glossary to the ~~FSA~~ Handbook

'**OEIC Regulations**' refers to the Open-Ended Investment Companies Regulations 2001

'**Operator**' refers to the collective investment scheme itself if an open-ended investment company (see section 237(2) of FSMA). For any other collective investment scheme, it is any person who, under the constitution or founding arrangements of the scheme, is responsible for managing the property held for or within the scheme (see the ~~FSA~~ Handbook Glossary)

'**UK**' refers to the United Kingdom

'**You**' refers to the person signing the form on behalf of the Operator

#### Purpose of this form

Under section 272 of FSMA, we may, on application from the Operator of a collective investment scheme, make an order that the scheme is a recognised scheme if:

(i) the scheme is managed outside of the UK, does not satisfy the requirements of section 264 (schemes constituted in other EEA States) of FSMA or come within section 270 (schemes authorised in designated countries or territories) of FSMA; and

(ii) it appears to the ~~FSA~~ FCA to satisfy the requirements of section 272 (individually recognised overseas schemes), which include that adequate protection must be afforded to the participants.

The information requested in this form is intended to allow the ~~FSA~~ FCA to satisfy itself that the requirements set out in section 272 FSMA will be met.



## **Filling in the form**

- 1** If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form and sign the declaration.
- 2** If you are filling in the form by hand:
  - use black ink;
  - write clearly in BLOCK LETTERS; and
  - sign the declaration.
- 3** If you leave a question blank, do not sign the declaration or do not attach the required supporting information without telling us why, we may have to treat the application as incomplete. This may increase the time it takes us to deal with your application.
- 4** We have left space in Section 7.2 for additional information. If there is not enough space on the form, you must continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5** The Operator is advised to get a copy of FSMA, COLL and COLLG before completing this form. Although FSA FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations; only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to the recognition of the scheme.
- 6** Your application should include:
  - this Form 272;
  - a copy of the scheme rules or instruments constituting the scheme;
  - a copy of the full prospectus or any similar document giving detail of the scheme;
  - a copy of the latest annual report and any subsequent half-yearly report;
  - a copy of any other document affecting the rights of participants in the scheme;
  - a legal comparison of the scheme against the nearest comparable scheme that is authorised in the UK;
  - in the case of an open-ended investment company, details of the relationship between the company and the person(s) responsible for the management of its property (including a copy of the management agreement);
  - details of any arrangements which might compromise the independence of the Operator and the scheme and any depositary, trustee or custodian and registrar;
  - explanation of why the scheme is thought of provide adequate protection to participants;
  - if the scheme or company has been in existence for less than three years, a business plan for the scheme covering three years or a longer period which, in the opinion of the Operator, will be necessary to enable the scheme to become of a viable size. In particular the following details should be given:
    1. the scheme's (proposed) launch date
    2. the initial price of the units and the current price (if different)
    3. minimum transaction size, both initially and subsequently if different
    4. details of the Operator's estimated income from the scheme and the Operator's estimated expenditure for the scheme for each year covered by the business plan (estimates should be on a basis which the Operator considers reasonable and that basis should be stated);
  - if the scheme has already been in existence for three years or more, you must provide the information below:
    1. method of sale of units and to whom
    2. the countries in which the units are marketed
    3. any minimum transaction size, both initially and subsequently if different

4. details of the Operator's income from the scheme for each of the preceding three years and the Operator's expenditure for the scheme for each of the preceding three years.

- details of marketing arrangements, including details of:
  1. date of commencement of marketing;
  2. the company or companies which will be responsible for the marketing
  3. whether the operator intends to market the scheme in the UK in a manner which will involve carrying on a regulated activity in the UK;
  4. whether the units will be sold through any employed sales force, authorised person, or unsolicited calls.
  
- the application fee, as set out in our Fees Manual. Details of payment methods can be found on the ~~FSA~~ FCA website at:  
<http://www.fsa.gov.uk/pages/Doing/Regulated/Fees/Periodic/Societies/Payments/index.shtml>  
[website address tbc].  
Details of payment method used should be included in Section 7.1.

Send your application to us at:

~~CIS Authorisations Team~~ **Investment Funds Team**  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**

Any document you send us which is not in English must be accompanied by an English translation.

# 1

## Details of the scheme

We need this information to determine whether the purposes of the scheme are reasonably capable of being successfully achieved. We also need these details for our CIS Register, which is our public record of regulated collective investment schemes in the UK. You can access our CIS Register at [www.fsa.gov.uk/Pages/register](http://www.fsa.gov.uk/Pages/register) [website address tbc]

### Information about the scheme

**1.1 You must explain the reason for name chosen, if not obvious**

**1.2 Legal form of the scheme**

**1.3 You must give a description of the purposes of the scheme, including investment objectives (ie capital growth or income)**

**1.4 You must outline how the purposes are to be achieved. Include investment policy and an indication of any techniques and instruments of borrowing power that may be used**

**1.5**

**a State the base currency of the scheme**

**b If the base currency is not sterling, are the units redeemable in sterling?**

**1.6 Duration of the scheme, if it is limited**

**1.7 Present (or proposed) level of the charges in respect of the scheme**

**a Preliminary charges**

**b Periodic charges**

**c All other charges**

1.8 You must give details of any features of the scheme which, in the view of the Operator, would be considered in the UK as unusual, or would not be permitted for a unit trust authorised under section 242 of FSMA or an investment with variable capital authorised under the OEIC Regulations

--

1.9 Does the scheme satisfy the requirements of section 264(1) of FSMA? (schemes constituted in other EEA States)?

Yes       No

1.10 Is the scheme of a class covered by a designated order made under section 270 of FSMA (schemes authorised in designated countries or territories)?

Yes       No

1.11 Is the scheme authorised by any government or regulatory body and/or governed by the legislation of any country outside the UK?

Yes       No- Go to 1.12

If yes, you must give full details

--

1.12 You must give full details of the arrangements for the sale and redemption of units

--

1.13 Name and address of the place in the UK for serving notices or other documents, and invoices for periodic fees

<b>Address</b>	
<b>Postcode</b>	

1.14 Name and address of the place in the UK where the scheme facilities will be maintained (if different from 1.13)

<b>Address</b>	
<b>Postcode</b>	

# 2

## Details of the Operator

See definition of Operator on Page 1 of this form

**2.1 Name of the Operator**

**2.2 Is the Operator an authorised person under FSMA?**

Yes       No

**2.3 If Yes, state the Operator's FSA firm reference number**

**2.4 If the Operator is authorised by or subject to any regulation from any other government or regulatory body, you must give details**

**2.5 Addresses of the Operator's registered office or principal place of business in the UK (if any)**

<b>Address</b>	
<b>Postcode</b>	

**2.6**

**a Country where the Operator is incorporated**

**b Date of incorporation**

**2.7 Addresses of the Operator**

<b>Address</b>	
<b>Country</b>	

**2.8 Directors of the Operator**

**a Name of the Chairman**

**b Name of the Chief Executive or Managing Director**

**c Names of all other directors, including non-executive directors. Identify non-executive directors with the letters NE next to their name**


**2.8 Management agreement: You must give details of the main functions to be carried out**

**2.9**

**a Current fees payable to the Operator**

**b How the fee can be varied?**

**2.10 If the Operator is a subsidiary, you must give the following details of its holding company**

**a Name**

**b**

<b>Address</b>	
<b>Country</b>	

**c Country of incorporation**

**d Date of incorporation**

**e Principal activities**

**2.11 Names of any other collective investment schemes managed by the Operator**

--

**2.12 You must details of any fact, arrangement, relationship or circumstance which, in the view of the Operator, compromises or which at any stage might compromise, the independence of the Operator from any depository, trustee or custodian**

--

**2.13 If the Operator is NOT an authorised person, you must give the following details of the authorised person in the UK who is the representative, with power to act generally for the Operator, and to accept service of notices and other documents on his behalf**

**a Name**

--

**b**

<b>Address</b>	
<b>Postcode</b>	

**c FSA firm reference number**

--

**2.14 You must give details of any authorisation currently held to carry on any investment business activity**

--

**2.15 You must give details of the powers of the representative named in 2.13 to act on behalf of the Operator**

--

# 3

## Details of the depositary, trustee or custodian

**3.1 Name**

**3.2 Legal form**

**3.3 Is the depositary, trustee or custodian an authorised person under FSMA?**

Yes       No-Go to 3.5

**3.4 If Yes, state the firm's FSA firm reference number**

**3.5 If the depositary, trustee or custodian is authorised by, or subject to, any regulation from any other government or regulatory body, give details**

**3.6 Addresses of depositary's, trustee's or custodian's registered office or principal place of business (if any) in the UK**

<b>Address</b>	
<b>Postcode</b>	

**3.7**

**a Country of incorporation of depositary, trustee or custodian**

**b Date of incorporation**

**3.8 Directors of depositary, trustee or custodian**

**a Name of the Chairman**

**b Name of the Chief Executive or Managing Director**



c Names of all other directors, including non-executive directors. Identify non-executive directors with the letters NE next to their name


3.9

a Current fees payable to the depository, trustee or custodian

--

b How the fee can be varied?

--

3.10 If the depository, trustee or custodian is a subsidiary, give the following details of its holding company

a Name

--

b

Address	
Country	

c Country of incorporation

--

d Date of incorporation

--

e Principal activities

--

3.11 You must give details of any authorisation or license held to carry on any investment business activity

--

# 4

## Details of investment adviser(s)

Complete this section if the Operator has appointed or proposes to appoint any person(s) (other than any employee) as an investment adviser under a commercial arrangement. *This section should be photocopied and completed for each investment adviser*

**4.1 Total number of investment advisers**

**4.2 Name of investment adviser**

**4.3 Legal form of investment adviser**

**4.4**

**a Is the investment adviser an authorised person under FSMA?**

Yes       No-Go to 4.5

**b If Yes, state the investment adviser's FSA firm reference number**

**4.5 If the investment adviser is authorised by, or subject to, any regulation from any other government or regulatory body, you just give details**

**4.6 Addresses of investment adviser's registered office or principal place of business in the UK (if any)**

Address	
Postcode	

**4.7 Directors of investment adviser**

If the legal form of the investment adviser is not a body corporate, give the equivalent information to that in (a) to (c).

**a Name of Chairman**

**b Name of Chief Executive or Managing Director**

--

**c Names of all other directors, including non-executive directors. Identify non-executive directors with the letters NE next to their name**


**4.8 If the investment adviser is a subsidiary, you must give the following details of its holding company**

**a Name**

--

**b**

<b>Address</b>	
<b>Postcode</b>	

**c Country of incorporation**

--

**d Date of incorporation**

--

**e Principal activities**

--

**4.9**

**a You must give details of the agreement or arrangement between the Operator and/or the scheme and the investment adviser**

--

**b Does the investment adviser have the authority of the Operator to make decisions on behalf of the Operator and/or the scheme?**

Yes       No-Go to 4.10

**c If Yes, give a description of the matters on which the investment adviser has that authority**

--

**4.10 Details of any authorisation or license held to carry on any investment business activity**

--

# 5

## Details of the registrar and auditor of the scheme

See definition of the registrar in the FSA Handbook Glossary

5.1 Total number of registrars. *This page should be photocopied and completed for each registrar.*

5.2 Name of registrar

5.3 Legal form of registrar(s)

5.4 Addresses of registrar's registered office or principal place of business in the UK (if any)

Address	
Postcode	

5.5 You must give details of the agreement or arrangement between the Operator or depositary, trustee or custodian and/or the scheme and the registrar

5.6 Name of the auditor

5.7 Addresses of auditor's registered office or principal place of business in the UK (if any)

Address	
Postcode	

# 6

## Details of non-authorized persons

We may ask for information additional to that requested in the application form. Please note that we may make any further enquiries if we consider it necessary and may take into account other information on applicants.

- 1 Complete this section only if one or more of the following are NOT authorized persons under FSMA:
  - (i) the Operator;
  - (ii) the depositary, trustee or custodian; or
  - (iii) the investment adviser.
- 2 In this section, the word 'applicant' refers to those persons listed above who are not authorized.
- 3 Answer YES, NO or N/A

	Operator	depositary, trustee or custodian	investment adviser
6.1			
a Has a petition for the bankruptcy or compulsory winding-up of the applicant, or for the sequestration of the applicant's estate, been presented at any time in the previous ten years?			
b Is the applicant aware that any such petition is pending?			
c Has any subsidiary or company controlled by the applicant been compulsorily wound up at any time in the previous ten years?			

*Note: 'bankruptcy', 'winding-up', and sequestration of estate' include any similar proceedings under the law of another country.*

6.2			
Has the applicant at any time in the last ten years had a receiver or administrator appointed, failed to satisfy a debt adjudged due or a debt in respect of which a decree has passed against it, or come to a compromise or similar arrangement with its creditor?			

*Note: 'administrator' and 'receiver' include any similar appointment under the law of another country. 'Compromise or similar arrangement with creditors' includes any similar arrangements under the law of another country.*

6.3			
Has the applicant at any time in the last ten years been refused or had withdrawn any license, recognition, authorisation or membership granted by any government, institutional or regulatory body controlling or regulating any aspect of investment business?			

Depository,  
Trustee or  
Custodian      Investment  
Adviser

Operator

**6.4**  
Has the applicant at any time in the last ten years withdrawn an application for a license, recognition, authorisation or membership granted by any government institution or regulatory body controlling or relating any aspect of investment business before the application was decided?

--	--	--

**6.5**  
Have the applicant's affairs in the last ten years been investigated by any body of which it is, or was at the time, a member or licensee in relation to its investment business activities (this does not include those conducted in the course of normal monitoring and surveillance procedures with no adverse findings)?

--	--	--

**6.6**  
**a** Has the applicant ever been charged or convicted of any offence involving fraud or other dishonesty relating to any investment business activity?

--	--	--

**b** Has the applicant ever been involved in any civil litigation relating to any investment business activity?

--	--	--

**6.7**

If the answer to any of the above questions was YES, you must give full details of the circumstances. If there is not enough space, you must continue in Section 8 or on a separate sheet of paper which you should attach to the form.

# 7

## Payment and additional information

You may need to use this extra space to tell us about payment details and answer the questions

**7.1 You must give details of the payment method used, when the payment was made, who made the payment and any reference number**

**7.2 Additional information**



# 8

## Declaration

This declaration must be signed for and on behalf of the Operator

The applicant must tell us of any other information which is material to their application and also tell us immediately of any material changes in the information provided, which occur before receiving our decision on the application.

Under section 398 of FSMA, a person who knowingly or recklessly gives us information which is false or misleading in a material particular is guilty of an offence. A person guilty of such an offence is liable:

- (a) on conviction on indictment, to a fine; or
- (b) on summary conviction, to a fine not exceeding the statutory maximum.

I DECLARE that the information given in connection with this application is, to the best of my knowledge, complete and correct, at the time of the application, and that the contents of the proposed instrument of incorporation do not conflict with the OEIC Regulations and/or the COLL sourcebook.

**Signature**

**Name of person signing for and on behalf of the Operator**

**Position**

**Date**

**Name of person dealing with this application**

**Position**

**Business Address**

**Country**

**Telephone number**

**Email**

## Form 9

### Notification of a proposal for cross-border or domestic UCITS merger under regulation 9 of The Undertakings for Collective Investment in Transferable Securities Regulations 2011

#### Name of Scheme

#### Important information you should read before completing this form

We need the information in this form to approve a proposal to merge the scheme(s) with another UK UCITS scheme or an EEA or UK UCITS as part of a cross-border or domestic UCITS merger as defined below.

You must keep a copy of the form that you complete and the supporting documents that you include with this application for your future reference.

If a notification relates to more than one scheme you do not need to fill in a separate form for each scheme, a list of schemes can be included in Section 2.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may increase the time taken to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'**ACD**' refers to the Authorised Corporate Director

'**AFM**' refers to the Authorised Fund Manager

'**AUT**' refers to authorised unit trust

'**COLL**' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'**Cross-Border UCITS Merger**' for a definition see the Glossary to the ~~FSA~~ Handbook

'**Domestic UCITS Merger**' for a definition see the Glossary to the ~~FSA~~ Handbook

'**EEA UCITS**' refers to a UCITS which is established and authorised in a Member State other than the UK

'**FSA FCA**', '**we**', '**us**' and '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'**FSA Handbook**' refers to the ~~FSA~~ Handbook of Rules which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'**ICVC**' refers to Investment Company with Variable Capital authorised under OEIC Regulation 14

'**Member State**' refers to a member state of the EEA

'**UCITS**' refers to a scheme which complies with the European Parliament and Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

'**UCITS Regulations**' refers to The Undertakings for Collective Investment in Transferable Securities Regulations 2011

'**UK**' refers to the United Kingdom

'**UK UCITS**' refers to a UCITS which is established and authorised in the UK as an authorised unit trust or an investment company with variable capital

'**You**' refers to the person completing the form

**Purpose of this form**

We may, after considering the information in this form and the supporting documents, determine any proposal for domestic or a cross-border merger under regulation 9 of the UCITS Regulations 2011.

## **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move from to the next question and press SHIFT TAB to move to the previous question;
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS.
- 3 If you leave a question blank or do not attach the required supporting information without telling us why, we will treat the notification as incomplete. This may increase the time it takes us to deal with your notification, as per
- 4 We have left space in Section 2.1 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of the FSMA, the UCITS Regulations, the OEIC Regulations, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to these proposals to make a change to an ICVC.
- 6 Your notification should include:
  - this Form 9;
  - the documents referred to in question 1.6 – 1.6 (i) to (iv)

Note that where the proposed merger is a cross-border merger, the information referred to above must be supplied to the ~~FSA~~ FCA both in English and in the official language or one of the official languages of the EEA State in which the receiving EEA UCITS is established, or in a language approved by the competent authorities of that Member State.

Send your notification to us at:

~~CIS Authorisations Team~~ **Investment Funds Team**  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**

## **Explanatory Notes**

- 1.1 You must state whether the merging scheme is an AUT or ICVC.
- 1.2 We have up to 20 working days to authorise a cross-border or domestic UCITS merger after receiving a complete application, as defined in regulation 9 of the UCITS Regulations 2011.
- 1.3 Please provide sufficient detail for the rationale behind the proposed merger.
- 1.4 You must explain the procedural steps that will be taken in compliance with COLL 4.3 (Approvals and notifications).
- 1.6 An application will be treated as being incomplete, in accordance with regulation 9 of the UCITS Regulations, if any of these documents are not submitted with the application
- 1.7 Please provide details of all Member States into which the UK UCITS has/have been notified for marketing in accordance with article 93.
- 1.9 Space is provided to give notice to us of: i) (where the ACD/AFM is authorised by the ~~FSA~~ FCA) any application made in relation to the ACD/AFM's Part ~~IV~~ 4A permission to carry on a regulated activity in the United Kingdom. If an application has been submitted to vary any of the activities that the firm may carry on, including the removal of any limitation (relating to an individual activity), you must provide details of when the application was made and what it was for; ii) (where the ACD/AFM is an EEA UCITS management company) any relevant notifications/applications that have been made in relation to these proposed changes. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

Further information of the ~~FSA's~~ FCA's variation of permission procedures is provided on the ~~FSA~~ FCA website at <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml> [website address tbc]

**Please note, you should use Form FN to notify us that changes approved under UCITS Regulations 2011 have come into effect.**

# 1

## Notification of a proposal for a cross-border or domestic UCITS merger of a UK UCITS

We need this information about the merger so we can process your notification as efficiently as possible

**1.1 Legal structure of the merging UCITS scheme [see Explanatory Notes]**

For FSA FCA  
use

**1.2 Is the proposed merger(s) cross-border or domestic. If cross-border, please indicate the states into which the UCITS has been notified for marketing in accordance with article 93 [see Explanatory Notes]**

Issue  
Associate  
 Sol. Cert.  
 Ack.  
 PIV

**1.3 Reason for merger(s)**

**1.4 How will the change be treated for the purposes of COLL 4.3? [see Explanatory Notes]**

**1.5 Date of proposed merger(s)**

1.6 Documents enclosed [see Explanatory Notes]

<p>(i) the common draft terms of the proposed merger duly approved by the UCITS, any other merging UCITS and the receiving UCITS;</p> <p>(ii) where the receiving UCITS is an EEA UCITS, an up-to-date version of the prospectus and the key investor information for that UCITS;</p> <p>(iii) a statement by each of the depositaries or, in the case of an AUT, the trustee, of the merging UCITS and the receiving UCITS confirming that, in accordance with rules made by the <del>FSA</del> <u>FCA</u>, or equivalent measures in the home state of the EEA UCITS involved in the merger implementing Articles 40 and 41 of the UCITS directive, they have verified that the following matters comply with the requirements of those rules:</p> <ul style="list-style-type: none"><li>• the identification of the type of merger and of the UCITS involved;</li><li>• the planned effective date of the merger; and</li><li>• the rules applicable, respectively, to the transfer of assets and the exchange of units;</li></ul> <p>(iv) the information on the proposed merger that the merging and the receiving UCITS intend to provide to their respective unitholders.</p>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
--	--

1.7 Member States where the UK UCITS has/have been notified for marketing in accordance with article 93 [see Explanatory Notes]

1.8 If any proposed change is linked to a waiver of an ~~FSA~~ FCA rule, please provide the waiver application number

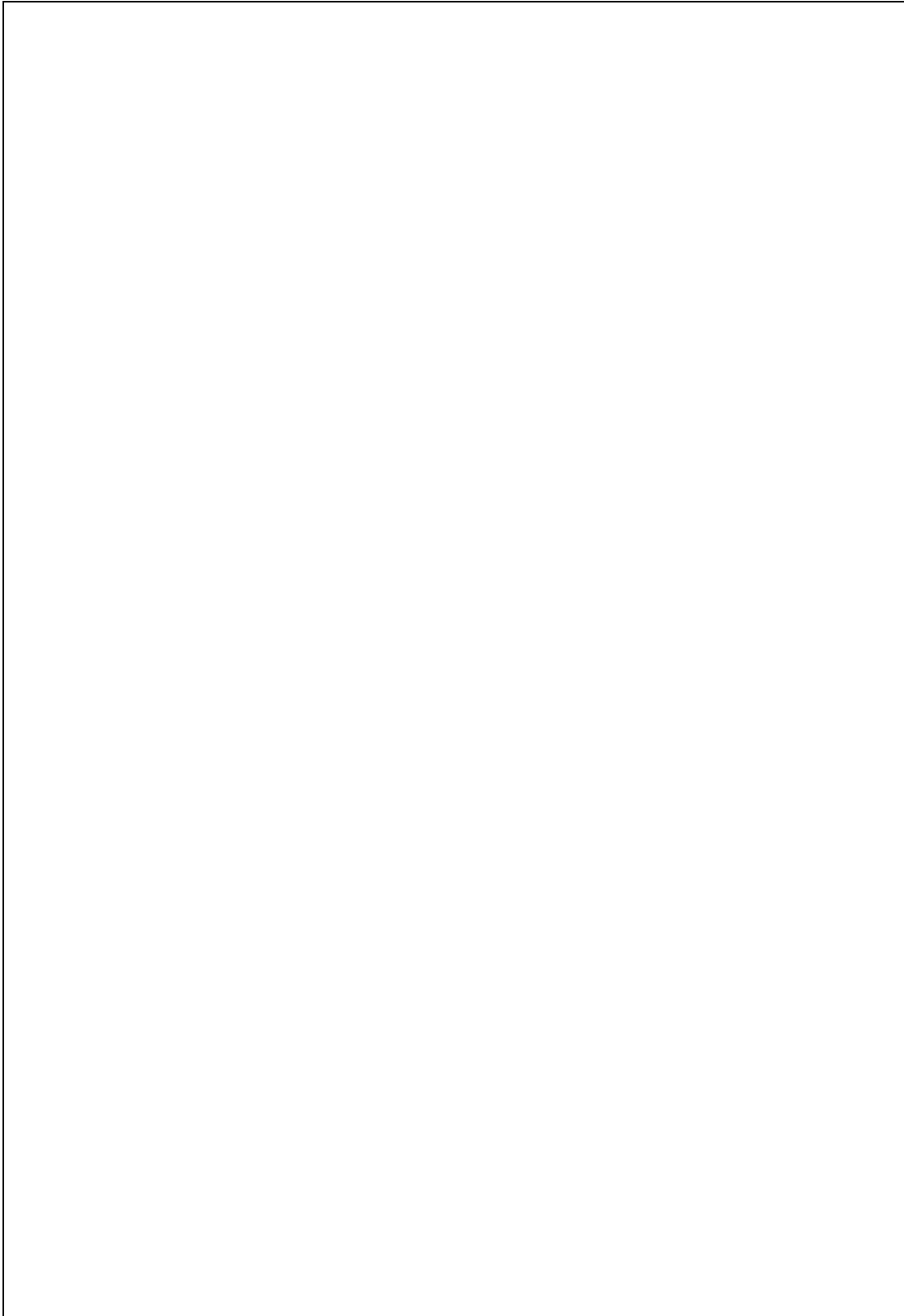
1.9 In respect of the proposed change(s) please confirm whether the ACD's Part IV 4A permission requires variation. If so, please provide details of the variation of permission application and the date it was made [see Explanatory Notes]

# 2

## Additional information

You may need the additional space to answer the questions or provide us with any additional information you think we may require to reach a decision

### 2.1 Additional information [see Explanatory Notes]





# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

## Form 21

### Notification of certain changes for an ICVC under regulation 21 of the Open-Ended Investment Companies Regulations 2001

#### Name of ICVC(s)

#### Important information you should read before completing this form

We need the information in this form to approve any proposal to make certain changes to an ICVC falling under OEIC regulation 21.

You must keep a copy of the form that you complete and the supporting documents that you include with this application for your future reference.

If a notification relates to more than one ICVC you do not need to fill in a separate form for each ICVC, a list of ICVCs can be included in Section 2.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may increase the time taken to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'ACD' refers to the Authorised Corporate Director

'COLL' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'COLLG' refers to the Collective Investment Schemes Information Guide which is part of the ~~FSA~~ Handbook

'~~FSA~~ **FCA**', 'we', 'us' and 'our' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'~~FSA~~ **Handbook**' refers to the ~~FSA~~ Handbook of Rules which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'**ICVC**' refers to Investment Company with Variable Capital authorised under OEIC Regulation 14(1)

'**OEIC Regulations**' refers to The Open-Ended Investment Companies Regulations 2001

'**UK**' refers to the United Kingdom

'**You**' refers to the person completing the form

#### Purpose of this form

We may, after considering information in this form and the supporting documents, approve proposed alterations to an ICVC falling under OEIC regulation 21.

### **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move from to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form.
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS.
- 3 If you leave a question blank or do not attach the required supporting information without telling us why, we may have to treat the notification as incomplete. This may increase the time it takes us to deal with your notification.
- 4 We have left space in Section 2.1 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of the OEIC Regulations, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to proposals to make a change to an ICVC.
- 6 Your notification should include:
  - this Form 21;
  - a solicitor's certificate, if there is an alteration to the instrument of incorporation;
  - a copy of any revised instrument of incorporation, highlighted to show the alterations from the latest version;
  - a copy of any revised prospectus, highlighted to show the alterations from the latest version;
  - where applicable, a copy of the revised key investor information document, highlighted to show the alterations from the latest version;
  - any other relevant documentation to support the notification e.g. circular or letter to unitholders.

Send your notification to us at:

~~CIS Authorisations Team~~ **Investment Funds Team**  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
**25 The North Colonnade**  
**Canary Wharf**  
**LONDON**  
**E14 5HS**

## **Explanatory Notes**

- 1.1 You must state the scheme type, as specified in COLL1.2.1R (Types of authorised fund), to which the ICVC belongs.
- 1.2 We have up to one month in which to approve any proposal; beginning with the date on which valid notice is given. If we propose to refuse approval of any proposal, we will send a warning notice to explain why; we will also set a period for representations to us. Subsequently, if we decide to refuse approval, we will send a decision notice. There is further information on our procedures in the Decision Procedure and Penalties Manual (DEPP).

Any notice given by an ICVC under OEIC Regulation 21(1)(a) (proposed alteration to the company's instrument of incorporation) must be accompanied by a solicitor's certificate. That certificate must confirm that the change will not affect compliance of the instrument with Schedule 2 of the OEIC Regulations and with any requirements of COLL that relate to the contents of that instrument.

If further changes to the ICVC or modifications to existing proposals are suggested during the course of assessing a proposal, this will require separate notification, unless we agree otherwise. In any event, subsequent modification (other than a simple grammatical or typographical error) to the instrument of incorporation relating to an existing proposal should be accompanied either by a new solicitor's certificate or written confirmation by the solicitor that the original certificate continues to apply.

- 1.4 For UCITS and non-UCITS retail schemes you must explain whether a proposed change is to be treated as fundamental, significant or notifiable, and the procedural steps that will be taken in compliance with COLL 4.3 (Approvals and notifications). Alternatively, if the ACD does not intend to make unitholders aware of the change, you must make it clear that it is considered insignificant. For qualified investor schemes you must explain whether the changes are being treated as fundamental, significant or insignificant and the procedural steps that will be taken in compliance with COLL 8.3.6R (Alterations to the scheme and notices to unitholders).
- 1.7 Space is provided to give notice to us of: i) (where the ACD is authorised by the ~~FSA~~ FCA) any application made in relation to the ACD's Part ~~IV~~ 4A permission to carry on a regulated activity in the United Kingdom. If an application has been submitted to vary any of the activities that the firm may carry on, including the removal of any limitation (relating to an individual activity), you must provide details of when the application was made and what it was for; ii) (where the ACD is an EEA UCITS management company) any relevant notifications/applications that have been made in relation to these proposed changes. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

Further information on the ~~FSA's~~ FCA's variation of permission procedures is provided on the ~~FSA~~ FCA website at ~~<http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml>~~ [website address tbc]

**Please note, you should use Form FN to notify us that changes approved under OEIC regulation 21 have subsequently been carried into effect.**

# 1

## Notification of certain changes to an ICVC

We need this information about the notification so we can process your notification as efficiently as possible

### 1.1 Scheme type [see Explanatory Notes]

For FSA-FCA  
use

### 1.2 Details of proposed changes [see Explanatory Notes]

Issue

Associate

Sol. Cert.

Ack.

PIV

Reserve  
Name

### 1.3 Reason for change(s)

**1.4 How will the change(s) proposed be treated for the purposes of COLL 4.3/COLL 8.3.6R? [see Explanatory Notes]**

**1.5 Date of proposed change(s)**

**1.6 If any proposed change is linked to a waiver of an FSA FCA rule, please provide the waiver application number**

**1.7 In respect of the proposed change(s) please confirm whether the ACD's Part IV 4A permission requires variation. If so, please provide details of the variation of permission application and the date it was made. Alternatively for an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in relation to these proposed change(s) [see Explanatory Notes]**

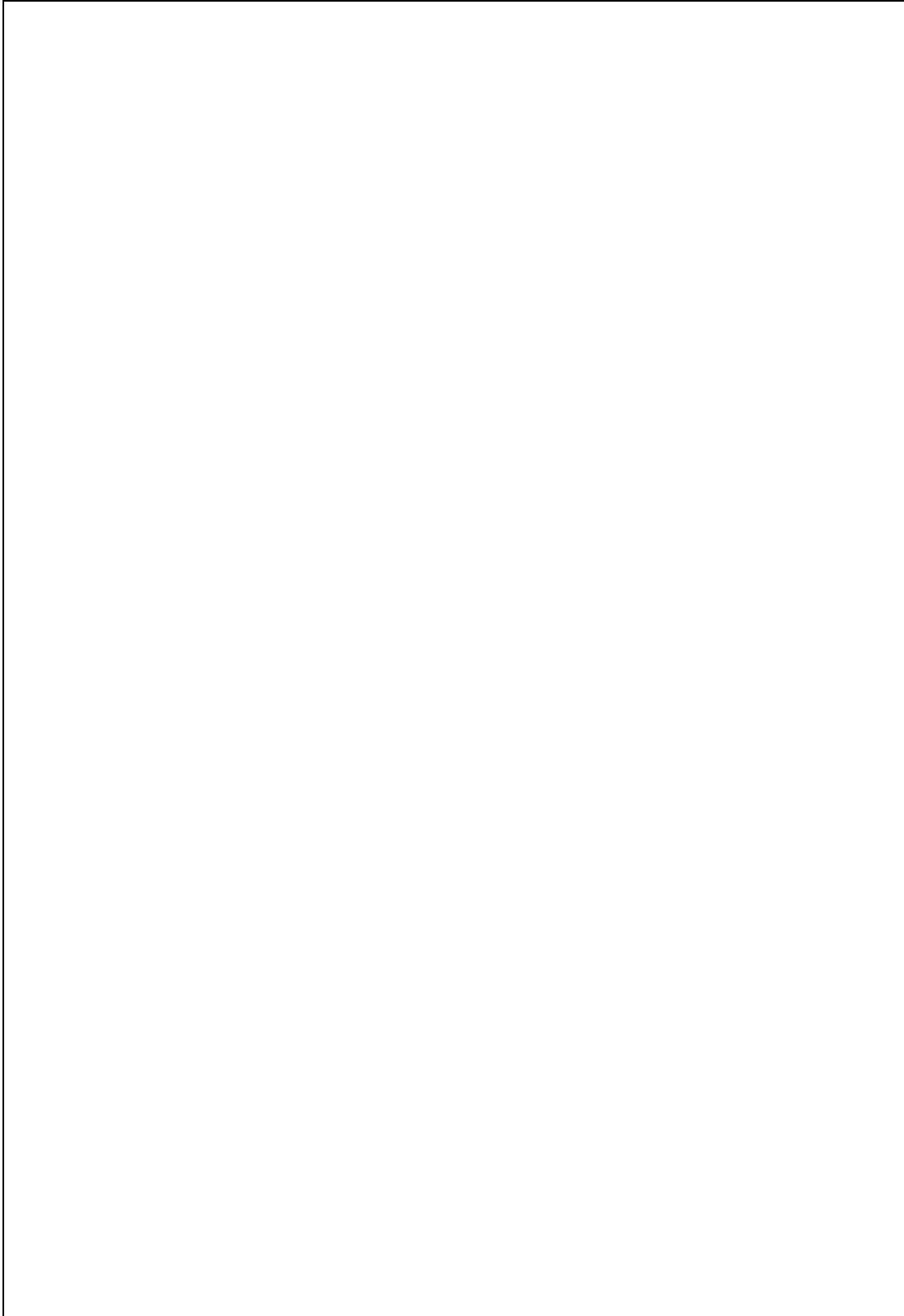
**1.8 Documents enclosed**

# 2

## Additional information

You may need the additional space to answer the questions

### 2.1 Additional information



# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	



## Form 22A

### Notification of certain changes for an ICVC under regulation 22A of The Open-Ended Investment Companies Regulations 2001

#### Name of ICVC(s)

#### Important information

To assist us in approving any proposal to make certain changes to an ICVC falling under OEIC regulation 22A, we request that you complete this form and provide the information set out below.

You must keep a copy of the form that you complete and the supporting documents that you include with this application for your future reference.

