

Handbook Notice No 123

October 2024

Contents

1	<u>Overview</u>	2
2	<u>Summary of changes</u>	4
3	<u>Consultation feedback</u>	6
4	<u>Additional information</u>	8

1 Overview

Legislative changes

- 1.1 On 29 October 2024, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook as set out in the instrument listed below.

CP	Title of instrument	Instrument No	Changes effective
CP6/24	Technical Standards (Bilateral Margining) (Amendment) Instrument 2024	FCA 2024/36	01/11/2024

- 1.2 On 31 October 2024, the Board of the Financial Conduct Authority (FCA) made the relevant changes to the Handbook as set out in the instruments listed below.

CP	Title of instrument	Instrument No	Changes effective
CP24/11	Technical Standards (Credit Rating Agencies Regulation) (Amendment) Instrument 2024	FCA 2024/43	01/11/2024
N/A	Handbook Administration (No 71) Instrument 2024	FCA 2024/44	01/11/2024

Summary of changes

- 1.3 The legislative changes referred to above are listed and briefly described in Chapter 2 of this notice.

Feedback on responses to consultations

- 1.4 Consultation feedback is published in Chapter 3 of this notice or in separate policy statements.

FCA Board dates for 2024/2025

- 1.5 The table below lists forthcoming FCA Board meetings. These dates are subject to change without prior notice.

FCA board meetings		
November	28	2024
December	19	2024
January	30	2025
February	27	2025
March	27	2025
May	1	2025
May	22	2025
June	26	2025
July	31	2025
October	2	2025
October	30	2025
November	27	2025
December	18	2025

2 Summary of changes

- 2.1 This Handbook Notice describes the changes to the FCA Handbook and other material made by the FCA Board under their legislative and other statutory powers on 29 October 2024 and 31 October 2024. Where relevant, it also refers to the development stages of that material, enabling readers to look back at developmental documents if they wish. For information on changes made by the Prudential Regulation Authority (PRA) please see www.bankofengland.co.uk/news/publications.

Technical Standards (Bilateral Margining) (Amendment) Instrument 2024

- 2.2 Following consultation in PRA [CP6/24](#), the FCA Board has made changes to the technical standard listed below:

Commission Delegated Regulation (EU) 2016/2251 - Article 30a

- 2.3 In summary, this instrument makes consequential amendments to BTS 2016/2251 to reflect the expected changes to Article 4 and 11 of UK EMIR made in the Securitisation (Amendment) Regulations 2024.
- 2.4 This instrument came into force on 1 November 2024. Feedback is published in a separate [policy statement](#).

Technical Standards (Credit Rating Agencies Regulation) (Amendment) Instrument 2024

- 2.5 Following consultation in [CP24/11](#), the FCA Board has made changes to the technical standard listed below:

Commission Delegated Regulation (EU) 2015/2 (BTS 2015/2) - Article 5

- 2.6 In summary, this instrument makes a consequential amendment to the UK on-shored version of BTS 2015/2, the regulatory technical standards for the presentation of the information that credit rating agencies make available to the FCA.
- 2.7 Specifically, the amendment will update the cross-reference to the definition of 'securitisation' to reflect the definition in the Securitisation Regulations 2024. Since the definition of securitisation is equivalent, the amendment will not result in a change for firms in practice.

2.8 This instrument came into force on 1 November 2024. Feedback is published in Chapter 3 of this notice.

Handbook Administration (No 71) Instrument 2024

2.9 The FCA Board has made minor changes to the Supervision manual (SUP) and the Dispute Resolution: Complaints (DISP) sourcebook in the FCA Handbook, as listed below.

2.10 These changes were not consulted on separately because they are minor amendments which correct or clarify existing provisions that have previously been consulted on. None of these changes represent any change in FCA policy or practice.

2.11 In summary, the amendments this month:

- correct an error in SUP 16 Annex 48AR; and
- correct DISP App 4.4.2R to provide clarity.

2.12 This instrument came into force on 1 November 2024.

3 Consultation feedback

- 3.1 This chapter provides feedback on consultations that will not have a separate policy statement published by the FCA.

CP 24/11: Technical Standards (Credit Rating Agencies Regulation) (Amendment) Instrument 2024

Background

- 3.2 The UK on-shored version of Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, also referred to as the UK Credit Rating Agencies Regulation (UK CRAR), applies to credit ratings within its scope.
- 3.3 The UK CRAR is supplemented by several on-shored Binding Technical Standards (BTS), including Commission Delegated Regulation (EU) 2015/2 of 30 September 2014 supplementing Regulation (EC) No 1060/2009 of the European Parliament and of the Council with regard to regulatory technical standards for the presentation of the information that credit rating agencies make available to the European Securities and Markets Authority ([BTS 2015/2](#)). [BTS 2015/2](#) sets out requirements on the content and presentation of information that credit rating agencies make available to the FCA on credit ratings, including structured finance ratings.
- 3.4 The Financial Services and Markets Act 2023 provides the legal basis for the repeal of assimilated law and its replacement with regulators' rules. As part of this, the on-shored version of Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (on-shored Securitisation Regulations 2017/2402) have been replaced by the Securitisation Regulations 2024, and FCA and PRA rules.

