

Handbook development



No 103 ♦ September 2008

What's in this newsletter?

This newsletter contains:

- ◆ information about recent Handbook-related and other developments;
- ◆ information about recently issued Handbook-related and other publications;
- ◆ an updated timetable for forthcoming publications;
- ◆ Consumer publications; and
- ◆ a link to our Events web page which provides information about forthcoming conferences and training events.

This has been revised to correct an oversight in the **Recent Handbook-related and other publications** section; removing the second publications note - this had been included previously. All other content remains the same.

Recent Handbook-related and other developments

There have been no Handbook-related or other developments this month.

Recent Handbook-related and other publications

Are you missing anything?

The following publications have been issued since the last edition of this Newsletter. They are also on our website <http://www.fsa.gov.uk/Pages/Library/Policy/index.shtm>

CP/PS/DP	Title	Consultation ends/Comments by
CP08/14	Implementation of the Payment Services Directive - changes to the FSA Handbook	28/11/2008

Implementation of the Payment Services Directive - changes to the FSA Handbook - CP08/14

The government has decided that we will be the competent authority required under the Payment Services Directive (PSD) to authorise and register payment institutions, and enforce compliance by payment service providers, with the applicable conduct of business requirements. We will need to make some changes to our Handbook and the Enforcement Guide (EG) to reflect our new powers and to implement the out-of-court redress regime. In the paper we are seeking views on these changes.

This paper will be of interest to:

- any businesses providing payment services
- any business currently subject to the Financial Ombudsman Service (FOS)

The paper will be of interest to consumers and consumer groups as the provisions of the PSD affect a range of transactions that many consumers undertake, such as withdrawals from current accounts. The FOS proposals will be of particular interest, as they set out how it will act as a dispute resolution service between consumers and payment service providers.

The PSD is a new European Union directive that requires member states to regulate the provision of payment services. The Treasury will implement most of the necessary legislation to bring the directive into force in the UK. We will be the competent authority for most aspects of the new regulatory regime, responsible for the authorisation and registration requirements, as well as overseeing the conduct of business regime.

The PSD must be implemented by all member states by 1 November 2009. It is mainly a 'maximum harmonising' directive, which means that states are not allowed to implement stricter requirements than those set out in the directive. There is some discretion for Member States to choose options on particular issues: the Treasury consulted on these options in December 2007 and fed back in June 2008.

In the paper we seek views on the small number of changes to the FSA Handbook that are necessary to enable us to discharge our new responsibilities. We set out the following proposals:

- changes to the 'Dispute Resolution: Complaints' sourcebook of the Handbook so that our complaints handling rules apply to payment services providers;
- changes to the jurisdiction of the FOS so that it can perform the out-of-court redress function as required by the PSD;
- changes to the Decision Procedure and Penalties Manual and the EG to explain our approach to enforcement of the PSD's implementing legislation; and
- use of the FSA logo by payment institutions and some consequential changes to the Handbook.

The consultation will close on 28 November 2008. We will publish feedback on responses in a PS in early 2009, together with the final Handbook text.

The new Handbook and EG material will take effect on 1 November 2009.

Forthcoming publications

This list is subject to regular updating. Whilst we make every effort to ensure it is accurate, the entries and dates on it do not represent firm commitments by the FSA. From time to time, individual items contained within the Quarterly CPs may have a shorter or longer consultation period than the consultation period stated in this newsletter.

High level standards

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
Regulatory fees and levies policy 2009/2010 – CP (2 star)	All Industry/fee payers	FEES	October 2008	3 months	March 2009
Regulatory fee rates and levies 09/10 - CP (2 star)	All Industry/fee payers	FEES	Feb 2009	(a) 1 Month for FSCS management expenses levy limit 2009/10 and application/vetting/ transaction fees	(a) March 2009
				(b) 2 months for FSA periodic fees 2009/10 and FOS general levy tariff rates 2009/10	(b) May 2009

Prudential standards

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
UK discussion paper on the Commission's review of the financial regulatory framework for commodity and exotic derivatives – FS to joint DP with HMT		N/A	TBC	N/A	N/A
Review of the Prudential rules for personal investment firms - CP (2 star)	Personal investment firms	IPRU(INV)	November 2008	4 months	Q2 2009
Liquidity Risk - CP (3 star)	Banks, building societies and investment firms	IPRU(BANK)	November 2008	3 months	TBC
2008 Resilience Benchmarking project – FS to Tripartite DP	Various	N/A	December 2008	N/A	N/A
IRR - Regulatory reporting by insurance companies - DP		N/A	December 2008	3 months	Q1 2009
Structured Finance - CP (3 star)	Wholesale and Retail Banks and Investment firms	N/A	Q1 2009	3 months	Under review
Insurance Risk Management – the path to Solvency II – FS to DP08/6	All insurance firms' Boards, CEOs, CFOs, CROs, capital modellers	N/A	Q1 2009	N/A	N/A