If a notification relates to more than one ICVC you do not need to fill in a separate form for each ICVC, a list of ICVCs can be included in Section 2.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may increase the time taken to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'ACD' refers to the Authorised Corporate Director

'COLL' refers to the Collective Investment Schemes sourcebook which is part of the FSA Handbook

'COLLG' refers to the Collective Investment Schemes Information Guide which is part of the FSA Handbook

'~~FSA~~ ~~FCA~~', 'we', 'us' and 'our' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'~~FSA Handbook~~' refers to the ~~FSA Handbook of Rules~~ which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'ICVC' refers to Investment Company with Variable Capital authorised under OEIC regulation 14

'OEIC Regulations' refers to The Open-Ended Investment Companies Regulations 2001

'UK' refers to the United Kingdom

'You' refers to the person completing the form

#### Purpose of this form

We may, after considering the supplied information and the supporting documents, approve proposed alterations to an ICVC falling under OEIC regulation 22A to allow a UCITS scheme which is a feeder UCITS to cease operating as a feeder UCITS.

### **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS.
- 3 If you leave a question blank or do not attach the required supporting information without telling us why, we may have to treat the notification as incomplete. This may increase the time it takes us to deal with your notification
- 4 We have left space in Section 2.1 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of the OEIC Regulations, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice
- 6 Your application should include:
  - this Form 22A;
  - the solicitor's certificate, in accordance with regulation 22A(2)(a) of the OEIC Regulations;
  - a copy of the revised instrument of incorporation, highlighted to show the alterations from the latest version;
  - a copy of the revised prospectus, highlighted to show the alterations from the latest version;
  - where applicable, a copy of the revised key investor information document, highlighted to show the alterations from the latest version;
  - any other relevant documentation to support the notification e.g. circular or letter to unitholders.

Send your application to us at:

~~CIS Authorisations Team~~ Investment Funds Team  
~~The Financial Services Authority~~ Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS

## **Explanatory Notes**

- 1.1** We have up to 15 working days in which to approve any proposal; beginning with the date on which valid notice is given. If we propose to refuse approval of any proposal, we will send a warning notice to explain why; we will also set a period for representations to us. Subsequently, if we decide to refuse approval, we will send a decision notice. There is further information on our procedures in the Decision Procedure and Penalties manual (DEPP).

Any notice given by an ICVC under OEIC regulation 22A must be accompanied by a solicitor's certificate. That certificate must confirm that the change will not affect compliance of the instrument with Schedule 2 of the OEIC Regulations and with any requirements of COLL that relate to the contents of that instrument.

If further changes to the ICVC or modifications to existing proposals are suggested during the course of assessing a proposal, this will require separate notification, unless we agree otherwise. In any event, subsequent modification (other than a simple grammatical or typographical error) to the instrument of incorporation relating to an existing proposal should be accompanied either by a new solicitor's certificate or written confirmation by the solicitor that the original certificate continues to apply.

- 1.3** You must explain the procedural steps that will be taken in compliance with COLL 4.3 (Approvals and notifications).

- 1.6** Space is provided to give notice to us of: i) (where the ACD is authorised by the ~~FSA~~ FCA) any application made in relation to the ACD's Part ~~4A~~ 4A permission to carry on a regulated activity in the United Kingdom. If an application has been submitted to vary any of the activities that the firm may carry on, including the removal of any limitation (relating to an individual activity), you must provide details of when the application was made and what it was for; ii) (where the ACD is an EEA UCITS management company) any relevant notifications/applications that have been made in relation to these proposed changes. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

Further information of the ~~FSA's~~ FCA's variation of permission procedures is provided on the ~~FSA~~ FCA website at <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml> [website address tbc]

**Please note, you should use Form FN to notify us that changes approved under OEIC regulation 22A have subsequently been carried into effect.**

# 1

## Notification of certain changes to an ICVC

We need this information about the notification so we can process your notification as efficiently as possible

### 1.1 Details of proposed changes [see Explanatory Notes]

For FSA FCA  
use

Issue

Associate

Sol. Cert.

Ack.

PIV

### 1.2 Reason for change(s)

### 1.3 How will the change(s) proposed be treated for the purposes of COLL 4.3 [see Explanatory Notes]

**1.4 Date of proposed change(s)**

**1.5 If any proposed change is linked to a waiver of an FSA FCA rule, please provide the waiver application number**

**1.6 In respect of the proposed change(s) please confirm whether the ACD's Part IV 4A permission requires variation. If so, please provide details of the variation of permission application and the date it was made. Alternatively for an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in relation to these proposed change(s) [see Explanatory Notes]**

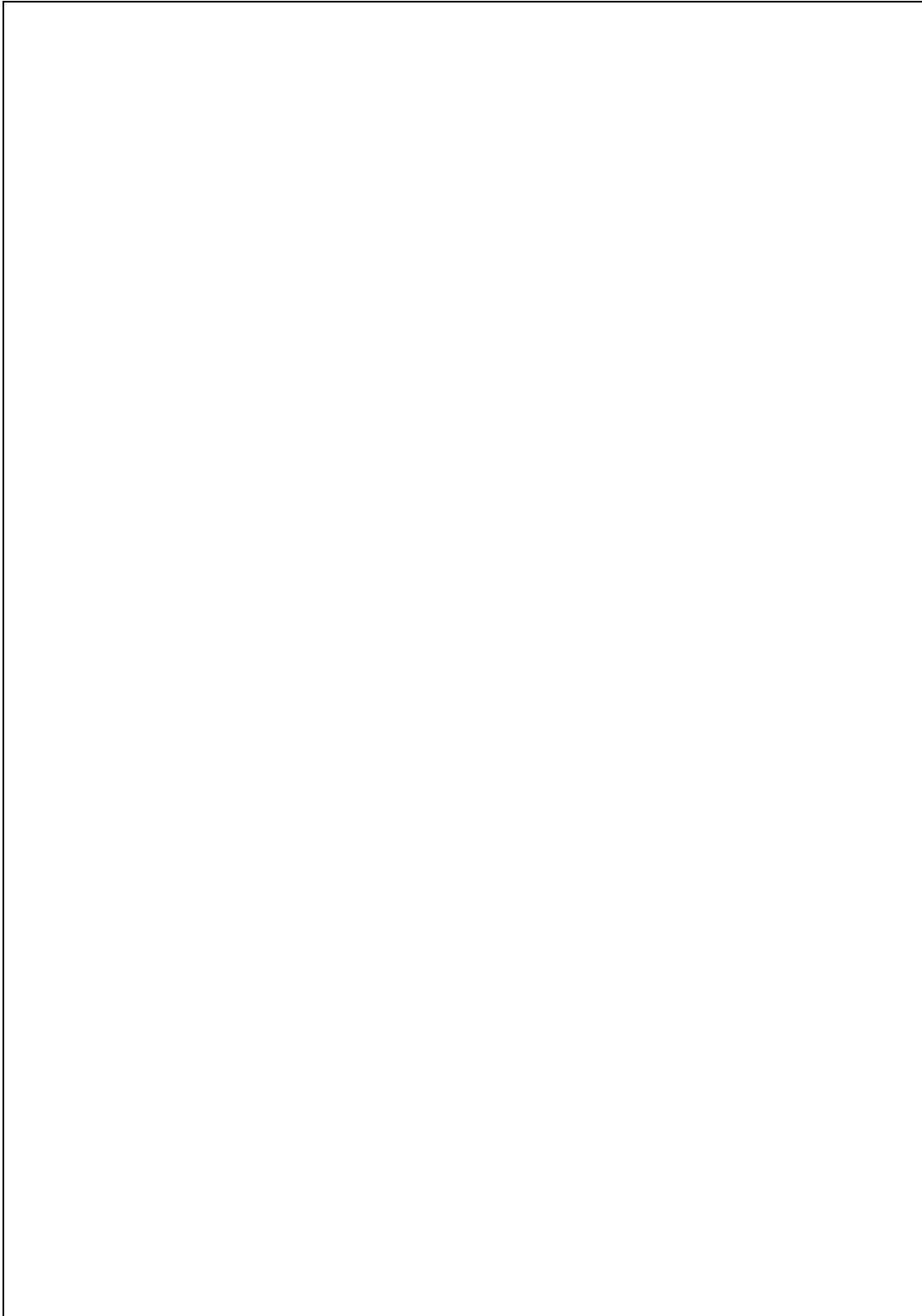
**1.7 Documents enclosed**

# 2

## Additional information

You may need the additional space to answer the questions

### 2.1 Additional information



# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

## Form 251

### Notification of certain changes for an Authorised Unit Trust under section 251 of the Financial Services and Markets Act 2000

#### Name of AUT(s)

#### Important information you should read before completing this form

We need the information in this form to approve proposed alterations to an AUT or to replace its trustee or manager under section 251 of FSMA.

You must keep a copy of the form that you complete and the supporting documents that you include with this application for your future reference.

If a notification relates to more than one AUT you do not need to fill in a separate form for each AUT, a list of AUTs can be included in Section 2.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may increase the time taken to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'AUT' refers to authorised unit trust under section 243 of the FSMA

'COLL' refers to the Collective Investment Schemes sourcebook which is part of the FSA Handbook

'COLLG' refers to the Collective Investment Schemes Information Guide which is part of the FSA Handbook

'~~FSA~~ ~~FCA~~', 'we', 'us' and 'our' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'~~FSA Handbook~~' refers to the ~~FSA Handbook of Rules~~ which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'FSMA' or 'the Act' refers to the Financial Services and Markets Act 2000

'UK' refers to the United Kingdom

'You' refers to the person completing the form



## **Purpose of this form**

We may, after considering the information in this form and supporting documents, approve proposed alterations to an AUT or proposals to replace its trustee or manager under section 251 of FSMA.

## **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS.
- 3 If you leave a question blank or do not attach the required supporting information without telling us why, we may have to treat the notification as incomplete. This may increase the time it takes us to deal with your notification
- 4 We have left space in Section 2.1 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of FSMA, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to alterations to an AUT or to replace its trustee or manager.
- 6 Your application should include:
  - this Form 251;
  - the solicitor's certificate, if the proposal to alter the AUT involved change to the trust deed;
  - a copy of any supplemental trust deed;
  - a copy of any revised prospectus, highlighted to show the alterations from the latest version;
  - where applicable, a copy of the revised key investor information document, highlighted to show the alterations from the latest version;
  - any other relevant documentation to support the notification e.g. circular or letter to unitholders.

Send your application to us at:

~~CIS Authorisations Team~~ Investment Funds Team  
The ~~Financial Services Authority~~ Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS

## **Explanatory Notes**

- 1.1 You must state the scheme type, as specified in COLL 1.2.1R (Types of authorised fund), to which the AUT belongs.
- 1.2 We have up to one month in which to approve any proposal; beginning with the date on which valid notice is given. If we propose to refuse approval of any proposal, we will send a warning notice to explain why; we will also set a specified period to make representations to us. Subsequently, if we decide to refuse approval we will send a decision notice. There is further information on our procedures in the Decision Procedure and Penalties Manual (DEPP).

Any notice given in respect of a proposal to alter the AUT involving a change in the trust deed must be accompanied by a certificate signed by a solicitor. This must confirm that the change will not affect the compliance of the deed with the trust scheme rules.

If further changes to the AUT or modifications to existing proposals are suggested in the course of assessing a proposal, this will require separate notification, unless we agree otherwise. In any event, subsequent modification (other than a simple grammatical or typographical error) to the trust deed relating to an existing proposal should be accompanied either by a new solicitor's certificate or written confirmation by the solicitor that the original certificate continues to apply.

- 1.4 For UCITS and non-UCITS retail schemes you must explain whether a proposed change is to be treated as fundamental, significant or notifiable, and the procedural steps that will be taken in compliance with COLL 4.3 (Approvals and notifications). Alternatively, if the manager does not intend to make unitholders aware of the change, you must make it clear that it is considered insignificant. For qualified investor schemes you must explain whether the changes are being treated as fundamental, significant or insignificant and the procedural steps that will be taken in compliance with COLL 8.3.6R (Alterations to the scheme and notices to unitholders).
- 1.7 Space is provided to give notice to us of: i) (where the manager is authorised by the ~~FSA~~ FCA), any application made in relation to the manager's Part ~~IV~~ 4A permission to carry on a regulated activity in the United Kingdom. If an application has been submitted to vary any of the activities that the firm may carry on, including the removal of any limitation (relating to an individual activity), you must provide details of when the application was made and what it was for; ii) (where the manager is an EEA UCITS management company), any relevant notifications/applications that have been made in relation to these proposed changes. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

Further information on the ~~FSA's~~ FCA's variation of permission procedures can be found on the ~~FSA~~ FCA website at <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml> [website address tbc]

**Please note, you should use Form FN to notify us that changes approved under section 251 of FSMA have subsequently been carried into effect.**



# 1

## Notification of certain changes to an AUT

We need this information about the notification so we can process your notification as efficiently as possible

### 1.1 Scheme type [see Explanatory Notes]

For **FSA**  
**FCA** use

### 1.2 Details of proposed changes [see Explanatory Notes]

Issue

Associate

Sol. Cert.

Ack.

PIV

### 1.3 Reason for change(s)

**1.4 How will the change(s) proposed be treated for the purposes of COLL 4.3/COLL 8.3.6R? [see Explanatory Notes]**

**1.5 Date of proposed change(s)**

**1.6 If any proposed change is linked to a waiver of an FSA FCA rule, you must provide the waiver application number**

**1.7 In respect of the proposed change(s) you must confirm whether the manager's Part IV 4A permission requires variation. If so, you must provide details of the variation of permission application and the date it was made. Alternatively for an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in relation to these proposed change(s) [see Explanatory Notes]**

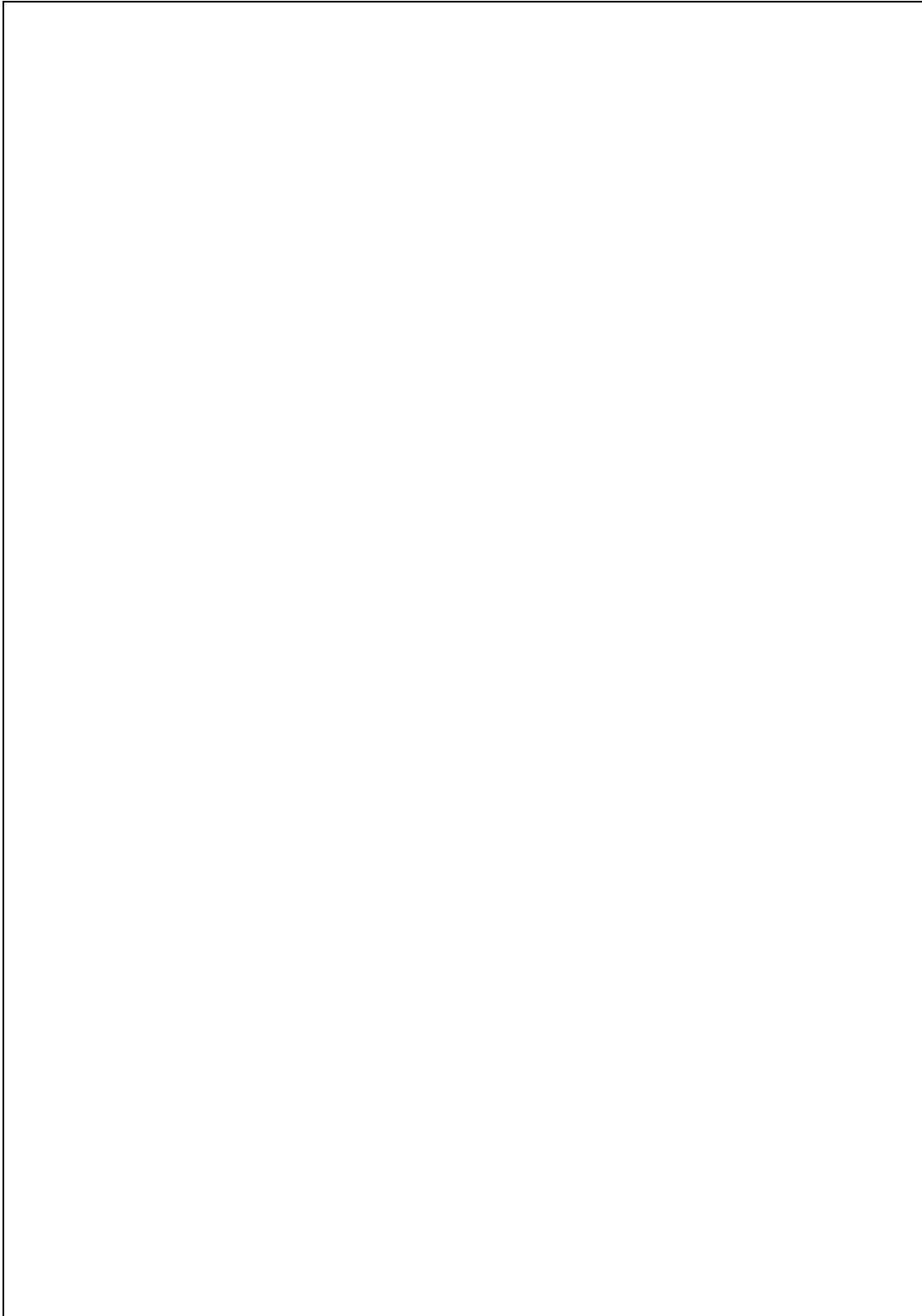
**1.8 Documents enclosed**

# 2

## Additional information

You may need the additional space to answer the questions

### 2.1 Additional information



# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

## Form 252a

### Notification of proposed changes for an Authorised Unit Trust under section 252A of the Financial Services and Markets Act 2000

#### Name of AUT(s)

#### Important information you should read before completing this form

We need the information in this form to approve proposed alterations to an AUT under section 252A of FSMA.

You must keep a copy of the form that you complete and the supporting documents that you include with this application for your future reference.

If a notification relates to more than one AUT you do not need to fill in a separate form for each AUT, a list of AUTs can be included in Section 2.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may increase the time taken to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'AUT' refers to an authorised unit trust under section 243 of the FSMA

'COLL' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'COLLG' refers to the Collective Investment Schemes Information Guide which is part of the ~~FSA~~-Handbook

'~~FSA-FCA~~', 'we', 'us' and 'our' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'~~FSA Handbook~~' refers to the ~~FSA Handbook of Rules~~ which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'FSMA' or 'the Act' refers to the Financial Services and Markets Act 2000

'UK' refers to the United Kingdom

'You' refers to the person completing the form

#### Purpose of this form

We may, after considering the information in this form and supporting documents, approve proposed alterations to an AUT under section 252A of FSMA to allow a UCITS scheme which is a feeder UCITS to cease operating as a feeder UCITS.



## **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS.
- 3 If you leave a question blank or do not attach the required supporting information without telling us why, we may have to treat the notification as incomplete. This may increase the time it takes us to deal with your notification
- 4 We have left space in Section 2.1 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of FSMA, COLL and COLLG before completing this form. Although ~~FSA~~ FCA staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to alterations to an AUT or to replace its trustee or manager.
- 6 Your application should include:
  - this Form 252A;
  - the solicitor's certificate, in accordance with section 252A(3)(a) of FSMA;
  - a copy of any supplemental trust deed;
  - a copy of any revised prospectus, highlighted to show the alterations from the latest version;
  - where applicable, a copy of the revised key investor information document, highlighted to show the alterations from the latest version;
  - any other relevant documentation to support the notification e.g. circular or letter to unitholders.

Send your application to us at:

~~CIS Authorisations Team~~ **Investment Funds Team**  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS

## **Explanatory Notes**

- 1.1** We have up to 15 working days in which to approve any proposal; beginning with the date on which valid notice is given. If we propose to refuse approval of any proposal, we will send a warning notice to explain why; we will also set a specified period to make representations to us. Subsequently, if we decide to refuse approval we will send a decision notice. There is further information on our procedures in the Decision Procedure and Penalties manual (DEPP).

Any notice given in respect of a proposal to alter the AUT under section 252A must be accompanied by a certificate signed by a solicitor. This must confirm that the change will not affect the compliance of the deed with the trust scheme rules.

If further changes to the AUT or modifications to existing proposals are suggested in the course of assessing a proposal, this will require separate notification, unless we agree otherwise. In any event, subsequent modification (other than a simple grammatical or typographical error) to the trust deed relating to an existing proposal should be accompanied either by a new solicitor's certificate or written confirmation by the solicitor that the original certificate continues to apply.

- 1.3** You must explain the procedural steps that will be taken in compliance with COLL 4.3 (Approvals and notifications).
- 1.6** Space is provided to give notice to us of any application made in relation to the manager's Part IV ~~4A~~ 4A permission to carry on a regulated activity in the UK. If an application has been submitted to vary any of the activities that the firm may carry on, including the removal of any limitation (relating to an individual activity), you must provide details of when the application was made and what it was for.

Further information on the ~~FSA's~~ FCA's variation of permission procedures can be found on the ~~FSA~~ FCA website at <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml> [website address tbc]

**Please note, you should use Form FN to notify us that changes approved under section 252A of FSMA have subsequently been carried into effect.**

# 1

## Notification of certain changes to an AUT

We need this information about the notification so we can process your notification as efficiently as possible

### 1.1 Details of proposed changes [see Explanatory Notes]

For **FSA** FCA  
use

Issue

Associate

Sol. Cert.

Ack.

PIV

### 1.2 Reason for change(s)

**1.3 How will the change(s) proposed be treated for the purposes of COLL 4.3 [see Explanatory Notes]**

**1.4 Date of proposed change(s)**

**1.5 If any proposed change is linked to a waiver of an FSA FCA rule, you must provide the waiver application number**

**1.6 In respect of the proposed change(s) please confirm whether the ACD's Part IV 4A permission requires variation. If so, please provide details of the variation of permission application and the date it was made. Alternatively for an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in relation to these proposed change(s) [see Explanatory Notes]**

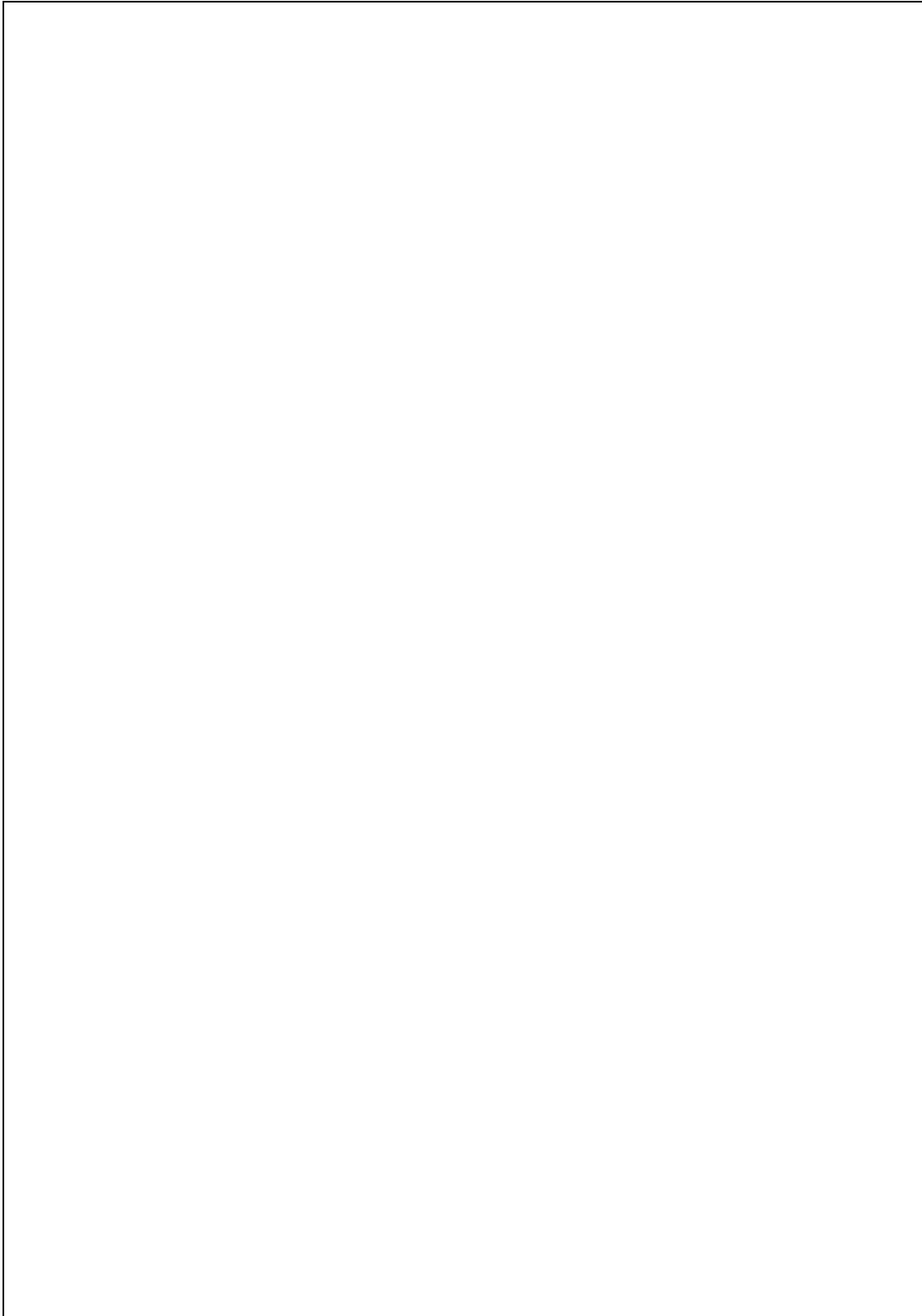
**1.7 Documents enclosed**

# 2

## Additional information

You may need the additional space to answer the questions

### 2.1 Additional information



# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

## Form 264CH

### Notification of certain changes to UCITS recognised under section 264 of the Financial Services and Markets Act 2000

#### Name of UCITS

#### Important information you should read before completing this form

We require all Operators of EEA UCITS recognised under section 264 of FSMA to notify us of certain changes to the UCITS.

You must keep a copy of the form you complete and the supporting documents that you send us for your future reference.

**It is important that you provide accurate and complete information and disclose all relevant information.**

#### Terms in this pack

In this form we use the following terms:

'**COLL**' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'**COLLG**' refers to the Collective Investment Schemes Information Guide which is part of the ~~FSA~~ Handbook

'**EEA**' refers to the European Economic Area

'~~FSA FCA~~', '**us**', '**we**' or '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'~~FSA Handbook~~' refers to the ~~FSA~~ Handbook of rules which can be accessed at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'**FSMA**' or '**the Act**' refers to the Financial Services and Markets Act 2000

'**Marketing**' for a definition see the Glossary to the ~~FSA~~ Handbook

'**Operator**' refers to the UCITS itself for an open-ended investment company (see section 237(2) of the Act). For any other UCITS it is the person who under the constitution or founding arrangements of the scheme is responsible for managing the property held by the UCITS (see ~~FSA-Handbook~~ Glossary)

'**Sub-fund(s)**' means investment compartment(s) in accordance with the UCITS Directive

'**UCITS**' refers to a scheme which complies with the UCITS Directive

'**UCITS Directive**' refers to the European Parliament and Council Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

'**UK**' refers to the United Kingdom

'**You**' refers to the person completing the form on behalf of the Operator (UCITS)

**Purpose of this form**

You should complete this form when notifying us of changes to the information previously supplied to us in accordance with Article 93(7) and (8). We also need certain details for the ~~FSA~~ FCA CIS Register, which is our record of regulated collective investment schemes in the UK. The ~~FSA~~ FCA CIS Register can be accessed at ~~www.fsa.gov.uk/Pages/register~~ [website address tbc].



## **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move to the from question to question and press SHIFT TAB to move back to the previous question; and
  - print out all the completed parts of the form
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly.
- 3 If there is not enough space on the form, you may need to use separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 4 You are advised to obtain a copy of COLL and COLLG before completing this form.
- 5 Your notification should consist of this Form 264CH:
  - (i) Which you may use to describe the update(s) or the amendment(s) that has/have been made and indicate where the document(s) can be obtained electronically; or
  - (ii) To which you may provide a new version of the document(s) as an attachment.

Send your notification to us at ~~recognisedcis@fsa.gov.uk~~ **recognisedcis@fca.org.uk**

Please note we do not need the originals of translated documents.

# Notification of certain changes to a UCITS

As part of the on-going recognition of UCITS you must keep documents that have been filed with us up to date and notify us of any changes

## Changes to information about UCITS

1. 1 You must provide details of changes to any of the following information

	Details of change
Name of the UCITS	
Legal form, e.g. common form/unit trust/investment company	
Name and/or address of Operator	
Address of the place in the UK for the service on the Operator of notices or other documents	
Name and/or address of the supervisory authorities to which the Operator is subject in the EEA State in which it is established	

**1.2 You must provide details of changes to any of the following information (continued):**

	Details of change
Whether the Operator intends to market the UCITS in the UK in a manner which involves it carrying on a regulated activity in the UK	
Name and/or address of the depositary/trustee/custodian	
Address in the UK where facilities are maintained	
Details of the arrangements for marketing the UCITS in the UK	
Other changes (not covered above)	

**Changes to documentation supplied to the FSA FCA**

**1.3 Where a new document is provided, please provide details of the document(s) amended**

**1.4 Date of amendment**

**1.5 Where documentation is not supplied, please indicate where copies may be obtained electronically**

# Details of umbrella UCITS

It is important that we have this information to ensure that the FSA FCA CIS Register is kept up to date

**If you are the Operator of an umbrella UCITS, you must provide us with details of changes to the sub-funds marketed in the United Kingdom**

**2.1 Sub-fund(s) for which marketing in the UK is to be terminated**

**2.2 Change of name of sub-fund(s)**

**2.3 List of sub-fund(s) currently marketed in the UK**

# Contact details for this notification

We need this information in case we need to contact you about your notification

## Contact for this notification

### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

## Form 283A

### Application for approval of certain changes for a UCITS scheme under section 283A of the Financial Services and Markets Act 2000

#### Name of Scheme

#### Important information you should read before completing this form

To assist us in approving any proposal to make certain changes to an ICVC authorised under OEIC Regulation 14 or an AUT authorised under section 243 of FSMA, we request that you complete this form and provide the information set out below.

You must keep a copy of the form that you complete and the supporting documents that you include with this application for your future reference.

If a notification relates to more than one scheme you do not need to fill in a separate form for each scheme, a list of schemes can be included in Section 2.

**It is important that you provide accurate and complete information and disclose all relevant information. If you do not, it may increase the time taken to deal with your application.**

#### Terms in this pack

In this form we use the following terms:

'**AFM**' refers to the Authorised Fund Manager

'**AUT**' refers to authorised unit trust under section 243 of FSMA

'**COLL**' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'**COLLG**' refers to the Collective Investment Schemes Information Guide which is part of the ~~FSA~~ Handbook

'**Feeder UCITS**' for a definition see the Glossary to the ~~FSA~~ Handbook

'~~FSA-FCA~~ ', '**we**', '**us**' and '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'**FSA Handbook**' refers to the ~~FSA~~ Handbook of Rules which you can access at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) [website address tbc]

'**FSMA**' or '**the Act**' refers to the Financial Services and Markets Act 2000

'**ICVC**' refers to Investment Company with Variable Capital authorised under OEIC Regulation 14

**'Master UCITS'** for a definition see the Glossary to the FSA Handbook

**'OEIC Regulations'** refers to The Open-Ended Investment Companies Regulations 2001

**'UCITS'** refers to a scheme which complies with the UCITS Directive

**'UCITS Directive'** refers to the European Parliament and Council Directive 2009/65/EEC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended

**'UK'** refers to the United Kingdom

**'You'** refers to the person completing the form

**Purpose of this form**

We may, after considering information in this form and the supporting documents, approve any proposal to make changes to an ICVC authorised under OEIC Regulation 14 or an AUT authorised under section 243 of FSMA, to enable the scheme to operate as a feeder UCITS, including where the scheme is applying to invest in the units of a different master UCITS.

## **Filling in the form**

- 1 If you are completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all the completed parts of the form
- 2 If you are filling in the form by hand:
  - use black ink; and
  - write clearly in BLOCK LETTERS.
- 3 If you leave a question blank or do not attach the required supporting information without telling us why, we may have to treat the notification as incomplete. This may increase the time it takes us to deal with your notification
- 4 We have left space in Section 2.1 for additional information. If there is not enough space on the form, please continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
- 5 You are advised to get a copy of FSMA, the OEIC Regulations, COLL and COLLG before completing this form. Although ~~FSA-FCA~~ staff may offer some help to applicants, they are not able to give any definitive ruling on the interpretation of legislation or regulations - only the UK Courts have this power. So we suggest you seek your own legal advice on all matters relating to proposals to make the change(s).
- 6 **Where the notification is in respect of changes to an authorised UCITS, your notification should include:**
  - (i) this Form 283A;
  - (ii) a solicitor's certificate, if there is an alteration to the constituting documents of the scheme;
  - (iii) a copy of any revised instrument of incorporation/trust deed, highlighted to show the alterations from the latest version;
  - (iv) a copy of any revised prospectus, highlighted to show the alterations from the latest version;
  - (v) a copy of any revised key investor information document, highlighted to show alterations from the latest version (where applicable);
  - (vi) the information required by questions 1.6(i) to 1.6(viii), provided in English
- 7 **Where this notification forms part of an application for authorisation of a new scheme, you will also be required to submit a completed Form 12/242 in respect of the new scheme, along with the information required in 6(i) and 6(vi) above.**

Send your application to us at:

~~CIS Authorisations Team~~ Investment Funds Team  
~~The Financial Services Authority~~ **Financial Conduct Authority**  
25 The North Colonnade  
Canary Wharf  
LONDON  
E14 5HS



## **Explanatory Notes**

- 1.1 You must state whether the scheme is an AUT or ICVC.
- 1.2 We have up to one 15 working days in which to approve a proposal; following the submission of a complete application. If we propose to refuse approval of a proposal, we will send a warning notice to explain why; we will also set a period for representations to us. Subsequently, if we decide to refuse approval, we will send a decision notice. There is further information on our procedures in the Decision Procedure and Penalties manual (DEPP).

Where applicable, any notice given by a UCITS scheme under section 283A of FSMA must be accompanied by a solicitor's certificate. That certificate must confirm that the change will not affect compliance of the instrument with Schedule 2 of the OEIC Regulations or the trust deed with the trust scheme rules and with any requirements of COLL that relate to the contents of that document.

If further changes or modifications to existing proposals are suggested during the course of assessing a proposal, this will require separate notification, unless we agree otherwise. In any event, subsequent modification (other than a simple grammatical or typographical error) to the instrument of incorporation or trust deed relating to an existing proposal should be accompanied either by a new solicitor's certificate or written confirmation by the solicitor that the original certificate continues to apply.

- 1.4 You must explain whether a proposed change is to be treated as fundamental, significant or notifiable, and the procedural steps that will be taken in compliance with COLL 4.3 (Approvals and notifications).
- 1.8 Space is provided to give notice to us of: i) (where the ACD is authorised by the ~~FSA~~ FCA) any application made in relation to the ACD's Part ~~IV~~ 4A permission to carry on a regulated activity in the United Kingdom. If an application has been submitted to vary any of the activities that the firm may carry on, including the removal of any limitation (relating to an individual activity), you must provide details of when the application was made and what it was for; ii) (where the ACD is an EEA UCITS management company) any relevant notifications/applications that have been made in relation to these proposed changes. If applicable, you must provide details of when and to whom the notification/application was made and what it was for.