Summary of proposals

- 3.5 The Securitisation Regulations 2024 contain an equivalent definition of 'securitisation' to the on-shored Securitisation Regulations 2017/2402. In [CP24/11](#), we consulted on a consequential amendment to the definition of 'structured finance ratings' in [BTS 2015/2](#) by updating the cross-reference to the definition of 'securitisation' to reflect the definition in the Securitisation Regulations 2024. Since the effective definition of 'securitisation' is equivalent, the existing definition of 'structured finance ratings' will be the same in practice as a result of the proposed change.

How this links to our objectives

- 3.6 We are satisfied that the proposed amendment is compatible with our objectives and regulatory principles. This amendment will ensure that the UK CRAR refers to the new Securitisation Regulations. We are satisfied, therefore, that the proposed amendment advances our operational objective to protect and enhance the integrity of the UK financial system.
- 3.7 We are satisfied that any burdens or restrictions are proportionate to the expected benefits. We are also satisfied that the proposed amendment is compatible with the FCA's secondary international competitiveness and growth objective.

Feedback

- 3.8 We received no feedback on our proposed amendment.

Our response

- 3.9 As we received no feedback on our proposed amendment, we will proceed with the amendment as consulted on.

Cost benefit analysis

- 3.10 Section 138I(2)(a) of the Financial Services and Markets Act 2000 (FSMA) requires us to publish a cost benefit analysis (CBA) when proposing draft rules unless, in accordance with section 138L(3) of FSMA, we believe that there will be no increase in costs or that the increase will be of minimal significance. In [CP24/11](#), we explained our view that no CBA was required for our proposals because the amendments would not lead to an increase in costs or the increase would be of minimal significance. We received no feedback on our proposed amendment (including in relation to the CBA) and so our position remains unchanged.

Equality and diversity statement

- 3.11 We continue to believe that the amendment will not have a negative impact on any of the groups with protected characteristics under the Equality Act 2010 and no concerns were raised during consultation.

Environmental, social and governance considerations

- 3.12 We have considered the environmental, social and governance implications of our proposals and our duty under sections 1B(5) and 3B(c) of FSMA to have regard to contributing towards the Secretary of State achieving compliance with the net zero emissions target under section 1 of the Climate Change Act 2008. Overall, we do not consider that the amendment is relevant to contributing to those targets.

Rule Review Framework

- 3.13 We have taken into account our duties under the Rule Review Framework and consider that this amendment does not require ongoing monitoring.

4 Additional information

Making corrections

- 4.1 The FCA reserves the right to make correctional or clarificatory amendments to the instruments made at the Board meeting without further consultation should this prove necessary or desirable.

Publication of Handbook material

- 4.2 This notice is published on the FCA website and is available in hardcopy.
- 4.3 The formal legal instruments (which contain details of the changes) can be found on the FCA's website listed by date, reference number or module at www.handbook.fca.org.uk/instrument. The definitive version of the Handbook at any time is the version contained in the legal instruments.
- 4.4 The changes to the Handbook are incorporated in the consolidated Handbook text on the website as soon as practicable after the legal instruments are published.
- 4.5 The consolidated text of the Handbook can be found on the FCA's website at www.handbook.fca.org.uk/. A print version of the Handbook is available from The Stationery Office's shop at www.tsoshop.co.uk/Financial-Conduct-Authority-FCA/.
- 4.6 Copies of the FCA's consultation papers referred to in this notice are available on the FCA's website.

Obligation to publish feedback

- 4.7 This notice fulfils for the relevant text made by the Board the obligations in sections 138I(4) and (5) and similar sections of the Financial Services and Markets Act 2000 ('the Act'). These obligations are: to publish an account of representations received in response to consultation and the FCA's response to them; and to publish (where applicable) details of any significant differences between the provisions consulted on and the provisions made by the Board, with a cost benefit

analysis and a statement under section 138K(4) of the Act if a proposed altered rule applies to authorised persons which include mutual societies.

Comments

- 4.8 We always welcome feedback on the way we present information in the Handbook Notice. If you have any suggestions, they should be sent to handbook.feedback@fca.org.uk (or see contact details at the end of this notice).

Handbook Notice 123

This Handbook Notice describes the changes to the Handbook and other material made by the FCA Board under their legislative and other statutory powers on 29 October 2024 and 31 October 2024.

It also may contain information about other publications relating to the Handbook and, if appropriate, lists minor corrections made to previous instruments made by the Board.

Contact names for the individual modules are listed in the relevant consultation papers and policy statements referred to in this notice.

General comments and queries on the Handbook can be addressed to:

Lisa Oceró
Tel: 02070660198
Email: Lisa.Ocero@fca.org.uk

However, queries on specific requirements in the Handbook should be addressed first to your normal supervisory contact in the FCA. For most firms this will be the FCA's Contact Centre:

Tel: 0300 500 0597
Fax: 0207 066 0991
Email: firm.queries@fca.org.uk
Post: Contact Centre
Financial Conduct Authority
12 Endeavour Square
London E20 1JN

All our publications are available to download from www.fca.org.uk. If you would like to receive this paper in an alternative format, please call 020 7066 0790 or email publications_graphics@fca.org.uk or write to Editorial and Digital Department, Financial Conduct Authority, 12 Endeavour Square, London E20 1JN.