Review of Accounting and Prudential requirements - CP (2 star)	All Authorised firms	GENPRU/ MIPRU/ UPRU	Q2 2009	3 months	Q4 2009
Prudential approach to banking and investment groups that include an insurance company (a.k.a Bancassurance CP) – CP (2 star)	Wholesale and Retail Banks and Investment firms	BIPRU	TBC	TBC	TBC

Business standards

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
A Review of Retail Distribution - Full FS to DP07/1		N/A	November 2008	N/A	N/A
Stress & Scenario testing – CP (2 star)			November 2008	3 months	Q1 2009
Implementation of the dormant Bank & Building Society Accounts Act: Regulating reclaim funds that manage dormant accounts - CP (2 star)	Banks and building societies, industry bodies, consumer groups	Various	November 2008	3 months	Q2 2009
Consumer Responsibility - DP	Retail provider and distributor firms, industry bodies, consumer groups	N/A	November 2008	3 months	Q2 2009
A Review of Retail Distribution – Full FS to DP07/1		N/A	November 2008	N/A	N/A
With-profits funds: compensation and redress – PS to CP08/11 and made text	Life assurers, industry groups, consumers	COBS	December 2008	N/A	N/A
Funds of alternative investment funds - PS to CP08/4 and made text (including made text for CP07/6)		COLL	December 2008	N/A	N/A
Transparency in the Commercial General Insurance Market - FS to DP08/2		N/A	Q4 2008	N/A	N/A
Trading of MTF shares: - Joint CP with HMT (including FS to DP07/3)	RIEs, MTFs, investment firms, issuers only admitted to trading on an MTF, private investors in MTF shares	TBC	Q4 2008	3 months	TBC
CRD enhancements package – CP (3 star)		Various	Q1 2009	3 months	TBC
Implementation of the Payment Services Directive - changes to FSA Handbook - PS to CP08/14	Payment Service Providers/ Credit Institutions and consumer groups	DEPP, DISP	Q1 2009	N/A	N/A
Changes to our Handbook to implement the Retail Distribution Review (RDR) - CP (3 star)	Retail investment firms, retail banks, insurance companies and consumers	COBS	June 2009	TBC	TBC

Regulatory processes

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
Reviewing the FSMA change in control regime (including the implementation of the Acquisitions Directive) – CP – joint consultation with HMT	Persons that propose to acquire a regulated firm, all regulated firms, industry bodies, consumer groups	SUP, REC	September 2008	3 months	Q1 2009
Decision Procedure and Penalties manual and Enforcement Guide Review 2008– PS to CP08/10 and made text		DEPP/EG/RCB	December 2008	N/A	N/A
Close Links - PS to CP07/21 and made text		SUP, COND & CRED	Q1 2009	N/A	N/A

Redress

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
Review of Financial Services Compensation Scheme limits – CP (3 star)	Authorised firms, industry bodies, consumer groups	COMP	October 2008	3 months	May 2009
FSCS funding – tariff changes – PS to CP08/8 and made text		FEES	November 2008	N/A	N/A
Banking & Reform – CP (3 star)	Authorised firms, industry bodies, consumer groups	SUP and others	December 2008	3 months	Q2 2009
Compensation Reform – CP (3 star)	Authorised firms, industry bodies, consumer groups	COMP and others	January 2009	3 months	
Better Regulation: review of the regulatory reporting of Product Sales Data – CP (3 star)		TBC	Q2 2009	TBC	TBC

Specialist sourcebooks

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
Credit unions sourcebook amendments		CRED	Q4 2008	3 months	Q2 2009

Listing, Prospectus, and Disclosure

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
Disclosure of Contracts for Difference - CP (3 star) – including PS on CP07/20		DTR	September 2008	3 months	Q1/Q2 2009
Listing regime amendments - CP (2 star) and FS to DP08/1	All Listed companies and their advisers and investors	LR, DTR	October 2008	3 months	TBC
The Sponsor regime: A targeted review - PS to CP08/5 and made text		LR	December 2008	N/A	N/A

Regulatory Guides

We are consulting on changes to the Enforcement Guide as part of the 2008 DEPP and EG review CP.