Further information on the ~~FSA's~~ FCA's variation of permission procedures can be found on the ~~FSA~~ FCA website at <http://www.fsa.gov.uk/Pages/doing/regulated/notify/permissions/index.shtml> [website address tbc]

**Please note, you should use Form FN to notify us that changes approved under section 283A of FSMA have subsequently been carried into effect.**



# 1

## Application for approval of certain changes to a UCITS scheme

We need this information about the notification so we can process your notification as efficiently as possible

### 1.1 Legal structure of the scheme [see Explanatory Notes]

For **FSA**  
**FCA** use

### 1.2 Details of proposed changes [see Explanatory Notes]

Issue

Associate

Sol. Cert.

Ack.

PIV

### 1.3 Reason for change(s)

**1.4 How will the change(s) proposed be treated for the purposes of COLL 4.3? [see Explanatory Notes]**

**1.5 Date of proposed change(s)**

**1.6 Documents enclosed**

<p><b>(i) The instrument constituting the scheme of the feeder UCITS and of the master UCITS</b></p>	<input type="checkbox"/>
<p><b>(ii) The prospectus and the key investor information of the feeder UCITS and of the master UCITS;</b></p>	<input type="checkbox"/>
<p><b>(iii) The master-feeder agreement or the internal conduct of business rules;</b></p>	<input type="checkbox"/>
<p><b>(iv) where applicable, the information to be provided to unitholders;</b></p>	<input type="checkbox"/>
<p><b>(v) If the master UCITS and the feeder UCITS have different depositaries, the information sharing agreement between them;</b></p>	<input type="checkbox"/>
<p><b>(vi) If the master UCITS and the feeder UCITS have different auditors, the information sharing agreement between them; and</b></p>	<input type="checkbox"/>
<p><b>(vii) Where the master UCITS is an EEA UCITS scheme, an attestation by the master UCITS's Home State regulator, that the master UCITS:</b></p>	
<p><b>(a) is an EEA UCITS scheme , or a sub-fund of it; and</b></p>	<input type="checkbox"/>
<p><b>(b) fulfils the conditions set out in article 58(3)(b) and (c) of the UCITS Directive.</b></p>	<input type="checkbox"/>
<p>In respect of the above, please provide a checklist indicating where the information required by COLL 11.3.2R, COLL 11 Annex 1R/2R, COLL 11.4.2R and COLL 11.5.2R is located</p>	

**1.7 If any proposed change is linked to a waiver of an ~~FSA~~ FCA rule, please provide the waiver application number**

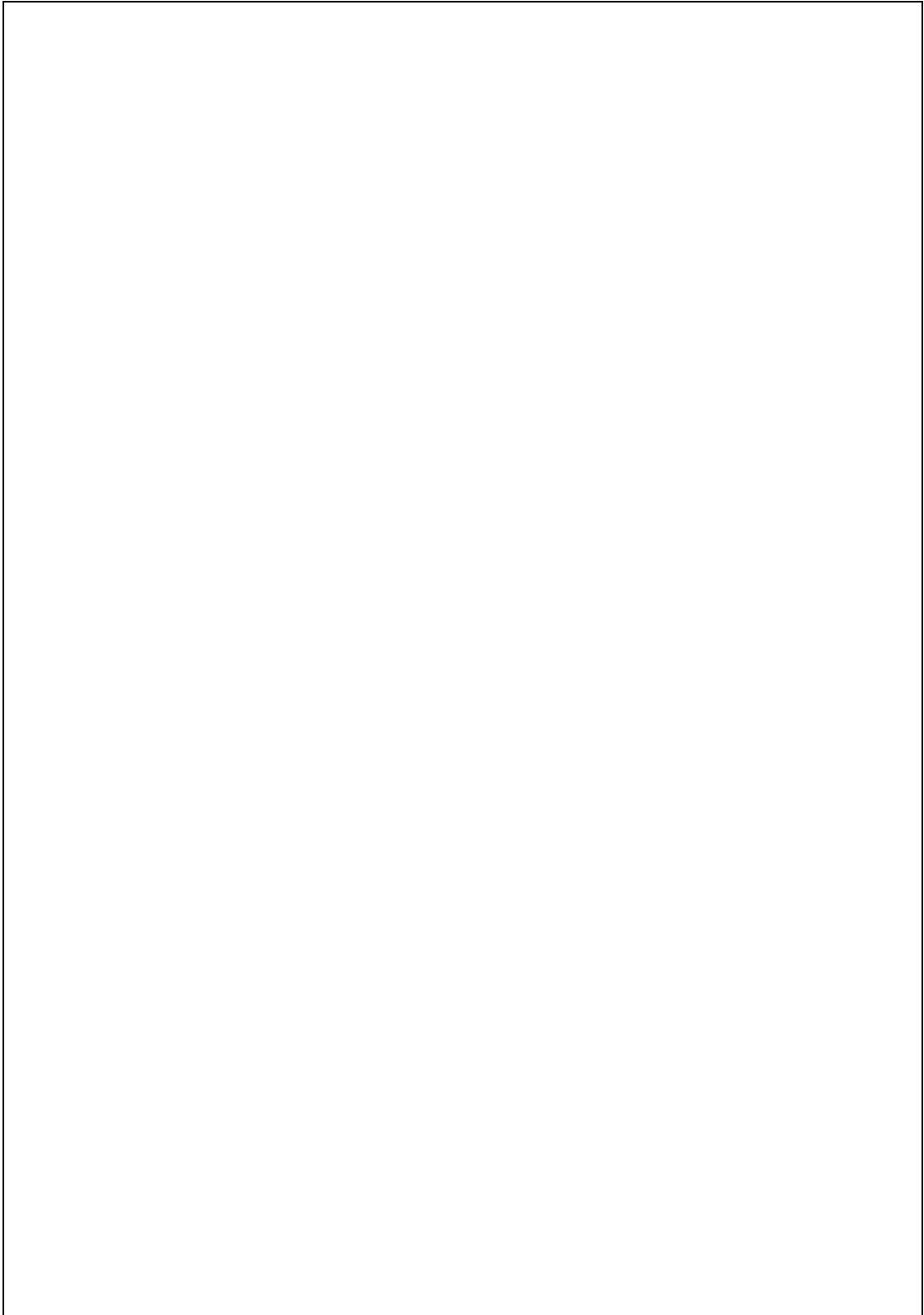
**1.8 In respect of the proposed change(s) please confirm whether the ACD's Part IV 4A permission requires variation. If so, please provide details of the variation of permission application and the date it was made. Alternatively for an EEA UCITS management company, please provide details of any relevant notifications/applications that have been made in relation to these proposed change(s) [see Explanatory Notes]**

# 2

## Additional information

You may need the additional space to answer the questions

### 2.1 Additional information



# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	



## Form FN

### Notification of changes to an ICVC or an Authorised Unit Trust, following prior approval of the ~~FSA~~ FCA

#### Name of Scheme(s)

#### Important information you should read before completing this form

This form applies to schemes authorised under either OEIC regulation 14 or section 243 of FSMA. These are ICVCs or AUTs.

We need the information in this form to notify us that changes previously approved by the ~~FSA~~ FCA have now been carried into effect (this includes the addition of a new sub-fund and completion of termination of a sub-fund). If the change is one of those listed in COLL 6.9.11R we must be notified not later than 14 days after the occurrence.

If you are the AFM of the receiving UCITS as a result of a domestic or cross-border UCITS merger you must notify us immediately when that merger has been effected.

If a notification relates to more than one scheme you do not need to fill in a separate form for each scheme, a list of schemes can be included in Section 2.

#### Terms in this pack

In this form we use the following terms:

'**AFM**' refers to the Authorised Fund Manager

'**AUT**' refers to authorised unit trust

'**COLL**' refers to the Collective Investment Schemes sourcebook which is part of the ~~FSA~~ Handbook

'**Cross-Border UCITS Merger**' for a definition see the Glossary to the ~~FSA~~ Handbook

'**Domestic UCITS Merger**' for a definition see the Glossary to the ~~FSA~~ Handbook

'~~FSA~~ FCA', '**we**', '**us**' and '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority

'**FSMA**' or '**the Act**' refers to the Financial Services and Markets Act 2000

'**ICVC**' refers to Investment Company with Variable Capital

'**OEIC Regulations**' refers to The Open-Ended Investment Companies Regulations 2001

'**You**' refers to the person signing the form on behalf of the AFM or depositary

### **Filling in the form**

- 1 When completing the form electronically:
  - use the TAB key to move to the next question and press SHIFT TAB to move to the previous question; and
  - print out all of the completed parts of the form.
  
- 2 We have left space in Section 2.1 for additional information. If there is not enough space on the form, you must continue on separate sheets of paper. Clearly mark each separate sheet of paper with the relevant question number.
  
- 3 Your notification should include this Form FN along with the following documents if relevant:
  - a copy of any revised instrument of incorporation;
  - a copy of any executed supplemental trust deed;
  - a copy of any revised prospectus;
  - if a resolution has been passed by the director(s) of an ICVC to change the name of the company or any sub-fund, it would also be helpful for us to receive a copy.

**Send your notification to us at: [ukcis@fsa.gov.uk](mailto:ukcis@fsa.gov.uk) [ukcis@fca.org.uk](mailto:ukcis@fca.org.uk)**

# 1

## Details of changes made to an authorised scheme

We need the information in this form to notify us that changes previously approved by us have now been carried into effect. We also need these details for our CIS Register, which is our public record of regulated collective investment schemes in the UK. You can access our CIS Register at [www.fsa.gov.uk/Pages/register](http://www.fsa.gov.uk/Pages/register) [website address tbc]

### 1.1 Scheme type

For FSA  
FCA use

### 1.2 Details of changes(s) made

Tardis updated

Tracker closed

### 1.3 FSA FCA approval reference (found on the top right of the approval letter)

### 1.4 Effective date of change(s)

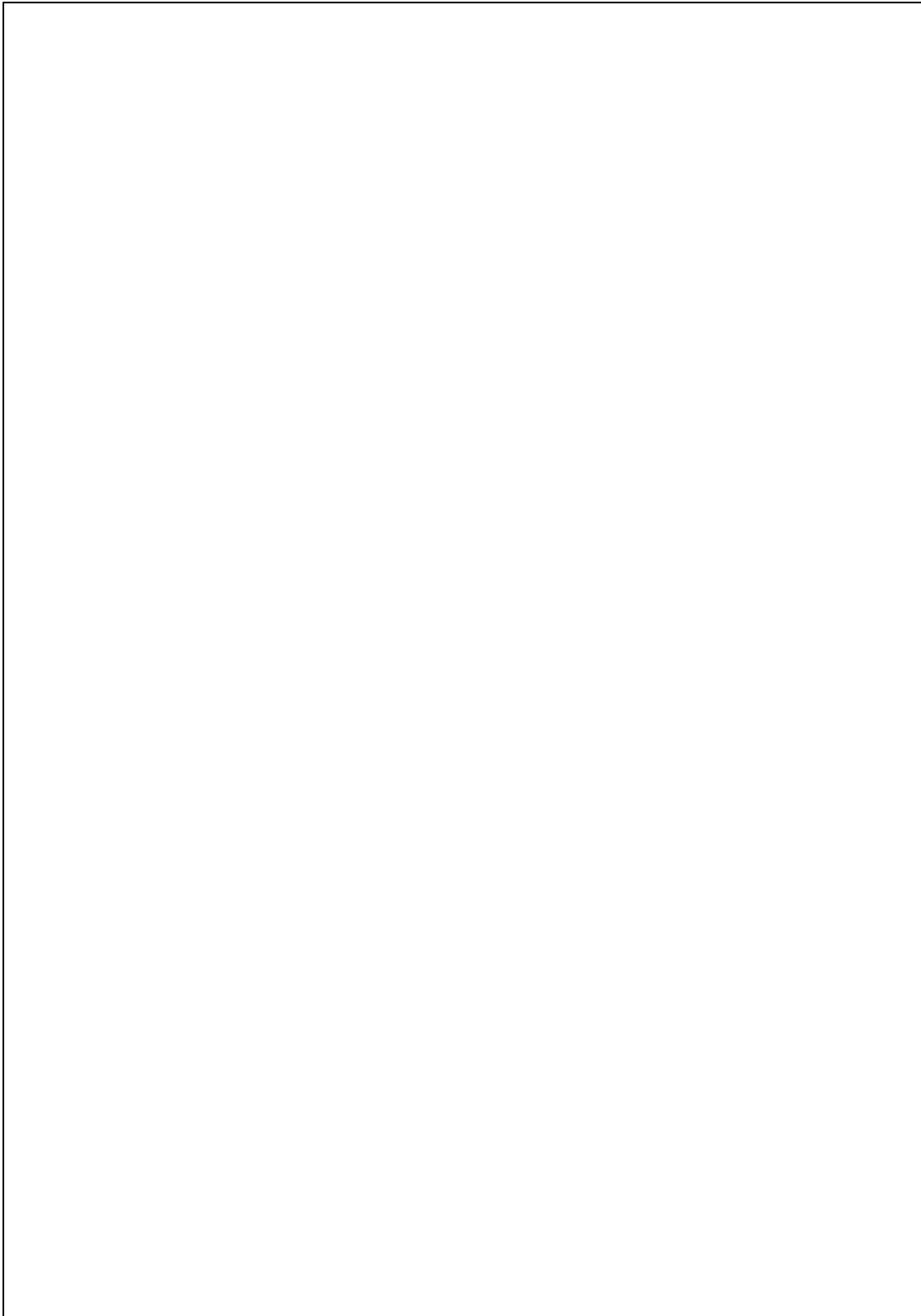
### 1.5 Documents enclosed

# 2

## Additional information

You may need the additional space to answer the questions

### 2.1 Additional information



# 3

## Contact details for this notification

We need this information in case we need to contact you about your notification

### Contact for this notification

#### 3.1 Contact details for questions about this notification

Title	
First name	
Surname	
Job title	
Business address	
Postcode	
Phone number (including STD code)	
Email address	

## NOTIFICATION LETTER

(Article 1 of Commission Regulation (EU) No 584/2010 of 1 July 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council as regards the form and content of the standard notification letter and UCITS attestation, the use of electronic communication between competent authorities for the purpose of notification, and procedures for on-the-spot verifications and investigations and the exchange of information between competent authorities (OJ L 176, 10.7.2010, p. 16)

### NOTIFICATION OF INTENTION TO MARKET UNITS OF UCITS

IN \_\_\_\_\_  
(the host Member State)

### PART A

Name of the UCITS: \_\_\_\_\_

UCITS home Member State:  
\_\_\_\_\_

Legal form of the UCITS (please tick appropriate one box):

- common fund  
 unit trust  
 investment company

Does the UCITS have compartments? Yes/No

Name of the UCITS and/or compartment(s) to be marketed in the host Member State	Name of share class(es) to be marketed in the host Member State (1)	Duration (2)	Code numbers (3)

(1) If the UCITS intends to market only certain share classes, it should list only those classes

(2) If applicable

(3) If applicable (e.g. ISIN)

Name of the management company/self-managed investment company:  
\_\_\_\_\_

Management company's home Member State: \_\_\_\_\_

Address and registered office/domicile if different from address

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Details of management company's website: \_\_\_\_\_

Details of contact person at the management company

Name/Position: \_\_\_\_\_

Telephone number: \_\_\_\_\_

E-mail address: \_\_\_\_\_

Fax number: \_\_\_\_\_

Duration of the company, if applicable: \_\_\_\_\_

Scope of activities of the management company in the UCITS host Member State:

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Additional information about the UCITS (if necessary):

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Attachments:

(1) The latest version of the fund rules or instruments of incorporation, translated if necessary in accordance with Article 94(1)(c) of Directive 2009/65/EC.

\_\_\_\_\_  
(Title of document or name of electronic file attachment)

(2) The latest version of the prospectus, translated if necessary in accordance with Article 94(1)(c) of Directive 2009/65/EC.

\_\_\_\_\_  
(Title of document or name of electronic file attachment)

(3) The latest version of the key investor information, translated if necessary in accordance with Article 94(1)(b) of Directive 2009/65/EC.

\_\_\_\_\_  
(Title of document or name of electronic file attachment)

(4) The latest published annual report and any subsequent half-yearly report, translated if necessary in accordance with Article 94(1)(c) of Directive 2009/65/EC.

\_\_\_\_\_  
(Title of document or name of electronic file attachment)

Note:

The latest versions of the required documents listed above must be attached to this letter for onward transmission by the competent authorities of the UCITS home Member State, even if copies have previously been provided to that authority. If any of the documents have previously been sent to the competent authorities of the UCITS host Member State and remain valid, the notification letter may refer to that fact.

Indicate where the latest electronic copies of the attachments can be obtained in future:

---

## PART B

The following information is provided in conformity with the national laws and regulations of the UCITS host Member State in relation to the marketing of units of UCITS in that Member State.

UCITS shall refer to the website of the competent authorities of each Member State for details of which items of information shall be provided in this section. A list of relevant website addresses is available at [www.cesr.eu](http://www.cesr.eu) [www.esma.europa.eu](http://www.esma.europa.eu)

### 1. Arrangements made for marketing of units of UCITS

Units of the UCITS/UCITS compartments will be marketed by:

- |                          |  |
|--------------------------|--|
| <input type="checkbox"/> | the management company that manages the UCITS                      |
| <input type="checkbox"/> | any other management company authorised under Directive 2009/65/EC |
| <input type="checkbox"/> | credit institutions  |
| <input type="checkbox"/> | authorised investment firms or advisers                            |
| <input type="checkbox"/> | other bodies   |

(1) \_\_\_\_\_

(2) \_\_\_\_\_

(3) \_\_\_\_\_

### 2. Arrangements for the provision of facilities to unit-holders in accordance with Article 92 of Directive 2009/65/EC:

Details of paying agent (if applicable):

Name: \_\_\_\_\_

Legal form: \_\_\_\_\_

Registered office: \_\_\_\_\_

Address for correspondence (if different): \_\_\_\_\_

Details of any other person from whom investors may obtain information and documents:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Manner in which the issue, sale, repurchase or redemption price of units of UCITS will be made public:

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3. Other information required by the competent authorities of the host Member State in accordance with Article 91(3) of Directive 2009/65/EC

Include (if required by the UCITS host Member State):

- details of any additional information to be disclosed to unit-holders or their agents;
- in case a UCITS makes use of any exemptions from rules or requirements applicable in the UCITS host Member State in relation to marketing arrangements for the UCITS, a specific share class or any category of investors, details of the use made of such exemptions;

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If required by the UCITS host Member State, evidence of payment due to the competent authorities of the host Member State:

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## PART C

Confirmation by the UCITS

We hereby confirm that the documents attached to this notification letter contain all relevant information as provided for in the Directive 2009/65/EC. The text of each document is the same as that previously submitted to the competent authorities of the home Member State, or is a translation that faithfully reflects that text.

(The notification letter shall be signed by an authorised signatory of the UCITS or a third person empowered by a written mandate to act on behalf of the notifying UCITS, in a manner which the competent authorities of the UCITS home Member State accept for certification of documents. The signatory shall state his/her full name and capacity, and shall ensure the confirmation is dated.)

**Annex 27**

**Amendments to the Credit Unions New sourcebook (CREDS)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority / FSA</i>	<i>appropriate regulator</i>	CREDS 2.1.4G(1), 2.2.4R, 2.2.6R, 2.2.26G(4), 2.2.33G, 2.2.37G, ;  CREDS 7.2.10G;  CREDS 8.3.2G, 8.3.7G;  CREDS Sch 3.2G;  CREDS Sch 6.1
<i>FSA</i>	<i>FCA</i>	CREDS 9.2.1R, 9.2.7R(2), 9.2.10R, 9.2.12R;  CREDS Sch 5.1G
<i>FSA</i>	<i>PRA</i>	CREDS 2.2.52G, 2.2.60G;  CREDS 3.3.10R;  CREDS 5.1.5G, 5.1.6G, 5.2.3G;  CREDS 6.2.5R, 6.2.6G;  CREDS 7.1.2G, 7.2.2R, 7.3.7G, 7.4.3R, 7.5.5G;  CREDS 8.2.6R, 8.2.7R;  CREDS Appendix 1.1 row 'total non-deferred shares';  CREDS TP 1 row 12
<i>Part IV</i>	<i>Part 4A</i>	CREDS 1.1.2G(1), 1.1.2G(3), 1.1.4G;  CREDS 3.2.1R(1), 5.2.1R(5)

		CREDS 10.1.2G
Section 148	Sections 138A and 138B	CREDS Sch 6.1G
Section 150	Section 138D	CREDS Schs 5.1G, 5.2G
Section 150(2)	Section 138D(3)	CREDS Sch 5.1G

Amend the following provisions as follows.

2.2.36 G ...

**Information for the FSA\_PRA**

...

9.2.10 R A report under this section must be given or addressed, and delivered, in the way set out in *SUP* 16.3.6 R to *SUP* 16.3.16 G (General provisions on reporting), except that, instead of the *credit union's* usual supervisory contact, the report must be given to or addressed for the attention of the ~~Data Monitoring team of the FSA~~ Central Reporting team at the FCA.

9 Annex 1R Credit union complaints return

(for FSA FCA use only)

--

# Credit union complaints return

FCA Handbook Reference: CREDS 9 Annex 1R  
This is the report referred to in CREDS 9.2.1R

Please read the notes on completion before completing this return

<b>Firm details and reporting period</b>	<b>Section 1</b>
--	------------------

1.01	Firm reference number									
1.02	Name of credit union									
1.03	Reporting period	From	mm	yyyy	To	mm	yyyy			

<b>Nil return declaration</b>	<b>Section 2</b>
-------------------------------	------------------

SECTIONS 1 AND 6 MUST STILL BE COMPLETED.

2.01	We wish to declare a Nil Return (Tick the box if applicable)	Nil return	<input type="checkbox"/>
------	---	------------	--------------------------

<b>Complaints outstanding</b>	<b>Section 3</b>
-------------------------------	------------------

3.01	Number of complaints outstanding as at reporting period start date	
------	--	--

**Complaints opened during reporting period** **Section 4**

Product/service grouping	Product/service	Advising, selling and arranging	Terms and disputed sums/charges	General admin/customer service	Arrears related	Other
Banking	Current accounts					
	Credit cards					
	Unregulated loans					
	Savings (inc. Cash ISA) and other banking					
Home finance	Equity release products					
	Impaired credit mortgages					
	Other regulated home finance products					
	Other unregulated home finance products					
General insurance and pure protection	Payment protection insurance					
	Other general insurance					
	Critical illness					
	Income protection					
	Other pure protection					
Decumulation, life and pensions	Personal pensions and FSAVCs					
	Investment linked annuities					
	Income drawdown products					
	Endowments					
	Other decumulation, life and pensions					
Investments	Investment bonds					
	PEPs/ISAs (exc. cash ISAs)					
	Unit trusts/OEICs					
	Investment trusts					
	Structured products					
	Other investment products/funds					
	Investment management/services (inc. platforms)					

**Complaints closed during reporting period** **Section 5**

Product/service grouping	Number of complaints closed within 8 weeks	Number of complaints closed after more than 8 weeks	Number of complaints upheld by the credit union in the period	Total amount of redress paid to consumers in the period
Banking				
Home finance				
General insurance and pure protection				
Decumulation, life and pensions				
Investments				

**Declaration and signature** **Section 6**

Knowingly or recklessly giving the ~~FSA~~ FCA information which is false or misleading in a material particular may be a criminal offence (section 398 of the Financial Services and Markets Act 2000) and a breach of regulatory requirements.

In signing this form, the credit union acknowledges that the data supplied may be used by the ~~FSA~~ FCA in a variety of different ways (including making it publicly available) in support of its principal functions and statutory objectives as provided for under the Financial Services and Markets Act 2000.

I confirm that I have read the notes and that the information given in this return about complaints received by the credit union named at Section 1.02 is accurate and complete to the best of my knowledge and belief.

6.01	Name of person completing on behalf of the credit union	
6.02	Job title	
6.03	Signature	
6.04	Date	

**Notes on completion of this return**

Completing this return

The return must be completed in black ink and (if in manuscript) in BLOCK LETTERS.

All dates must be provided in numeric form (for example: 29/02/2006 for 29 February 2006).

The credit union is responsible for the accuracy of the data and completion of the return.

#### Section 2 – Nil Returns

If no complaints have been received during the reporting period, and no complaints were outstanding at the beginning of the period, the credit union may submit a NIL RETURN by ticking the relevant box on the front of the form.

Sections 1 and 6 must still be completed.

#### Section 4 – Complaints opened during reporting period

Enter the number of complaints for each product according to the category of complaint.

Leave blanks where no complaints have been received.

All credit unions provide the products “Savings (inc Cash ISA) and other banking” (members’ shares) and “Unregulated loans” (members’ loans not secured on land), and may receive complaints for those products. The corresponding rows in the form have been left shaded to help credit unions with completion; all other rows are clear. Some categories of complaint (shown in the column headings) may not apply to those products.

Some credit unions may also provide other products (for which they may require further permission). If so they should enter the number of complaints received for these products in the relevant boxes, even though they are clear.

#### Section 5 – Complaints closed during reporting period

Credit unions will usually receive complaints relating to the 'Banking' product/service grouping only and this row is shaded to help with completion. As above – some credit unions may also provide other products; if so they should also fill in the appropriate row even though it is not shaded.

#### Section 6 – Declaration & signature

The declaration must be signed by an appropriate individual for the credit union submitting this return.

If you have any questions or need help with this return, please approach your usual supervisory contact at the FSA.

REPORTS SENT BY POST MUST BE ADDRESSED TO:

THE FINANCIAL ~~AUTHORITY~~ CONDUCT

AUTHORITY  
P O BOX 35747  
LONDON E14 5WP  
UNITED KINGDOM

Hand delivered returns should be marked for the attention of Central ~~Analysis and~~ Reporting Department and be delivered to 25 The North Colonnade, Canary Wharf, London E14 5HS.

Annex 28

**Amendments to the Professional Firms sourcebook (PROF)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	<p>PROF 1.1.4G(3) and (4), 1.1.4G(6), 1.1.5G;</p> <p>PROF 2.1.3G, 2.1.4G, 2.1.5G, 2.1.11G, 2.1.12G, 2.1.14G, 2.1.15G;</p> <p>PROF 3.1.1G, 3.1.2G, 3.1.2G(6), 3.1.3G, 3.2.1G, 3.2.2G, 3.2.4G, 3.2.5G(1) and (2), 3.2.5G(2)(d), 3.2.5G(3), 3.2.6G(1) to (3), 3.2.7G;</p> <p>PROF 4.1.1G, 4.1.2R(1), 4.1.4G(1) to (3);</p> <p>PROF 5.1.3G(1), 5.3.2G(2)(b), 5.3.9G, 5.3.10G(1)(d), 5.4.1R(2)(a);</p> <p>PROF 7.1.2G, 7.1.3G(1) to (2), 7.1.4G, 7.1.5G(1) and (2), 7.1.6G, 7.1.8G, 7.2.1G, 7.2.3G, 7.2.4G;</p> <p>PROF TP 1 row 1.1 1G;</p> <p>PROF Sch 5.2G</p>
<i>FSA Register</i>	<i>Financial Services Register</i>	<p>PROF 3.2.5G(3);</p> <p>PROF 7.1.6G, 7.1.8G;</p>
Section 150	Section 138D	PROF Schs 5.1G, 5.2G, 5.4G
Section 150(2)	Section 138D(3)	PROF Sch 5.2G

Amend the following provisions as outlined.



2.1.9 G Section 327(6) of the *Act* gives the Treasury power to make an order specifying activities, or activities relating to specified *investments*, that a person cannot carry on as an *exempt professional firm*. The relevant ~~order is~~ orders are listed in PROF 2 Annex 2G.

...

### 3.2 The ~~FSA's~~ FCA's power to make a direction

...

4.1.3 R ...

(2) An *exempt professional firm*, must, before it provides a service which includes the carrying on of an *insurance mediation activity* with or for a client, make the following statement in writing to the *client* in a way that is clear, fair and not misleading and no less prominent than any other information provided to the *client* at the same time:

[This firm is]/[We are] not authorised by the ~~Financial Services Authority~~ Financial Conduct Authority. However, we are included on the register maintained by the ~~Financial Services Authority~~ Financial Conduct Authority so that we can carry on insurance mediation activity, which is broadly the advising on, selling and administration of insurance contracts. This part of our of business, including arrangements for complaints or redress if something goes wrong, is regulated by [DPB]. The register can be accessed via the ~~Financial Services Authority~~ Financial Conduct Authority website at <http://www.fca.gov.uk/register/epfSearchForm.do>  
[www.fsa.gov.uk/register/home.do](http://www.fsa.gov.uk/register/home.do)

...

7.1.1 G  
The ~~FSA's~~ FCA's obligation to maintain a record

...

7.1.3 G  
Provision of information to the ~~FSA~~ FCA

...

7.1.5 G

**FSA Financial Services Register**

...

**FSA FCA Website**

7.1.8 G The ~~FSA Register~~ *Financial Services Register* can be accessed through the ~~FSA FCA~~ website under the link ~~www.fsa.gov.uk/register/~~  
www.fsa.gov.uk/register/home.do.

Annex 29

**Amendments to the Regulated Covered Bonds sourcebook (RCB)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	RCB 1.1.2G;  RCB 2.1.2G, 2.2.2G, 2.2.3D, 2.2.4G, 2.2.5G, 2.2.6D, 2.2.7G, 2.2.8D, 2.3.1G, 2.3.2G, 2.3.3G, 2.3.6G, 2.3.7G, 2.3.8G(2), 2.3.8G(3), 2.3.9G to 2.3.15G, 2.3.17G to 2.3.20G;  RCB 3.2.1D, 3.2.3G, 3.2.4G, 3.2.4AG, 3.2.4BD, 3.2.6D, 3.2.9D, 3.2.9AG, 3.2.10D, 3.2.11D, 3.2.13G, 3.2.14G, 3.2.15G, 3.3.1D, 3.3.2D, 3.3.2AD, 3.3.3D, 3.3.4G, 3.3.5D, 3.4.1D, 3.4.2D, 3.5.2D, 3.5.4D, 3.5.5G, 3.5.6D, 3.5.7D, 3.5.9D, 3.5.10D, 3.5.11D, 3.6.1R, 3.6.2G, 3.6.3G, 3.6.5D;  RCB 4.1.2G, 4.2.1G to 4.2.5G;  RCB 6.1.2G, 6.2.1G, 6.2.2G, 6.2.3G

Amend the following text as outlined.

2.3.18 G ...

**Providing advice and reports to the ~~FSA~~ FCA**

...

3.5.5 G ...

**Notifications to the ~~FSA~~ FCA if asset pool is not capable or not likely to be**

capable of covering claims and of other matters

...

**Method of sending forms and information to ~~FSA~~ FCA**

- 3.6.5 D Unless otherwise stated, the *issuer* or the *owner*, as the case may be, must send the relevant forms and information to the *FSA*'s address marked for the attention of the "Covered Bonds Team, Capital Markets Sector" by any of the following methods:

...

- (3) e-mail to ~~reb@fsa.gov.uk~~ rcb@fca.org.uk.

...

- 6.2.2 G ...

**~~FSA~~ FCA decision maker**

...

## RCB 2 Annex 1D

### Application for admission to the register of issuers and register of regulated covered bonds

To be submitted by prospective issuers as part of their application for admittance to the Regulated Covered Bond Register.

#### Terms in this form

In this form we use the following terms:

**'Connected person'** has the meaning given by RCB Regulation 5.

**'Covered bond'** means a bond in relation to which the claims attaching to that bond are guaranteed to be paid by an owner from an asset pool it owns.

**'Credit rating'** in relation to a particular entity means the rating of that entity's senior, unsecured, unguaranteed, unsubordinated debt.

**'FSA FCA', 'we', 'us' and 'our'** refers to the ~~Financial Services Authority~~ Financial Conduct Authority.

**'Issuer'** means a person which issues a covered bond.

**'Owner'** means a person which owns an asset pool and issues a guarantee to pay from that asset pool claims attaching to a regulated covered bond in the event of a failure of the issuer of that bond.

**'RCB sourcebook'** is the Regulated Covered Bonds sourcebook which is part of the ~~FSA~~ Handbook and can be accessed at ~~www.fsa.gov.uk/Pages/handbook~~ [website address tbc]. References to specific provisions in this sourcebook are prefaced by 'RCB'.

**'RCB Regulations'** refers to 'The Regulated Covered Bonds Regulations 2008' as amended from time to time and can be accessed at [http://www.opsi.gov.uk/si/si2008/uksi\\_20080346\\_en\\_1](http://www.opsi.gov.uk/si/si2008/uksi_20080346_en_1) <http://www.legislation.gov.uk/all?title=REGULATED%20COVERED%20BONDS>

**'Transaction documents'** should include documents listed in RCB sourcebook 3.5.15G.

#### Purpose of this form

To demonstrate the ability of the issuer and the covered bond or programme to comply with the RCB Regulations and RCB sourcebook.

We may, after considering the information in this form and supporting documentary evidence, decide to grant an application for an issuer or a covered bond or a programme to be added to the register of issuers or register of regulated covered bonds. The registration is made under the RCB Regulations.

#### Warning

Knowingly or recklessly giving us false or misleading information may be a criminal offence (regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

#### Filling in the form

- 1 The ~~FSA~~ FCA will not normally consider applications for issuer registration in isolation from the application for registration of a covered bond or programme.
- 2 The ~~FSA~~ FCA will not treat the application as having been received until it receives the registration fee (see RCB 5.2.5R) and all relevant documentation requested by the ~~FSA~~ FCA before its on-site review of the application (see RCB 2.2.5G).
- 3 You are advised to read the RCB Regulations and the RCB sourcebook before completing this form.
- 4 If you leave a question blank, do not sign the declaration or do not attach the required documentary evidence without telling us why, we may have to treat the application as incomplete. This will increase the time it takes us to deal with your application.
- 5 Your application should include in electronic format:
  - this form RCB 2 Annex 1D;
  - where applicable, the Asset Pool Notification form RCB 3 Annex 2D;
  - where applicable, the Asset & Liability Profile RCB 3 Annex 3D;
  - where applicable, the New Issuance Indicative Terms form RCB 3 Annex 4D;
  - where applicable, Loan-level Data RCB 3 Annex 7AD;
  - programme transaction documents, legal opinions and offering circular of the covered bond programme for which you are seeking registration;
  - a copy of the accountant's report on the cover pool assets;
  - any internal reports regarding the covered bond programme (the two most recent reports);
  - the most recent Internal Audit and Compliance reports covering any aspects of the covered bond programme, details on the frequency of such reviews and the date of the next scheduled reviews;
  - the results of any stress testing and scenario analysis undertaken on the asset pool;
  - the board sign-off authorising the covered bond programme and related papers;
  - incorporation documents for all internal committees where the covered bond programme is managed including a structural chart detailing where each forum fits within the issuer's governance structure, and the three most recent committee submissions, management information and minutes from each forum;
  - an organisational chart including the individuals that are involved in the management of the programme and a description of their role and responsibilities;
  - a copy of the issuer's lending policies, underwriting procedures and most recent periodical retail mortgage credit review; and
  - where applicable, all credit rating agency publications in relation to the covered bond programme for which you are seeking registration.

### **Sending the form**

Send your application form to us by email to ~~reb@fsa.gov.uk~~ rcb@fca.org.uk. It is our preference for all correspondence to be submitted electronically. If this is not possible your application form may also be submitted by post or by hand to the address below:

Regulated Covered Bonds Team

~~Capital Markets~~ Markets Division

The ~~Financial Services Authority~~ Financial Conduct Authority

25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

## **Fees**

We will not treat the application as having been received until we receive the registration fee.

Details on the Fees are available in Chapter 5 of the RCB sourcebook.

The payment methods available are credit transfer, banker's draft and cheque.

Credit transfer (BACS,  
CHAPS)

The ~~FSA~~ FCA bank details are:

Account Name : ~~FSA~~ FCA Collection account

Bank Name : Lloyds Bank

Account number : 00828179

Sort code : 30-00-02

Please reference your payment with your firm reference number (FRN) and fee description (covered bond registration)

---

Cheque or bankers draft

Please make the cheque or banker's draft payable to The ~~Financial Services Authority~~ Financial Conduct Authority

Please send the cheque or banker's draft with your firm reference number (FRN) and fee description (covered bond registration) to:

Regulated Covered Bonds Team

~~Capital Markets Sector~~ Markets Division

The ~~Financial Services Authority~~ Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London

E14 5HS

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## Application Form

Questions	Responses
Issuer: name, address, contact name, e-mail and telephone number	
FSA FCA reference number of the issuer	
Owner: name, address, contact name, e-mail and telephone number	
Credit rating(s) of issuer and name of the relevant credit rating agency	
Accountant: name, address, contact name, e-mail and telephone number	
Legal counsel: name, address, contact name, e-mail and telephone number	
Bondholder representative: name, address, contact name, e-mail and telephone number	
Credit ratings of derivative providers (indicating nature of derivative, e.g. currency swap, interest rate swap) and name(s) of the relevant credit rating agency	
Cash manager (if different from issuer): name, address, contact name, e-mail and telephone number	
Credit rating(s) of cash manager (if different from issuer) and name of relevant credit rating agency	
Account bank (if different from issuer): name, address, contact name, e-mail and telephone number	
Credit ratings of account bank (if different from issuer) and name of relevant credit rating agency	
Role, name, address, contact name, e-mail and telephone number of any other relevant third parties	
Does the issuer hold permission under Part 4A of the Financial Services and Markets Act 2000 to carry on the regulated activity of 'accepting deposits' and have its registered office (or, if the issuer is a building society, its principal office) in the UK?	Yes/No
Does the owner have its registered office in the UK and its centre of main interest in the UK?	Yes/No
Does the owner comply with the requirements set out in RCB regulation 4?	Yes/No
If the covered bond or programme has arrangements in place that include the use of a 'connected person', provide details of who the person is and their relationship with the issuer.	



<p>If the covered bond or programme has arrangements in place that includes the use of a 'connected person', does the connected person comply with the requirements set out in RCB regulation 5?</p>	<p>Yes/No/NA</p>
<p>Name of covered bond programme</p>	
<p>Please indicate whether you wish to apply for a single asset or mixed asset designation, as set out in RCB regulation 2 and the type or variety of eligible assets as defined under regulation 2 in the cover pool.</p>	
<p>Asset percentage:</p> <ol style="list-style-type: none"> <li>1. specified in the programme documentation of the covered bond programme;</li> <li>2. specified by rating agencies;</li> <li>3. the asset percentage which the issuer proposes to run the programme with</li> </ol>	
<p>Provide an outline of the structure of the covered bond programme (including, if appropriate, a structural diagram).</p>	
<p>Provide an outline of the contractual obligations of the issuer, owner, hedging counterparties and other third parties, e.g. servicers, cash managers and paying agents, to the covered bond arrangements.</p>	
<p>Provide details of the circumstances that would require the replacement of hedging counterparties and third parties, e.g. servicers, cash managers or paying agents, and outline the contractual provisions that provide for the appointment of replacement parties. Please include details of the effect on the covered bonds or programme if no replacement party is found. Indicate the relevant sign-off and committee structure and timeframe needed to implement these processes, and any preparation that has been done to test these arrangements. Please make particular reference to swaps and servicing arrangements.</p>	
<p>Provide an outline of the contractual arrangements of the owner, hedging counterparties and other third parties, e.g. servicers, cash managers and paying agents, if the issuer defaults. Please indicate how the cash flows will operate immediately following the default of an issuer.</p>	
<p>Please outline why you are applying for RCB status, and indicate how RCB issuance fits in the</p>	

context of your overall funding strategy.	
Please provide six scenarios for proposed issuance: size, currency, tenor, fixed/floating-rate, price (if floating include the reference index), whether the bonds would be pass-through, soft- or hard-bullet maturity, FX swap rate, covered bond swap margin, covered bond swap payment frequency, interest rate swap payment frequency (payer and receiver leg), interest rate swap margin, interest rate receiver index.	
Do the assets in the pool comply with RCB regulations 2 and 3?	Yes/No
Reference the section in the offering circular that describes the eligibility criteria and representation and warranties (if there is no offering circular for the programme, provide a description of the eligibility criteria and representation and warranties in this section).	
Set out in plain English which criteria you are currently using and are intending to use going forward for including loans in the asset pool. This is likely to reflect the arrangements you have in place with the credit rating agencies. For example, with respect to residential mortgages, this should include but not be restricted to: the type of property, location of property, valuation type, seasoning, maximum loan size, loan term, income verification, owner occupancy, loan to value, level of arrears.	
For covered bonds collateralised by real estate, provide information on how you have had regard to the requirements of BIPRU 3.4.64R (legal certainty), BIPRU 3.4.66R (monitoring of property values) and BIPRU 3.4.77R to BIPRU 3.4.80R (valuation).	
Provide evidence that there is appropriate governance and oversight of the Programme. This should include information on senior management oversight including Board involvement and escalation procedures. Please detail the role of ALCO/key strategic and working-level covered bond oversight committee. Please provide their terms of reference, membership lists, along with MI packs and minutes from the most recent two meetings on date of application. In addition, please provide the two most recent copies of any internal reports regarding the covered bond programme or supporting systems.	
How do you monitor performance of the asset pool (e.g. arrears, indexed LTVs)? Please provide examples of this MI, and indicate how it is	

validated and where it is considered.	
What is the decision making process with regard to transferring assets into/from the asset pool? Please indicate triggers (e.g. arrears level), committees where these are considered and associated management actions. Your response should also include the frequency and volume with which you anticipate transferring assets in and out of the asset pool.	
What is the operational process for transferring assets in and out of the asset pool?	
How are your records updated to reflect changes to composition of the asset pool and who is informed of these changes?	
<p>Explain the internal arrangements in place to ensure the points below. Your response should indicate how this information is validated, where it is reviewed and sign-off/controls.</p> <ul style="list-style-type: none"> <li>• Accurate record of the assets is kept on your information systems</li> <li>• Attributes of the loans correspond to the supporting documentation</li> <li>• Accuracy of data being provided to the <u>FSA FCA</u> in RCB 3 Annex 2D</li> </ul>	
What role does your compliance function (or equivalent) have over the programme?	
Explain how you ensure that the assets in the asset pool are of high quality. This could include a summary of your lending and underwriting criteria.	
<p>Under the RCB Regulations, the issuer is obliged to ensure there are arrangements in place to ensure that the assets are capable of covering all claims attached to the covered bonds during the whole life of the bond. Capability includes paying the amounts due under the bonds and sums required for the maintenance, administration and winding up of the cover pool.</p> <p>Demonstrate how you determine that the cash flows generated by the assets are sufficient to meet the payments due in a timely manner under conditions of economic stress in the event of the failure of the issuer.</p> <p>You should consider at a minimum the guidance set out in RCB 2.3.6G to 2.3.12G when designing your stress testing.</p> <p>In addition we would like an indication on:</p> <ul style="list-style-type: none"> <li>• why the stresses being applied are appropriate;</li> </ul>	

<ul style="list-style-type: none"> <li>• who reviews this information; and</li> <li>• how the results are being used to determine compliance with the capability requirement.</li> </ul> <p>In particular specify whether, based on the results of the stress testing, you determine a level of overcollateralisation that you consider adequate to meet the capability requirement.</p>	
<p>Describe the tests (e.g. Asset Coverage Test, Interest Rate Shortfall Test), if any, that are performed on the asset pool under the covered bond programme documentation. In addition, explain:</p> <ul style="list-style-type: none"> <li>• who performs these tests;</li> <li>• who reviews the results;</li> <li>• how is this information used;</li> <li>• how would a breach of any of these tests be escalated;</li> <li>• what are the contractual implications of a breach of any of these tests; and</li> <li>• what are the contractual implications of a breach not being addressed in a timely manner.</li> </ul>	
<p>Describe the tests that would be performed on the asset pool under the covered bonds programme documentation in the event of issuer default (e.g. Amortisation Test, Yield Shortfall Test).</p>	
<p>Provide a summary of the ratings trigger events and their effect under the programme and outline your contingency plan for dealing with each of these events.</p>	
<p>Indicate the value of assets (in GBP) available for transfer into the cover pool at the time of completing this form, under the eligibility criteria and representations and warranties set out above.</p>	
<p>With reference to your business plan, describe how you will ensure there will be sufficient assets available on the balance sheet for maintaining the cover pool going forward.</p>	
<p>Set out the events that will result in an issuer event of default. Please include definitions of all references.</p>	
<p>In the event of issuer default, what are the arrangements for the security trustee to maintain and administer the asset pool and to give the <u>FSA FCA</u> information on the composition of the</p>	

<p>asset pool and any other notifications and confirmation required under the RCB Regulations and Chapter 3 of the RCB sourcebook. Please indicate the relevant sign-off and committee structure and timeframe needed to implement these processes and any preparation that has been done to test these arrangements.</p>	
<p>Explain what arrangements are in place as to priority of payment on the winding-up of the owner (see RCB regulation 27). Please indicate the relevant sign-off and committee structure and timeframe needed to implement these processes and any preparation that has been done to test these arrangements.</p>	
<p>Confirm that in accordance with RCB 2.3.16D you have obtained written legal advice and accountancy reports on compliance with the RCB Regulations and RCB sourcebook. We expect this to adequately deal with at least the issues set out in RCB 2.3.17G and RCB 2.3.18G.</p>	Yes/No
<p>If an asset pool is in place, confirm that you have submitted the asset pool notification form RCB 3 Annex 2D with this application.</p>	Yes/No
<p>If you have already issued covered bonds under the programme for which you are seeking registration, confirm that you have submitted the relevant series issuance notification forms RCB 3 Annex 3D to give us information about the covered bonds with this application.</p>	Yes/No
<p>Confirm that you have submitted with this application:</p> <ul style="list-style-type: none"> <li>• RCB 3 Annex 2D, if applicable;</li> <li>• RCB 3 Annex 3D; if applicable;</li> <li>• RCB 3 Annex 7AD;</li> <li>• accountants' reports;</li> <li>• all programme documentation, including the offering circular, legal opinions and bond documentation of all bonds in issue;</li> <li>• board papers authorising the establishment of a covered bond programme, including details of authority delegated to management;</li> <li>• the two most recent compliance and internal audit reports covering any aspects of the covered bond programme and details on the frequency of such reviews and the date of the next scheduled review;</li> <li>• an organisational chart indicating key</li> </ul>	

<p>committees up to Board level for the covered bond programme, flow of MI, delegated authority and controls;</p> <ul style="list-style-type: none"> <li>• an organisational chart indicating the individuals that are involved in the management of the programme and a description of their role and responsibilities;</li> <li>• the two most recent retail mortgage credit performance MI;</li> <li>• the stress testing undertaken to demonstrate that cash flows generated by the assets are sufficient to meet the payments due in a timely manner under conditions of economic stress in the event of the failure of the issuer;</li> <li>• the most recent investor report;</li> <li>• any relevant credit rating reports in relation to the covered bond programme;</li> </ul>	
<p>Give details of the payment method used for the application fee (cheque, banker's draft or credit transfer) and the date the payment was made.</p>	
<p>Provide any additional information that is relevant to your application.</p>	
<p>Provide the date selected for the first confirmation of compliance with RCB regulation 16 and 17 if you want this to be earlier than 12 months following the date of the decision to admit the covered bond or programme to the register (see RCB 3.2.5D).</p>	

## Senior Management Confirmation

I confirm that the information supplied in this form is complete and correct to the best of my knowledge at the time of application.

I undertake to tell the ~~FSA~~ FCA immediately of any material changes to the information provided before receiving the ~~FSA's~~ FCA's decision on the application.

I confirm I am satisfied that the arrangements relating to the covered bond programme will comply with the requirements of the RCB Regulations and the RCB sourcebook.

I confirm that in accordance with the RCB 2.3.16D the issuer has obtained written advice and reports regarding the compliance of the issuer and the relevant covered bond programme with the RCB Regulations and the RCB sourcebook from suitable independent third-party advisers.

I consent to this confirmation (section 11.2) being published on the Regulated Covered Bonds Register on the ~~FSA's~~ FCA's public website.

Issuer name

Name of covered bond programme

Signature (if the form is electronically submitted, the signature must be scanned)

Name of signatory

Title of signatory (signatory must be a director or senior manager)

Date

## RCB 3 Annex 1D

### Annual confirmation of compliance with the RCB Regulations and the RCB Sourcebook

#### Terms in this form

In this form we use the following terms:

'**Covered Bond**' means a bond in relation to which the claims attaching to that bond are guaranteed to be paid by an owner from an asset pool it owns.

'**FSA FCA**', '**we**', '**us**' and '**our**' refers to the ~~Financial Services Authority~~ Financial Conduct Authority.

'**RCB sourcebook**' is the Regulated Covered Bonds Sourcebook which is part of the ~~FSA Handbook~~ and can be accessed at [www.fsa.gov.uk/Pages/handbook](http://www.fsa.gov.uk/Pages/handbook) References to specific provisions in this sourcebook are prefaced by 'RCB'.

'**RCB Regulations**' refers to 'The Regulated Covered Bonds Regulations 2008' as amended from time to time and can be accessed at [http://www.opsi.gov.uk/si/si2008/uksi\\_20080346\\_en\\_1](http://www.opsi.gov.uk/si/si2008/uksi_20080346_en_1)

<http://www.legislation.gov.uk/all?title=REGULATED%20COVERED%20BONDS>

#### Purpose of this form

To send us written annual confirmation of compliance with RCB Regulation 16 (Sums derived from the issue of regulated covered bonds) and RCB Regulation 17 (General requirements on the issuer in relation to the asset pool).

#### Warning

Knowingly or recklessly giving us false or misleading information may be a criminal offence (Regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

#### Sending the form

Send your annual confirmation to us by email to [rcb@fsa.gov.uk](mailto:rcb@fsa.gov.uk) [rcb@fca.org.uk](mailto:rcb@fca.org.uk) It is our preference for all correspondence to be submitted electronically. If this is not possible your annual confirmation may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team

~~Capital Markets Sector~~ Markets Division

~~The Financial Services Authority~~ Financial Conduct Authority

25 The North Colonnade

Canary Wharf



LONDON  
E14 5HS

# 1

## Confirmation of Compliance

### 1.1 Confirmation

I confirm that I am satisfied that the arrangements relating to the regulated covered bonds comply with the requirements of the RCB Regulations and the RCB sourcebook.

I confirm that in accordance with RCB 3.2.2D the issuer (or if applicable owner) has obtained written advice or reports from suitable independent third party advisers on compliance with the RCB Regulations and RCB sourcebook.

I consent to this confirmation being published on the regulated covered bonds register on the FSA's FCA'S public website.

Issuer name

Period covered by compliance

Name of regulated covered bond

Signature (if the form is electronically submitted, the signature must be scanned)

Name of signatory

Title of signatory (signatory must be a Board Member)

Date



**Accounts, Ledgers**

	Value as of End Date of reporting period	Value as of Start Date of reporting period	Targeted Value
Revenue receipts (please disclose all parts of waterfall)			
Principal receipts (please disclose all parts of waterfall)			
Reserve ledger			
Revenue ledger			
Principal ledger			
Pre-maturity liquidity ledger			

**Asset Coverage Test**

	Value	Description (please edit if different)
A		Adjusted current balance
B		Principal collections not yet applied
C		Qualifying additional collateral
D		Substitute assets
E		Proceeds of sold mortgage loans
V		Set-off offset loans
W		Personal secured loans
X		Flexible draw capacity
Y		Set-off
Z		Negative carry
Total	£ -	
Method used for calculating component 'A'		
Asset percentage (%)		
Maximum asset percentage from Fitch (%)		
Maximum asset percentage from Moody's (%)		
Maximum asset percentage from S&P (%)		
Maximum asset percentage from DBRS (%)		
Credit support as derived from ACT (GBP)		
Credit support as derived from ACT (%)		

**Programme-Level Characteristics**

Programme currency	
Programme size	
Covered bonds principal amount outstanding (GBP, non-GBP series converted at swap FX rate)	
Covered bonds principal amount outstanding (GBP, non-GBP series converted at current spot rate)	
Cover pool balance (GBP)	
GIC account balance (GBP)	
Any additional collateral (please specify)	
Any additional collateral (GBP)	
Aggregate balance of off-set mortgages (GBP)	
Aggregate deposits attaching to the cover pool (GBP)	
Aggregate deposits attaching specifically to the off-set mortgages (GBP)	
Nominal level of overcollateralisation (GBP)	
Nominal level of overcollateralisation (%)	
Number of loans in cover pool	
Average loan balance (GBP)	
Weighted average non-indexed LTV (%)	
Weighted average indexed LTV (%)	
Weighted average seasoning (months)	
Weighted average remaining term (months)	
Weighted average interest rate (%)	
Standard Variable Rate(s) (%)	

Constant Pre-Payment Rate (% , current month)	
Constant Pre-Payment Rate (% , quarterly average)	
Principal Payment Rate (% , current month)	
Principal Payment Rate (% , quarterly average)	
Constant Default Rate (% , current month)	
Constant Default Rate (% , quarterly average)	
Fitch Discontinuity Factor (%)	
Moody's Timely Payment Indicator	
Moody's Collateral Score (%)	

**Mortgage collections**

Mortgage collections (scheduled - interest)	
Mortgage collections (scheduled - principal)	
Mortgage collections (unscheduled - interest)	
Mortgage collections (unscheduled - principal)	

**Loan Redemptions & Replenishments Since Previous Reporting Date**

	Number	% of total number	Amount (GBP)	% of total amount
Loan redemptions since previous reporting date				
Loans bought back by seller(s)				
of which are non-performing loans				
of which have breached R&Ws				
Loans sold into the cover pool				

**Product Rate Type and Reversionary Profiles**

	Number	% of total number	Amount (GBP)	% of total amount	Weighted average				
					Current rate	Remaining teaser period (months)	Current margin	Reversionary margin	Initial rate
Fixed at origination, reverting to SVR									
Fixed at origination, reverting to Libor									
Fixed at origination, reverting to tracker									
Fixed for life									
Tracker at origination, reverting to SVR									
Tracker at origination, reverting to Libor									
Tracker for life									
SVR, including discount to SVR									
Libor									
Total	0		£ -		0.00%		0		0.00%

**Stratifications**

Arrears breakdown	Number	% of total number	Amount (GBP)	% of total amount
Current				
0-1 month in arrears				
1-2 months in arrears				
2-3 months in arrears				
3-6 months in arrears				
6-12 months in arrears				
12+ months in arrears				
Total	0		£ -	

Current non-indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%				
50-55%				
55-60%				
60-65%				
65-70%				
70-75%				
75-80%				
80-85%				
85-90%				
90-95%				
95-100%				

100-105%				
105-110%				
110-125%				
125%+				
Total	0		£	-

Current indexed LTV	Number	% of total number	Amount (GBP)	% of total amount
0-50%				
50-55%				
55-60%				
60-65%				
65-70%				
70-75%				
75-80%				
80-85%				
85-90%				
90-95%				
95-100%				
100-105%				
105-110%				
110-125%				
125%+				
Total	0		£	-

Current outstanding balance of loan	Number	% of total number	Amount (GBP)	% of total amount
0-5,000				
5,000-10,000				
10,000-25,000				
25,000-50,000				
50,000-75,000				
75,000-100,000				
100,000-150,000				
150,000-200,000				
200,000-250,000				
250,000-300,000				
300,000-350,000				
350,000-400,000				
400,000-450,000				
450,000-500,000				
500,000-600,000				
600,000-700,000				
700,000-800,000				
800,000-900,000				
900,000-1,000,000				
1,000,000 +				
Total	0		£	-

Regional distribution	Number	% of total number	Amount (GBP)	% of total amount
East Anglia				
East Midlands				
London				
North				
North West				
Northern Ireland				
Outer Metro				
South East				
South West				
Scotland				
Wales				
West Midlands				
Yorkshire				

Other				
Total	0		£ -	

Repayment type	Number	% of total number	Amount (GBP)	% of total amount
Capital repayment				
Part-and-part				
Interest-only				
Offset				
Total	0		£ -	

Seasoning	Number	% of total number	Amount (GBP)	% of total amount
0-12 months				
12-24 months				
24-36 months				
36-48 months				
48-60 months				
60-72 months				
72-84 months				
84-96 months				
96-108 months				
108-120 months				
120-150 months				
150-180 months				
180+ months				
Total	0		£ -	

Interest payment type	Number	% of total number	Amount (GBP)	% of total amount
Fixed				
SVR				
Tracker				
Other (please specify)				
Total	0		£ -	

Loan purpose type	Number	% of total number	Amount (GBP)	% of total amount
Owner-occupied				
Buy-to-let				
Second home				
Total	0		£ -	

Income verification type	Number	% of total number	Amount (GBP)	% of total amount
Fully verified				
Fast-track				
Self-certified				
Total	0		£ -	

Remaining term of loan	Number	% of total number	Amount (GBP)	% of total amount
0-30 months				
30-60 months				
60-120 months				
120-180 months				
180-240 months				
240-300 months				
300-360 months				
360+ months				
Total	0		£ -	

Employment status	Number	% of total number	Amount (GBP)	% of total amount
Employed				
Self-employed				
Unemployed				
Retired				
Guarantor				





# RCB 3 Annex 3D: Asset & Liability Profile

## **Completing the form**

Please complete all fields in [blue](#).

Please calculate figures with no prepayments and stable Libor SVR and BoE base rate as of reporting date.

This Asset & Liability Profile Form **must be submitted each quarter and on the date of any new issuance or cancellation (in full or part) of regulated covered bonds.**

## **Warning**

Knowingly or recklessly giving us false or misleading information may be a criminal offence (Regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

## **Sending the form**

Send this form to us by email to ~~reb@fca.gov.uk~~ [rbc@fca.org.uk](mailto:rbc@fca.org.uk). It is our preference for all correspondence to be submitted electronically. If this is not possible your form may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team  
~~Capital~~ Markets Division  
The Financial ~~Services~~ Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

...

# RCB 3 Annex 4D: New Issuance Indicative Terms Form

## **Completing the form**

Please complete all fields in blue as much as possible. Incomplete fields may be queried by the RCB team where necessary.

This New Issuance Indicative Terms Form **must be submitted at least three business days before the date of any issuance of regulated covered bonds.**

## **Warning**

Knowingly or recklessly giving us false or misleading information may be a criminal offence (Regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

## **Sending the form**

Send this form to us by email to [reb@fsa.gov.uk](mailto:reb@fsa.gov.uk) [rcb@fca.org.uk](mailto:rcb@fca.org.uk). It is our preference for all correspondence to be submitted electronically. If this is not possible your form may also be

Regulated Covered Bonds Team

Capital-Markets Division

The Financial Services Authority Financial Conduct Authority

25 The North Colonnade

Canary Wharf

London

E14 5HS

## Bond Details

Issuer			
Programme Name			
Series Number			
Currency			
Bond Amount			
ISIN Number			
Issuance Date			
Scheduled Maturity Date			
Final Maturity Date			
Coupon			
Listing Authority			
Rating (Fitch)			
Rating (Moody's)			
Rating (S&P)			
Rate Type			
Fixed Rate (%)			
Floating Margin (%)			
Reference Index			
Coupon Frequency (Months)			
Extendible Maturity Period (Months)			

## Covered Bond Swap Details

Covered Bond Swap in Place? (Yes/No)			
Notional (GBP)			
Currency Swap Rate (FX:GBP1)			
LLP Payer Leg Interest Rate (% Margin over GBP Libor)			
LLP Payer Leg Reference Index			
LLP Payer Leg Payment Frequency (Months)			
LLP Receiver Leg Interest Rate (%)			
LLP Receiver Leg Reference Index			
LLP Receiver Leg Payment Frequency (Months)			

Interest Rate Swap Details

Changes to Interest Rate Swap? (Yes/No)			
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Cover Pool Details

Aggregate Mortgages Balance at Issuance (GBP)			
GIC Account Balance at Issuance (GBP)			

# RCB 3 Annex 5D: New Issuance Form

## **Completing the form**

Please complete all fields in [blue](#).

This New Issuance Form **must be submitted on the date of any issuance of regulated covered bonds alongside the final terms of the covered bonds being issued and signed copies of swap documents.**

## **Warning**

Knowingly or recklessly giving us false or misleading information may be a criminal offence (Regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

## **Sending the form**

Send this form to us by email to ~~reb@fsa.gov.uk~~ [rcb@fca.org.uk](mailto:rcb@fca.org.uk). It is our preference for all correspondence to be submitted electronically. If this is not possible your form may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team  
Capital Markets Division  
The Financial Services Authority Financial Conduct Authority  
 25 The North Colonnade  
 Canary Wharf  
 London  
 E14 5HS

## Bond Details

Issuer			
Programme Name			
Series Number			
Currency			
Bond Amount			
ISIN Number			
Issuance Date			
Scheduled Maturity Date			
Final Maturity Date			
Coupon			
Listing Authority			
Rating (Fitch)			
Rating (Moody's)			
Rating (S&P)			
Rate Type			
Fixed Rate (%)			
Floating Margin (%)			
Reference Index			
Coupon Frequency (Months)			
Extendible Maturity Period (Months)			

## Covered Bond Swap Details

Covered Bond Swap in Place? (Yes/No)			
Notional (GBP)			
Currency Swap Rate (FX:GBP1)			
LLP Payer Leg Interest Rate (% Margin over GBP Libor)			
LLP Payer Leg Reference Index			
LLP Payer Leg Payment Frequency (Months)			
LLP Receiver Leg Interest Rate (%)			
LLP Receiver Leg Reference Index			
LLP Receiver Leg Payment Frequency (Months)			

Interest Rate Swap Details

Changes to Interest Rate Swap? (Yes/No)	
---	--

Cover Pool Details

Aggregate Mortgages Balance at Issuance (GBP)			
GIC Account Balance at Issuance (GBP)			

# RCB 3 Annex 6D: Bond Cancellation Form

## **Completing the form**

Please complete all fields in [blue](#).

This Bond Cancellation Form **must be submitted on the date of any cancellation (in full or in part) of regulated covered bonds**.

## **Warning**

Knowingly or recklessly giving us false or misleading information may be a criminal offence (Regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

## **Sending the form**

Send this form to us by email to ~~reb@fsa.gov.uk~~ [rcb@fca.org.uk](mailto:rcb@fca.org.uk). It is our preference for all correspondence to be submitted electronically. If this is not possible your form may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team  
 Capital Markets Division  
 The ~~Financial Services Authority~~ Financial Conduct Authority  
 25 The North Colonnade  
 Canary Wharf  
 London  
 E14 5HS

## Bond Details

Issuer			
Programme Name			
Series Number			
Currency			
Bond Amount Pre-Cancellation			
Bond Amount Post-Cancellation			
ISIN Number			
Issuance Date			
Scheduled Maturity Date			
Final Maturity Date			
Coupon			
Listing Authority			
Rating (Fitch)			
Rating (Moody's)			
Rating (S&P)			
Rate Type			
Fixed Rate (%)			
Floating Margin (%)			
Reference Index			
Coupon Frequency (Months)			
Extendible Maturity Period (Months)			

## Covered Bond Swap Details

Covered Bond Swap in Place? (Yes/No)			
Notional Pre-Cancellation (GBP)			
Notional Post-Cancellation (GBP)			
Currency Swap Rate (FX:GBP1)			
LLP Payer Leg Interest Rate (% Margin over GBP Libor)			
LLP Payer Leg Reference Index			
LLP Payer Leg Payment Frequency (Months)			
LLP Receiver Leg Interest Rate (%)			

LLP Receiver Leg Reference Index			
LLP Receiver Leg Payment Frequency (Months)			

Interest Rate Swap Details

Changes to Interest Rate Swap? (Yes/No)			
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Cover Pool Details

Aggregate Mortgages Balance at Issuance (GBP)			
GIC Account Balance at Issuance (GBP)			

## **RCB 3 Annex 7AD: Loan-level Data Form**

### **Completing the form**

Please complete all fields in blue on a 'comply or explain basis' with details of all underlying mortgages assigned to the transaction.

Where fields are not completed, issuers must publish an explanation in the supplementary notes.

Issuers should adhere with the guidance provided in RCB 3 Annex 7DG in completing this form.

Where fields are tagged as 'dynamic', related data should be as of the most recent pool cut-off date.

Where fields are tagged as 'static', related data is expected to be recorded as at origination. If updated information is available on the static fields, these fields should be updated.

Data on redeemed and repurchased mortgages should be included for one reporting period following redemption.

Data for fields AR217-AR234 should be provided within 3 months of the loan origination date.

Data should be presented on an aggregated basis.

This Loan-Level Data Form **must be submitted each quarter and published by the issuer on a secure, password-protected website.**

### **Warning**

Knowingly or recklessly giving us false or misleading information may be a criminal offence (Regulation 38 of the RCB Regulations and section 398 of the Financial Services and Markets Act 2000).

### **Sending the form**

Send this form to us by email to [rcb@fca.gov.uk](mailto:rcb@fca.gov.uk) or [rcb@fca.org.uk](mailto:rcb@fca.org.uk). It is our preference for all correspondence to be submitted electronically. If this is not possible your form may also be submitted by post or by hand to the address below.

Regulated Covered Bonds Team  
Capital-Markets Division  
~~The Financial Services Authority~~ Financial Conduct Authority  
25 The North Colonnade  
Canary Wharf  
London  
E14 5HS

...



**Annex 30**

**Amendments to the Listing Rules sourcebook (LR)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority</i>	<i>Financial Conduct Authority</i>	LR 1.2.6G
<i>FSA</i>	<i>FCA</i>	<p>LR 1.2.1R(1), 1.2.1R(3) to (4), 1.2.2R(1), 1.2.2R(2)(c), 1.2.4G, 1.2.5G, 1.2.5G(2), 1.2.6G and note, 1.3.1R, 1.3.1R(1) to (3), 1.3.2R(1) to (2), 1.3.3R, 1.4.1R(1), 1.4.3R, 1.4.6R, 1.6.2R;</p> <p>LR 2.1.2G, 2.1.3G, 2.1.4R(1) to (2), 2.1.5G, 2.2.5G, 2.2.6G, 2.2.8G, 2.2.10R(2)(a) to (b), 2.2.11R(2), 2.2.13G;</p> <p>LR 3.2.1G, 3.2.2R, 3.2.2R(2) to (3), 3.2.3G, 3.2.4R, 3.2.5G, 3.2.6G, 3.2.6G(2), 3.2.6G(4) to (5), 3.2.7G, 3.2.7G(2), 3.3.2R, 3.3.2R(2)(a), 3.3.2R[note], 3.3.3R, 3.3.3R[note], 3.3.4R, 3.3.4AR, 3.3.5R, 3.3.7R, 3.4.4R, 3.4.4R(2)(a), 3.4.4R[note], 3.4.5R, 3.4.6R, 3.4.7R(2), 3.4.8R(1), 3.4.9R, 3.4.9R[note], 3.4.11R, 3.5.4R, 3.5.4R[note], 3.5.5R(2), 3.5.6R[note];</p> <p>LR 4.1.3R, 4.2.1G, 4.2.5G, 4.2.9G, 4.2.10R, 4.3.2R, 4.3.3G, 4.3.4R, 4.3.5R, 4.4.1G, 4.4.1G(1)(c), 4.4.2R, 4.4.3R(1);</p> <p>LR 5.1.1R(1), 5.1.1R(3), 5.1.2G, 5.1.3G, 5.1.4G, 5.2.1R, 5.2.2G, 5.2.2G(2), 5.2.3G, 5.2.4R, 5.2.5R, 5.2.5R(1)(b), 5.2.8R, 5.2.13G,</p>

		<p>5.3.1R(9), 5.3.4G, 5.3.6G, 5.3.7G(1) to (2), 5.4.2R, 5.4.3G(1), 5.4.3G(3) to (4), 5.4.3G(6), 5.4.4R, 5.4.5G(1) to (2), 5.4.6G(2)(a) to (b), 5.4A.3R(1), 5.4A.6R(2), 5.4A.8R, 5.4A.9G(4) to (5), 5.4A.10R, 5.4A.10R(7), 5.4A.12R, 5.4A.13G, 5.4A.14R(1) to (2), 5.4A.16G, 5.5.1G, 5.5.2R, 5.5.3G(1) to (5); 5.6.5G, 5.6.6R, 5.6.7G, 5.6.8G, 5.6.9G, 5.6.12G, 5.6.15G, 5.6.17R, 5.6.18R, 5.6.19G, 5.6.20G, 5.6.23G, 5.6.25R, 5.6.27G, 5.6.29G; LR6.1.3AG, 6.1.3CG(1) and (2), 6.1.3E, 6.1.13G, 6.1.14G, 6.1.15G, 6.1.16R, 6.1.17G, 6.1.18G, 6.1.18G(2), 6.1.20G, 6.1.21R, 6.1.24AG, 6.1.26R, 6.1.27G;</p> <p>LR 7.2.1R(6), 7.2.2G;</p> <p>LR 8.2.1R(1) to (8), (10), (12) and (13), 8.3.1R(1), 8.3.1R(1A), 8.3.1AR(1) and (2), 8.3.1BG, 8.3.2G, 8.3.2AG, 8.3.5R(1) to (2), 8.3.5AR, 8.3.8G(2), 8.3.12G, 8.4.2R, 8.4.3R(1) to (4) and note, 8.4.4G, 8.4.8R, 8.4.9R(1) to (3) and note, 8.4.10G, 8.4.12R, 8.4.13R(1) to (3) and note, 8.4.14R(1) to (3) and note, 8.4.15R, 8.4.17R(1) to (3) and note, 8.5.1R, 8.5.2R(1), 8.5.3R(1) to (2), 8.6.1G, 8.6.2R and note, 8.6.3R(1) to (2), 8.6.4G, 8.6.4G(2)[note], 8.6.5R, 8.6.9AG, 8.6.9BG, 8.6.16AR(2), 8.6.16CG, 8.6.19R(1), 8.6.19R(2)(a) to (b), 8.7.1G, 8.7.1AR(1) to (3), 8.7.2G, 8.7.3G, 8.7.4G, 8.7.5G, 8.7.7R, 8.7.7AR and note, 8.7.8R, 8.7.8R(4)(a)(c), 8.7.8AR, 8.7.10G, 8.7.18R, 8.7.19R, 8.7.20G, 8.7.21G, 8.7.21AG(1), 8.7.22R(4) to (5);</p> <p>LR9.2.2R, 9.2.11R, 9.2.16R, 9.5.2G, 9.5.3G, 9.5.10AG, 9.6.1R, 9.6.2R, 9.6.3R(1), 9.6.19R(2) to (3), 9.7A.3G;</p> <p>LR 9 Annex 1(11);</p> <p>LR10.1.5G; 10.2.5G, 10.2.6G, 10.2.11G, 10.5.3G, 10.5.4R(1)(a), 10.7.6G, 10.7.8G, 10.8.1G(2)(3), 10.8.2G, 10.8.3G, 10.8.4G(5),</p>
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		<p>10.8.6G(1) to (2);</p> <p>LR 10 Annex 1.1G rows 3G, 6G, 9G, 10G and 11G;</p> <p>LR 11.1.5AG, 11.1.7BG, 11.1.10R(2)(a) to (c), 11 Annex 1.1R(8)(1)(a) to (b);</p> <p>LR 12.4.10G;</p> <p>LR 13.1.3R(2), 13.1.7G, 13.1.8R, 13.2.1R, 13.2.2AG, 13.2.3R(1), 13.2.4R, 13.2.4R(4), 13.2.7R, 13.2.8G, 13.2.9G and note, 13.4.7G, 13.5.3DG, 13.5.17B, 13.5.27AG, 13.5.27BR, 13.5.27CR, 13.5.30DG, 13.5.33BG, 13.7.1AG, 13.8.8R(2), 13.8.10R(2)(a), 13.8.11R(5)(a),</p> <p>LR 14.2.3G, 14.2.4R, 14.3.2R(2), 14.3.6R, 14.3.7R(1), 14.3.8R;</p> <p>LR 15.2.1AR;</p> <p>LR 16.1.1R(1), 16.3.2G, 16.3.6R;</p> <p>LR 17.3.1R(1) to (2), 17.3.2R(2), 17.3.5G(2), 17.3.10R(2)(a), 17.4.7R, 17.4.8R;</p> <p>LR 18.2.6G, 18.2.7G, 18.2.9G, 18.2.13R, 18.3.1AR, 18.4.4R;</p> <p>LR 19.1.1R(3), 19.1.2R, 19.1.3R, 19.2.2R(2)(a), 19.2.4R, 19.4.3R(2), 19.4.7R, 19.4.11BR, 19.5.1R, 19.5.10R;</p> <p>LR 20.4.3R(2), 20.5.1R, 20.5.4R;</p> <p>LR App 1.1.1 rows: <i>competent authority, document viewing facility, guidance, FSA, handbook, list of sponsors, listed, official list, regulatory information service, sponsor, trading day, Rule,</i></p> <p>LR TP 3(3)R, LR TP 3[note], TP10(1) and (3);</p> <p>LR Sch 6.2G</p>
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Part IV	Part 4A	LR App 1.1.1 rows: <i>authorised person; bank; competent authority.</i>
www.fsa.gov.uk	www.fca.org.uk	App 1.1 row: <i>trading day</i>

Amend the following provision as follows.