Other²

Future publications	Intended audience ¹	Module [^]	Expected date	Consultation Period	Expected Date of Feedback
PS (in HN) to Quarterly CP08/7		Various	September 2008	N/A	N/A
Quarterly Consultation – CP (1 star)	Various	Various	October 2008	2 months	January 2009
Quarterly Consultation - CP (1 star)	Various	Various	January 2009	2 months	March 2009

[^] A list of abbreviations of the Handbook modules is included at the end of the newsletter.

¹ The Intended audience is only shown for forthcoming Consultation Papers and Discussion Papers. For Consultation Papers and Discussion Papers which have already been issued, readers should refer back to the relevant Consultation or Discussion Paper.

² This section includes proposals which may affect several modules of the Handbook or where the location of the proposed text is not yet decided.

Moneymadeclear

The following guides have been updated and are available to order at www.moneymadeclear.fsa.gov.uk/publications -

- Mortgages - August 2008
- Making a complaint - August 2008
- Pensions - August 2008
- Income withdrawal - August 2008
- Basic bank accounts - August 2008

Moneymadeclear – No selling. No jargon. Just the facts.

Industry Training update

Details of all forthcoming Industry events are on our website.

These include:

- Workshops
- E-learning
- Conferences

Details of these events can be found at <http://www.fsa.gov.uk/Pages/Doing/Events/index.shtml>

Abbreviations (in alphabetical order)

APER	Statements of Principle and Code of Practice for Approved Persons	ICOBS	Insurance: New Conduct of Business sourcebook
BIPRU	Prudential sourcebook for Banks, Building Societies and Investment Firms	INSPRU	Prudential sourcebook for Insurers
BSOG	Building Societies Regulatory Guide	IPRU(BANK)	Interim Prudential sourcebook for Banks
CASS	Client Assets sourcebook	IPRU(BSOC)	Interim Prudential sourcebook for Building Societies
COAF	Complaints against the FSA sourcebook	IPRU(FSOC)	Interim Prudential sourcebook for Friendly Societies
COB	Conduct of Business sourcebook	IPRU (INS)	Interim Prudential sourcebook for Insurers
COBS	(New) Conduct of Business sourcebook	IPRU (INV)	Interim Prudential sourcebook for Investment Businesses
COLL	New Collective Investment Scheme sourcebook	LR	Listing Rules
COLLG	Collective Investment Scheme Information Guide	MAR	Market Conduct sourcebook
COMP	Compensation sourcebook	MCOB	Mortgages and Home Finance: Conduct of Business sourcebook
COND	Threshold Conditions	MiFID	Markets In Financial Instruments Directive
CP	Consultation Paper	MIGI	Small Mortgage and Insurance Intermediaries – Handbook Guide (Part I – General)
CPS	Consolidated Policy Statement	MIPRU	Prudential sourcebook for Mortgage Firms and Insurance Intermediaries
CRED	Credit Unions sourcebook	MOGI	Small Mortgage and Insurance Intermediaries – Handbook Guide (Part II – Mortgage Intermediaries (additional rules))
DEPP	Decision Procedure and Penalties manual	OMPS	Oil Market Participants – Handbook guide
DISP	Dispute Resolution: Complaints sourcebook	PERG	Perimeter Guidance manual
DP	Discussion Paper	PR	Prospectus Rules
DTR	Disclosure Rules and Transparency Rules	PRIN	Principles for Businesses
ECO	E-Commerce Directive sourcebook	PROF	Professional Firms sourcebook
EG	Enforcement Guide	PRU	Integrated Prudential sourcebook
ELM	Electronic Money sourcebook	PS	Policy Statement
EMPS	Energy Market Participants – Handbook guide	RCB	Regulated Covered Bonds
FEES	Fees manual	REC	Recognised Investment Exchanges and Recognised Clearing Houses sourcebook
FIT	Fit and Proper test for Approved Persons	RPPD	Responsibilities of Providers and Distributors for the Fair Treatment of Customers
FS	Feedback Statement	SERV	Service companies – Handbook guide
GEN	General Provisions	SIFA	Small IFAs – Handbook guide
GENPRU	General Prudential sourcebook	SUP	Supervision manual
GIGI	Small Mortgage and Insurance Intermediaries Handbook Guide (Part III – Insurance Intermediaries (additional rules))	SYSC	Senior Management Arrangements, Systems and Controls
HDN	Handbook Development Newsletter	TC	Training and Competence sourcebook
HN	Handbook Notice	UNFCOG	Unfair Contract Terms Regulatory Guide
ICOB	Insurance: Conduct of Business sourcebook	UPRU	Prudential sourcebook for UCITS Firms