1.1.1 R LR applies as follows:

...

~~FSA performing functions as competent authority~~

~~Note: In relation to the *listing rules*, the *FSA* is performing functions as the competent authority under Part VI of the *Act* (see section 72(1) of the *Act*).~~

~~Note: when exercising its functions as the competent authority under Part VI of the *Act*, the *FSA* *FCA* may use the name: the UK Listing Authority.~~

Other relevant parts of Handbook

Note: Other parts of the *Handbook* that may also be relevant to *issuers* or *sponsors* include *DTR* (the Disclosure Rules and Transparency Rules sourcebook), *PR* (the Prospectus Rules sourcebook), *COBS* (the Conduct of Business sourcebook), *DEPP* (Decision Procedure and Penalties Manual), Chapter 9 of *SUP* (the Supervision manual) and *GEN* (General Provisions).

...

...

## 1.2 Modifying rules and consulting the ~~FSA~~ FCA

...

1.2.4 G

Early consultation with ~~FSA~~ FCA

...

1.2.6 G Where a *listing rule* refers to consultation with the *FSA*, submissions should be made in writing other than in circumstances of exceptional urgency or in the case of a submission from a *sponsor* in relation to the provision of a *sponsor service*.

Address for correspondence

**Note:** The ~~FSA's~~ FCA's address for correspondence is:

The <del>Financial Services Authority</del> <u>Financial Conduct Authority</u>
25 The North Colonnade
Canary Wharf
London, E14 5HS
Tel: 020 7066 8333
<a href="http://www.fsa.gov.uk/Pages/Doing/UKLA/index.shtml">http://www.fsa.gov.uk/Pages/Doing/UKLA/index.shtml</a>
[web address tbc]

...

### 1.3.1 G

FSA FCA may require issuer to publish information

...

## 5.1 **Suspended listing**

FSA FCA may suspend listing

...

Examples of when FSA FCA may suspend

...

## 5.2 **Cancelling listing**

FSA FCA may cancel listing

...

**Initial notification to the ~~FSA~~ FCA**

...

6.1.12 R ...

Other cases where the ~~FSA~~ FCA may modify accounts and track record requirements

...

**8.5 Responsibilities of listed companies**

Notifications to ~~FSA~~ FCA

...

Annex 31

Amendments to the Prospectus Rules sourcebook (PR)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>FSA</i>	<i>FCA</i>	<p>PR 1.1.1R(2), 1.1.8G, 1.2.1UK, 1.2.2R(2) to (3), PR 1.2.3R(3) to (4);</p> <p>PR 2.1.6R, 2.2.4R, 2.2.9R(1), 2.2.10EU 25.1, row 4, 2.2.10EU26.1 row 3, 2.3.1EU Article 23(1), 2.3.1EU Article 23(3), 2.3.2R(2), 2.5.2UK, 2.5.2UK(1), 2.5.3R;</p> <p>PR 3.1.1R, 3.1.1R(6), 3.1.1R(9)(a), 3.1.1R(10), 3.1.2G, 3.1.3R(1), 3.1.3R(3), 3.1.4R, 3.1.5R, 3.1.5R(1) to (2), 3.1.6G, 3.1.7UK, 3.1.7UK(1), 3.1.8G, 3.1.9R, 3.1.10R, 3.1.12R(1), 3.1.13G, 3.1.13G(2), 3.1.14R, 3.1.14R(3)(a), 3.1.14R(4), 3.2.1R, 3.2.5R, 3.2.7G, 3.2.9EU Article 30(2) 3.3.6EU, 3.4.1UK(1) to (3), 3.4.3R;</p> <p>PR 4.1.3R(2), 4.1.5G, 4.1.5AG, PR 4.2.1R;</p> <p>PR 5.3.1UK 87H(1)(c), 5.3.1UK 87I(1), 5.3.1UK 87I(1)(b), 5.3.1UK 87I(3)(b), 5.3.1UK 87I(4) to (5), 5.3.2R(1), 5.3.3G, 5.3.4G, 5.5.3BG, 5.6.3G, 5.6.5G, 5.6.6G;</p> <p>PR App 1.1.1 rows: <i>executive procedures, FSA, rule, statutory notice decision, statutory notice associated decision</i></p> <p>PR Sch 6.2G</p>
<i>FSA handbook</i>	<i>FCA handbook</i>	PR 3.3.6EU;

Amend the following provisions as follows.

~~FSA exercising function as competent authority~~

- 1.1.2 G ~~In relation to the prospectus rules, the FSA is exercising functions as the competent authority under Part 6 of the Act (see section 72(1) of the Act).~~

[**Note:** When exercising its functions as ~~the competent authority~~ under Part 6 of the *Act*, the ~~FSA~~ FCA may use the name the UK Listing Authority.]

...

- 5.3.1 UK ...

**Requests to ~~FSA~~ FCA to supply certificate of approval**

...



Annex 32

**Amendments to the Disclosure Rules and Transparency Rules sourcebook (DTR)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>Financial Services Authority</i>	<i>Financial Conduct Authority</i>	DTR 1.2.5G, 1A.2.5G
<i>FSA</i>	<i>FCA</i>	<p>DTR 1.1.3G [note], 1.2.1R(1), 1.2.1R(3)-(4), 1.2.2R(1), 1.2.2R(2)(c), 1.2.4G, 1.2.4G(2), 1.2.5G, 1.3.1R, 1.3.1R(1) to (2), 1.3.2G, 1.3.3(1) to (2), 1.4.1R, 1.4.3R, 1.4.4G, 1.4.4G(1), 1.4.5G, 1.5.1G, 1.5.3G(1) to (2);</p> <p>DTR1A.1.4G [note], 1A.2.1R(1), 1A.2.1R(3) to (4), 1A.2.2R(1), 1A.2.2R(2)(c), 1A.2.4G, 1A.2.4G(2), 1A.2.5G, 1A.3.1R(1) to (2), 1A.4.1R;</p> <p>DTR 1B.1.5AG;</p> <p>DTR 2.2.9G(4), 2.2.10G, 2.5.5G, 2.7.3G, 2.8.2R;</p> <p>DTR 4.2.6R(2), 4.4.8R, 4.4.9G, 4.4.9G(1);</p> <p>DTR 5.1.5R(1)(d), 5.1.5R(2)(e); 5.2.2G, 5.2.3G, 5.3.1R(3)(d)(i) to (ii), 5.3.1R(3)(iii)(b), 5.3.1R(4)(a) to (b), 5.3.3G(2), 5.4.4R, 5.4.5R, 5.4.6R, 5.4.11R(2), 5.6.1BG, 5.8.9G, 5.8.10G, 5.9.1R(1) to (2), 5.10.1R, 5.11.4R, 5.11.5G, 5.11.5G(1);</p> <p>DTR 6.1.2R(1), 6.1.16R, 6.1.17G, 6.1.17G(1), 6.2.2R, 6.2.9G, 6.3.8R;</p> <p>DTR 7.1.7G, 7.2.8G;</p>

<i>Part IV</i>	<i>Part 4A</i>	DTR 5.1.5R(2)(a) and (d)
www.fsa.gov.uk www.fsa.gov.uk	[web address tbc]	DTR 5.8.9G, 5.8.10R
www.fsa.gov.uk/register/exchanges.do	[web address tbc]	DTR 1.1.3G (Note); DTR 1A.1.4G(Note)

Amend the following provisions as follows.

~~FSA~~ FCA performing functions as competent authority

- 1.1.3 G ~~In relation to the *disclosure rules*, the *FSA* is exercising its functions as the competent authority under Part VI of the *Act* (see section 72(1) of the *Act*).~~

**Other relevant parts of Handbook**

**Note:** Other parts of the *Handbook* that may also be relevant to *persons* to whom the *disclosure rules* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual).

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*)
2. [intentionally blank]

**Note:** A list of *regulated markets* can be found on the ~~FSA~~ FCA website at the following address: [www.fsa.gov.uk/register/exchanges.do](http://www.fsa.gov.uk/register/exchanges.do) [web address tbc]

...

**1.2 Modifying rules and consulting the ~~FSA~~ FCA**

...

Early consultation with ~~FSA~~ FCA

- 1.2.4 G ...

- 1.2.5 G Where a *disclosure rule* refers to consultation with the ~~FSA~~ FCA, submissions should be made in writing other than in circumstances of exceptional urgency.

**Address for correspondence**

**Note:** The ~~FSA's~~ FCA's address for correspondence in relation to the *disclosure rules* is:

<del>Company Monitoring Team</del> <u>Primary Market Monitoring</u>
---

Markets Division
The <del>Financial Services Authority</del> <u>Financial Conduct Authority</u>
25 The North Colonnade
Canary Wharf
London E14 5HS
<del>Fax: 020 7066 8368</del>

### 1.3 Information gathering and publication

...

#### 1.3.2 G ...

#### ~~FSA~~ FCA may require the publication of information

...

~~FSA~~ FCA performing functions as competent authority

#### 1A.1.4 G ~~In relation to the *transparency rules*, the *FSA* is exercising its functions as the competent authority under Part VI of the *Act* (see section 72(1) of the *Act*).~~

##### **Other relevant parts of Handbook**

**Note:** Other parts of the *Handbook* that may also be relevant to persons to whom the *transparency rules* apply include *DEPP* (Decision Procedure and Penalties Manual) and Chapter 9 of *SUP* (the Supervision manual).

The following Regulatory Guides are also relevant:

1. The Enforcement Guide (*EG*):
2. [intentionally blank]

**Note:** A list of *regulated markets* can be found on the ~~*FSA*~~ *FCA* website at the following address: ~~[www.fsa.gov.uk/register/exchanges.do](http://www.fsa.gov.uk/register/exchanges.do)~~ [web address tbc]

...

#### 1A.2 Modifying rules and consulting the ~~FSA~~ FCA

...

Early consultation with ~~FSA~~ FCA

#### 1A.2.4 G ...

- 1A.2.5 G Where a *transparency rule* refers to consultation with the ~~FSA~~ FCA, submissions should be made in writing other than in circumstances of exceptional urgency.

**Address for correspondence**

**Note:** The ~~FSA's~~ FCA's address for correspondence in relation to the *disclosure rules* is:

<del>Company Monitoring Team</del> <u>Primary Market Monitoring</u>
Markets Division
<del>The Financial Services Authority</del> <u>Financial Conduct Authority</u>
25 The North Colonnade
Canary Wharf
London E14 5HS
Fax: 020 7066 8368

1A.3 **~~FSA~~ FCA may require the publication of information**

...

1B.2 **Modifying rules and consulting the ~~FSA~~ FCA**

...

- 2.1.1 G An *issuer* should be aware that matters fall within the scope of this chapter may also fall within the scope of:

...

- (2) ~~section 397 of the Act relating to misleading statements and practices;~~  
Part 7 (Offences relating to Financial Services) of the Financial Services Act 2012 relating to misleading statements and practices;

...

- 2.8.1 R ...

**Providing insider lists to the ~~FSA~~ FCA on request**

...

5.1.5 R ...

(2) For the purposes of *DTR 5.1.5R(1)(a)*, a *person* ("A") may lawfully manage *investments* belonging to another if:

(a) A can manage those *investments* in accordance with a *Part IV 4A permission*;

...

(d) A can lawfully manage those *investments* in another *EEA State* and would, if he were to manage those *investments* in the *UK*, require a *Part IV 4A permission*;

...

6.2.1 R ...

**Filing of information with ~~FSA~~ FCA**

...

### Annex 33

#### Amendments to the Energy Market Participants sourcebook (EMPS)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>FSA</i>	<i>FCA</i>	EMPS 1.1.2G; 1.2.3G

Amend the following provisions as follows.

#### 1.2.3 G Applicability of parts of Handbook to energy market participants

This table belongs to *EMPS* 1.2.1G

	Part of Handbook	Applicability to energy market participants
...	...	...
<b>Business standards</b>	...	...
	Market Conduct sourcebook ( <i>MAR</i> )	This applies; however <i>MAR</i> 2 (Price stabilising rules) is likely to be of only marginal relevance to the business of an <i>energy market participant</i> <i>MAR</i> 5 ( <del>Alternative Trading Systems</del> ) ( <u>Multilateral Trading Facilities</u> ) applies to an <i>energy market participant</i> that operates an <i>ATS</i> .

### Annex 34

#### Amendments to the Oil Market Participants sourcebook (OMPS)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>FSA</i>	<i>FCA</i>	OMPS 1.2.2G

Amend the following provision as follows.

1.2.2 G **Parts of the Handbook applicable to oil market participants**

... This table belongs to *OMPS 1.2.1G*

	Part of Handbook	Applicability to oil market participants
...	...	...
<b>Business standards</b>	..	...
	Market Conduct sourcebook ( <i>MAR</i> )	This applies; however <i>MAR 2</i> (Price stabilising rules) is likely to be of only marginal relevance to the business of an <i>oil market participant</i> . <i>MAR 5</i> ( <del>Alternative Trading Systems</del> ) ( <u>Multilateral Trading Facilities</u> ) applies to an <i>oil market participant</i> that operates an <i>ATS</i> .

**Annex 35**

**Amendments to the Service Companies Guide (SERV)**

In this Annex, in the table below, the wording in Column A is changed to the new wording in Column B in the provision of the FCA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provision to be amended)</b>
<i>FSA</i>	<i>FCA</i>	SERV 1.2.2



**Annex 36**

**Amendments to the Building Societies Regulatory Guide sourcebook (BSOG)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
Financial Services Authority	Financial Conduct Authority	BSOG 1A.4.2G
Financial Services Authority	Prudential Regulation Authority	BSOG 3.4.15G(17)
Part IV	Part 4A	BSOG 2.7.3G BSOG 3.6.4G(3)(a) BSOG 3 Annex 4 4.2.2G (3) (i)
Registration Team	FCA	BSOG 2.7.1G; BSOG 3.8.1G
the Authority	the Prudential Regulator	BSOG 1.1.3G definition of “the Three Criteria” and “the Confirmation Criteria” BSOG 1.2.2G, 1.2.4G, 1.2.5G; BSOG 2.1.2G, 2.1.4G, 2.1.9G (9), 2.1.14G; BSOG 2.2.3G, 2.2.9G, 2.2.11G, 2.2.12G, 2.2.15G, 2.2.16G, 2.2.17G, 2.2.18G, 2.2.19G, 2.2.22G; BSOG 2.3.3G, 2.3.7G, 2.3.19G, 2.3.27G, BSOG 2.4.1G, 2.4.29G, 2.4.30G, 2.4.31G, 2.4.32G, 2.4.38G, 2.4.41G, 2.4.42G; BSOG 2.5.1G, 2.5.5G, 2.5.8G, 2.5.9G, 2.5.10G, 2.5.11G, 2.5.12G, 2.5.13G, 2.5.14G, 2.5.15G, 2.5.16G, 2.5.17G, 2.5.18G, 2.5.19G, 2.5.20G, 2.5.21G, 2.5.22G, 2.5.23G, 2.5.25G, 2.5.26G,

	<p>2.5.27G, 2.5.28G, 2.5.29G, 2.5.30G, 2.5.31G;</p> <p>BSOG 2.6.1G;</p> <p>BSOG 2.7.1G;</p> <p>BSOG 2.8.1G;</p> <p>BSOG 2 Annex 3G</p> <p>BSOG 2 Annex 4, paragraphs 4.1.1G, , 4.2.1G, 4.2.2G, 4.2.3G, 4.2.4G, 4.3, 4.3.1G, 4.3.2G, 4.3.3G, 4.3.4G, , 4.3.6G, 4.5.1G, 4.7.1G,4.7.2G, 4.7.2G(2), 4.7.2G(4), 4.7.3G, 4.8, 4.8.1G;</p> <p>BSOG 3.1.4G (3), 3.1.4G(5), 3.1.4G(6), 3.1.9G, 3.1.11G;</p> <p>BSOG 3.2.2G, 3.2.7G, 3.2.8G, 3.2.9G, 3.2.10G, 3.2.11G, 3.2.12G, 3.2.13G, 3.2.14G, 3.2.15G, 3.2.16G;</p> <p>BSOG 3.3.2G, 3.3.3G, 3.3.7G, 3.3.11G, 3.3.16G, 3.3.18G, 3.3.19G, 3.3.22G, 3.3.23G, 3.3.24G, 3.3.25G, 3.3.26G, 3.3.27G;</p> <p>BSOG 3.4.1G, 3.4.2G, 3.4.2G(8), 3.4.4G, 3.4.5G, 3.4.7G, 3.4.8G, 3.4.9G, 3.4.11G, 3.4.12G, 3.4.12G (3)(4) 3.4.13G, 3.4.14G, 3.4.15G, 3.4.15G(15), 3.4.16G, 3.4.17G, 3.4.19G;</p> <p>BSOG 3.5.15G, 3.5.28G, 3.5.29G, 3.5.30G, 3.5.31G, 3.5.32G, 3.5.37G, 3.5.39G;</p> <p>BSOG 3.6.1G, 3.6.4G, 3.6.5G, 3.6.6G, 3.6.8G(3), 3.6.9G, 3.6.10G, 3.6.11G, 3.6.12G, 3.6.12G(3), 3.6.13G, 3.6.14G, 3.6.15G, 3.6.16G, 3.6.16G(2), 3.6.18G, 3.6.19G, 3.6.20G, 3.6.21G, 3.6.22G, 3.6.23G, 3.6.24G, 3.6.25G, 3.6.27G, 3.6.28G, 3.6.29G, 3.6.30G, 3.6.31G, 3.6.31G (2)(4)3.6.32G;</p> <p>BSOG 3.7.2G(1), 3.7.2G(2), 3.7.2G(6) 3.7.3G, 3.7.5G, 3.7.6G, 3.7.7G;</p> <p>BSOG 3.8.1G;</p>
--	--

		<p>BSOG 3 Annex 3;</p> <p>BSOG 3 Annex 4, paragraphs 4.1.1G, 4.1.2G, 4.2, 4.2.1G, 4.2.2G, 4.2.2G(3)(ii), 4.2.3G, 4.2.4G, 4.4.2G, 4.4.3G, 4.4.6G, 4.5.1G, 4.6.1G, 4.7.2G, 4.7.2G(4), 4.7.1G, 4.7.3G, 4.8.1G</p>
the Authority	the FCA	<p>BSOG 1.1.3G (definition of “official list”);</p> <p>BSOG 1A.1.1G, 1A.2.5G, 1A.3.1G, 1A.3.2G, 1A.3.4G, 1A.3.5G, 1A.3.7G, 1A.3.8G, 1A.3.9G, 1A.3.11G, 1A.3.12G;</p> <p>BSOG 1A.4.1G, 1A.4.4G, 1A.4.5G, 1A.4.6G(1);</p> <p>BSOG 1A.5.1G, 1A.5.2G, 1A.5.3G, 1A.5.4G, 1A.5.5G, 1A.5.6G, 1A.5.7G, 1A.5.7G(2), 1A.5.7G(3), 1A.5.8G, 1A.5.9G, 1A.5.10G, 1A.5.11G, 1A.5.12G, 1A.5.13G, 1A.5.14G, 1A.5.15G, 1A.5.16G, 1A.5.17G, 1A.5.18G, 1A.5.19G, 1A.5.20G, 1A.5.20G(1), 1A.5.20G(3);</p> <p>BSOG 1A.6.1G, 1A.6.2G, 1A.6.3G, 1A.6.5G;</p> <p>BSOG 1A.7.1G, 1A.7.2G, 1A.7.3G;</p> <p>BSOG 2.2.13G;</p> <p>BSOG 3.2.5G</p>

Amend the following provisions as follows.

1.1.3 G The following terms are used in this Guide and have the meaning described here:

...	
“the Banking Regulator”	<p>the <del>Authority</del> <u>Prudential Regulator</u> or other competent authority in another EEA state, as the case may be [<del>Note: the functions of the Bank of England under the Banking Act 1987, which was repealed by the Act, were transferred to the Authority by the Bank of England Act 1998. Similarly, the functions of the Commission, and of the Central Office of</del></p>

	<del>the Registry of Friendly Societies were transferred to the Authority by and under the Act.]</del>
...	
“official list”	(a) the list maintained by the <del>Authority</del> <u>FCA</u> in accordance with section 74(1) of the Financial Services and Markets Act 2000 (The official list) for the purposes of Part <del>V</del> <u>VI</u> of the Act (Official Listing); (b) any corresponding list maintained by a competent authority for listing in another EEA State
...	
<del>“the registration team”</del>	<del>the team at the Authority which carries out the registration functions under the 1986 Act.</del>

- 1.2.7 G Section 9A of the 1986 Act prohibits a society or its subsidiary undertakings (subject to certain defined exemptions) from:
- ...
- 1.2.8 G Section 9A of the 1986 Act contains definitions of the above terms, and societies are directed particularly to section 9A(9) for the purposes of compliance monitoring.
- 1.2.9 G Section 9A of the 1986 Act also includes a "purpose" test for entering into derivatives contracts and a "safe harbour" clause for society counterparties stating that any transaction in contravention of the section 9A of the 1986 Act prohibitions is not, however, thereby invalid and may be enforced against the society.
- 1.2.10 G The exemptions in section 9A of the 1986 Act fall into two broad categories:
- ...
- 1.2.11 G The Treasury may, by negative resolution order, amend the £100,000 transaction limit and may add factors to, or remove factors from, the list in BSOG 1.2.10G (2). The factor relating to credit worthiness was added to the original list in section 9A(4)(b) by the Building Societies (Restricted Transactions) Order 2001 (SI 2001/1826). The Treasury may, by affirmative resolution order, make more significant amendments to section 9A(4)(b) of the 1986 Act.
- 1.2.12 G Boards should have procedures and controls to ensure that use of section 9A

of the 1986 Act exemptions by their society (and subsidiary undertakings, if any) is within the law. The exemptions permitting transactions of up to 100,000 (as market-maker in currency or securities transactions, or trading currencies) may not be abused by artificially breaking up larger transactions into a number of smaller amounts falling within the 100,000 ceiling (section 9A(8) of the 1986 Act is the relevant anti-avoidance provision). Compliance with the 1986 Act may be assisted by specifying the purposes and circumstances in which hedging transactions may be undertaken, or derivatives used, both in the financial risk management policy documents and in the internal arrangements for delegation, identifying the specific authority in section 9A of the 1986 Act. Whatever the hedging policies adopted, and however the control and authorisation arrangements are organised, it is important that they should be accurately and fully documented.

...

- 1.3.4 G A person elected as an executive or non-executive director of a building society must not exercise a controlled function unless the ~~Authority~~ the appropriate regulator gives its approval (sections 59 and 60 of the Act). The ~~Authority~~ appropriate regulator will not approve a director unless it is satisfied that he meets, and will continue to meet, the Fit and Proper Test for Approved Persons (see the Fit and Proper Test for Approved Persons sourcebook in the ~~Authority's~~ Handbook (*FIT*)). An approved person must also comply with the requirements of the Statement of Principle and Code of Practice for Approved Persons sourcebook in the ~~Authority's~~ Handbook (*APER*).

...

- 1.5.2 G The Electronic Communications Order does not amend the 1986 Act requirement to submit certain returns to be placed on its public file. Nor does it affect the supervisory financial returns required to be submitted by the rules in the ~~Authority's~~ Supervision manual.

...

- 1A.5.18 G  
Such limitations or conditions as the ~~Authority~~ FCA may think fit

...

1A Annex 1 Extract from the 1986 Act

Schedule 2 paragraph 15

G	"Right of members to obtain particulars from the register
	15. (1) At any time when a building society -
(a)	has had its permission under <del>Part IV</del> <u>Part 4A</u> of the Financial Services and Markets Act 2000 to accept deposits cancelled;
	...
	(2) If, at any time not falling within sub-paragraph (1) above, a member of a building society who is qualified under the rules of the society to join in a members' requisition for a special meeting, or to join in nominating a person for election as a director, makes a written application to the <del>Authority</del> <u>FCA</u> for the right to obtain names and addresses from the register, the <del>Authority</del> <u>FCA</u> -
	...
	(2A) The <del>Authority</del> <u>FCA</u> may charge a reasonable fee for considering an application under sub-paragraph (2) above.
	(3) Any direction under sub-paragraph (2) above may be given subject to such limitations or conditions as the <del>Authority</del> <u>FCA</u> may think fit.
	<u>(3A) The FCA must consult the PRA before giving a direction under sub-paragraph (2)</u>
	(4) Before giving a direction under sub-paragraph (2) above, the <del>Authority</del> <u>FCA</u> shall give particulars of the application to the building society and shall afford the society an opportunity of making representations with respect to the application; and the <del>Authority</del> <u>FCA</u> shall, if the applicant or the society so requests, afford to the applicant and to the society an opportunity of being heard by it.

...

2.3.27 G ...

Application and the ~~Authority's~~ Prudential Regulator's Approval

...

2.4.40 G ...

The ~~Authority's~~ Prudential Regulator's Discretion

...

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...		
4.3.2	G	Written representations, or notice of a person's intention to make oral

		<p>representations, or both, must be in writing. They must reach the <u>Prudential Regulator Authority</u> at <del>25 The North Colonnade, Canary Wharf, London E14 5HS</del> <u>20 Moorgate, London, EC2R 6DA</u> by the date quoted in the merger documentation issued to members and published in the official Gazettes and (usually) some newspapers. Persons who make written representations, but subsequently decide also to make oral representations must, nevertheless, give notice of that intention, in writing, to the <u>Prudential Regulator Authority</u> by the same date (paragraphs 8 and 9 of Schedule 16 to the 1986 Act). The <u>Prudential Regulator Authority</u> will in general be prepared to use electronic rather than paper-based communication for notices and written representations if requested by the society or a prospective representer. A specific electronic address will be provided for that purpose, and some of the relevant procedures may have to be adapted accordingly</p>
...		

...

3.4.10 G ...

Application and ~~Authority~~ Prudential Regulator Approval

...

3.6.5 G ...

Scope of the ~~Authority's~~ Prudential Regulator's Powers

...

3.6.22G The procedure to be followed in confirmation proceedings is prescribed by Part II of Schedule 17 to the 1986 Act. Any interested party has the right to make written and/or oral representations to the ~~Authority~~ Prudential Regulator with respect to a society's application for confirmation. Written representations are to be copied to the society, which is to be afforded the opportunity to comment on them orally at the hearing of its application or in writing. (The ~~FSA~~ Prudential Regulator will in general be prepared to use electronic rather than paper-based communication if requested by the society or a prospective representer and some of the following procedures may have to be adapted accordingly.)

...



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...		
4.8	The <del>Authority's</del> <u>Prudential Regulator's</u> decision	
...		

**1A Annex 2**

**APPLICATION FOR THE RIGHT TO OBTAIN ACCESS  
TO THE REGISTER OF MEMBERS OF A BUILDING SOCIETY**

---

*This form is to be completed by a member of a building society who wishes to be given access to the register of members of the building society of which he or she is a member in accordance with paragraph 15 of Schedule 2 to the Building Societies Act 1986 (as amended by and under the Financial Services and Markets Act 2000) and who is qualified under that paragraph to make such an application. Before completing this form you are advised to read the guidance published by the ~~Financial Services Authority~~ Financial Conduct Authority. Copies of this form may be downloaded from the FSA's Handbook webpage on Regulatory Guides <http://fsahandbook.info/FSA/html/handbook/D44> ( t b c ).*

*On completion this form should be sent to the ~~Financial Services Authority~~ Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.*

---

**1. Name of the society of which you are a qualified member to whose register of members you wish to be given access:**

**2. Name and address of**

**applicant: Name**

**Address**

**Telephone**

**3. Share account details**

**Account name (s)**

**Account number (s)**

**4. Mortgage account details**

**Account name (s)**

**Account number (s)**

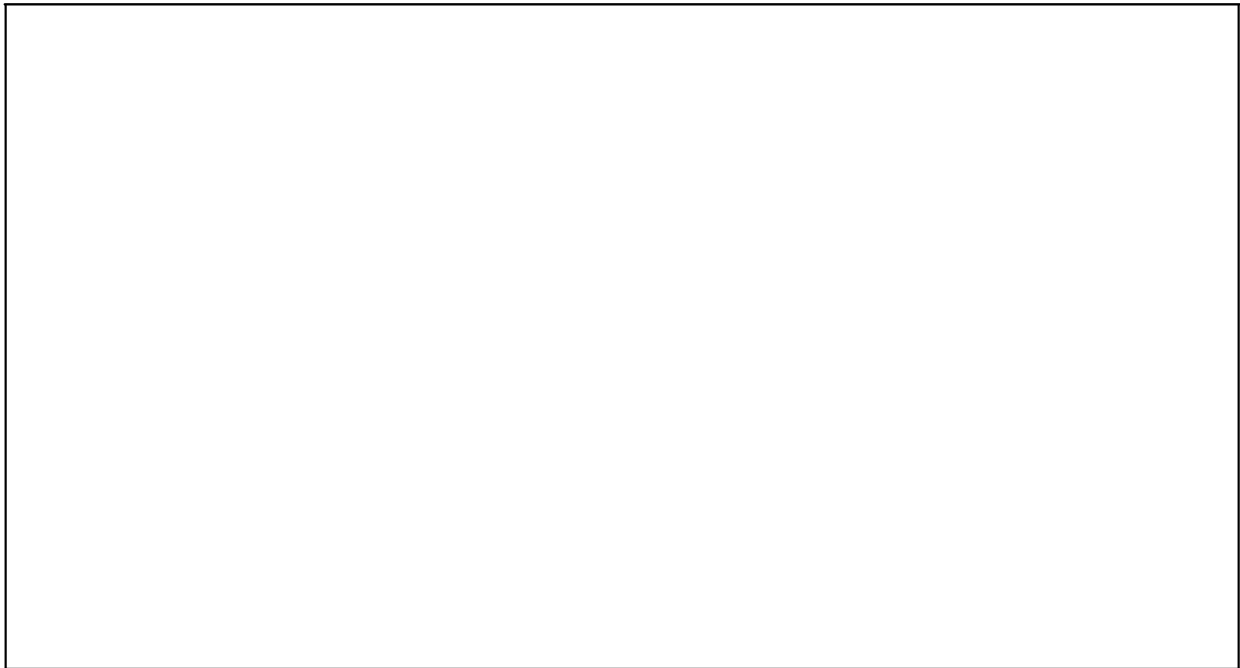
**NOTE**

If the name and/or the address in which you hold either or both of the above accounts are different from the name and address given for the purposes of this application, please specify that in which it/they are held.

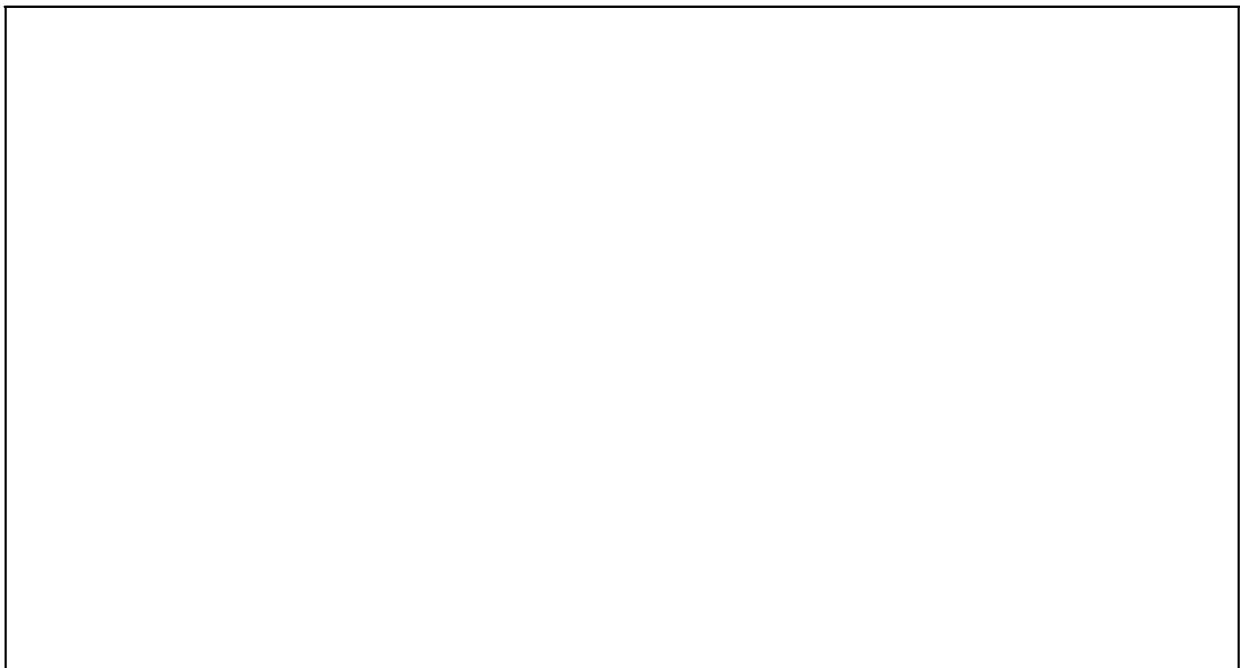
**Name**

**Address**

5. Please specify the subject on which you wish to communicate with other members of the society and the points you would wish to make in your communication. Please also enclose a draft of your proposed communication.



6. If there is any other information or documents, in addition to your draft communication, you would wish to form part of your application, please specify.



**DECLARATION**

7. I declare that I am qualified under the rules of the society named above to make this application.

8. I understand that this application form, and any information or documents enclosed with it, may be sent to the society, which may make representations about it to the ~~FSA~~ FCA.

9. I have read and understand the statutory restrictions which will restrict me from disclosing any information I take from the register if I am given access to it.

10. I enclose payment of £25 in respect of this application. I understand that this fee is not refundable.

**Signed** .....

**Date** .....

**2 Annex 1**

## PRO FORMA MERGER DOCUMENT

### 1. Title Page

Including suggestion to consult professional advisers and reference to meeting notice and voting procedures.

### 2. Directors' Responsibility Statement

See paragraph 2.3.26.

### 3. Board Rationale

Including statutory merger statement, if required (see paragraphs 2.3.23 and 2.3.24).

### 4. The Merger Process

Description and explanation of:

- (a) the general meeting and Merger Resolutions;
- (b) the confirmation process, including the right of interested parties to make representations to the ~~Authority~~ Prudential Regulation Authority, the dates provisionally set for receipt of written representations and notice of intention to make oral representations, and for the confirmation hearing, and the confirmation criteria specified in Section 95 of the 1986 Act;
- (c) the planned effective date of the merger.

### 5. The Instrument of Transfer of Engagements or Amalgamation Agreement

The address of the principal office of the society where the Instrument of Transfer or amalgamation agreement will be available for inspection, and whether copies of the Instrument or agreement will also be available at branch offices, with a cross-reference to Section B of the Schedule 16 Statement.

### 6. The Schedule 16 Statement

*Statement Required by Schedule 16 to the*



*Building Societies Act 1986*

**Proposed Transfer of Engagements of [ABC] Building Society to [DEF] Building Society**

or

**Proposed Amalgamation of [ABC] Building Society and [DEF] Building Society to form [GHI] Building Society**

*Section A: Financial Position of Each Society*

1. *Balance Sheets*

Summarised balance sheets derived from the audited [unaudited] [consolidated] accounts of [ABC] [society] [Group] for the financial year ended (date) [as at (date)] and from the audited [unaudited] [consolidated] accounts of [DEF] [society][Group] for the financial year ended (date) [as at (date)] are set out below:

	Notes	ABC [Group] £m	DEF [Group] £m
<b>Assets</b>			
Liquid assets	4(b)	•	•
Mortgages	4(e)	•	•
Other loans	4(e)	•	•
Fixed and other assets	4(c),(d)	•	•
		<hr/>	<hr/>
		•	•
		<hr/>	<hr/>
<b>Liabilities</b>			
Shares		•	•
Borrowings		•	•
Other liabilities		•	•
Subordinated liabilities		•	•
Subscribed capital		•	•
Reserves		•	•
Other capital		•	•
- revaluation reserve		•	•
[ - other]		•	•
		<hr/>	<hr/>
		•	•
		<hr/>	<hr/>

2. *Results*

Particulars derived from the audited [unaudited] [consolidated] accounts of [ABC] [Group] for the period ended (date) and from the audited [unaudited] [consolidated] accounts of [DEF] [Group] for the period ended (date):

ABC                      DEF

	[Group] £m	[Group] £m
Net interest receivable	•	•
Other income and charges	•	•
Administrative expenses	•	•
Provisions	•	•
	<hr/>	<hr/>
Profit/loss for the period before taxation	•	•
Taxation	•	•
Minority interests	•	•
	<hr/>	<hr/>
Profit/loss for the period	•	•

3. *Key Financial Ratios*

	ABC [Group] %	DEF [Group] %
As a percentage of shares and borrowings:		
Gross capital	•	•
Liquid assets	•	•
As a percentage of mean total assets:		
Profit after taxation for the period	•	•
Management expenses for the period	•	•

The above percentages have been calculated from the balance sheets summarised above.

Gross capital comprises reserves and other capital, plus subscribed capital and subordinated liabilities, and amounts to £..... million for [ABC] and £..... million for [DEF].

Shares and borrowings, adjusted to exclude interest accrued but not yet credited to accounts, amount to £..... million for [ABC] and £.... million for [DEF].

Average total assets is calculated as the mean of the total assets at the beginning and end of the period and amounts to £..... million for [ABC] and £..... million for [DEF].

The estimated gross and net costs of the bonus to be paid to members are £....

The ratio of gross capital to shares and borrowing of the combined society, after allowing for the net cost of the bonus to be paid to members, is estimated to be .....%. On the same basis of calculation, but not accounting for the bonus payment, this ratio is estimated to be .....%.

4. *Notes to the Financial Position*

(a) Accounting policies

[Identify any significant differences between the accounting policies adopted by the two societies, and quantify the impact of a change in policy to achieve consistency. If there are no such differences then this should be stated].

(b) Liquid assets include listed securities as follows:

	ABC [Group] £m	DEF [Group] £m
Amount included in the balance sheet	• _____	• _____
Market value	• _____	• _____

(c) Fixed and other assets

	ABC [Group] £m	DEF [Group] £m
Tangible fixed assets	•	•
[Intangible fixed assets]	•	•
Other assets	• _____	• _____
	• _____	• _____

[Describe the nature of any intangible fixed assets and the method of amortisation thereof, if any]

(d) Tangible fixed assets

	ABC [Group] £m	DEF [Group] £m
Net book amount of land and buildings		
Freehold	•	•
Long leasehold	•	•
Short leasehold	•	•
	<hr/>	<hr/>
	•	•
Other tangible fixed assets	•	•
	<hr/>	<hr/>
	•	•
	<hr/>	<hr/>

[For each society's land and buildings give the difference between the net book amount and estimated current market value, or a director's opinion that there is no material difference between the two. Indicate the basis on which current market value has been determined, the effective date of the valuation and the name(s) of the valuer(s)]

[Identify significant differences in depreciation policy or estimated asset lives, quantifying the impact of any change to a common basis]

(e) Provisions for losses on mortgages and other loans

	ABC [Group] £m	DEF [Group] £m
Specific provisions	•	•
General provisions	•	•
	<hr/>	<hr/>
Total amount offset against mortgages and other loans	•	•
	<hr/>	<hr/>

(f) Pensions

[Describe the pension schemes of each society and the extent to which funded schemes are, on the basis of the latest actuarial valuations, in surplus or deficit. Give date of most recent actuarial valuation.]

- (g) Summary information on the businesses of [connected undertakings]

The financial information given above includes the assets and liabilities and results of the Society and the following subsidiary undertakings and associated undertakings.

ABC [Group]

Subsidiary undertakings [names]	Principal activity
------------------------------------	--------------------

Other associated undertakings [names]
--

DEF [Group]

Subsidiary undertakings [names]
------------------------------------

Other associated undertakings [names]
--

- (h) Post balance sheet events  
[see paragraph 3.8]

5. *Costs and benefits of the merger*

[Give a factual assessment of the quantifiable and unquantifiable actual and expected costs and benefits, including integration, rationalisation and future business plans]

***Section B: Instrument of Transfer of Engagements or Amalgamation Agreement***

*The paragraphs below prefaced by “Note” do not appear in [nor are they a paraphrase of the text in] the Instrument of Transfer or amalgamation agreement and are intended for the additional information of members.*

The Instrument of Transfer or amalgamation agreement provides, inter alia, for the following matters.

1. *Name of Society*

The name of the combined society will be ..... Building Society.

2. *Transfer of Assets and Liabilities*

On the Effective Date (see item 10) the property, rights and liabilities of [ABC] Building Society will be transferred to and vest in [DEF] Building Society (the combined society). [In an amalgamation, the assets and liabilities of both societies are vested in the new successor society.]

3. *Membership Rights*

[Give the provisions of the Instrument of Transfer or amalgamation agreement concerning deemed membership. See paragraph 2.3.16]

4. *Share Accounts and Deposit Accounts*

On the Effective Date, share and deposit account balances of [ABC] Building Society will become share and deposit account balances with [DEF] Building Society on the following terms:

[Give the provisions of the Instrument of Transfer or amalgamation agreement and refer to the Investment Schedules in Section C]

Note: interest rates which are variable are subject to change either before or after the Effective Date of the merger.

[Provisions concerning PIBS]

5. *Mortgage Accounts*

On the Effective Date, the indebtedness of any person to [ABC] Building Society for a loan made by it [fully] secured on residential property will become indebtedness to [DEF] Building Society to the same extent and such indebtedness will be subject to the same terms and conditions as presently apply except that the Rules of [DEF] Building Society rather than the Rules of [ABC] Building Society shall apply.

[Alternatively, give the provisions of the Instrument of Transfer or amalgamation agreement concerning any change in terms and conditions]

Note: [give any further explanation necessary to a clear statement of any changes, including those effected by the transferee society's Rules]

6. *Bonus to Members*

[Give the provisions of the Instrument of Transfer or amalgamation agreement and the estimated net cost of the bonus. See paragraphs 2.3.13 and 2.3.14]

7. *Directors and Other Officers*

[Give the provisions of the Instrument of Transfer or amalgamation agreement]

Note: [Describe any changes in fees and contracts of employment or bonus schemes, or whether there will be no change]

Note: [Describe any compensation to be authorised by separate special resolution, or state that no such compensation is to be paid. State whether any person is not to take up employment with the combined society and that any payments to be made under their contracts of employment do not fall to be approved by special resolution. See paragraphs 2.3.11 and 2.3.12]

8. *Employees*

[Give the provisions of the Instrument of Transfer or amalgamation agreement]

Note: [State, unless the Instrument or agreement so provides, whether there are to be any changes to terms and conditions of employment, and what they are, and explain how any staff reductions are to be achieved and the planned timescale.]

9. *Pension Arrangements*

[Give the provisions of the Instrument of Transfer or amalgamation agreement]

10. *Conditions and Termination Provisions*

[Give details of the provisions of the Instrument of Transfer or amalgamation agreement which (a) impose conditions on the completion of the transfer of engagements, such as approval by the members and confirmation by the Authority, and (b) provide for the termination of the agreement if one or more of the conditions is not met or in any other circumstances.]

11. *Rules and Memorandum*

[Explain any proposed Rule changes and, in the case of an amalgamation, any differences in the proposed Rules and Memorandum compared with the existing societies.]

***Section C: The Investment Schedules***

[These are the schedules referred to in Section B.4 and in paragraph 2.3.17]

***Section D: Information for Holders of PIBS***

[If either society has issued Permanent Interest Bearing Shares]

***Section E: Other Matters***

1. Save for [the following and] the matters referred to in Section B.7 no director or other officer of [ABC] Building Society or [DEF] Building Society will receive any benefits in connection with the merger or will have any material interest in the merger.

[Describe any other interests of directors or other officers and persons (including companies) connected with them by way of, for example, fees for professional services, or supply of goods and services]

2. The directors of [ABC] Building Society and the directors of [DEF] Building Society confirm that the transfer of engagements [amalgamation] will not conflict with any contractual commitments of their Society or its connected undertakings.
3. The directors of [ABC] Building Society and the directors of [DEF] Building Society confirm that there has been no material change in the financial



position of their Society or its connected undertakings since [date], the date to which the information in Section A relates [other than the post balance sheet event(s) described in Section A 4(h)].

[Name]

Secretary

[ABC] Building Society

[date]

[Name]

Secretary

[DEF] Building Society

[date]

## **7. Notice of Special General Meeting**

## **8. Guidance on Voting**

[Explanatory notes on:

The time, date and place of the meeting

Eligibility to vote:

- generally
- joint members
- minors

The Poll

Merger Resolutions:

- shareholding members
- borrowing members
- members who are shareholding and borrowing members

[Affected Members Resolution]

[Directors Compensation Resolution]

[Distribution to Members Resolution]

Voting in person

Voting by proxy

Making enquiries, Helpline]

## **2 Annex 2**

## **PRO FORMA NOTICE OF, AND APPLICATIONS FOR, CONFIRMATION**

- A. Notice of Application**
- B. Application - amalgamation**
- C. Application – transferor society**
- D. Application – transferee society**

Annex 2A

*Publication of Notice of application to the ~~Authority~~ Prudential Regulation Authority for confirmation of an amalgamation or transfer of engagements in the London, Edinburgh, or Belfast Gazettes and in any newspapers as may be directed by the ~~Authority~~ Prudential Regulation Authority.*

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**BUILDING SOCIETIES ACT 1986**

**Notice under paragraph 8 of Schedule 16 to the said Act.**

Notice is hereby given that ..... Building Society, Register No.....B, whose principal office is at ....., desires to amalgamate with\*/transfer its engagements to\*/accept a transfer of the engagements of\* ..... Building Society, Register No.....B, and that both societies have jointly\*/each society has\* applied to the ~~Financial Services Authority~~ Prudential Regulation Authority to confirm the amalgamation\*/transfer\*.

Any interested party may make written representations to the ~~Authority~~ Prudential Regulation Authority and/or give notice of intention to make oral representations to the Prudential Regulation Authority ~~Authority~~ with respect to the application. Written representations and notices of intention to make oral representations should be received by the ~~Authority~~ Prudential Regulation Authority at 20 Moorgate, London, EC2R 6DA by ..... 20 .... If notice is given of oral representations these will be heard by the ~~Authority~~ Prudential Regulation Authority on .....20 ....., at a time and place to be determined by the ~~Authority~~ Prudential Regulation Authority.

Under section 95 of the 1986 Act, confirmation is given by the “appropriate authority”. In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.

**\*delete as applicable**

**Annex 2B**

***Form of application to the Prudential Regulation Authority ~~Authority~~ for confirmation of an amalgamation***

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To the ~~Financial Services~~ Prudential Regulation Authority

**BUILDING SOCIETIES ACT 1986**

**APPLICATION UNDER SECTION 93(2)(d) OF THE ACT FOR  
CONFIRMATION OF AN AMALGAMATION**

..... **BUILDING SOCIETY, REGISTER NO.....B, AND**

.....**BUILDING SOCIETY, REGISTER NO.....B**

The above-named societies desire to amalgamate on .....[insert effective date] and apply to the Prudential Regulation Authority ~~Authority~~ to confirm the amalgamation.

In making this application the societies declare that:

1. At a meeting of..... Building Society held on ..... 20..., and at a meeting of ..... Building Society held on .....20..., the following resolutions were passed:

A shareholding members' resolution, as required by section 93(2)(c)(i) of the Act, that the societies do amalgamate in accordance with the terms of an amalgamation agreement, two copies of which, signed by the Secretary of each society for identification, are enclosed with this application.

A borrowing members' resolution, as required by section 93(2)(c)(ii) of the Act, that the societies do amalgamate in accordance with the terms of the above-mentioned agreement.

2. A statement, in accordance with Schedule 16 to the Act, approved by the Prudential Regulation Authority ~~Authority~~, so far as it concerned matters specified in that Schedule, was sent to each member of ..... Building Society and of ..... Building Society who was entitled to receive it.

3. Three copies of the Memorandum and Rules of the successor society have been sent to the registration team.

(Seals of the societies making the application)

Date:.....

Under section 95 of the 1986 Act, confirmation is given by the "appropriate authority". In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.

Annex 2C

*Form of application to the Prudential Regulation Authority ~~Authority~~  
for confirmation of transfer of engagements (transferor society)*

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To the Prudential Regulation Authority ~~Financial Services Authority~~

**BUILDING SOCIETIES ACT  
1986**

**APPLICATION UNDER SECTION 95(3) OF THE ACT FOR CONFIRMATION  
OF A TRANSFER OF ENGAGEMENTS**

..... **BUILDING SOCIETY, REGISTER NO.....B**

The above-named society desires to transfer its engagements to ..... Building Society on .....20... [insert effective date] and applies to the Prudential Regulation Authority ~~Authority~~ to confirm the transfer.

In making this application the society declares that:

1. At a meeting of ..... Building Society held on .....20.. the following resolutions were passed:

A shareholding members' resolution, as required by section 94(2) of the Act, that ..... Building Society do transfer its engagements to ..... Building Society in accordance with the terms of an instrument of transfer, two copies of which, signed by the Secretary of each society for identification, are enclosed with this application.

A borrowing members' resolution, as required by section 94(2) of the Act that ..... Building Society do transfer its engagements to ..... Building Society in accordance with the terms of the above-named instrument.

2. A statement, in accordance with Schedule 16 to the Act, approved by the Authority, so far as it concerned matters specified in that Schedule, was sent to each member of ..... Building Society who was entitled to receive it.

(Seal of the Society making the application)

Date.....

Under section 95 of the 1986 Act, confirmation is given by the "appropriate authority". In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.

Annex 2D

*Form of application to the Prudential Regulation Authority ~~Authority~~ for confirmation of a transfer of engagements (transferee society)*

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To the ~~Financial Services Authority~~ Prudential Regulation Authority

**BUILDING SOCIETIES ACT 1986**

**APPLICATION UNDER SECTION 95(3) OF THE ACT FOR CONFIRMATION OF A TRANSFER OF ENGAGEMENTS**

..... **BUILDING SOCIETY, REGISTER NO.....B**

The above-named society desires to accept a transfer of engagements of ..... Building Society on .....20.. [insert effective date] and applies to the ~~Authority~~ to Prudential Regulation Authority confirm the transfer.

In making this application the society declares that:

- \*1. At a meeting of ..... Building Society held on ..... 20.., the following resolutions were passed:

A shareholding members' resolution, as required by section 94(5)(a) of the Act, that ..... Building Society shall undertake to fulfil the engagements of ..... Building Society in accordance with the terms of an instrument of transfer, two copies of which, signed by the Secretary of each society for identification, are enclosed with this application.

A borrowing members' resolution, as required by section 94(5)(a) of the Act, that ..... Building Society shall undertake to fulfil the engagements of ..... Building Society in accordance with the terms of the above-mentioned instrument.

- \*2. The ..... Building Society, pursuant to the consent of the Authority in accordance with section 94(5)(b) of the Act, has undertaken by a resolution of its Board of Directors to fulfil the engagements of ..... Building Society in accordance with the terms of an instrument of transfer two copies of which, signed by the Secretary of each society for identification, are enclosed with this application.

- \*3 A statement in accordance with Schedule 16 to the Building Societies Act 1986, approved by the Authority, so far as it concerned matters specified in that Schedule, was sent to each member of ..... Building Society who was entitled to receive it.

(Seal of the Society making this application)

Date.....

**\*delete as applicable (either paragraph 2, or both paragraphs 1 and 3)**

Under section 95 of the 1986 Act, confirmation is given by the “appropriate authority”. In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.

### **3 Annex 1**



**Annex 1**  
*Illustrative structure for a*  
**TRANSFER DOCUMENT**  
**containing a Transfer**  
**Statement**

Title page:

Should include a recommendation on the following lines:

“When considering what action you should take, you are recommended to obtain advice from your solicitor, accountant, or other professional financial adviser.”

and the directors’ responsibility statement (short form with cross reference to item B9)

**PART A**

**1. Summary of the Transfer procedure and Special General Meeting**

The Transfer procedure  
Notice of the SGM  
Directions to the SGM venue  
Guidance on entitlement to vote

**2. Background to, and rationale for, the proposals**

Merits of the proposed transfer  
Conclusions and Recommendations

**PART B: THE STATUTORY TRANSFER STATEMENT**

*Issued in accordance with Section 98 of and Schedule 17 to the Building Societies Act 1986*

**(Note:** If a Transfer Summary is issued it must include a statement that this Transfer Statement will be handed or sent to members forthwith free of charge and on request, and where and how it can be obtained.)

**3. Review of Options and Value of Consideration**

Introduction - to explain that under the proposed terms of the transfer the business of the society will be transferred to an authorised bank and that approval of the terms of the transfer will include, if such is the case, the distribution of part of the consideration for the transfer to non-members. Should also explain that the transfer is subject to approval by the members, authorisation by the Banking Regulator and confirmation by the Authority, and include a brief explanation of the termination provisions of the Transfer Agreement  
Factual statement of strategic options considered  
Disclosure of any non-confidential proposals received  
Reasons for choice and recommendation of proposed transfer

Reasons for choice and recommendation of terms of the proposed distribution scheme  
Valuation of the business and methodology (takeover only)  
Estimated value of shares in successor  
Analysis of distribution of shares and/or cash as between members, Trustee Account Holders and non-members respectively  
Statement that approval of the Transfer Resolution includes approval of distributions to non-members

**4. Consequences for shareholders, borrowers and employees**

The distribution of shares and/or cash in the successor company  
The amount of the society's reserves and Statutory Cash Bonus  
Any changes in the terms and conditions of share and deposit accounts, mortgages and loans  
Changes in the factors relevant to determining retail interest rates (product pricing)  
Comparative average interest rates on retail deposits and loans of the society and the successor company over the previous 3 financial years (takeover only)  
Loss of membership rights in the society  
The statutory deposit protection scheme (summary of any differences)  
Arrangements for settlement of disputes  
Consequences for staff, including changes in terms of employment

**5. Interests of directors and other officers of the society and successor company**

Directors and other officers of the society  
Directors and other officers of the company  
Interests of directors, officers and employees in the share and/or cash distribution and the Statutory Cash Bonus  
Any compensation or increased emoluments under Sections 99 and 99A of the 1986 Act

**6. The management, activities and operations of the successor company following the transfer**

Management  
Activities and operations, including a comparison of their range and relative importance with those of the society and any intended change, together with, in the case of a takeover, comparative business indicators of the society and the successor company for each of the previous 3 financial years  
Structure and activities of any group to which the company belongs  
Ownership of the society's subsidiaries and interests in other associated bodies  
Particulars of any person having an interest in 3% or more of the successor company's equity share capital.  
Name, head office and principal objects of the company  
The protective provisions in the articles of association in accordance with Section 101 of the 1986 Act (conversion only)  
The auditors of the society and of the company

**7. Financial information**

The consolidated financial position of the society and its subsidiaries at the most recent practicable date, and the Society's reserves at that date and the main features of the published annual group accounts for the last 3 years

In the case of a takeover, the consolidated financial position of the successor company/group at the most recent practicable date and the main features of the published annual group accounts for the last 3 years

The share capital of the successor company

Future financial prospects of the successor company

**8. General information**

Summary of the terms of the Transfer Agreement concerning conditions precedent and termination

Summary of principal rights which will attach to the ordinary shares in the successor company

Costs and expenses of the transfer (including the fee arrangements for merchant bankers)

Whether the transfer will conflict with any contractual arrangements

**9. Opinions, reports and consent letters of auditors and other experts**

Auditors' opinions

Other experts' opinions

Consent letters

Director's Responsibility Statement

**10. Banking Regulator authorisation**

**11. Statement of statutory approval by the ~~Financial Services Authority~~ Prudential Regulation Authority**

**STATEMENT OF STATUTORY APPROVAL BY THE FINANCIAL SERVICES AUTHORITY PRUDENTIAL REGULATION AUTHORITY**

**Building Societies Act 1986**

(c.53)

*Approval by the ~~Financial Services Authority~~ Prudential Regulation Authority of the Transfer Statement of [ ] Building Society.*

The ~~Financial Services Authority~~ Prudential Regulation Authority (“the ~~Authority~~ PRA”) in exercise of the power conferred on the ~~Authority~~ PRA by paragraph 4(3) of Schedule 17 to the Building Societies Act 1986 (“the 1986 Act”) and considering that the Transfer Statement of [ ] Building Society (“the Society”) is in conformity with the applicable provisions of the 1986 Act and the Building Societies (Transfer of Business) Regulations 1998 (SI 1998 No. 212) and appears to be factually consistent with the information provided to the ~~Authority~~ PRA by the Society in connection with the Transfer Statement, which information includes the declarations of responsibility by the directors of the Society and of [ ] -

HEREBY APPROVES the above Transfer Statement so far as its contents concern the matters required to be approved by the said Schedule.

In this approval expressions used in the 1986 Act have the meanings which they bear in the 1986 Act and “the Transfer Statement” means the statement by the Society a draft of which is initialled for the purpose of identification “[ ]”.

[date ]

[Name ]

*For and on behalf of the ~~Authority~~ PRA*

Notes:

This approval does not extend to any matters not forming part of the Transfer Statement as required by the 1986 Act and the Regulations, whether or not such matters are the subject of cross-reference in the statement as so required.

The giving of this approval is without prejudice to any issues which the ~~Authority~~ PRA may have to consider on an application by the Society for confirmation of the transfer pursuant to Section 98 of the 1986 Act.

Under paragraph 4(3) of Schedule 17 to the 1986 Act, approval is given by the “appropriate authority”. In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.

## **PART C: ADDITIONAL INFORMATION**

- 12. Definitions**
- 13. List of share accounts of the society**
- 14. Documents available for inspection**
- 15. Accountants' report on the successor company**
- 16. Statutory statement for the last financial year**
- 17. Other**

### **3 Annex 2**

**Annex 2**  
**PRO FORMA:**

**A. Notice of Application**

**B. Application to the ~~Authority~~ Prudential Regulation Authority for confirmation**

## Annex 2A

Publication of Notice of application to the Prudential Regulation Authority ~~Authority~~ for confirmation of a transfer in the London, Edinburgh, or Belfast Gazettes and in any newspapers as directed by the Authority.

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### BUILDING SOCIETIES ACT 1986

Notice under paragraph 7 of Schedule 17 to the 1986 Act

Notice is hereby given that ..... Building Society, Register No.....B, whose principal office is at ....., desires to transfer its business to ....., and that the society has applied to the ~~Financial Services Authority~~ Prudential Regulation Authority to confirm the transfer.

Any interested party may make written representations to the Prudential Regulation Authority ~~Authority~~ and/or give notice of intention to make oral representations to the Prudential Regulation Authority ~~Authority~~ with respect to the application. Written representations and notices of intention to make oral representations should be received by the Prudential Regulation Authority ~~Authority~~ at 20 Moorgate, London, EC2R 6DA by.....  
20....Oral representations will be heard by the Prudential Regulation Authority ~~Authority~~ on .....20.. at a time and place to be determined by the Prudential Regulation Authority ~~Authority~~.

Under section 98 of the 1986 Act, confirmation is given by the “appropriate authority”. In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.



**Annex 2B**

***Form of application to the Prudential Regulation Authority ~~Authority~~ for confirmation of transfer of business to a company***

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To the Prudential Regulation Authority ~~Financial Services Authority~~

**BUILDING SOCIETIES ACT 1986**

**APPLICATION UNDER SECTIONS 97(4) AND 98(2) OF, AND PART II OF SCHEDULE 17 TO, THE 1986 ACT FOR CONFIRMATION OF A TRANSFER OF BUSINESS TO A COMPANY**

**..... BUILDING SOCIETY, REGISTER NO.....B**

The above-named society desires to transfer its business to ..... on .....20... [insert vesting date] and applies to the Prudential Regulation Authority ~~Authority~~ to confirm the transfer.

In making this application the society declares that:

1. At a meeting of ..... Building Society held on .....20.. the following resolutions were passed:

A shareholding members' resolution, as required by paragraph 30 of Schedule 2 to the 1986 Act, passed in accordance with paragraph [30(2) or 30(3) as the case may be], that ..... Building Society do transfer its business to ..... in accordance with the terms of the transfer agreement, two copies of which, authenticated by the Secretary of the society, are enclosed with this application.

A borrowing members' resolution, as required by paragraph 30 of Schedule 2 to the 1986 Act that ..... Building Society do transfer its business to ..... in accordance with the terms of the above-mentioned transfer agreement.

2. A transfer statement, in accordance with Schedule 17 to the 1986 Act, approved by the ~~Authority~~ Prudential Regulation Authority, so far as it concerned matters required by that Schedule to be so approved, was [sent] [made available] to each member of ..... Building Society who was entitled to receive it [, and a transfer summary was sent to those members] in accordance with Schedule 17 to the 1986 Act.

(Seal of the Society making the application)

Under section 98 of the 1986 Act, confirmation is given by the "appropriate authority". In practice all such approvals are given by the Prudential Regulation Authority, as reflected in the wording of this section.

Annex 37

**Amendments to the Collective Investment Scheme Information Guide sourcebook  
(COLLG)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	COLLG 1A.1.2G(1), 1A.1.2G(3), 1A.1.2G(4), 1A.1.3G(1), 1A.1.3G(1)(b), 1A.1.4G, 1A.1.5G(1), 1A.1.6G(1), 1A.1.6G(3);  COLLG 2A.1.3G(1);  COLLG, 3A.1.1G, 3A.1.2G(1), 3A.1.3G(1), 3A.1.3G(6), 3A.1.4G(1), , 3A.1.4G(2), 3A.1.5G(1), 3A.1.5G(1)(b), 3A.1.5G(2), 3A.1.5G(3), 3A.1.6G(1), 3A.1.6G(3), 3A.1.6G(4), 3A.1.7G, 3A.1.8G, 3A.1.9G, 3A.1.10G(1), 3A.1.10G(2), 3A.1.11G(1)(b), 3A.1.11G(1)(c), 3A.1.11G(2), 3A.1.12G(1), 3A.1.12G(2), 3A.1.13G(1), 3A.1.14G, 3A.1.15G(1), 3A.1.15G(2), 3A.1.15G(3), 3A.1.16;  COLLG 4A.1.2G(1), 4A.1.2G(7),), 4A.1.3G(1), 4A.1.3G(3), 4A.1.4G, 4A.1.5G, 4A.1.7G;  COLLG 5A.1.3G(2), 5A.1.3G(8), 5A.1.4G(4)
<i>FSA Handbook</i>	<i>Handbook</i>	COLLG 5A.1.4G(1)
<i>Handbook</i>	<i>FCA Handbook</i>	COLLG 1A.1.1G(5);  COLLG 1A.1.2G(4);  COLLG 2A.1.6G(3)

<i>Part IV</i>	<i>Part 4A</i>	COLLG 1A.1.6G(1); COLLG 3A.1.3G(1)(a); COLLG 4A.1.2G(1)(a)
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Amend the following provisions as follows.

1A.1.1 G ...

- (4) The material in this guide is intended only as a summary of a number of significant legal provisions affecting *regulated collective investment schemes*. It does not constitute *guidance* under sections ~~457~~ 139A and ~~458~~ 139B of the Act and does not have the status of the guidance in the *Handbook*. This also means that GEN 2.2 (Interpreting the *FCA Handbook*) does not apply. If you have any doubt about any legal provision you should seek appropriate legal advice.

...

...

1A.1.6 G (1)

No *person* may carry on a *regulated activity* by way of business in the *United Kingdom*, or purport to do so, unless he is an *authorised person* (or an *exempt person*). This prohibition is referred to in the Act as the *general prohibition*. *Guidance* for persons considering carrying on *regulated activities* in the *United Kingdom* can be found in *PERG*. The FSA website page "How do I get authorised?" (<http://www.fsa.gov.uk/doing/how>) ([web address tbc]) gives *guidance* on how to apply to the ~~FSA~~ FCA for a ~~Part IV~~ Part 4A *permission*. This *authorisation* is different to the authorisation of an *AUT* or an *ICVC*, as referred to in *COLLG 1A.1.4G* and *COLLG 1A.1.5G* respectively.

...

- (3) The ~~FSA~~ FCA maintains a public register of *persons* who have a *permission* to carry on a *regulated activity*. The register also contains details of all *regulated collective investment schemes* and it can be consulted on the ~~FSA's~~ FCA's website at [www.fsa.gov.uk/fsaregister](http://www.fsa.gov.uk/fsaregister) [web address tbc].

...

### 3A The FSA's FCA's responsibilities under the Act

3A.1.1 G Part ~~XVII~~ 17 of the *Act* deals specifically with *collective investment schemes*. The main features and practical effects of Part ~~XVII~~17, and how the *FSA* FCA exercises its responsibilities, are described below. References to sections are to the numbered sections of Part ~~XVII~~ 17.

...

3A.1.3 G (1) The *FSA* requires an application for authorisation of a *unit trust scheme* to be made jointly by the *manager* and *trustee*, both of which must be:

(a) *authorised persons* under the *Act* with the appropriate ~~Part IV~~ Part 4A *permissions*; and

...

(3) Application forms are available free of charge from the forms page at [http://fsahandbook.info/FSA/form\\_links.jsp](http://fsahandbook.info/FSA/form_links.jsp) [web address tbc].

...

#### 4A The *FSA*'s FCA's responsibilities under the OEIC Regulations

...

4A.1.2 G (1) The *FSA* requires an application for authorisation of an *ICVC* to be made jointly by the *ACD* and *depository*, both of which must be:

(a) *authorised persons* under the *Act* with the appropriate ~~Part IV~~ Part 4A *permissions*; and

...

(3) Application forms are available free of charge from the forms page at [http://fsahandbook.info/FSA/form\\_links.jsp](http://fsahandbook.info/FSA/form_links.jsp) [web address tbc].

...

#### The *FSA*'s FCA's registration function

...

5A.1.1 G (1) *COLL* is a specialist sourcebook that sits in Block 6 (Specialist Sourcebooks) of the *FSA Handbook* FCA Handbook. It provides the detailed framework within which *authorised funds* operate and includes

requirements relating to *recognised schemes*.

- (2) The material in *COLL* (excluding chapter 9) forms a major part of the product regulation regime for *ICVCs* and *AUTs*, supplementing the material in the *OEIC Regulations* (for *ICVCs*) and chapter III of ~~Part XVII~~ Part 17 of the *Act* (for *AUTs*) and giving effect to the relevant parts of the *UCITS Directive*. This is shown in the diagram at *COLLG* 5A.1.5 G.

...

...

5A.1.3 G ...

- (4) ...

However, an *authorised fund manager* of such a *scheme* can choose to produce an equivalent document to the *key investor information document*, which is referred to as a NURS-KII document, by applying for a modification by consent (see ~~[www.fsa.gov.uk/pages/doing/regulated/notify/waiver/consent/cobs\\_coll.html](http://www.fsa.gov.uk/pages/doing/regulated/notify/waiver/consent/cobs_coll.html)~~ [web address tbc]) ...

...

- (9) *COLL 9* (Recognised Schemes) applies to *collective investment schemes* established outside the *United Kingdom*. It brings together the material relating to the admission to *marketing* of such *schemes* in the *United Kingdom*, supplementing material in chapter V of ~~Part XVII~~ Part 17 of the *Act* (Recognised overseas schemes).

...

**Annex 38**

**Amendments to Financial Crime: a guide for firms (FC)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	FC Part 1G, 'About the Guide' Box;  FC Part 1, Paragraph 1.4G, 1.8G, 1.9G, 1.10G;  FC Part 1, Box 3.12G (footnote), Box 3.14G;  FC Part 1, Paragraph 4.4G, 4.5G;  FC Part 1, Paragraph 6.2G;  FC Part 1, Ch 7G ('Who should read' box);  FC Part 1, Box 7.4G;  FC Part 1, Annex 1G (financial institution);  FC Part 1, Annex 1G (e-money institutions);  FC Part 1, Annex 1G (Information From Lenders (IFL));  FC Part 1, Annex 1G (safe deposit boxes);  FC Part 2, Box 12.2G  FC Part 2, Box 14.8G
<i>FSA Handbook</i>	<i>Handbook</i>	FC Part 1, Paragraph 1.13G;  FC Part 1, Box 7.4G (footnote);  FC Part 1, Annex 1: introductory paragraph, 'EEA firms', 'mortgage brokers', 'general insurers and general insurance

		intermediaries’, ‘recognised investment exchanges and recognised clearing houses’, ‘SYSC’
<i>FSA Register</i>	<i>Financial Services Register</i>	FC Part 1, Annex 1: ‘recognised investment exchanges and recognised clearing houses’;  FC Part 2, Box 11.4G

Amend the following provisions as follows.

Part 1, Paragraph 1.1 G This Guide provides practical assistance and information for firms of all sizes and across all ~~FSA-supervised~~ FCA-supervised sectors on actions they can take to counter the risk that they might be used to further financial crime. Its contents are drawn primarily from FSA thematic reviews, with some additional material included to reflect other aspects of ~~our~~ its financial crime remit. The Guide does not cover market misconduct, detailed rules and guidance on which are contained in the Market Conduct (*MAR*) sourcebook.

Part 1, Box 1.1 G ...

Examples of good practice	Examples of poor practice
<ul style="list-style-type: none"> <li>• This box provides <b>illustrative</b> examples of <b>good practices</b>.</li> <li>• Good practice examples are drawn from <b>conduct we have seen</b> in firms during thematic work in relation to financial crime.</li> <li>• We would draw comfort from seeing <b>evidence</b> that these practices take place.</li> <li>• Note that <b>if these practices are lacking</b> it may not be a problem. The <del>FSA</del> <u>FCA</u> would consider whether a firm has taken other measures to meet its obligations.</li> </ul>	<ul style="list-style-type: none"> <li>• This box provides <b>illustrative</b> examples of <b>poor practices</b>.</li> <li>• Poor practice examples are also drawn from <b>conduct we have seen</b> during thematic work.</li> <li>• Some show a lack of commitment, others fall short of our expectations; some, as indicated in the text, may breach regulatory requirements or be <b>criminal offences</b>.</li> <li>• These <b>do not identify all cases</b> where conduct may give rise to regulatory breaches or criminal offences.</li> </ul>

Part 1, Box 1.1 G

Box 1.2: Case studies and other information

1.2

Most sections contain case studies outlining occasions when a person's conduct fell short of the ~~FSA's expectations~~ regulatory expectations, and enforcement action followed; or information on topics relevant to the section.

...

Part 1,  
Paragraph  
2.2

- G 2.2 Part 2 of the Guide contains the following additional guidance on governance:
- Box 6.1 (Governance), from ~~our thematic review~~ the FSA's thematic review *Data security in Financial Services*
  - Box 8.1 (Senior management responsibility) from ~~our thematic review~~ the FSA's thematic review *Financial services firms' approach to UK financial sanctions*
  - Box 9.1 (Governance and management information) from ~~our thematic review~~ the FSA's thematic review *Anti-bribery and corruption in commercial insurance broking*
  - Box 11.1 (Governance, culture and information sharing) from the FSA's thematic review *Mortgage fraud against lenders*

Part 1,  
Paragraph  
2.3

- G Part 2 contains the following additional guidance on risk assessment:
- Box 8.2 (Risk assessment) from ~~our thematic review~~ the FSA's thematic review *Financial services firms' approach to UK financial sanctions*
  - Box 9.2 (Risk assessment and responses to significant bribery and corruption events) from ~~our thematic review~~ the FSA's thematic review *Anti-bribery and corruption in commercial insurance broking*
  - Box 10.7 (Responsibilities and risk assessments) from ~~our thematic review~~ the FSA's thematic review *The Small Firms Financial Crime Review*
  - Box 12.2 (High risk customers and PEPs – Risk assessment) and Box 12.5 (Correspondent banking – Risk assessment of respondent banks) from ~~our thematic review~~ the FSA's thematic review *Banks' management of high money laundering risk situations*

Part 1,  
Paragraph  
2.4

- G Part 2 contains the following additional guidance on policies and procedures:
- Box 8.3 (Policies and procedures) from ~~our thematic review~~ the FSA's thematic review *Financial services firms' approach to UK financial sanctions*



- Box 10.1 (Regulatory/Legal obligations) from ~~our thematic review~~ the FSA's thematic review *The Small Firms Financial Crime Review*

- Box 12.1 (High risk customers and PEPs – AML policies and procedures) from ~~our thematic review~~ the FSA's thematic review *Banks' management of high money-laundering risk situations*

Part 1,  
Paragraph  
2.5

G Part 2 contains the following additional guidance on staff recruitment, vetting, training and awareness:

- Box 6.2 (Training and awareness) and Box 6.3 (Staff recruitment and vetting) from ~~our thematic review~~ the FSA's thematic review *Data security in Financial Services*

- Box 8.4 (Staff training and awareness) from ~~our thematic review~~ the FSA's thematic review *Financial services firms' approach to UK financial sanctions*

- Box 9.5 (Staff recruitment and vetting) and Box 9.6 (Training and awareness) from ~~our thematic review~~ the FSA's thematic review *Anti-bribery and corruption in commercial insurance broking*

- Box 10.6 (Training) from ~~our thematic review~~ the FSA's thematic review *The Small Firms Financial Crime Review*

- Box 11.6 (Staff recruitment and vetting) and Box 11.8 from ~~our thematic review~~ the FSA's thematic review *Mortgage fraud against lenders*

Part 1,  
Paragraph  
2.6

G Part 2 contains the following additional guidance on quality of oversight:

- Box 6.15 (Internal audit and compliance monitoring) from ~~our thematic review~~ the FSA's thematic review *Data security in Financial Services*

- Box 9.9 (The role of compliance and internal audit) from ~~our thematic review~~ the FSA's thematic review *Anti-bribery and corruption in commercial insurance broking*

- Box 11.5 (Compliance and internal audit) from ~~our thematic review~~ the FSA's thematic review *Mortgage fraud against lenders*

...

Part 1, Box  
3.12

G

Examples of good practice

- Although **not required by EU Regulation 1781/2006 on information on the payer accompanying transfers of funds (the Wire Transfer Regulation)**, we ~~have seen~~ the following are examples of good practices:

...

Part 1, Box  
3.13

G

Box 3.12: Customer payments

We The FSA fined Alpari (UK) Ltd, an online provider of foreign

exchange services, £140,000 in May 2010 for poor anti-money laundering controls.

...

- The firm failed to ensure that resources in its compliance and anti-money laundering areas kept pace with the firm's significant growth. Alpari's former money laundering reporting officer was also fined £14,000 for failing to fulfil his duties. See ~~our press release~~ the FSA's press release for more information:

[www.fsa.gov.uk/pages/Library/Communication/PR/2010/077.shtml](http://www.fsa.gov.uk/pages/Library/Communication/PR/2010/077.shtml)

...

Part 1, Box  
3.15 G

**Box 3.15: Case Study – poor AML controls: PEPs and high risk customers**

~~We~~ The FSA fined Coutts & Company £8.75 million in March 2012 for poor AML systems and controls. Coutts failed to take reasonable care to establish and maintain effective anti-money laundering systems and controls in relation to their high risk customers, including in relation to customers who are Politically Exposed Persons.

....

See ~~our~~ the FSA's press release for more information:

[www.fsa.gov.uk/library/communication/pr/2012/032.shtml](http://www.fsa.gov.uk/library/communication/pr/2012/032.shtml) [web address tbc]

Part 1, Box  
3.16 G

**Box 3.16: Poor AML controls: risk assessment**

~~We~~ The FSA fined Habib Bank £525,000, and its MLRO £17,500, in May 2012 for poor AML systems and controls.

Habib failed adequately to assess the level of money laundering risk associated with its business relationships. For example, the firm excluded higher risk jurisdictions from its list of high risk jurisdictions on the basis that it had group offices in them.

...

See ~~our~~ the FSA's press release for more information:

[www.fsa.gov.uk/library/communication/pr/2012/055.shtml](http://www.fsa.gov.uk/library/communication/pr/2012/055.shtml) [web address tbc]

...

Part 1, G Part 2 of the Guide contains the following additional AML guidance:

Paragraph  
3.4

- Chapter 4 summarises the findings of, and consolidates good and poor practice from, ~~our thematic review~~ the FSA's thematic review of Automated Anti-Money Laundering Transaction Monitoring Systems
- Chapter 5 summarises the findings of, and consolidates good and poor practice from, ~~our~~ the FSA's Review of firms' implementation of a risk-based approach to anti-money laundering (AML)
- Chapter 10 summarises the findings of the *Small Firms Financial Crime Review*. It contains guidance directed at small firms on:
  - o Regulatory/Legal obligations (Box 10.1)
  - o Account opening procedures (Box 10.2)
  - o Monitoring activity (Box 10.3)
  - o Suspicious activity reporting (Box 10.4)
  - o Records (Box 10.5)
  - o Responsibilities and risk assessments (Box 10.7)
- Chapter 12 summarises the findings of ~~our~~ the FSA's thematic review of Banks' management of high money laundering risk situations. It includes guidance on:
  - o High risk customers and PEPs – AML policies and procedures (Box 12.1)
  - o High risk customers and PEPs – Risk assessment (Box 12.2)
  - o High risk customers and PEPs – Customer take-on (Box 12.3)
  - o High risk customers and PEPs – Enhanced monitoring of high risk relationships (Box 12.4)
  - o Correspondent banking – Risk assessment of respondent banks (Box 12.5)
  - o Correspondent banking – Customer take-on (Box 12.6)
  - o Correspondent banking – Ongoing monitoring of respondent accounts (Box 12.7)
  - o Wire transfers – Paying banks (Box 12.8)
  - o Wire transfers – Intermediary banks (Box 12.9)
  - o Wire transfers – Beneficiary banks (Box 12.10)
  - o Wire transfers – Implementation of SWIFT MT202COV (Box 12.11)
- Part 2 also summarises the findings of the following thematic reviews:
  - o Chapter 3: *Review of private banks' anti-money laundering systems and controls*
  - o Chapter 7: *Review of financial crime controls in offshore centres*

Part 1,  
Paragraph  
3.5

To find out more on anti money laundering, see:

- The Money Laundering Regulations 2007:  
[www.legislation.gov.uk/ukxi/2007/2157/contents/made](http://www.legislation.gov.uk/ukxi/2007/2157/contents/made)
- SOCA's website, which contains information on how to report suspicions of money laundering:

www.soca.gov.uk

- The JMLSG's guidance on measures firms can take to meet their anti-money laundering obligations,

which is available from its website:

www.jmlsg.org.uk

- Our AML self-assessment fact sheet for financial advisers:

~~www.fsa.gov.uk/smallfirms/resources/factsheets/pdfs/aml\_tool.pdf~~ [web address tbc]

- ~~Our~~ The *FCA's* one-minute guide on AML for smaller firms:

~~www.fsa.gov.uk/smallfirms/resources/one\_minute\_guides/info\_gathering/anti\_money.shtml~~ [web address tbc]

Part 1,  
Paragraph  
4.2

- G The contents of the Guide's fraud chapter reflect ~~our~~ the FSA's previous thematic work in this area. This means it does not specifically address such topics as plastic card, cheque or insurance fraud. This is not because the ~~FSA~~ *FCA* regards fraud prevention as unimportant. Rather it reflects our view that our limited resources are better directed elsewhere, given the strong incentive firms should have to protect themselves from fraud; and the number of other bodies active in fraud prevention. Links to some of these other bodies are provided in paragraph 4.5.

Part 1, Box  
4.2:  
Mortgage  
fraud –  
lenders

Box 4.2: Mortgage fraud – lenders

This section applies to *mortgage lenders* within ~~our~~ the supervisory scope of the appropriate regulator. Self-assessment questions:

...

Examples of poor practice

- A *lender* fails to report relevant information to the ~~FSA's~~ *FCA's* Information from Lenders (IFL) scheme as per ~~FSA~~ *FCA's* guidance on IFL referrals.
- A lender lacks a clear definition of mortgage fraud, undermining data collection and trend analysis.
- A *lender's* panels of conveyancers, brokers and valuers are too large to be manageable.
- The *lender* does no work to identify dormant parties.
- A *lender* relies solely on the ~~FSA Register~~ *FCA Register* when vetting brokers.
- Underwriters' demanding work targets undermine efforts to contain mortgage fraud.

Part 1, Box 4.3	G	<p style="text-align: center;">Box 4.3: Mortgage fraud – intermediaries</p> <p>This section applies to mortgage intermediaries.</p> <p>...</p> <p>Examples of good practice</p> <ul style="list-style-type: none"><li>• Asking to see original documentation whether or not this is required by lenders.</li><li>• Using the <del>FSA's</del> <u>FCA's</u> Information from Brokers scheme to report intermediaries it suspects of involvement in mortgage fraud.</li></ul> <p>Examples of poor practice</p> <ul style="list-style-type: none"><li>• Failing to undertake due diligence on introducers.</li><li>• Accepting all applicant information at face value.</li><li>• Treating due diligence</li></ul>
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Part 1, Box 4.4	G	<p style="text-align: center;">Box 4.4: Enforcement action against mortgage brokers</p> <p>Since <del>we</del> <u>the FSA</u> began regulating mortgage brokers in October 2004, <del>we</del> <u>the FSA</u> have banned over 100 mortgage brokers.</p> <p>Breaches have included:</p> <ul style="list-style-type: none"><li>• deliberately submitting to lenders applications containing false or misleading information; and</li><li>• failing to have adequate systems and controls in place to deal with the risk of mortgage fraud.</li></ul> <p><del>We</del> <u>The FSA</u> have referred numerous cases to law enforcement, a number of which have resulted in criminal convictions.</p>
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Part 1, Paragraph 4.3	G	<p>Part 2 of the Guide contains the following additional material on fraud:</p> <p>...</p> <p>• Chapter 11 summarises the findings of <del>our thematic review</del> <u>the FSA's thematic review</u> <i>Mortgage fraud against lenders</i>. It contains guidance on:</p> <p>...</p> <p>Chapter 14 summarises the findings of <del>our</del> <u>the FSA's</u> thematic review Banks' defences against investment fraud. It contains guidance directed at deposit-takers with retail customers on:</p> <p>...</p> <p>Part 2, Chapter 2 summarises <del>our thematic review</del> <u>the FSA's thematic review</u> <i>Firms' high-level management of fraud risk</i>.</p>
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Part 1, To find out more about what ~~FSA~~ FCA is doing about fraud, see:

- Paragraph 4.4
- Details of the FSA’s FCA’s Information from Lenders scheme:  
[www.fsa.gov.uk/pages/doing/regulated/supervise/mortgage\\_fraud.shtml](http://www.fsa.gov.uk/pages/doing/regulated/supervise/mortgage_fraud.shtml)  
[web address tbc]
  - Details of the FSA’s FCA’s Information from Brokers scheme:  
[www.fsa.gov.uk/smallfirms/your\\_firm\\_type/mortgage/fraud/report.shtml](http://www.fsa.gov.uk/smallfirms/your_firm_type/mortgage/fraud/report.shtml)  
[web address tbc]
  - Our fact sheet for mortgage brokers on mortgage fraud:  
[www.fsa.gov.uk/smallfirms/resources/factsheets/pdfs/mortgage\\_fraud.pdf](http://www.fsa.gov.uk/smallfirms/resources/factsheets/pdfs/mortgage_fraud.pdf)  
[web address tbc]

...

<p>Part 1, Box 5.4</p>	<p>G</p>	<p>Box 5.4: Case study – protecting customers’ accounts from criminals</p> <p>In December 2007, <del>we</del> <u>the FSA</u> fined Norwich Union Life £1.26m for failings in its anti-fraud systems and controls.</p> <p>...</p> <p>For more, see <del>our</del> <u>the FSA’s</u> press release: <a href="http://www.fsa.gov.uk/pages/Library/Communication/PR/2007/130.shtml">www.fsa.gov.uk/pages/Library/Communication/PR/2007/130.shtml</a> [web address tbc]</p>
<p>Part 1, Box 5.5</p>	<p>G</p>	<p>Box 5.5: Case study – data security failings</p> <p>In August 2010, <del>we</del> <u>the FSA</u> fined Zurich Insurance plc, UK branch £2,275,000 following the loss of 46,000 policyholders’ personal details.</p> <p>...</p> <p><del>Our</del> <u>The FSA’s</u> press release has more details: <a href="http://www.fsa.gov.uk/pages/Library/Communication/PR/2010/134.shtml">www.fsa.gov.uk/pages/Library/Communication/PR/2010/134.shtml</a> [web address tbc]</p>

...

<p>Part 1, Paragraph 5.2</p>	<p>G</p>	<p>Part 2 of the Guide contains the following additional material on data security:</p> <ul style="list-style-type: none"> <li>• Chapter 6 summarises the findings of <del>our thematic review</del> <u>the FSA’s thematic review</u> of <i>Data security in Financial Services</i> and includes guidance on:</li> </ul> <p>...</p>
<p>Part 1, Paragraph</p>	<p>G</p>	<p>To find out more, see:</p> <ul style="list-style-type: none"> <li>• The website of the Information Commissioner’s Office:</li> </ul>

5.3	<p>www.ico.gov.uk</p> <ul style="list-style-type: none"> <li>• A one-minute guide for small firms on data security: <del>www.fsa.gov.uk/smallfirms/resources/one_minute_guides/info_gathering/data_security.shtml</del> [web address tbc]</li> </ul>
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Part 1, Box 6.5

G	<p style="text-align: center;">Box 6.5: Case study – corruption risk</p> <p>...</p> <p>See <del>our</del> <u>the FSA's</u> press release: <del>www.fsa.gov.uk/pages/Library/Communication/PR/2009/004.shtml</del> [web address tbc]</p>
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Part 1, Box 6.6

G	<p style="text-align: center;">Box 6.6: Case study – inadequate anti-bribery and corruption systems and controls</p> <p>In July 2011, <del>we</del> <u>the FSA</u> fined Willis Limited, an insurance intermediary, £6.9m for failing to take appropriate steps to ensure that payments made to overseas third parties were not used for corrupt purposes. Between January 2005 and December 2009, Willis Limited made payments totalling £27m to overseas third parties who helped win and retain business from overseas clients, particularly in high risk jurisdictions.</p> <p>...</p> <p>This fine was the largest yet levied by the FSA for failures related to financial crime. See <del>our</del> <u>the FSA's</u> press release: <del>www.fsa.gov.uk/pages/Library/Communication/PR/2011/066.shtml</del> [web address tbc].</p>
---	--

...

Part 1,  
Paragraph 6.4

Part 2 of the Guide contains the following additional material on bribery and corruption:

- Chapter 9 summarises the findings of ~~our thematic review~~ the FSA's thematic review *Anti-bribery and corruption in commercial insurance broking* and includes guidance on:

...

- Chapter 13 summarises the findings of ~~our~~ the FSA's thematic review on Anti-bribery and corruption systems and controls in investment banks and includes guidance on: [...]

Part 1, Box  
7.6

Box 7.6: Case study – deficient sanctions systems and controls

In August 2010, ~~we~~ the FSA fined Royal Bank of Scotland (RBS) £5.6m for deficiencies in its systems and controls to prevent breaches of UK financial sanctions.

...

For more information see ~~our~~ the FSA's press release:

~~www.fsa.gov.uk/pages/Library/Communication/PR/2010/130.shtml~~ [web address tbc]

...

Part 1,  
Paragraph  
7.4

- G Part 2 of the Guide contains the following additional material on sanctions and assets freezes:
- Chapter 8 summarises the findings of ~~our thematic review~~ the FSA's thematic review *Financial services firms' approach to UK financial sanctions* and includes guidance on:

...

Part 1,  
Annex 1

- G Annex 1:  
Common term [...]

Term	Meaning
...	...
Annex 1 financial institution	<p>The Money Laundering Regulations 2007 give the <del>FSA</del> <u>FCA</u> responsibility for supervising the anti-money laundering controls of 'Annex I financial institutions' (a reference to Annex I to the Banking Consolidation Directive, where they are listed). In practice, this includes businesses that offer finance leases, commercial lenders and providers of safe deposit boxes.</p> <p><del>Where a firm we authorise</del> <u>Where an authorised firm</u> offers such services, we are responsible for overseeing whether these activities are performed in a manner that complies with the requirements of the Money Laundering Regulations 2007. Authorised firms are not formally required to inform us that they perform these activities, although some may choose to do so for the sake of transparency.</p> <p>Where these businesses are not authorised, we are responsible for supervising their activities. For more information on this, see <del>our</del> <u>the FSA's</u> website:</p> <p><del>www.fsa.gov.uk/pages/About/What/financial_crime/</del></p>



	<p><del>money_laundering/3mld/registered/index.shtml</del></p> <p>[web address tbc]</p>
...	...
e-money institutions (EMIs)	<p>E-money institutions are a specific category of financial institutions authorised or registered to issue e-money under the Electronic Money Regulations 2011, rather than FSMA. The <del>FSA's</del> FCA's financial crime Handbook provisions do not apply to e-money institutions, but the <del>FSA</del> FCA supervises e-money institutions for compliance with their obligations under the Money Laundering Regulations 2007.</p> <p>...</p> <p>For more information, see our e-money approach document:  <a href="http://www.fsa.gov.uk/pubs/international/approach_emoney.pdf">www.fsa.gov.uk/pubs/international/approach_emoney.pdf</a> [web address tbc]</p>
...	...
export controls	<p>UK exporters must obtain a licence from the government before exporting certain types of goods, primarily those with military applications. Exporting these goods without a licence is prohibited by the Export Control Order 2008 [SI 2008/3231].</p> <p>If <del>a financial firm authorised by us</del> <u>an authorised financial firm</u> were to finance or insure these illegal exports, it would arguably have been used to further financial crime.</p>
...	...
Financial Services and Markets Act 2000 (FSMA)	<p>The Financial Services and Markets Act 2000 sets out the objectives, duties and powers of <del>Financial Services Authority</del> <u>the Financial Conduct Authority</u> and the <i>Prudential Regulation Authority</i>.</p>
<u>Financial Conduct Authority (FCA)</u>	<p><u>The Financial Conduct Authority has statutory objectives under FSMA that include protecting and enhancing the integrity of the UK financial system. The integrity of the UK financial system includes its not being used for a purpose connected with financial crime. We have supervisory responsibilities under the Money Laundering Regulations 2007 for authorised firms and businesses such as leasing companies and providers of safe deposit boxes. We also have functions under other legislation such as</u></p>

	<p><u>the Transfer of Funds (Information on the Payer) Regulations 2007, in relation to the EU Wire Transfer Regulation, and schedule 7 to the Counter-Terrorism Act 2008.</u></p>
Financial Services Authority (FSA)	<p><u>The Financial Services Authority was the previous financial services regulator. The Financial Services Authority has</u> It had statutory objectives under FSMA that <del>include</del> <u>included</u> the reduction of financial crime. <del>We have</del> <u>It had</u> supervisory responsibilities under the Money Laundering Regulations 2007 for authorised firms and businesses such as leasing companies and providers of safe deposit boxes. <del>We</del> <u>It also have had</u> functions under other legislation such as the Transfer of Funds (Information on the Payer) Regulations 2007, in relation to the EU Wire Transfer regulation, and schedule 7 to the Counter-Terrorism Act 2008.</p>
...	...
Information from Lenders (IFL)	<p>...</p> <p>Details are here:</p> <p><a href="http://www.fsa.gov.uk/pages/doing/regulated/supervise/mortgage_fraud.shtml">www.fsa.gov.uk/pages/doing/regulated/supervise/mortgage_fraud.shtml</a> [web address tbc]</p>
investment fraud	<p>...</p> <p>See:</p> <p><a href="http://www.fsa.gov.uk/consumerinformation/scamsandswindles/investment_scams">www.fsa.gov.uk/consumerinformation/scamsandswindles/investment_scams</a> [web address tbc]</p>
...	...
land banking scams	<p>...</p> <p>See:</p> <p><a href="http://www.fsa.gov.uk/consumerinformation/scamsandswindles/investment_scams/land_banking">www.fsa.gov.uk/consumerinformation/scamsandswindles/investment_scams/land_banking</a> [web address tbc]</p>
...	...
Money Laundering Reporting Officer (MLRO)	<p>The MLRO is responsible for ensuring that measures to combat money laundering within the firm are effective. The MLRO is also usually the ‘nominated officer’ under the Proceeds of Crime Act (POCA).</p> <p>The MLRO is a ‘controlled function’ under <del>the</del> <u>FSA’s the</u> Approved Persons Regime.</p>

...	...
money service business (MSB)	<p>An undertaking that by way of business operates a currency exchange office, transmits money (or any representations of monetary value) by any means or which cashes cheques which are made payable to customers. (See Regulation 2(1) of the Money Laundering Regulations 2007.)</p> <p>Firms that are <del>authorised by the FSA</del> <u>authorised under FSMA</u> must inform us if they provide MSB services.</p> <p>For more information about this, see:  <a href="http://www.fsa.gov.uk/pages/About/What/financial_crime/money_laundering/3mld/authorised/index.shtml">www.fsa.gov.uk/pages/About/What/financial_crime/money_laundering/3mld/authorised/index.shtml</a>  [web address tbc]</p> <p>HM Revenue and Customs supervises the AML controls of money service businesses that are not authorised under FSMA. More information about registration with HMRC can be found on its website: <a href="http://www.hmrc.gov.uk/mlr">www.hmrc.gov.uk/mlr</a></p>
...	...
payment institutions	<p>A ‘payment institution’ is a UK firm which is required under the Payment Services Regulations 2009 [SI 2009/209] to be authorised or registered in order to provide payment services in the UK. This term is not used to describe payment service providers that are already authorised by <del>us</del> <u>the FSA</u> because they carry out regulated activities (such as banks and e-money institutions) or that are exempt under the Payment Services Regulations (such as credit unions). For more information, see <del>our</del> <u>the FSA</u> publication <i>The FSA’s role under the Payment Services Regulations</i>.</p>
...	...
recognised investment exchanges, and recognised clearing houses	<p>To be recognised <del>by the FSA</del> <u>under FSMA</u>, exchanges and clearing houses must, among other things, adopt appropriate measures to:</p> <p>...</p>
...	

share sale fraud	... See: <a href="http://www.fsa.gov.uk/consumerinformation/scamsandswindles/investment_scams/boiler_room">www.fsa.gov.uk/consumerinformation/scamsandswindles/investment_scams/boiler_room</a> [web address tbc]
...	
trust or company service provision	... see: <a href="http://www.fsa.gov.uk/pages/About/What/financial_crime/money_laundering/3mld/authorised/index.shtml">www.fsa.gov.uk/pages/About/What/financial_crime/money_laundering/3mld/authorised/index.shtml</a> [web address tbc]

...

Part 2,  
Paragraph  
1.1

G Part 2 of *Financial crime: a guide for firms* contains summaries of, and links to, FSA-thematic reviews of various financial crime risks.

...

...

Part 2,  
Paragraph  
1.4

G Not all thematic reviews contain consolidated examples of good and poor practice. All reports do, however, discuss what ~~we~~ the FSA found about the practices in place at the firms ~~we~~ it visited. This information is not guidance, but firms interested in comparing themselves against their peers' systems and controls and policies and procedures in the areas covered by the reviews can find more information on this in the original reports.

Part 2,  
Paragraph  
2.1

G In February 2006 ~~we~~ the FSA reviewed a sample of 16 firms (predominantly larger financial services groups) to assess how firms' senior management were managing fraud risk.

...

Part 2,  
Paragraph  
2.5

G ~~Our~~ **The FSA's findings**  
You can read the findings of the *FSA's* thematic review here:  
[http://www.fsa.gov.uk/pubs/other/fraud\\_risk.pdf](http://www.fsa.gov.uk/pubs/other/fraud_risk.pdf) [web address tbc]

Part 2,  
Paragraph  
3.1

G In July 2007 ~~we~~ the FSA undertook a review of the anti-money laundering (AML) systems and controls at several ~~FSA~~ regulated private banks. The review was conducted in response to a report by ~~our~~ the FSA's Intelligence team, which had highlighted the high risk of money laundering within private banking.

...

Part 2,  
Paragraph  
3.1

G Overall ~~we~~ the FSA found that the private banks covered by ~~our~~ its review

Paragraph 3.4 acknowledged the relatively high risk of money laundering within their business activities and recognised the need to develop and implement strong AML systems and controls. The report also emphasised that private banks should obtain and keep up-to-date information on clients.

...

Part 2,  
Paragraph 3.6

G ~~Our findings~~ The FSA's Findings

You can read the findings of the FSA's thematic review here:

[http://www.fsa.gov.uk/pubs/other/money\\_laundering/systems.pdf](http://www.fsa.gov.uk/pubs/other/money_laundering/systems.pdf) [web address tbc]

...

Part 2,  
Paragraph 4.1

G ~~We~~ The FSA wrote a short report on automated Anti-Money Laundering Transaction Monitoring Systems in July 2007. This was in anticipation of the fact that transaction monitoring would become compulsory following the implementation of the Money Laundering Regulations 2007.

Part 2,  
Paragraph 4.2

G The report explains that ~~we~~ the FSA did not anticipate that there would be major changes in firms' practice, as the new framework expressed in law what firms were already doing. Instead, it is to be read as feedback on good practice to assist firms in complying with the Money Laundering Regulations 2007.

...

Part 2,  
Paragraph 4.5

G ~~Our findings~~ The FSA's Findings

You can read the findings of the FSA's thematic review here:

[http://www.fsa.gov.uk/pubs/other/money\\_laundering/systems.pdf](http://www.fsa.gov.uk/pubs/other/money_laundering/systems.pdf) [web address tbc]

...

Part 2,  
Paragraph 5.1

G In March 2008 ~~we~~ the FSA conducted a review of firms' implementation of a risk-based approach to anti-money laundering. This followed the move to a more principles-based regulatory strategy from August 2006, when we replaced the detailed rules contained in the Money Laundering sourcebook with high-level rules in the Senior Management Arrangements, Systems and Controls sourcebook (SYSC) of ~~our~~ the FSA Handbook.

Part 2,  
Paragraph 5.2

G ~~We~~ The FSA visited 43 firms in total and gathered additional information from approximately 90 small firms with a survey. The report explored in depth a number of key areas that required improvement, including a review of staff training and the need to ensure staff are aware that it is a constant requirement to ensure AML policies and procedures are up to date and effective.

Part 2,  
Paragraph  
5.3

G Due to the wide range of firms ~~we~~ the FSA visited, there were a number of different findings. There were many examples of good practice, particularly in the way the larger firms had fully embraced the risk-based approach to AML and senior management’s accountability for effective AML. ~~We~~ The FSA also recognised that smaller firms, which generally represent lower risk, had fewer resources to devote to money laundering risk assessment and mitigation.

...

Part 2,  
Paragraph  
5.5

G ~~Our findings~~ The FSA’s findings  
You can read the findings of the FSA’s thematic review here:  
[http://www.fsa.gov.uk/pubs/other/jmlsg\\_guidance.pdf](http://www.fsa.gov.uk/pubs/other/jmlsg_guidance.pdf) [web address tbc]

...

Part 2, Box  
5.1

G

<b>Box 5.1: Firms’ implementation of a risk-based approach to AML</b>	
<p>Examples of good practice:</p> <p>...</p> <ul style="list-style-type: none"> <li>• One large bank judged that staff AML training and awareness were suitable for the development of a risk-based approach. It saw a need to differentiate between AML requirements in various business units, so that training could be adapted to the needs of the job. So in Retail, training had been re-designed to produce a more balanced package. Accordingly, staff were required to undertake one training module per quarter, with the emphasis on a different area in each module and a test taken every quarter. The aim was to see what impact this constant ‘drip feed’ of training had on suspicious activity reporting. At the time of <del>our</del> the FSA’s visit, this bank was</li> </ul> <p>also in the throes of merging its anti-fraud and AML training. The overall objective was to make it more difficult for criminals to do</p>	<p>Examples of bad practice:</p> <p>...</p> <ul style="list-style-type: none"> <li>• <del>We</del> <u>The FSA’s</u> found some cases of medium-sized and smaller firms documenting their client take-on procedures but not regularly updating those procedures and not always following them. For example, one firm told us that CDD information on clients was refreshed every time clients applied for a new product or service. However, a file review showed no evidence that this had been done.</li> </ul> <p>...</p>

business with the bank undetected.	
...	

...

Part 2,  
Paragraph  
6.1

G In April 2008 ~~we~~ the FSA published the findings of ~~our~~ its thematic review on how financial services firms in the UK were addressing the risk that customer data may be lost or stolen and used to commit fraud or other financial crime. ~~We~~ The FSA visited 39 firms, including retail and wholesale banks, investment firms, insurance companies, financial advisers and credit unions. ~~We~~ The FSA also took into account ~~our~~ their experience of data loss incidents dealt with by our Financial Crime Operations Team: during 2007, the team dealt with 56 cases of lost or stolen data from financial services firms.

Part 2,  
Paragraph  
6.2

G ~~We~~ The FSA found a wide variation between good practices demonstrated by firms that were committed to ensuring data security and weakness in firms that were not taking adequate steps. Overall, ~~we~~ the FSA found that data security in financial services firms needed to be improved significantly.

Part 2,  
Paragraph  
6.3

G The report concluded that poor data security was a serious, widespread and high-impact risk, and that firms were often failing to consider the wider risks of identity fraud which could occur from cases of significant data loss and the impact of this on consumers. ~~We~~ The FSA found that firms lacked a clear understanding of these risks and were therefore failing properly to inform customers, resulting in a lack of transparency.

...

~~Our findings~~ ~ The FSA's findings

Part 2,  
Paragraph  
6.5

G 6.5 You can read the findings of the FSA's thematic review here: [http://www.fsa.gov.uk/pubs/other/data\\_security.pdf](http://www.fsa.gov.uk/pubs/other/data_security.pdf) [web address tbc]

...

Part 2, Box 6.10	G	Box 6.10: Controls – laptop	
		<p>Examples of good practice:</p> <ul style="list-style-type: none"> <li>• The encryption of laptops and other portable devices containing customer data.</li> <li>• Controls that mitigate the risk of</li> </ul>	<p>Examples of poor practice:</p> <ul style="list-style-type: none"> <li>• Unencrypted customer data on laptops.</li> <li>• A poor understanding of which employees have been issued or are</li> </ul>

<p>employees failing to follow policies and procedures. <del>We have</del> <u>The FSA</u> has dealt with several cases of lost or stolen laptops that arose from firms' staff not doing what they should.</p> <ul style="list-style-type: none"> <li>• Maintaining an accurate register of laptops issued to staff.</li> <li>• Regular audits of the contents of laptops to ensure that only staff who are authorised to hold customer data on their laptops are doing so and that this is for genuine business reasons.</li> <li>• The wiping of shared laptops' hard drives between uses.</li> </ul>	<p>using laptops to hold customer data.</p> <ul style="list-style-type: none"> <li>• Shared laptops used by staff without being signed out or wiped between uses.</li> </ul>
--	--

...

Part 2,  
Paragraph  
7.1

G In the second half of 2008 ~~we~~ the FSA reviewed how financial services firms in the UK were addressing financial crime risks in functions they had moved to offshore centres. The review followed on from ~~our~~ the FSA's report into data security in financial services (April 2008 – [http://www.fsa.gov.uk/pubs/other/data\\_security.pdf](http://www.fsa.gov.uk/pubs/other/data_security.pdf) (TBC)).

Part 2,  
Paragraph  
7.2

G The main financial crime risks ~~we~~ the FSA reviewed were: customer data being lost or stolen and used to facilitate fraud; money laundering; and fraud. The review found that, while there were good data security controls in place across the industry, continued effort was required to ensure controls did not break down and that they remained 'valid and risk-based'.

...

~~Our findings~~ The FSA's findings

Part 2,  
Paragraph  
7.5

G 7.5 You can read the findings of the FSA's thematic review here: [http://www.fsa.gov.uk/pages/About/What/financial\\_crime/library/reports/rview\\_offshore.shtml](http://www.fsa.gov.uk/pages/About/What/financial_crime/library/reports/rview_offshore.shtml) [web address tbc]

...

Part 2,  
Paragraph  
8.1

G In April 2009 ~~we~~ the FSA published the findings of ~~our~~ its thematic review of firms' approach to UK financial sanctions. ~~We~~ The FSA received 228 responses to an initial survey from a broad range of firms across the financial services industry, ranging from small firms to major financial groups, both retail and wholesale. Tailored surveys were sent to different types of firms to ensure that the questions were relevant to the nature and



scale of the business of each firm. ~~We~~ The FSA then selected a sub-sample of 25 firms to visit to substantiate the findings from the surveys.

Part 2,  
Paragraph  
8.2

G The review highlighted areas where there was significant scope across the industry for improvement in firms' systems and controls to comply with the UK financial sanctions regime. ~~We~~ The FSA found that, while some firms had robust systems in place that were appropriate to their business need, others, including some major firms, lacked integral infrastructure and struggled with inappropriate systems for their business. In small firms in particular, ~~we~~ the FSA found a widespread lack of awareness of the UK financial sanctions regime.

Part 2,  
Paragraph  
8.3

G The report examined a number of key areas of concern which included an in-depth look at whether senior management were aware of their responsibilities and, if so, were responding in an appropriate manner. ~~We~~ The FSA also identified issues over the implementation of policies and procedures, particularly those put in place to ensure that staff were adequately trained, were kept aware of changes in this area, and knew how to respond when sanctions were imposed. ~~We~~ The FSA also had concerns about firms' screening of clients, both initially and as an ongoing process.

...

~~Our findings~~ The FSA's findings

Part 2,  
Paragraph  
8.5

G 8.5 You can read the findings of the FSA's thematic review here: [http://www.fsa.gov.uk/pubs/other/Sanctions\\_final\\_report.pdf](http://www.fsa.gov.uk/pubs/other/Sanctions_final_report.pdf) [web address tbc]

Part 2, Box  
8.5

G Examples of poor practice:

...

- Relying on other ~~FSA~~ authorised firms and compliance consultants to screen clients against the Consolidated List without taking reasonable steps to ensure that they are doing so effectively.

...

Part 2,  
Paragraph  
9.1

G In May 2010 ~~we~~ the FSA published the findings of ~~our~~ its review into the way commercial insurance broker firms in the UK addressed the risks of becoming involved in corrupt practices such as bribery. ~~We~~ The FSA visited 17 broker firms. Although this report focused on commercial insurance brokers, the findings are relevant in other sectors.

...

Part 2,  
Paragraph  
9.4

G The report identified a number of common concerns including weak governance and a poor understanding of bribery and corruption risks among senior managers as well as very little or no specific training and weak vetting of staff. ~~We~~ The FSA found that there was a general failure to implement a risk-based approach to anti-bribery and corruption and very weak due diligence and monitoring of third-party relationships and payments.

...

~~Our findings~~ The FSA's findings

Part 2,  
Paragraph  
9.6

G 9.6 You can read the findings of the FSA's thematic review here: [http://www.fsa.gov.uk/pubs/anti\\_bribery.pdf](http://www.fsa.gov.uk/pubs/anti_bribery.pdf) [web address tbc]

...

Part 2,  
Paragraph  
10.1

G In May 2010 ~~we~~ the FSA published the findings of ~~our~~ its thematic review into the extent to which small firms across the financial services industry addressed financial crime risks in their business. The review conducted visits to 159 small retail and wholesale firms in a variety of financial sectors. It was the first systematic review of financial crime systems and controls in small firms conducted by the FSA.

...

Part 2,  
Paragraph  
10.3

G ~~We~~ The FSA found that firms generally demonstrated a reasonable awareness of their obligations, particularly regarding AML systems and controls. But ~~we~~ it found weaknesses across the sector regarding the implementation of systems and controls put in place to reduce firms' broader financial crime risk.

...

Part 2,  
Paragraph  
10.5

G ~~We~~ The FSA concluded that, despite an increased awareness of the risks posed by financial crime and information supplied by the FSA, small firms were generally weak in their assessment and mitigation of financial crime risks.

...

~~Our findings~~ The FSA's findings

Part 2,  
Paragraph  
10.7

G 10.7 You can read the findings of the FSA's thematic review here: [http://www.fsa.gov.uk/smallfirms/pdf/financial\\_crime\\_report.pdf](http://www.fsa.gov.uk/smallfirms/pdf/financial_crime_report.pdf) [web address tbc]

...

Part 2,  
Paragraph  
10.8

G In June 2011 ~~we~~ the FSA published the findings of ~~our~~ its thematic review

Paragraph 11.1 into how mortgage lenders in the UK were managing the risks mortgage fraud posed to their businesses. ~~Our~~ The FSA's project population of 20 banks and building societies was selected to be a representative sample of the mortgage lending market. The firms ~~we~~ the FSA visited accounted for 56% of the mortgage market in 2010.

Part 2, Paragraph 11.2 G ~~Our~~ The FSA's review found the industry had made progress coming to terms with the problem of containing mortgage fraud over recent years. Defences were stronger, and the value of cross-industry cooperation was better recognised. However, ~~we~~ the FSA found that many in the industry could do better; ~~we~~ the FSA were disappointed, for example, that more firms were not actively participating in ~~our~~ the FSA's Information From Lenders scheme and other industry-wide initiatives to tackle mortgage fraud. Other areas of concern ~~we~~ the FSA identified were to do with the adequacy of firms' resources for dealing with mortgage fraud, both in terms of the number and experience of staff; and ~~we~~ the FSA identified scope for significant improvement in the way lenders dealt with third parties such as brokers, valuers and conveyancers.

...

~~Our findings~~ The FSA's findings

Part 2, Paragraph 11.4 G 11.4 You can read the findings of the FSA's thematic review here:  
[http://www.fsa.gov.uk/pubs/other/mortgage\\_fraud.pdf](http://www.fsa.gov.uk/pubs/other/mortgage_fraud.pdf) [web address tbc]

Part 2, Box 11.1 G Examples of poor practice:  
A firm fails to engage with report relevant information to the ~~FSA's~~ Information From Lenders project scheme as per the ~~FSA's~~ guidance on IFL referrals.

...

...

Part 2, Paragraph 11.1 G In June 2011 ~~we~~ the FSA published the findings of ~~our~~ its thematic review of how banks operating in the UK were managing money-laundering risk in higher-risk situations. ~~We~~ The FSA focused in particular on correspondent banking relationships, wire transfer payments and high-risk customers including politically exposed persons (PEPs). ~~We~~ The FSA conducted 35 visits to 27 banking groups in the UK that had significant international activity exposing them to the AML risks on which ~~we~~ the FSA were focusing.

Part 2, Paragraph 12.2 G ~~Our~~ The FSA's review found no major weaknesses in banks' compliance with the legislation relating to wire transfers. On correspondent banking, there was a wide variance in standards with some banks carrying out good

quality AML work, while others, particularly among the smaller banks in ~~our~~ the *FSA's* sample, carried out either inadequate due diligence or none at all.

Part 2,  
Paragraph  
12.3

G However, ~~our~~ the *FSA's* main conclusion was that around three-quarters of banks in ~~our~~ its sample, including the majority of major banks, were not always managing high-risk customers and PEP relationships effectively and had to do more to ensure they were not used for money laundering purposes. ~~We~~ The *FSA* identified serious weaknesses in banks' systems and controls, as well as indications that some banks were willing to enter into very high-risk business relationships without adequate controls when there were potentially large profits to be made. This meant that ~~we~~ the *FSA* found it likely that some banks were handling the proceeds of corruption or other financial crime.

...

~~Our findings~~ The *FSA's* findings

Part 2,  
Paragraph  
12.5

G You can read the findings of the *FSA's* thematic review here:  
[http://www.fsa.gov.uk/pubs/other/aml\\_final\\_report.pdf](http://www.fsa.gov.uk/pubs/other/aml_final_report.pdf) [web address tbc]

Part 2,  
Paragraph  
12.6

G In addition to the examples of good and poor practice below, Section 6 of the report also included case studies illustrating relationships into which banks had entered which caused ~~us~~ the *FSA* particular concern. The case studies can be accessed via the link in the paragraph above.

Part 2,  
Paragraph  
13.1

G In March 2012, ~~we~~ the *FSA* published the findings of ~~our~~ its review of investment banks' anti-bribery and corruption systems and controls. ~~We~~ The *FSA* visited 15 investment banks and firms carrying on investment banking or similar activities in the UK to assess how they were managing bribery and corruption risk. Although this report focused on investment banking, its findings are relevant to other sectors.

Part 2,  
Paragraph  
13.2

G ~~We~~ The *FSA* found that although some investment banks had completed a great deal of work to implement effective anti-bribery and corruption controls in the months preceding ~~our~~ its visit, the majority of them had more work to do and some firms' systems and controls fell short of ~~our~~ its regulatory requirements. Weaknesses related in particular to: many firms' limited understanding of the applicable legal and regulatory regimes, incomplete or inadequate bribery and corruption risk assessments; lack of senior management oversight; and failure to monitor the effective implementation of, and compliance with, anti-bribery and corruption policies and procedures.

Part 2,  
Paragraph  
14.1

G ~~Our~~ The FSA's thematic review, Bank's defences against investment fraud, published in June 2012, set out the findings of ~~our~~ its visits to seven retail banks and one building society to assess the systems and controls in place to contain the risks posed by investment fraudsters.

...

~~Our~~ **The FSA's findings**

Part 2,  
Paragraph  
14.4

G ....

**Annex 39**

**Amendments to the Perimeter Guidance manual (PERG)**

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

<b>Column A (current wording)</b>	<b>Column B (new wording)</b>	<b>Column C (Handbook provisions to be amended)</b>
<i>FSA</i>	<i>FCA</i>	<p>PERG 1.2.4G, 1.3.1G, 1.4.2G (3<sup>rd</sup>, 4<sup>th</sup> 5<sup>th</sup>, 6<sup>th</sup> row), 1.5.1G, 1.5.1G(1), 1.5.2G, 1.5.3G, 1.5.4G;</p> <p>PERG 2.2.3G(1), 2.2.5G, 2.6.11BG, 2.7.6BG(1), (2) and (3), 2.7.6DG, 2.7.7BBG, 2.7.7BCG, 2.7.7BDG(1) and (2), 2.7.7BFG, 2.10.5G, 2.10.13G(1), 2.10.16G, 2.11.1G;</p> <p>PERG 3A.2 Q3, Q5 ((iv)5<sup>th</sup> bullet point), 3A.3 Q16, 3A.4 Q17 (5<sup>th</sup> bullet point), Q22, Q23;</p> <p>PERG 4.1.1G, 4.1.3G, 4.1.4G, 4.2.3G, 4.3.3G, 4.4.1G, 4.4.1AG(2), 4.4.7G, 4.5.2G(4), 4.5.4G, 4.5.6G, 4.5.7G, 4.5.8G, 4.5.11G(1) and (2), 4.5.13G, 4.5.15G to 4.5.17G, 4.6.2G, 4.6.9G, 4.6.13G, 4.6.16G, 4.6.22G, 4.6.23G, 4.6.25G, 4.6.25G(6), 4.8.6G, 4.8.6G(2) to (4), 4.8.7G, 4.9.1G, 4.10.3G, 4.10.4G, 4.11.1G, 4.11.6G, 4.11.8G, 4.11.13G, 4.11.14G, 4.11.15G, 4.11.17G, 4.11.19G, 4.11.20G, 4.11.22G, 4.14.2G, 4.14.2G(3), 4.15.2G to 4.15.4G, 4.17.2G, 4.17.3G;</p> <p>PERG 5.1.1G, 5.1.7G, 5.1.8G, 5.2.3G, 5.3.4G, 5.3.6G, 5.3.7G, 5.4.3G, 5.4.4G, 5.4.7G, 5.6.2G, 5.6.4G, 5.6.7G, 5.6.8G, 5.6.11G, 5.6.16G, 5.6.18G, 5.6.19G, 5.7.2G, 5.7.3G, 5.7.4G, 5.7.6G, 5.8.8G, 5.8.11G, 5.8.11G(2), 5.8.17G, 5.8.19G, 5.8.25G, 5.9.1G, 5.11.6G(3), 5.11.6G(4), 5.11.9G, 5.11.11G, 5.11.13G, 5.11.14G, 5.11.15G, 5.12.13G, 5.14.1G,</p>

		<p>5.15.4G (Assisting policyholder with making a claim);</p> <p>PERG 6.2.1G, 6.3.2G, 6.4.1G, 6.4.3G, 6.5.2G, 6.5.3G, 6.5.4G, 6.5.4G(2), 6.6.2G(3), 6.6.3G, 6.6.7G, 6.6.7G(1) and (3), 6.7.2G, 6.7.4G, 6.7.5G, 6.7.6G, 6.7.6G(3) and (4), 6.7.8G, 6.7.9G, 6.7.11G, 6.7.12G, 6.7.13G, 6.7.14G, 6.7.15G, 6.7.16G, 6.7.17G, 6.7.19G, 6.7.21G;</p> <p>PERG 7.1.2G(3) and (5), 7.1.3G, 7.2.2G, 7.3.4G, 7.3.5G, 7.3.6G, 7.3.9G, 7.4.3G(3), 7.4.4G, 7.4.9G, 7.4.11G, 7.5.3G, 7.5.4G, 7.6.1G, 7.6.2G(1), 7.6.3G, 7.6.4G, 7.6.6G, 7.6.7G, 7.6.8G, 7.6.9G, 7.6.11G, 7.6.12G, 7.7.1G, 7.7.3G, 7.7.4G, 7.7.5G;</p> <p>PERG 8.1.4G, 8.3.4G, 8.4.1G, 8.4.3G, 8.4.4G, 8.4.6G, 8.4.7G, 8.4.8G, 8.4.15G, 8.5.2G, 8.5.3G, 8.6.1G, 8.6.2G, 8.6.3G, 8.6.4G, 8.6.7G, 8.6.8G, 8.6.10G, 8.7.5G, 8.8.3G, 8.9.1G, 8.10.3G, 8.10.4G, 8.10.5G, 8.10.5G(2), 8.10.7G, 8.10.11G, 8.10.12G, 8.10.14G, 8.11.4G, 8.11.5G, 8.11.6G, 8.11.6G(1), 8.12.6G, 8.12.8G, 8.12.11G, 8.12.19G, 8.12.20G, 8.12.22G, 8.12.25G, 8.12.26G, 8.12.29G, 8.12.30G, 8.12.31, 8.12.34G, 8.12.36G, 8.14.4G, 8.14.4G(3), 8.14.5G, 8.14.6G, 8.14.7G, 8.14.9G, 8.14.10G, 8.14.12G, 8.14.13G, 8.14.16G, 8.14.18G, 8.14.20G, 8.14.26G, 8.14.27G, 8.14.28G, 8.14.37G, 8.14.40G, 8.14.41G, 8.14.42G, 8.15.3G, 8.15.7G, 8.15.7G(3), 8.17.5G, 8.17.13G, 8.17.14G, 8.17.15G, 8.17.16G, 8.20.2G(2), 8.20.4G, 8.21.1G, 8.21.3G, 8.21.11G, 8.21.14G, 8.21.15G, 8.21.19G, 8.21.21G, 8.22.2G, 8.26.3G, 8.28.1G, 8.28.4G, 8.32.2G, 8.32.4G, 8.32.5G, 8.32.6G, 8.32.9G, 8.33.5G, 8.34.2G;</p> <p>PERG 9.1.3G, 9.1.4G, 9.3.2G, 9.3.4G, 9.3.5G, 9.3.6G, 9.4.3G, 9.4.4G, 9.4.6G, 9.5.5G, 9.6.2G, 9.6.3G, 9.6.4G, 9.6.6G, 9.6.7G, 9.7.2G, 9.7.3G, 9.7.5G, 9.7.6G, 9.8.1G, 9.8.2G, 9.8.3G, 9.8.4G, 9.8.5G, 9.8.5G(2) and (3), 9.8.7G, 9.8.9G, 9.9.2G, 9.9.3G, 9.9.4G, 9.9.5G, 9.9.6G, 9.10.4G(1), 9.10.6G, 9.11.1G (answer);</p>
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		<p>PERG 10.2 Q3;</p> <p>PERG 11.2 Q3, Q4, Q10, Q16, Q17, Q18, Q19;</p> <p>PERG 12.2 Q2, 12.3 Q 23;</p> <p>PERG 13.2 Q1, Q3, Q4, 13.3 Q12,13.3 Q12A, Q16, 13.5 Q39, 13.5 Q49, 13.5 Q50, 13.5A Q53A, Q53B, Q53D, 13.6 Q54;</p> <p>PERG 14.2 Q2;</p> <p>PERG 15.1 (Scope), 15.1 (Exemptions and exclusions), 15.2 Q3, Q4, 15.4 Q28</p> <p>PERG 15.4 Q 29, Q30</p>
<i>FSA</i>	<i>PRA</i>	PERG 2.10.11G
<i>FSA Handbook</i>	<i>Handbook</i>	PERG 13.2 Q6, 13.5 Q53
<i>FSA Register</i>	<i>Financial Services Register</i>	<p>PERG 3A.4 Q21, Q23;</p> <p>PERG 5.13.5G, 5.13.6G(2)(c), 5.14.1G;</p> <p>PERG 12.3 Q23;</p> <p>PERG 13.2 Q11;</p> <p>PERG 15.1 (Scope); 15.4G Q28</p>
<a href="http://www.fsa.gov.uk/Pages/Doing/how/index.shtml">http://www.fsa.gov.uk/Pages/Doing/how/index.shtml</a>	[web address tbc]	<p>PERG 2.2.5G, 2.11.1G;</p> <p>PERG 4.2.3G;</p> <p>PERG 5.2.3G</p>
<a href="http://www.fsa.gov.uk/register/">http://www.fsa.gov.uk/register/</a>	[web address tbc]	<p>PERG 4.5.11G(2);</p> <p>PERG 8.17.13G</p>
<i>Part IV</i>	<i>Part 4A</i>	<p>PERG 1.1.1G, 1.4.2G (1<sup>st</sup> row);</p> <p>PERG 2.2.3G(9), 2.2.5G, 2.11.1G, 2.11.2G, 2 Annex 1G;</p> <p>PERG 3A.1 Q1 (3<sup>rd</sup> bullet point), 3A.2 Q5 (3<sup>rd</sup> bullet point), 3A.4 Q24;</p>



		<p>PERG 4.1.2G, 4.18.1;</p> <p>PERG 5.11.4G(3), 5.12.4G, 5.12.11G, 5.12.12G(3), 5.12.14G, 5.15.8G;</p> <p>PERG 13 Annex 2, 13 Annex 3 (flow chart 2);</p> <p>PERG 14.3 Q11, 14.4 Q30, 14.4A Q37F;</p> <p>PERG 15.2 Q1, 15.2 Q7, 15.4 Q24, Q29</p>
Perimeter Enquiries Team	[tbc]	<p>PERG 1.5.3G;</p> <p>PERG 7.6.1G; 7.7.5G</p>
Section 150	Section 138D	<p>PERG 1.3.1G;</p> <p>PERG 4.1.3G; 4.1.4G;</p> <p>PERG 7.1.3G;</p> <p>PERG 8.1.4G;</p> <p>PERG 9.1.3G</p>
Section 157	Section 139A	<p>PERG 1.3.1G;</p> <p>PERG 4.1.3G;</p> <p>PERG 5.1.7G;</p> <p>PERG 7.1.3G;</p> <p>PERG 8.1.4G;</p> <p>PERG 9.1.3G</p>

Amend the following provisions as follows.

1.1.1 G ...

- (2) a *person* who seeks to become an *authorised person* under the *Act* and who is, or is considering, applying ~~to the FSA~~ for *Part IV permission* to carry on *regulated activities* in the *United Kingdom*;

...

- 1.2.1 G (1) The Financial Services and Markets Act 2000 (the *Act*) is the *UK* legislation under which *bodies corporate, partnerships*, individuals and unincorporated associations are permitted by the *FSA FCA* or *PRA* to carry on various financial activities which are subject to regulation (referred to as *regulated activities*).

...

...

- 1.2.3 G *PERG* uses words and phrases that have specific meanings in the *Handbook* or in legislation; these may be different from, or more precise than, their usual dictionary meanings. Defined terms used in the text of the *Handbook* are shown in italics (see Chapter 7 of the Reader's Guide to the *Handbook* at <http://fsahandbook.info/FSA/pdf/rguide.pdf> [web address tbc]

...

## 1.5 What other guidance about the perimeter is available from the **FSA FCA**?

- 1.5.1 G General *guidance* on the perimeter is also contained in various *FSA* documents (mainly fact sheets and frequently asked questions) that are available on the *FSA* website at [www.fsa.gov.uk](http://www.fsa.gov.uk) [web address tbc]. These documents, and the URL on which they may be accessed, include:

- (1) *FSA FCA* Guidance Note GN9 (2010) on financial regulation for social housing providers which is available at <http://www.fsa.gov.uk/pubs/guidance/guidance9.pdf>; [web address tbc]

...

- (7) *guidance* about the position under the *Insurance Mediation Directive* and the *Regulated Activities Order* of the company appointed to manage a PPP or similar construction and operation project - [www.fsa.gov.uk/pubs/other/letter\\_pppforum.pdf](http://www.fsa.gov.uk/pubs/other/letter_pppforum.pdf) [web address tbc]

- (8) *guidance* about the position under the *Insurance Mediation Directive* and the *Regulated Activities Order* of property managing agents - [www.fsa.gov.uk/smallfirms/your\\_firm\\_type/gi/library/imd.shtml](http://www.fsa.gov.uk/smallfirms/your_firm_type/gi/library/imd.shtml) [web address tbc]; and

- (9) *guidance* for employers about how to provide advice and information to their employees on pension matters without contravening the *Act* - [www.fsa.gov.uk/pubs/other/guide4employers.pdf](http://www.fsa.gov.uk/pubs/other/guide4employers.pdf) [web address tbc].

...

- 1.5.3 G In addition, the ~~FSA~~ FCA has established a team to provide general assistance and guidance to persons generally about the scope of the *Act*. Enquiries of this kind may be made:
- (1) by authorised firms, to either the Firm Contact Centre (email ~~fee@fsa.gov.uk~~, fcc@fca.org.uk Tel 0845 606 9966) or their normal supervisory contact; or
  - (2) by individuals or non-authorised firms, to the Consumer Contact Centre (email ~~eee@fsa.gov.uk~~ ccc@fca.org.uk, Tel ~~0845 606 1234~~ 0800 111 6768 or the ~~Perimeter Enquiries Team~~ [tbc] (email ~~authorisationenquiries@fsa.gov.uk~~ authorisationenquiries@fca.org.uk, Tel ~~020 7066 0082~~).

...

- 2.2.3 G ...
- (10) If not, what is the scope of the ~~Part IV~~ Part 4A permission that I need to seek ~~from the FSA~~ (see *PERG 2 Annex 2G*)?

...

- 2.10.10 G But under section 316 of the *Act* (Direction by ~~the FSA~~ a regulator) the *general prohibition* does not apply to a *person* who is a member of the *Society of Lloyd's* unless the ~~FSA~~ FCA or PRA has made a direction that it should apply. The *general prohibition* is disapplied in relation to any *regulated activity* carried on by a member relating to *contracts of insurance* written at Lloyd's. Directions can be made by the ~~FSA~~ FCA or PRA in relation to individual *members* or the *members* of the *Society of Lloyd's* taken together. Alternatively, instead of being required to obtain *authorisation*, a member of the *Society of Lloyd's* may, as a result of a direction under section 316 of the *Act*, become subject to specific provisions of the *Act* even though he is not an *authorised person*.

...

- 2.11.1 G ~~Any person who concludes or is advised that he will need to make an application for Part IV permission should look at PERG 2 Annex 2G to determine the categories of specified investment and regulated activities that are relevant to the next step and should then refer to the FSA website "How do I get authorised":~~  
~~<http://www.fsa.gov.uk/Pages/Doing/how/index.shtml> for details of the application process [deleted]~~

...

2 G **Authorisation and regulated activities**

Annex  
1

Do you need authorisation?

....

Contact the *Home State regulator*, and the *FSA appropriate UK regulator*, to obtain *authorisation* under Schedule 3, 4, or 5 of the *Act* (see *PERG 5*).

Apply for *Part IV permission* ~~from the FSA~~ under *Part IV* of the *Act*.

3A.3

... ..

**Q16 What sort of factors will the ~~FSA~~ FCA take into account in deciding whether a particular scheme might be electronic money?**

...

...

4.11.6 G ...

~~if~~ of the borrower (and each of them, if more than one) is an individual and is normally resident overseas. In the case of arranging a variation of, or administration of, an existing *regulated mortgage contract*, each borrower must be an individual who was normally resident overseas when he entered into the contract. In the ~~FSA's~~ FCA's view, normal residence for the purposes of this exclusion envisages physical presence with a degree of continuity, making allowance for occasional temporary absences (e.g. holiday) ...

...

4.16.2 G The government's intention behind the regulatory regime for mortgages was "to ensure that, at any one time, it would be possible for each mortgage to be linked to one and only one ~~FSA~~ ... authorised firm (with

mortgage permission) to have the ongoing regulatory responsibility towards consumers" (HM Treasury, Regulating Mortgages, February 2002, paragraph 47). In other words, it should be possible to arrange a *securitisation* transaction so that the SPV and other third parties do not carry on *regulated activities*, so long as an *authorised person* (with appropriate *permission*) is involved.

...

#### 4.18.1 Regulated activities related to mortgages: flowchart

##### Do you need authorisation ?

...

Contact the *Home State regulator* and the ~~FSA~~ appropriate UK regulator to obtain *authorisation* under schedule 3 of the *Act* (see *PERG 5*).

Apply for *Part IV permission* ~~from the FSA~~ under Part IV of the *Act*.

...

- 5.1.6 G The purpose of this *guidance* is to help *persons* consider whether they need *authorisation* or a variation of their ~~Part IV~~ Part 4A *permission*. Businesses new to regulation who act only as introducers of *insurance business* are directed in particular to *PERG 5.6.2G* (article 25(1): arranging (bringing about) deals in investments) to *PERG 5.6.9G* (Exclusion: Article 72C (Provision of information on an incidental basis)) and *PERG 5.15.6G* (Flow chart: Introducers) to help consider whether they require *authorisation*. This *guidance* also explains the availability to *persons* carrying on insurance mediation activities of certain exemptions from ~~FSA~~ regulation, including the possibility of becoming an *appointed representative* (see *PERG 5.13.1G* to *PERG 5.13.6G* (Appointed representatives)).

...

- 5.15.2 G Flow chart: regulated activities related to insurance mediation activities - do you need authorisation?

...

Contact the *Home State regulator* who will then contact the ~~FSA~~ appropriate UK regulator, with a view to your *authorisation* under Schedule 3 of the *Act*.  
(see *PERG* 5).

Apply for ~~Part IV~~ Part 4A *permission* ~~from the FSA~~ under Part ~~IV~~ 4A of the *Act*.

...

5.15.8 G Flow chart: am I carrying on regulated activities in the United Kingdom?

.....

~~FSA~~  
*Authorisation*  
not required

.....

~~FSA~~ *Authorisation* required

6.3.1 G The business of *effecting* or *carrying out contracts of insurance* is subject to prior *authorisation* and regulation by the ~~FSA~~ FCA and PRA. (There are some limited exceptions to this requirement, for example, for breakdown insurance.)

...

7.6.1 G A *person* considering applying for a certificate should, before sending in any application, contact the Perimeter Enquiries Team of the ~~FSA~~ FCA (email: [authorisationenquiries@fca.org.uk](mailto:authorisationenquiries@fca.org.uk), ~~authorisationenquiries@fca.org.uk~~, Tel ~~020 7066 0082~~ [tbc]) to discuss whether a certificate may be appropriate.

...

...

7.7.5 G For further information contact the Perimeter Enquiries Team of the *FSA* (email: [authorisationenquiries@fca.gov.uk](mailto:authorisationenquiries@fca.gov.uk), [authorisationenquiries@fca.org.uk](mailto:authorisationenquiries@fca.org.uk) Tel 020 7066 0082 [tbc]).

...

10.2 Q2. I propose to provide services to a pension scheme - in what circumstances will I need to be authorised ~~by the FSA~~ under the Act or be an exempt person?

...

...

11.2

Q3. Does the ~~FSA~~ FCA regulate property investment clubs?

...

Q16. Does the ~~FSA~~ FCA regulate the mortgages that are used to finance property investment clubs?

Q17. What are the consequences of a property investment club being regulated by the ~~FSA~~ FCA?

...

Q19 Does the ~~FSA~~ FCA or Treasury intend to regulate all property investment clubs?

12.3

...

Q23. I am an exempt professional firm. Will I be able to advise on, and arrange deals in, rights under personal pension schemes without needing ~~FSA~~ FCA authorisation?

...

13.1 The purpose of this chapter is to help UK firms consider:

...

- if so, which category of investment firm they are for the purposes of the ~~FSA~~ transposition of the recast CAD.

...

14.2 ...

**Q3. I propose to carry on activities in relation to home finance arrangements of the kind mentioned in Q2. In what circumstances will I need to be ~~authorised by the FSA~~ authorised under FSMA or be an exempt person?**

...

14.4A ...

**Q 37U I am a receiver appointed under the Law of Property Act 1925. Will my activities need to be regulated by the ~~FSA~~ FCA?**

...

14.7 ...

**Q42. I am an exempt professional firm. Will I be able to carry on any of the regulated activities relating to home reversion plans, home purchase plans and regulated sale and rent back agreements without needing ~~FSA~~ FCA authorisation?**

This depends on the activity in question. Subject to your being able to satisfy the general requirements of Part XX of the Financial Services and Markets Act 2000 you will be able:

...

15.4 ...

**Q28 We only wish to be an agent of a payment institution. Do we need to apply to the ~~FSA~~ FCA and/or PRA for registration?**

...

**Q29 We are an agent of a credit institution for the purpose of providing payment services. Do we need to apply to the ~~FSA~~ FCA and/or PRA for registration?**

...

**Q30 We are an agent of an electronic money institution for the purpose of providing payment services. Do we need to apply to the ~~FSA~~ FCA for**



**registration under the PSD regulations?**

...

## Annex 40

### Amendments to the Responsibilities of Providers and Distributors for the Fair Treatment of Customers sourcebook (RPPD)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
FSA Handbook	FCA Handbook	RPPD 1.4, 1.11

Amend the following provisions as follows.

- 1.3 This Guide is guidance issued under section ~~157~~ 139A of the Financial Services and Markets Act 2000 ("the Act"). As such, it is not binding on those to whom the Act and rules apply and need not be followed in order to achieve compliance with rules or other requirements. There is no presumption that departing from this Guide indicates a breach of a rule. However, the Guide may be relevant in an enforcement context, for example to explain the regulatory context. If a person acts in accordance with the Guide in the circumstances contemplated by the Guide, then the ~~FSA~~ FCA will not take action against that person in relation to the aspects of the rules to which the Guide relates. The Guide will also be a useful tool for supervisors, particularly when they deal with TCF issues at firms. Supervisors may use the Guide in their discussions with firms. The issues it covers will continue to be dealt with in our supervision work as they are now, for example in the risk assessment framework we use for supervising firms (ARROW) or in pieces of focused thematic work

...

- 1.25 **In the area of post-sale responsibility, Principles 3 and 6 are particularly relevant.** In particular, a firm:

...

#### Notes :

(1) The Guide represents our view based on the law, regulation and other circumstances that exist as at the publication date, but also takes into account changes to the Handbook including those to implement the Markets in

Financial Instruments Directive (MiFID) ~~that have already been made or consulted on and are due to come into force on 1 November 2007.~~ (*Paragraph 1.1*)

...

(13) See, for example, SYSC 3.2.11 -12. See also TCF cluster report on TCF considerations for Management Information:

[http://www.fsa.gov.uk/pages/Doing/Regulated/tef/pdf/management\\_info.pdf](http://www.fsa.gov.uk/pages/Doing/Regulated/tef/pdf/management_info.pdf)  
[web address tbc] (*Paragraph 1.20(2)*)

## Annex 41

### Amendments to the Unfair Contract Terms Regulatory Guide (UNFCOG)

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

In the table below, the wording in Column A is changed to the new wording in Column B in the provisions of the FCA and/or PRA Handbook as specified in Column C.

Column A (current wording)	Column B (new wording)	Column C (Handbook provisions to be amended)
<i>FSA</i>	<i>FCA</i>	UNFCOG 1.1.1G, 1.1.2G, 1.2.1G, 1.2.3G, 1.2.4G, 1.3.4G, 1.3.5G, 1.4.1G, 1.4.2G, 1.4.5G, 1.5.1G, 1.6.1G  UNFCOG 2 (Heading)
<i>regulatory objectives</i>	<i>statutory objectives</i>	UNFCOG 1.2.3G

Amend the following provisions as follows.

#### 1.4 The Unfair Terms Regulations: the ~~FSA's~~ FCA's role and policy

...

##### 1.4.4 G ...

Interaction with the ~~FSA's~~ FCA's powers under the Act

...

- 2.1.1 G In the Unfair Contract Terms Library (<http://www.fsa.gov.uk/Pages/Doing/Regulated/uct/library/index.shtml>) [web address tbc] you will find Notices of Undertakings, Statements, Speeches and other publications where we have set our views on the likely application of the Regulations in relation to certain types of clause in standard form *consumer* contracts ...